

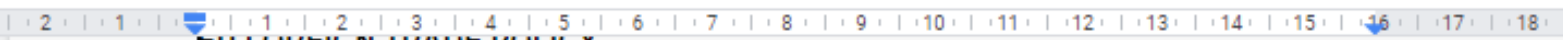
A decorative L-shaped frame made of thick, dark brown lines. The top-left corner is open, and the bottom-right corner is open. The frame surrounds the central text.

EU TRADE POLICY

*Federica Cristani, PhD
Jean Monnet Module on EU Foreign Policy*

Let's build up our *list of most liked* 😊

- <https://docs.google.com/document/d/1xjr14DVeYCx6oGT4FZSTVVoZjJ9hrQNxKLAG-WCKUZc/edit>



EU FOREIGN TRADE POLICY



- EU FOREIGN TRADE POLICY

Useful links and documents

Please feel free to add links related to EU foreign trade policy (trade-related governmental websites, articles from online newspapers, blogs, trade-related videos) to share with your colleagues. do not forget to add your name, so we all know who added the link :)

If you also want to add a short note/comment about it (why do you find it interesting, whether you agree or not or which questions it raises), you are more than welcome :)

At the end of the class, you will have a useful take-away table of EU trade-related links :)

Thank you very much in advance for any input!

Federica

Link	Notes (optional)	Your name
https://www.reuters.com/article/us-italy-m-a-government/italy-to-defend-strategic-companies-from-foreign-takeovers-idUSKBN21512L	Italy is <u>introducing golden power mechanism</u> : what about compliance with EU law?	Federica <u>Cristani</u>
https://unctad.org/en/pages/newsdetails.aspx?OriginalV	UNCTAD's estimates on FDI inflows	Federica <u>Cristani</u>

What is this module about...

- Which are the main features of the EU foreign trade and investment policy?
- Which is the role of the EU institutions in negotiating trade and investment agreements with third countries?
- What is the role of the EU Court of Justice in the EU trade and investment-related matters?
- Which consequences the current global health crisis is/will have on the EU trade policy?



LECTURES N. 1-2

**THE MAIN FEATURES OF
THE EU FOREIGN TRADE
POLICY**



KEY WORDS

- Bretton Woods Conference
- Directorate-General for Trade
- Regional integration
- EU internal market
- Common commercial policy
- World Trade Organization
- UN Sustainable Development Goals

POLICIES OF THE EU (1)

- Areas of EU action
- The European Union can only act in those areas where its founding treaties authorise it to do so
- THREE MAIN PRINCIPLES determine how and in what areas the EU may act:
 - **conferral** – the EU has only that authority conferred upon it by the EU treaties, which have been ratified by all member countries
 - **proportionality** – the EU action cannot exceed what is necessary to achieve the objectives of the treaties
 - **subsidiarity** – in areas where either the EU or national governments can act, the EU may intervene only if it can act more effectively

- **Only EU can legislate**
- In these areas, the EU has **exclusive competences**:
 - customs union
 - competition rules for the single market
 - monetary policy for the eurozone countries
 - trade and international agreements (under certain circumstances)
 - marine plants and animals regulated by the common fisheries policy
- The role of member countries is limited to applying the law, unless the EU authorises them to adopt certain laws themselves.

■ In these areas, the EU and its member states have **shared competences**:

- single market
- employment and social affairs
- economic, social and territorial cohesion
- agriculture
- fisheries
- environment
- consumer protection
- transport
- trans-European networks
- energy
- security and justice
- public health
- research and space
- development cooperation and humanitarian aid

TRADE POLICY

- The EU has exclusive competence over international trade matters. This covers trade in goods, trade in services, commercial aspects of intellectual property and foreign direct investment (FDI).
- The **Directorate-General for Trade in the European Commission** develops and puts into practice EU trade and investment policy along with the EU's Trade Commissioner

- Trade
- Policy
- Import and export rules
- Trade policy and you**
- In focus:
 - Exporters' Stories
- Consultations
- Dialogues
 - Objectives
 - Meetings
 - Organisations
 - Guidance
 - Statistics
- Expert groups
- Events
- Publications

People

Director General
Sabine Weyand

[Printable version](#)

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EU TRADE POLICY

- Two dimensions:
 - *Internal market: among 27 member states (regional economic integration)*
 - *Common commercial policy: with non-EU third countries*

Regional economic integration: what is about?

Agreements among countries in certain region to reduce and or remove tariff and nontariff barriers to the flow of goods, services, and factors of production between each other.

Three ways to approach integration:

1- Global through WTO

2- Bilateral

3- Regional

Forms of Regional Economic Integration (1)

Free Trade Area

Customs Union

Common Market

Economic Union

Political Union

Forms of Regional Economic Integration (2)

Free Trade Area

Remove barriers to trade among members, but each country has own policies for nonmembers

Customs Union

Remove barriers to trade among members, and set a common trade policy against nonmembers

Common Market

Remove barriers to trade, labor, and capital among members, and set a common trade policy against nonmembers

Economic Union

Remove barriers to trade, labor, and capital, set a common trade policy against nonmembers, and coordinate members' economic policies

Political Union

Coordinate aspects of members' economic and political systems

Benefits of Integration

- ↑ Trade creation
- ↑ Greater consensus
- ↑ Political cooperation
- ↑ Creates jobs



Drawbacks of Integration



↓ Less sovereignty

Article 3 TFEU

[...]

3. *The Union shall establish an internal market. It shall work for the sustainable development of Europe based on balanced economic growth and price stability, a highly competitive social market economy, aiming at full employment and social progress, and a high level of protection and improvement of the quality of the environment. It shall promote scientific and technological advance.*

[...]

It shall promote economic, social and territorial cohesion, and solidarity among Member States.

[...]

4. *The Union shall establish an economic and monetary union whose currency is the euro.*

5. *[...] the Union shall contribute to [...] free and fair trade [...].*

EU Internal Market

THE 4 FREEDOMS OF THE UNION



- FREE MOVEMENT OF PERSONS
- FREE MOVEMENT OF GOODS
- FREE MOVEMENT OF SERVICES
- FREE MOVEMENT OF CAPITAL

NON-DISCRIMINATION

- NON-DISCRIMINATION
ON GROUNDS OF
NATIONALITY



Why the euro?

- No fluctuation risk and foreign exchange cost
- More choice and stable prices for consumers
- Closer economic cooperation between EU countries

Can be used everywhere in the euro area

- Coins: one side with national symbols, one side common
- Notes: no national side



■ EU countries using the euro
■ EU countries not using the euro



The Single Market and the Common Commercial Policy (1)

The EU COMMON SINGLE MARKET consists of

- a customs union,
 - a common trade policy,
 - the single currency,
 - a common agricultural policy, and
 - a common fisheries policy.
-
- The **customs union** is a free trade area with a common external tariff.
 - The creation of a customs union in the European Economic Community in 1968 was implemented internally through the abolition of customs duties, quantitative restrictions and measures having equivalent effect between Member States and, on the external front, through the introduction of a common customs tariff and a common commercial policy.

The Single Market and the Common Commercial Policy (2)

- The external trade policy of the EU is referred to as the **Common Commercial Policy (CCP)** (or **trade policy** or **international trade policy**): policy governing trade with third countries.
- The Treaty of Lisbon integrates the CCP within the EU external policies.
- After the entry into force of the Lisbon Treaty the CCP covers:
 - *trade in goods and services;*
 - *commercial aspects of intellectual property; and*
 - *foreign direct investment.*
- *EU Commission: gives direction of the policy*
- *European Parliament + Council: adopt EU trade legislation*

EU common commercial policy

Article 206 TFEU

“By establishing a customs union [...] the Union shall contribute, in the common interest, to the harmonious development of world trade, the **progressive abolition of restrictions on international trade and on foreign direct investment**, and the lowering of customs and other barriers.”

Article 207 TFEU

1. The **common commercial policy** shall be based on uniform principles, particularly with regard to changes in tariff rates, the conclusion of tariff and trade agreements relating to trade in goods and services, and the commercial aspects of intellectual property, foreign direct investment, the achievement of uniformity in measures of liberalisation, export policy and measures to protect trade such as those to be taken in the event of dumping or subsidies. **The common commercial policy shall be conducted in the context of the principles and objectives of the Union's external action.**

[...]

The Treaty of Lisbon makes the CCP part of the EU's foreign policy.

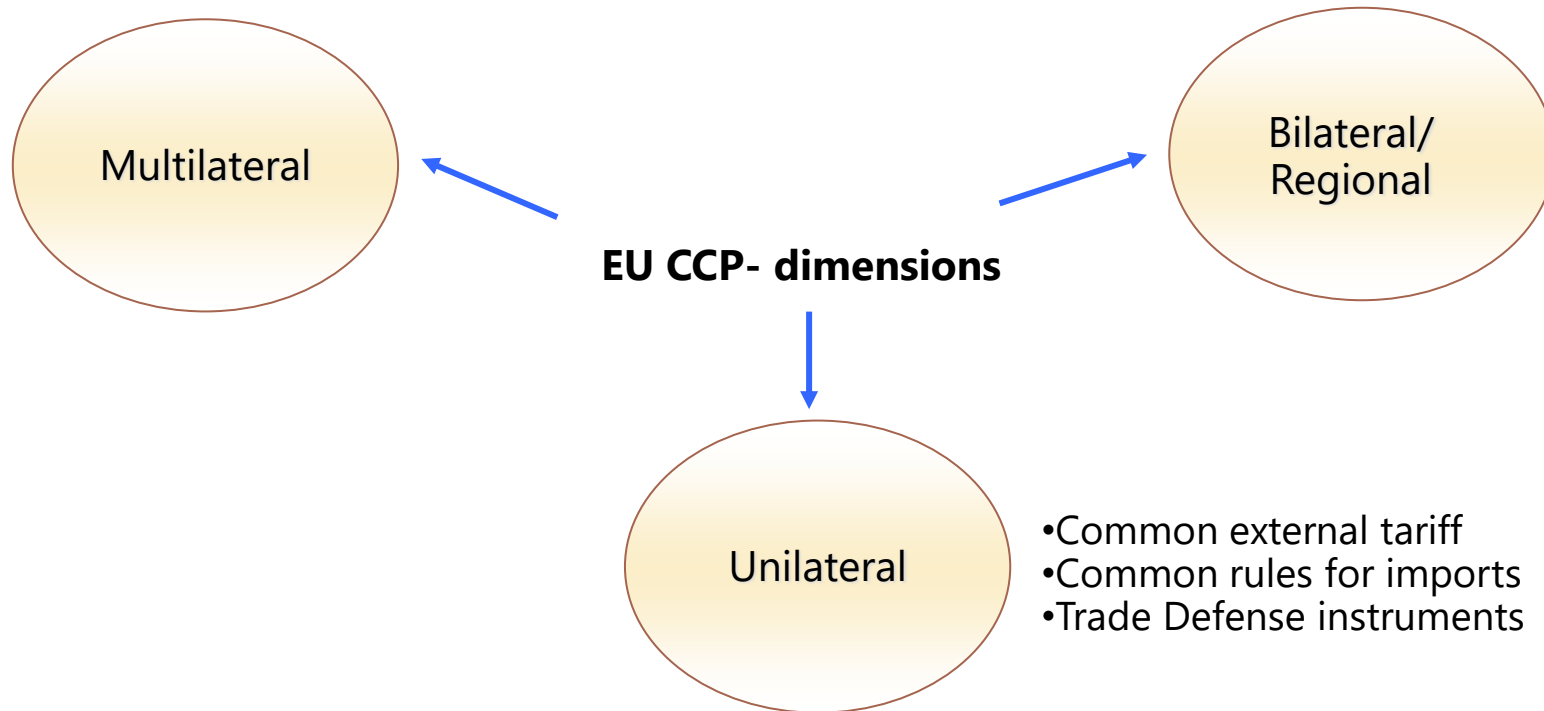
Article 207 TFEU

*[...] 2. The **European Parliament and the Council**, acting by means of regulations in accordance with the ordinary legislative procedure, shall adopt the measures defining the framework for implementing the common commercial policy.*

*3. Where **agreements with one or more third countries or international organisations** need to be negotiated and concluded [...t]he **Commission** shall make recommendations to the Council, which shall authorise it to open the necessary negotiations. The Council and the Commission shall be responsible for ensuring that the agreements negotiated are compatible with internal Union policies and rules. The Commission shall conduct these negotiations in consultation with a special committee appointed by the Council to assist the Commission in this task and within the framework of such directives as the Council may issue to it. The Commission shall report regularly to the special committee and to the European Parliament on the progress of negotiations. [...]*

Main features of the CCP

- External trade policy is an **exclusive European competence**
 - *MS are precluded to conclude individual trade policies*
 - *EU institutions competent to adopt EU trade legislation and enter into bilateral or multilateral trade agreements*



Areas of EU trade policy

Global trade

EU trade policy makes sure that Europe's trade adapts to a fast-changing world. EU also works with the World Trade Organization to keep the global economy open and based on fair rules.

Opening foreign markets

The EU opens markets by making trade deals with partner countries or regions.

Trade disputes and defence

The EU ensures that mechanisms of settlement of trade disputes are provided and that EU exporters are protected against unfair trade

Morals, values, ethics

The EU includes rules about the environment, labour rights, and sustainable development in its trade deals.

GLOBAL TRADE

EU position in world trade
EU and WTO

Opening foreign
markets

Trade disputes and defence

Morals, values, ethics

EU position in the world trade (1)

The EU has achieved a strong position by acting together with one voice on the global stage, rather than with separate trade strategies.

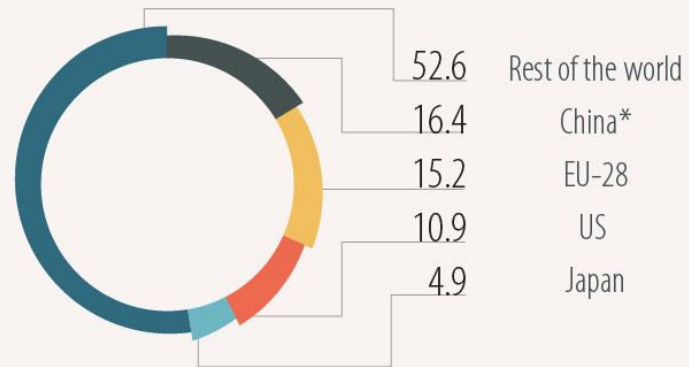
Europe has become deeply integrated into global markets.

Europe is the world's largest exporter of manufactured goods and services, and is itself the biggest export market for around 80 countries.

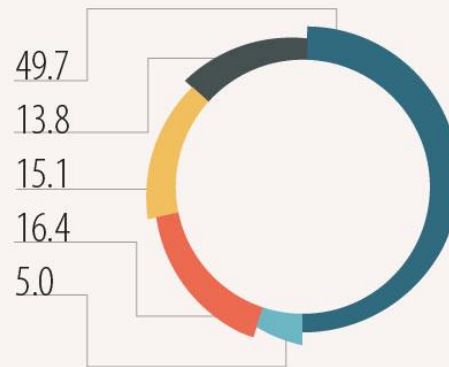
- The EU is the largest economy in the world.
- The EU is the world's largest trading block. The EU is the world's largest trader of manufactured goods and services.
- The EU ranks first in both inbound and outbound international investments
- The EU is the top trading partner for 80 countries. By comparison the US is the top trading partner for a little over 20 countries.

THE IMPORTANCE OF GLOBAL TRADE

Global exports
in goods in 2018 (%)



Global imports
in goods (%)

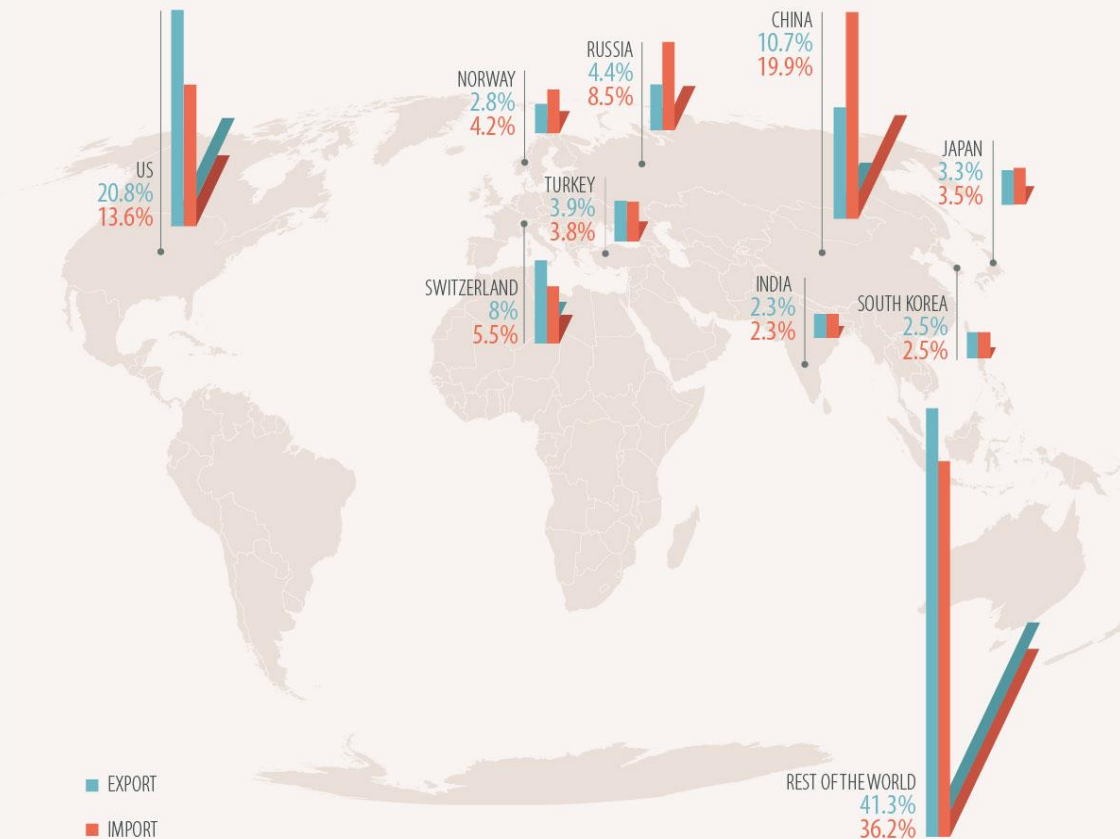


*excluding Hong Kong

In terms of exports of goods, the EU's largest partners from January to August 2019 were the US (€259.9 billion), China (€145.3 billion) and Switzerland (€105.6 billion).

During this period the EU imported most from China (€272.7 billion) followed by the US (€193.2 billion) and Russia (€105.0 billion).

EU IMPORT EXPORT OF GOODS



EU TRADE AGREEMENTS (AS OF 25 OCTOBER 2019)

PARTLY IN PLACE
48



IN PLACE
38



PENDING
25



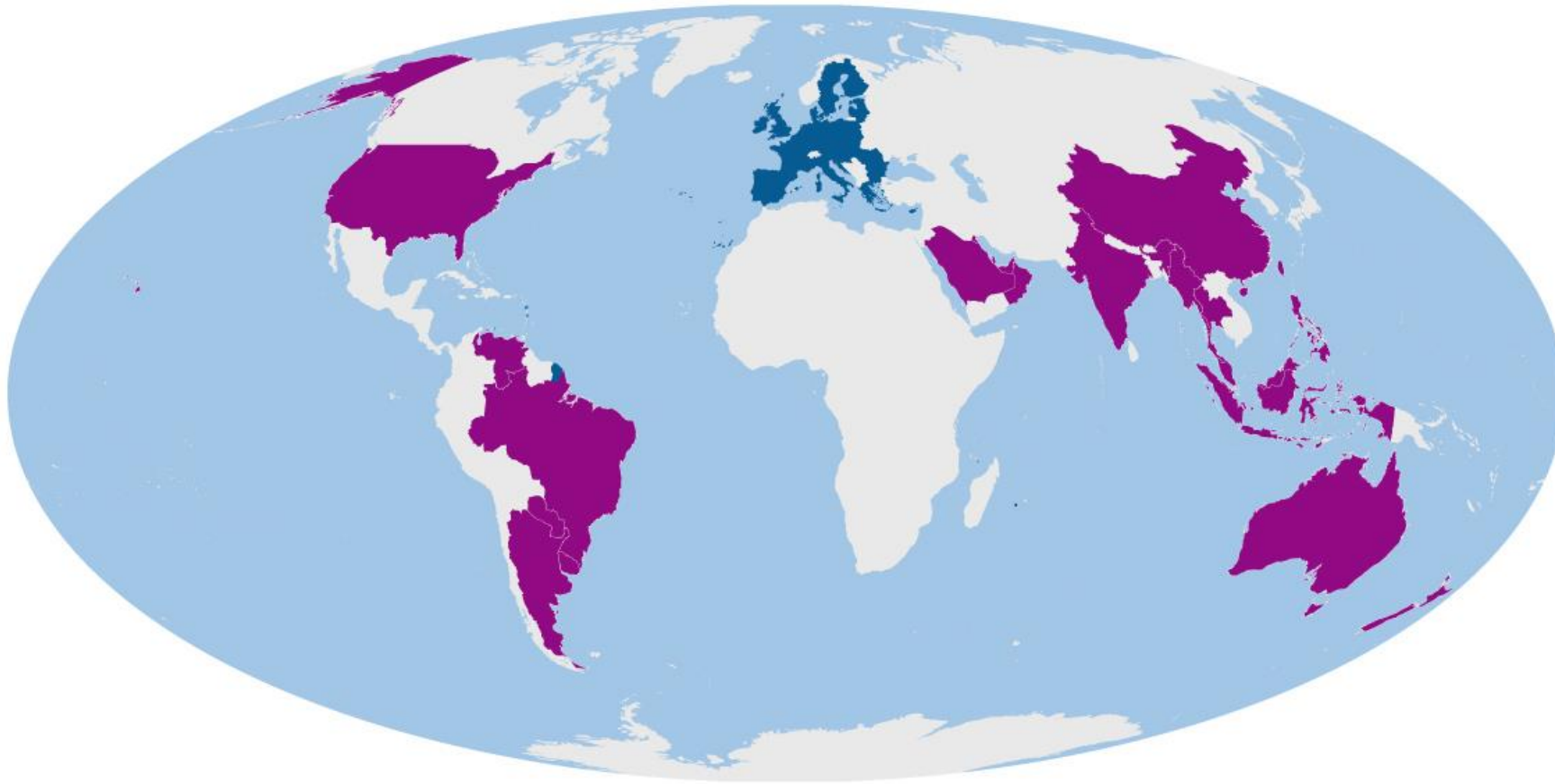
BEING NEGOTIATED
21



BEING UPDATED
5



The EU's trade agreements



Trade agreements being negotiated

Argentina
Australia
Bahrain
Brazil
China
India

Indonesia
Kuwait
Malaysia
Myanmar
New Zealand
Oman

Paraguay
Philippines
Qatar
Saudi Arabia
Thailand
United Arab Emirates

United States
Uruguay
Venezuela



Bretton Woods Institutions

International Monetary Fund



World Bank



ITO → GATT → WTO



https://youtu.be/dN2WrfDnY_4



GLOBAL
BUSINESS




cgtn.com/america



Follow us @cgtnamerica

EU AND IMF (1)

 An official website of the European Union [How do you know?](#) ▾



[European Commission](#) > [International Cooperation and Development](#) > [News](#) >
[European Commission and International Monetary Fund strengthen cooperation to support sustainable development](#)

International Cooperation and Development

[Home](#) [Our work](#) [Funding](#) [Our partners](#) [Our impact](#) [About us](#) [Newsroom](#)

European Commission and International Monetary Fund strengthen cooperation to support sustainable development

NEWS | 28 January 2020 | Brussels

European Commission President, Ursula **von der Leyen**, on behalf of the European Union, and International Monetary Fund's Managing Director Kristalina **Georgieva** concluded a new Financial Framework Partnership Agreement that will boost their cooperation to tackle key challenges including climate change, and help countries achieve the



EU AND IMF (2)

EU -IMF Framework Administrative Agreement for Capacity Development Cooperation

21/05/2015

- The European Commission and the International Monetary Fund have signed a Framework Administrative Agreement that allows the two organizations to cooperate in capacity development (then re-newed in 2017 and in January 2020)



EU and the World Bank

Learn how the World Bank Group is helping countries with COVID-19 (coronavirus).

[Find Out >](#)



[WHO WE ARE](#)

[WHAT WE DO](#)

[WHERE WE WORK](#)

[UNDERSTANDING POVERTY](#)

[WORK WITH US](#)

Where We Work / European Union



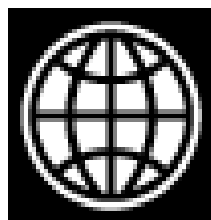
The World Bank in the European Union

The World Bank is a multidisciplinary institution that aspires to generate cross-cutting solutions to countries' most complex development challenges. In the European Union, we have a strong operational partnership with several EU Member States and with the European Commission.

[EUROPEAN UNION](#)

[OVERVIEW](#)

Overview



World Bank Group

International Bank
for Reconstruction
and Development



International
Development
Association



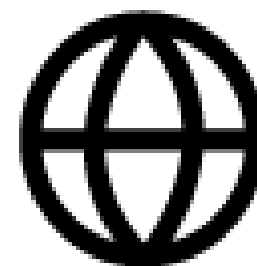
International
Finance
Corporation



Multilateral
Investment
Guarantee Agency



International Centre
for Settlement of
Investment Disputes



Global trade - EU and WTO

- The World Trade Organization (WTO) is the only international organization dealing with the global rules of trade.
- Both the European Union (EU) and the individual EU countries are members of the WTO.
- The WTO's main activities are:
 - *Being a forum for international trade negotiations*
 - *Resolving trade disputes*
 - *Setting legal rules for trade in the form of trade agreements*
 - *Monitoring members' trade policy through the Trade Policy Review Mechanism*

The WTO in brief

LOCATION: Geneva, Switzerland

ESTABLISHED: 1 January 1995

CREATED BY: Uruguay Round negotiations (1986-94)

MEMBERSHIP: 164 members representing 98% of world trade

FUNCTIONS:

Administering WTO trade agreements

Forum for trade negotiations

Handling trade disputes

Monitoring trade policies

Technical assistance and training for developing economies

Cooperation with other international organizations



<https://www.wto.org>

<https://www.youtube.com/watch?v=6CP0hDZSHLI>



WTO: historical development

Strong objections by US and UK to ITO at Bretton Woods

Conclusion of the General Agreement on Tariffs and Trade (GATT) in 1948

From 1948 to 1994, the GATT provided the rules for much of world trade and presided over periods that saw some of the highest growth rates in international commerce. It seemed well-established but throughout those 47 years, it was a provisional agreement and organization.

The WTO's creation on 1 January 1995 marked the biggest reform of international trade since the end of the Second World War. Whereas the GATT mainly dealt with trade in goods, the WTO and its agreements also cover trade in services and intellectual property. The birth of the WTO also created new procedures for the settlement of disputes.



Article II of the WTO Agreement (Scope of the WTO)

1. The WTO shall provide the common institutional framework for the conduct of trade relations among its Members in matters related to the agreements and associated legal instruments included in the Annexes to this Agreement.

2. The agreements and associated legal instruments included in Annexes 1, 2 and 3 (hereinafter referred to as "Multilateral Trade Agreements") are integral parts of this Agreement, binding on all Members. [...]

Article III of the WTO Agreement (Functions of the WTO)

[...] 2. The WTO shall provide the forum for negotiations among its Members concerning their multilateral trade relations in matters dealt with under the agreements in the Annexes to this Agreement. [...]

5. With a view to achieving greater coherence in global economic policy-making, the WTO shall cooperate, as appropriate, with the International Monetary Fund and with the International Bank for Reconstruction and Development and its affiliated agencies.

Article IV of the WTO Agreement (Structure of the WTO)

1. There shall be a **Ministerial Conference** composed of representatives of all the Members, which shall meet at least once every two years. The Ministerial Conference shall carry out the functions of the WTO and take actions necessary to this effect. [...]
2. There shall be a **General Council** composed of representatives of all the Members [...]
3. The General Council shall convene as appropriate to discharge the responsibilities of the Dispute Settlement Body provided for in the Dispute Settlement Understanding. [...]
4. The General Council shall convene as appropriate to discharge the responsibilities of the Trade Policy Review Body [...]
5. There shall be a **Council for Trade in Goods**, a **Council for Trade in Services** and a **Council for Trade-Related Aspects of Intellectual Property Rights** [...] which shall operate under the general guidance of the General Council. [...]

WTO Agreements

Goods

Services

**Intellectual
property**

Disputes

GATT

GATS

TRIPS

**Dispute
settlement**

Other goods
agreements and
annexes

Services
annexes

*Market access
commitments*

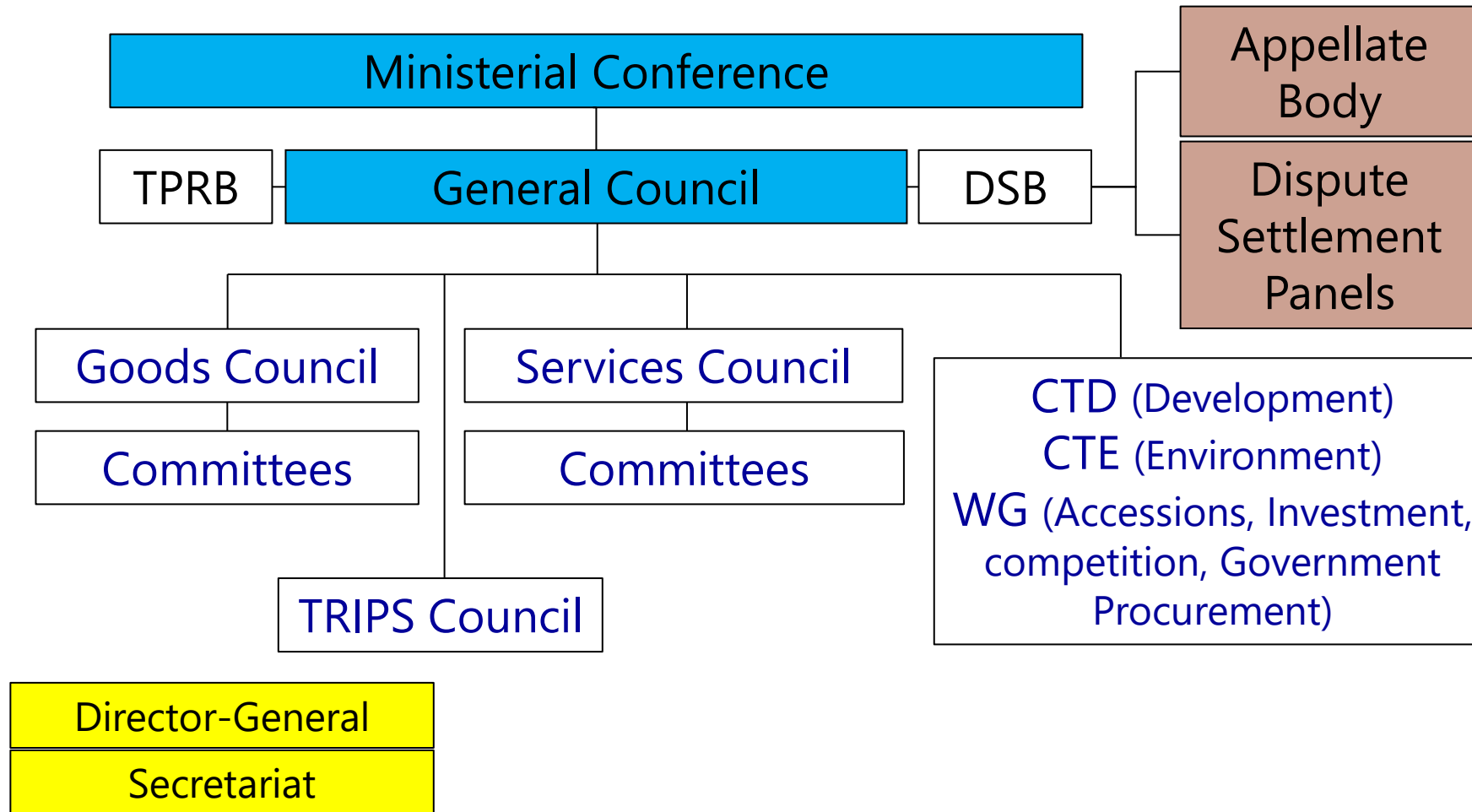
Countries'
schedules of
commitments

Countries'
schedules of
commitments

Organisational structure of the WTO (1)

- **Ministerial Conference**- Composition:-ministerial representatives.
- **General Council**- performs the functions of the Conference between meetings and has specific duties assigned to it by the WTO agreements. Composition:- governmental representatives.
- The General Council also meets as the **Dispute Settlement Body** and the **Trade Policy Review Body**.
- **Councils** for Trade in Goods (oversees GATT), Trade in Services (oversees GATS) and TRIPS which report to and assist the General Council.
- **Committees** on special subjects, Committees functioning under the Councils and Committees for the Plurilateral Agreements.

Organisational structure of the WTO (2)



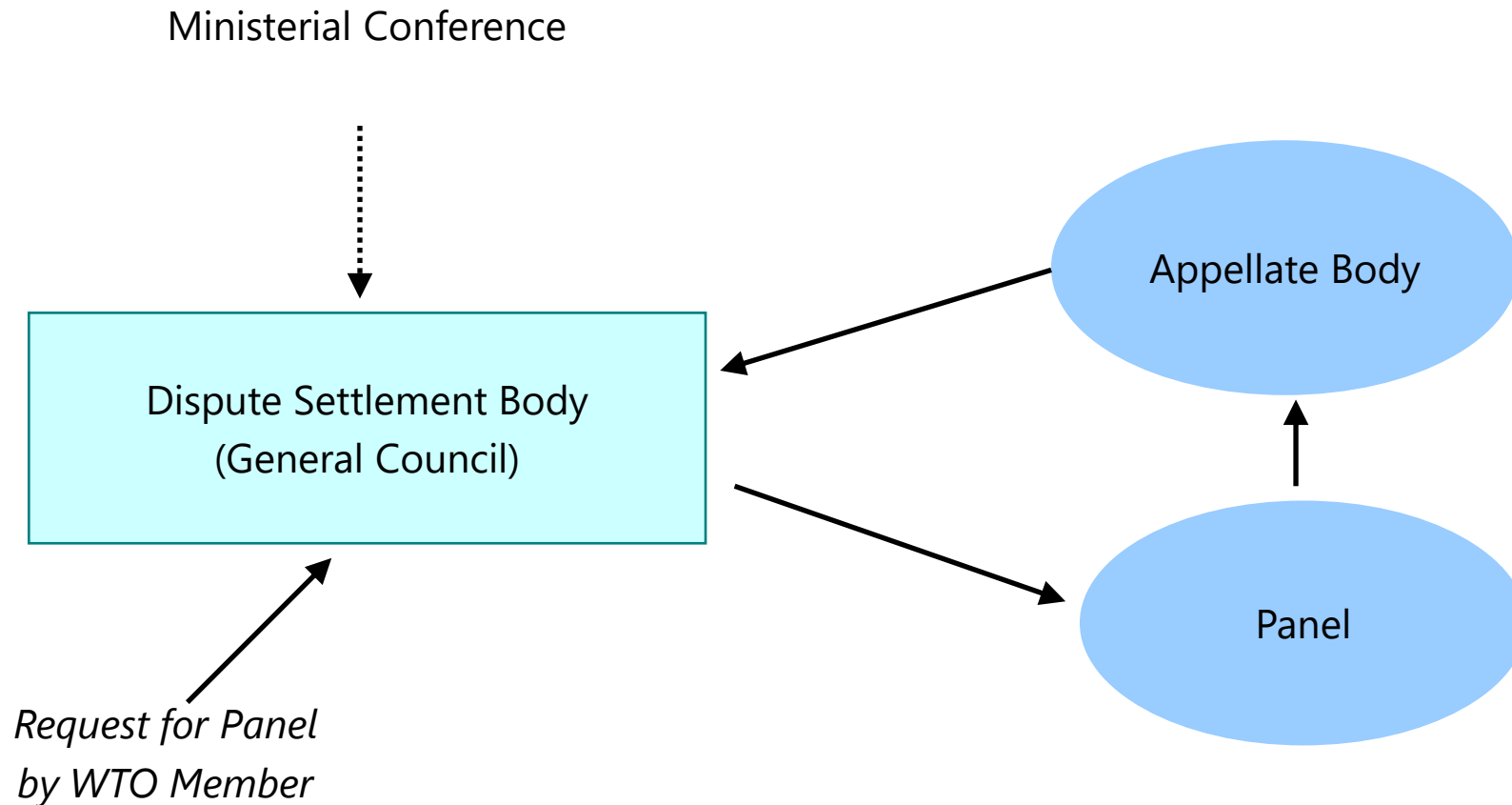
The WTO: main normative principles

- 1) Non-discrimination → national treatment (*after* entering in a country, imported and locally-produced goods (as well as services, trademarks, copyrights and patents) must be treated equally)
- 2) Abolition of quantitative restrictions
- 3) Transparency
- 4) Exceptions

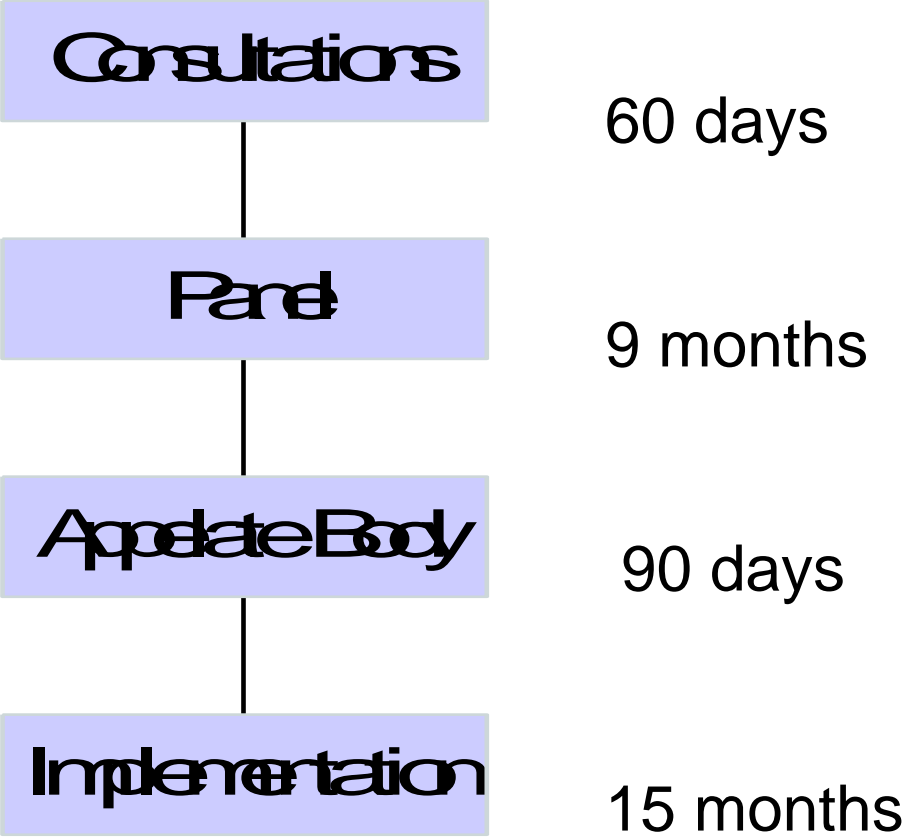
Dispute settlement in the WTO

- It is regulated by the DSU (Understanding on rules and procedures governing the settlement of disputes)
- DSB supervises its application
- **Compulsory** jurisdiction
- Members obliged to bring disputes under the Covered Agreements to WTO dispute settlement
- **Exclusive** jurisdiction
- No other fora

Dispute Settlement in the WTO: Relationship of players



Dispute Settlement in the WTO: Main Procedures



Implementation

- Member must bring the measures into conformity with its WTO obligations
- Member must inform DSB of its intentions in for implementation of the recommendations

- Surveillance by the DSB
 - *Status reports on implementation*

- Temporary measures
 - *compensation or*
 - *suspension of concessions (retaliation)*

EU and the WTO (1)

The WTO's highest decision-making body is the **Ministerial Conference**. The EU Trade Commissioner represents the EU in this forum.

The European Commission also represents the EU in

- the **General Council** of the WTO; and the
- **subsidiary WTO bodies**

The 27 member States of the EU are also WTO members in their own right. The European Commission speaks for all EU member States at almost all WTO meetings.

The **Commission** regularly informs the European Parliament's International Trade Committee (INTA) of WTO issues.

- When **an agreement is negotiated at the WTO**, the Commission needs the formal authorisation of the Council and European Parliament to then sign the agreement on behalf of the EU.
- The **Commission initiates and handles WTO complaints** with the Council support and may propose retaliatory measures to the Council.

Permanent Mission of the European Union to the World Trade Organization (WTO)

https://eeas.europa.eu/delegations/world-trade-organization-wto_en



EU and the WTO (2)

Dispute cases involving the European Union (formerly European Communities)

[back to top ▲](#)

Place your mouse over a dispute number in the table below to see the title of the dispute. Click on the dispute number to go to a page giving detailed information for that dispute.

	as complainant	as respondent	as third party
European Union (formerly EC) See this on a map	102 case(s): DS8 , DS15 , DS38 , DS39 , DS40 , DS42 , DS53 , DS54 , DS63 , DS66 , DS73 , DS75 , DS77 ,	85 case(s): DS7 , DS9 , DS12 , DS13 , DS14 , DS16 , DS17 , DS25 , DS26 , DS27 , DS48 , DS62 ,	198 case(s): DS2 , DS18 , DS21 , DS22 , DS32 , DS33 , DS44 , DS46 , DS50 , DS56 , DS58 , DS70 , DS76 , DS99 , DS103 , DS113 , DS122 , DS126 , DS132 , DS156 , DS162 , DS163 , DS175 , DS177 , DS178 , DS179 , DS184 , DS188 , DS192 , DS194 , DS202 ,

- https://www.wto.org/english/thewto_e/countries_e/european_communities_e.htm

Areas of EU trade policy

Global trade

OPENING FOREIGN MARKETS

Countries and regions
Accessing foreign markets

Trade disputes and defence

Morals, values, ethics

Opening foreign markets - Countries and regions (1)

The EU has specific trade policies in place for all its partners and abides by the global rules on international trade set out by the World Trade Organisation.



English

Home > Trade > Policy > Countries and regions

Trade

Policy

Policy making

Analysis

Sustainable development

Enforcement and protection

EU position in world trade

Statistics

EU and WTO

Doha Development Agenda

Countries and regions

Negotiations and agreements

Development

Statistics

Accessing markets

Goods and services

Countries and regions

The EU is firmly committed to the promotion of open and fair trade with all its trading partners.

The EU has specific trade policies in place for all its partners and abides by the global rules on international trade set out by the World Trade Organisation.

A-Z **Regions**

A B C D E F G H I J K L M N O P Q R S T U V W X Y Z

A

Albania, see [Western Balkans](#)

Algeria, see also [Euro-Mediterranean partnership](#)

Andean Community

Angola, see [Southern African Development Community](#) and [Africa_Caribbean_Pacific](#)

Antigua & Barbuda, see [Caribbean](#) and [Africa_Caribbean_Pacific](#)

Argentina, see also [Mercosur](#)

Armenia

Opening foreign markets - Countries and regions (2)

- Negotiations and agreements
- **Development:** The EU's aim is to use trade and development policies for the benefit of developing countries
 - *Economic partnerships*
 - *Generalised Scheme of Preferences (GSP)*

The screenshot shows the top navigation bar of the European Commission website. On the left is the European Commission logo. In the center, there is a language selector set to "English EN" and a search bar. Below the navigation bar is a blue header with the text "Home > Trade". The main content area features three prominent tiles:

- Trade negotiations & agreements:** Includes an image of a person signing a document. Text: "Up-to-date information on current trade talks, and trade agreements already in place".
- EU-Japan:** Includes an image of the EU and Japanese flags. Text: "Read all about the EU-Japan Economic Partnership Agreement".
- EU and WTO:** Includes an image of the EU flag and the WTO logo. Text: "The EU's role in the World Trade Organization a ideas for reform".

Below these tiles, there are three smaller image-based tiles: a magnifying glass over a circuit board, a gear with people icons, and a globe with the EU flag.

Opening foreign markets - Accessing foreign markets (1)

The [Market Access Database](#) helps EU businesses export worldwide by providing information on market access conditions.



European Commission

TRADE

Market Access Database

European Commission > Trade > Market Access database

Home

- What's new?
- FTA: Free Trade Agreement

Export from EU

- Tariffs and Rules of Origin
- Procedures and Formalities
- Statistics
- Trade Barriers
- SPS: Sanitary and Phytosanitary Issues
- Services for SME

Import into the EU

- EU Tariffs
- Other Resources

Exporting from the EU - what you need to know

The Market Access Database ([MADB](#)) gives information to companies exporting from the [EU](#) about import conditions in third country markets:

Brexit

The European Commission has included in its Market Access Database detailed information on rules adopted by UK authorities that would apply on UK imports from the EU in the event of a no-deal Brexit.



Opening foreign markets - Accessing foreign markets (2)

Fight against protectionism

The Market Access Strategy is part of the EU's efforts to create the best possible conditions for European firms to export around the world and to make sure international trade rules are enforced.

The **2018 eighth annual Trade and Investment Barriers Report (TIBR)**, analyses trade and investment barriers reported by businesses and Member States to the Commission through the Market Access Partnership.

The main findings of this report were that:

- protectionism is on the rise
- the EU's Market Access Strategy is tackling barriers



Opening foreign markets - Accessing foreign markets (3)

The EU main market access policies

- **Goods and services in the EU's export markets**
 - *The EU's market access strategy, removing of tariff barriers and non-tariff barriers such as technical barriers to trade and sanitary and phytosanitary measures.*
- **Public procurement**
 - *Public procurement rules in EU trade deals, revision of global trade rules*
- **EU intellectual property protection & enforcement in non-EU countries**
 - *Intellectual property rights in world trade, patents, access to medicines, enforcement, geographical indications (GIs).*
- **Rules on investment**
 - *The EU's investment policy, statistics, info on the new investment court system, EU membership of international investment groups.*
- **Defending the EU market against unfair trade**
 - *Includes trade defence against unfair subsidies and dumping.*
- **Taking action during international trade disputes**
 - *Bilateral dispute settlement rules, WTO-specific dispute settlement procedures, investment dispute rules.*

Global trade

EU trade policy makes sure that Europe's trade adapts to a fast-changing world.
EU also works with the World Trade Organization to keep the global economy open and based on fair rules.

Opening foreign markets

The EU opens markets by making trade deals with partner countries or regions.

Trade disputes and defence

The EU ensures that mechanisms of settlement of trade disputes are provided and that EU exporters are protected against unfair trade

Morals, values, ethics

The EU includes rules about the environment, labour rights, and sustainable development in its trade deals.

Trade disputes and defence

Protecting EU exporters against unfair trade

- The use of trade defence is based on World Trade Organization rules. The EU uses these instruments and applies a number of extra conditions to the WTO rules to make sure their use is measured.

EU Trade defence policy

■ Improved Trade Defence Instruments

- *The EU uses trade defence instruments to re-establish a competitive environment*

■ EU Trade defence policy

- *The European Commission monitors the application of trade defence instruments, follows up the enforcement of measures and negotiates future rules with international partners.*

■ Actions against imports into the EU

- *The European Commission is responsible for investigating allegations of dumping by exporting producers in non-EU countries*

■ Actions against exports from the EU

- *The EU monitors trade defence investigations in other countries around the world and guides EU producers affected by such investigation*

Global trade

EU trade policy makes sure that Europe's trade adapts to a fast-changing world.
EU also works with the World Trade Organization to keep the global economy open and based on fair rules.

Opening foreign markets

The EU opens markets by making trade deals with partner countries or regions.

Trade disputes and defence

The EU ensures that mechanisms of settlement of trade disputes are provided and that EU exporters are protected against unfair trade

Morals, values, ethics

The EU includes rules about the environment, labour rights, and sustainable development in its trade deals.

Morals, values, ethics

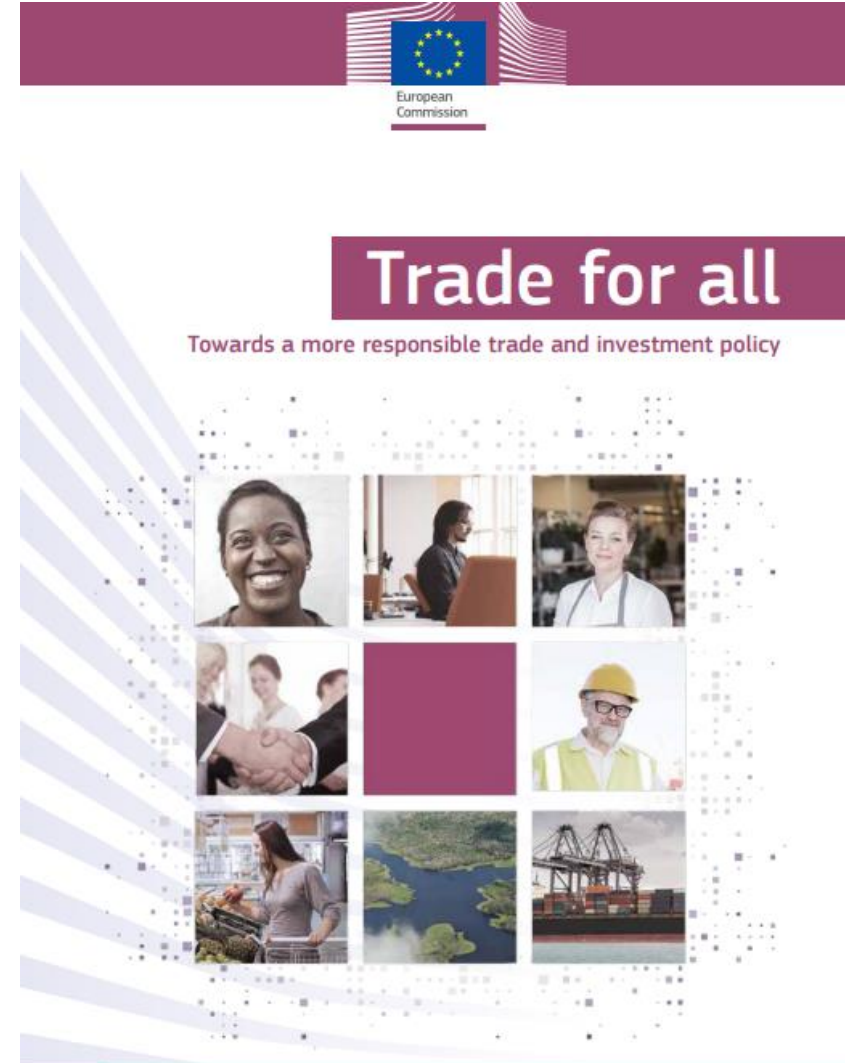
The 2015 Trade for All strategy sets out the EU's priorities for trade policy. It also includes approaches to make trade policy-making more effective, transparent, and ethical, as well as a trade agenda to promote sustainable development, human rights and good governance

Goals:

- Using trade and investment to support inclusive growth in developing countries;
- Promoting sustainable development;
- Promoting fair and ethical trade schemes;
- Promoting and defending human rights;
- Fighting against corruption and promoting good governance

Instruments

- Reinvigorating the multilateral trading system;
- Designing an open approach to bilateral and regional agreements



EU trade policy and sustainable development (1)

- Sustainable development means meeting the needs of the present whilst ensuring future generations can meet their own needs.
- It has **three pillars**: economic, environmental and social.
- World leaders agreed on Agenda 2030, a set of 17 Sustainable Development Goals and 169 targets proposed by the United Nations in 2015.



EU trade policy and sustainable development (2)



<https://www.youtube.com/watch?v=NMFnhyWBJ1g>



EU trade policy and sustainable development (3)

Modern EU trade agreements contain rules on trade and sustainable development. The EU and its trade partners must:

- follow international labour and environment standards and agreements
- effectively enforce their environmental and labour laws
- sustainably trade natural resources
- promote practices such as corporate social responsibility

EU trade policy and sustainable development (4)

The EU also uses its trade agreements to:

- promote sustainable public procurement
- remove barriers to trade and investment in renewable energy
- EU trade agreements with the following countries include rules on trade and sustainable development:

Canada	Georgia	South Korea
Central America	Moldova	Ukraine
Colombia, Peru, and Ecuador	Singapore	Vietnam

ASSOCIATION AGREEMENT between the European Union and its Member States, of the one part, and Ukraine, of the other part (2014)

Article 3

*The Parties recognise that the principles of a free market economy underpin their relationship. The rule of law, good governance, the fight against corruption, the fight against the different forms of trans-national organised crime and terrorism, **the promotion of sustainable development** and effective multilateralism are central to enhancing the relationship between the Parties.*

CHAPTER 13 Trade and sustainable development

Article 289 Context and objectives

1. [...] *The Parties reaffirm their commitment to promoting the development of international trade, in such a way as to contribute to the objective of sustainable development and to ensuring that this objective is integrated and reflected at every level of their trade relationship.*

2. *To this end, the Parties recognise the importance of taking fully into account the economic, social and environmental best interests of not only their respective populations but also future generations and shall ensure that economic development, environmental and social policies are mutually supportive.*

Article 293 Trade favouring sustainable development

1. The Parties reaffirm that trade should promote sustainable development in all its dimensions. The Parties recognise the beneficial role that core labour standards and decent work can have on economic efficiency, innovation and productivity, and they highlight the value of greater coherence between trade policies, on the one hand, and employment and social policies on the other.

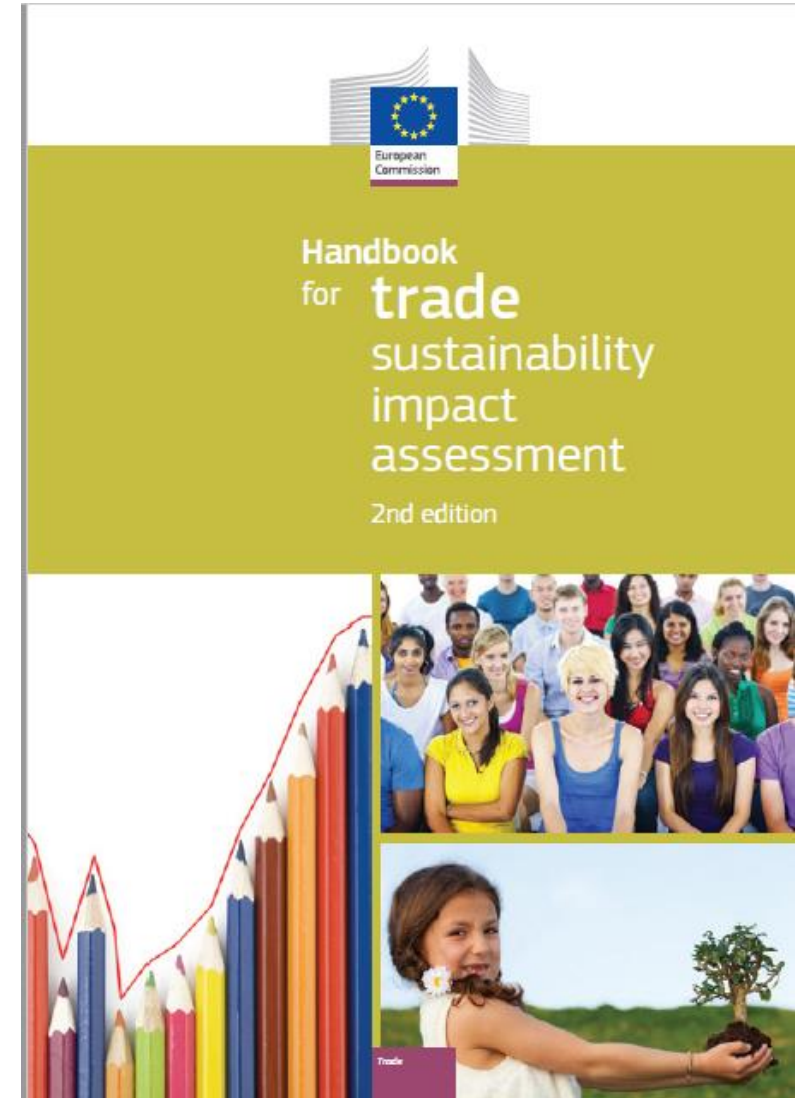
2. The Parties shall strive to facilitate and promote trade and foreign direct investment in environmental goods, services and technologies, sustainable renewable-energy and energy-efficient products and services, and eco-labelled goods, including through addressing related non-tariff barriers. 3. The Parties shall strive to facilitate trade in products that contribute to sustainable development, including products that are the subject of schemes such as fair and ethical trade schemes, as well as those respecting corporate social responsibility and accountability principles.

Sustainability Impact Assessment (1)

The Sustainability Impact Assessment (SIA) is a **DG Trade-specific tool** for supporting major trade negotiations. SIAs provide the Commission with an in-depth analysis of the potential economic, social, human rights, and environmental impacts of ongoing trade negotiations.

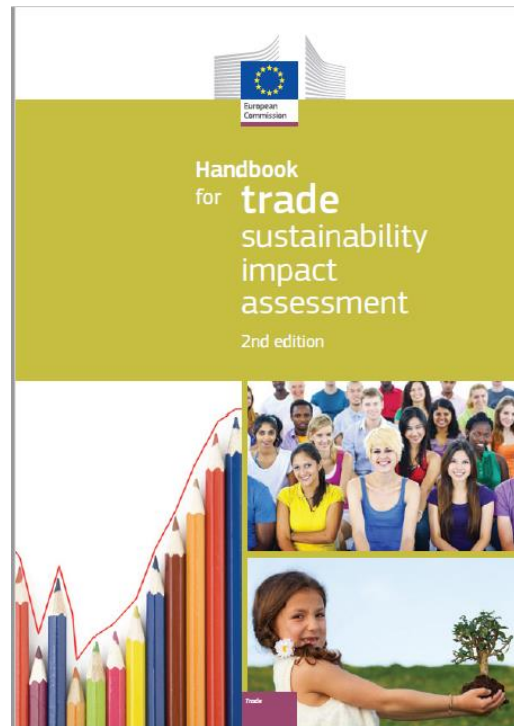
SIAs are **independent assessments** produced by external consultants and take place during trade negotiations.

The European Commission published the handbook for sustainability impact assessment in 2016.



Sustainability Impact Assessment (2)

assessment and evaluation tools and the trade policy cycle



Summary: EU trade policy introduction

