

#EUtrade

# TRADE POLICY REVIEW

An Open, Sustainable and Assertive Trade Policy

# Trade Policy Review 2020/21

- In June 2020, the Commission launched a major review of the EU's trade and investment policy.
- New strategic orientation of EU trade policy in the medium term.
- This included a five-month public consultation, which received over 400 responses.
- Key expectations from the Trade Policy Review as a tool to:
  - Support economic recovery, sustainable growth and jobs.
  - Help achieve EU geopolitical interests.
  - Foster sustainability and fight climate change globally



# The Economic Rationale

- Openness is critical for the EU's prosperity
- Trade can create the conditions for economic recovery and jobs growth post-COVID.



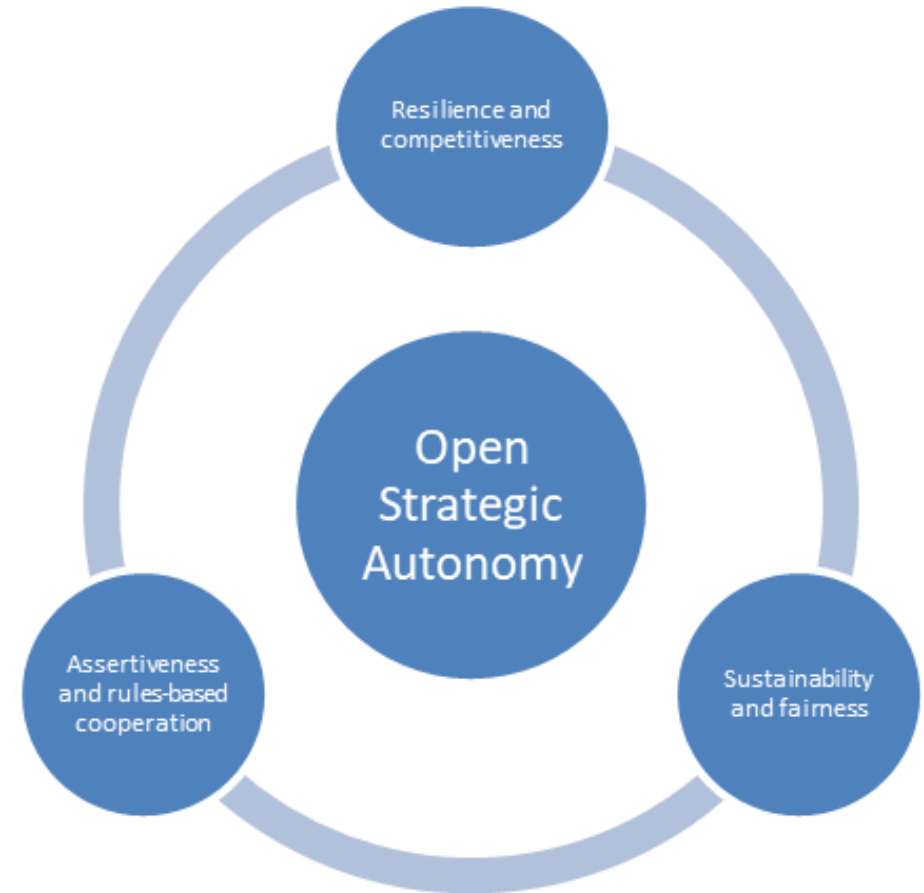
# The Geopolitical Rationale

- Much has changed since *Trade for All* in 2015:
  - US-China tensions
  - resurgent unilateralism;
  - crisis of multilateralism
- Trade policy enables us to lead global change and forge alliances



# Open Strategic Autonomy

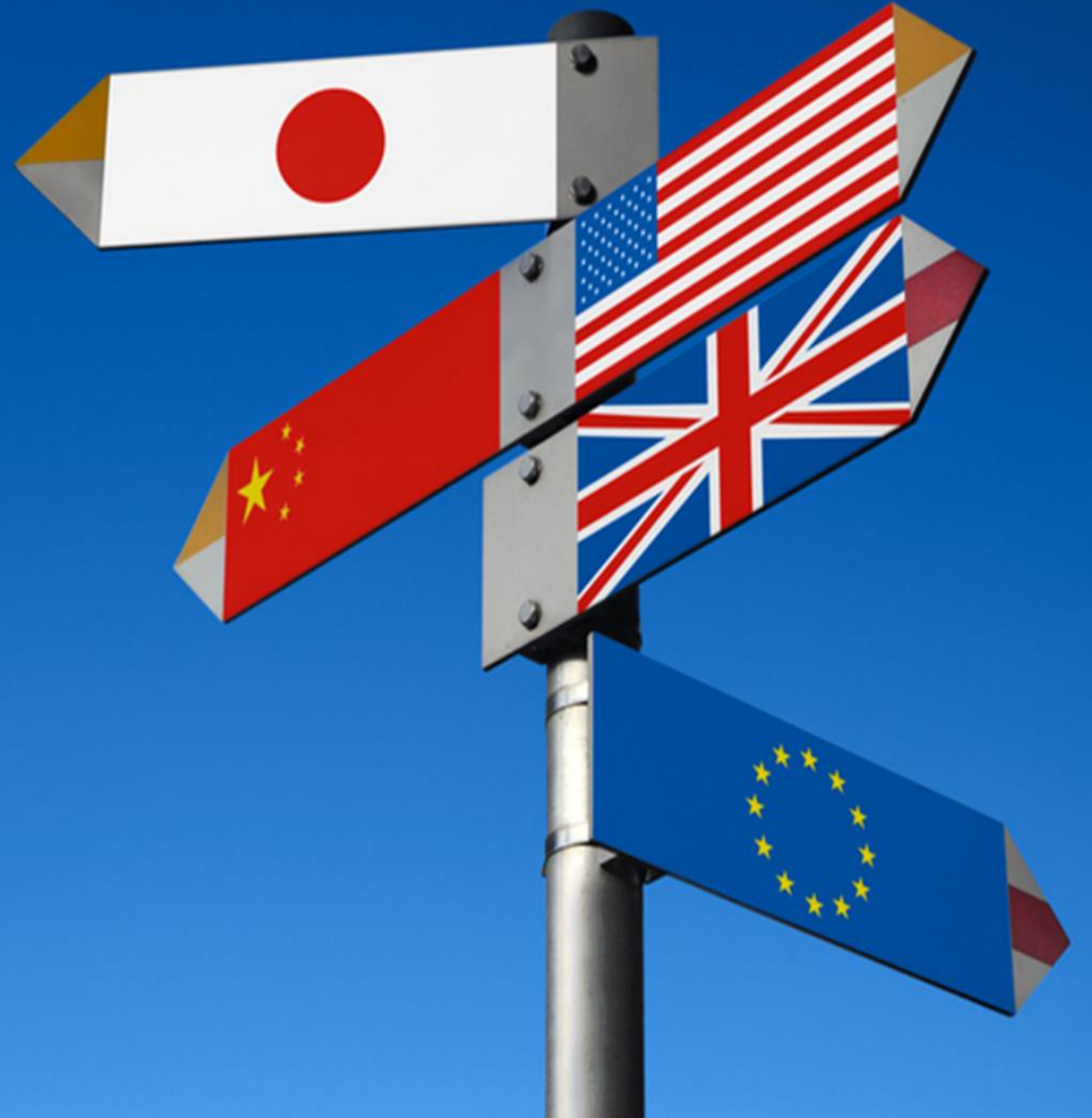
- Both a model *and* a mindset.
- Defined as maximising the EU's ability to make its own choices and shape the world around it through leadership and engagement, reflecting its strategic interests and values.
- Strength through openness.
- Committed to rules-based multilateralism.
- Act multilaterally where we can, but assertively where we must.



**Openness** as a strategic choice.

**Sustainability** as a central pillar.

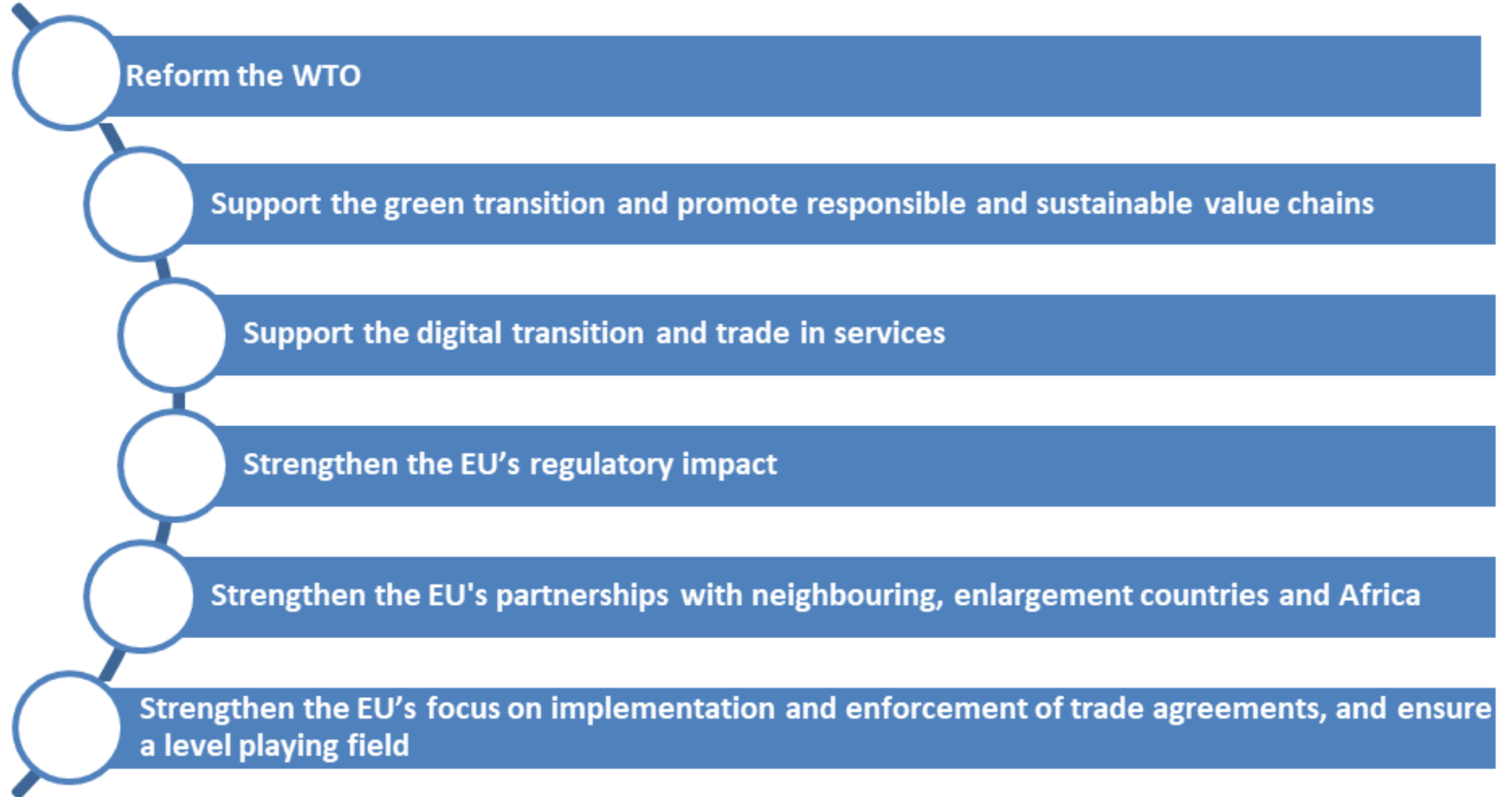
**Assertive** throughout.



# Three objectives of EU trade policy

- ➔ 1. Supporting the recovery and fundamental transformation of the EU economy in a way that is consistent with our **green** and **digital** ambitions.
- ➔ 2. Shaping global rules for a more sustainable and fair globalisation.
- ➔ 3. Increasing our capacity to pursue our interests and enforce our rights, autonomously if necessary.

# Six critical areas in the medium term





# Reforming the World Trade Organization



- Reforming the World Trade Organization will be the first priority of European trade policy in the coming years.
- Modernising rules and improving functionality.
- Our ambitions for the WTO:
  - Work to restore fully functioning dispute settlement system and Appellate Body.
  - Seek adoption of initial WTO reforms focused on sustainability.
  - Promote the development of new rules on digital trade and on subsidies.





# The Greenest Trade Policy ever

- Bring forward climate and sustainability WTO initiatives.
- G20 cooperation on climate neutrality.
- FTAs as platforms for cooperation on climate, biodiversity, circular economy, pollution, sustainable food systems
- Paris Agreement essential to FTAs.
- WTO-compliant Carbon Border Adjustment Mechanism (CBAM).
- Comprehensive TSD review.
- Mandatory due diligence, incl. forced labour & deforestation legislation



# Digital Transition & Services

- ➔ Set rules for digital trade through the WTO.
- ➔ Liberalise trade in services on a plurilateral basis where necessary.



- ➔ Foster regulatory cooperation with like-minded partners on trade-related digital issues.
- ➔ Open but assertive approach to cross-border data flows.

# Strengthening the EU's regulatory impact

- Adoption of our high standards has derived competitive advantage for business.
- Develop a more strategic approach to international regulatory cooperation – green and digital.
- Adopt a more proactive stance when designing new regulations; better integration of external and internal dimensions.
- Cooperate with the US to forge global standards based on our democratic values (EU-US Trade and Tech Council)



## Africa & The Neighbourhood

- Proximity matters.
- Deepen trade relations with neighbours, incl. Western Balkans.
- Reinforce partnership with Africa.
- Sustainable investment agreements.
- Regulatory partnerships.





# Implementation & Enforcement

- Work of the Chief Trade Enforcement Officer.
- Develop new online-tools for SMEs
- Propose legal instrument to protect EU from coercive actions by third countries.
- Propose legal instrument to address distortive foreign subsidies.
- Advance the International Procurement Instrument with urgency.
- Explore options for EU strategy on export credits.

# Global Alliances

- Cooperate with the US to lead efforts on WTO reform.
- Build alliances to pursue our interest and project our values
- Consolidate our FTA network - conclude and ratify outstanding bilateral agreements



# Thank you