Basic information

2010/2152(INI) INI - Own-initiative procedure	Procedure completed
New trade policy for Europe under the Europe 2020 strategy **Subject** 6.20 Common commercial policy in general	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
INTA International Trade	CASPARY Daniel (PPE)	24/09/2010
	Shadow rapporteur MARTIN David (S&D) DE SARNEZ Marielle (ALDE) ZAHRADIL Jan (ECR)	

Committee for opinion	Rapporteur for opinion	Appointed
AFET Foreign Affairs	The committee decided not to give an opinion.	
DEVE Development	SCHNIEBER-JASTRAM Birgit (PPE)	09/12/2010
ECON Economic and Monetary Affairs	The committee decided not to give an opinion.	
EMPL Employment and Social Affairs	The committee decided not to give an opinion.	
ITRE Industry, Research and Energy	GRZYB Andrzej (PPE)	01/12/2010
IMCO Internal Market and Consumer Protection	HARBOUR Malcolm (ECR)	16/02/2011
JURI Legal Affairs	The committee decided not to give an opinion.	

European Commission	Commission DG	Commissioner
	Development	DE GUCHT Karel

Key events

Date	Event	Reference	Summary
09/09/2010	Committee referral announced in Parliament		
09/11/2010	Non-legislative basic document published	COM(2010)0612	Summary
21/06/2011	Vote in committee		Summary
29/06/2011	Committee report tabled for plenary	A7-0255/2011	
27/09/2011	Decision by Parliament	T7-0412/2011	Summary
27/09/2011	Results of vote in Parliament		
27/09/2011	Debate in Parliament		
27/09/2011	End of procedure in Parliament		

Technical information

Procedure reference	2010/2152(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Initiative
Legal basis	Rules of Procedure EP 55
Stage reached in procedure	Procedure completed
Committee dossier	INTA/7/03300

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE460.634	28/02/2011	
Committee opinion	DEVE	PE456.859	04/03/2011	
Amendments tabled in committee		PE462.569	28/03/2011	
Committee opinion	IMCO	PE458.560	14/04/2011	
Committee opinion	ITRE	PE458.535	28/04/2011	
Committee report tabled for plenary, single reading		A7-0255/2011	29/06/2011	
Text adopted by Parliament, single reading		T7-0412/2011	27/09/2011	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2010)0612	09/11/2010	Summary

National parliaments

Document type	Parliament /Chamber	Reference	Date	Summary
Contribution	PT_PARLIAMENT	COM(2010)0612	11/04/2011	

New trade policy for Europe under the Europe 2020 strategy

2010/2152(INI) - 09/11/2010 - Non-legislative basic document

PURPOSE: to define the Union's strategy in the area of trade policy.

BACKGROUND: the European Union is the largest economy in the world. It is also the largest exporter. In 2009, European companies exported goods and services worth EUR 1.6 trillion representing 13% of GNI. The EU is also the largest supplier and beneficiary of direct foreign investment (FDI).

The opening up of trade offers a **triple advantage**:

- **Economic growth**: if the EU can manage to complete all the negotiations under way (Doha cycle and bilateral agreements) and to make significant new progress in its relations with its strategic partners, it will gain one point in GNI between now and 2020.
- **Advantages for the consumer**: the greater variety of goods and services will allow the average European consumer to economise around EUR 600 per year, on top of the savings arising from lower prices.
- **Labour market effects:** the integration of the EU in the global economy by the strengthening of trade generated by more and better paid jobs. More than 36 million jobs in Europe, either directly or indirectly, depend of the EU's ability to trade with the rest of the world. Japanese and US-owned companies alone employ more than 4.6 million people in the EU.

Between now and 2015, 90% of global growth will be generated outside Europe, a third of it alone by China. In the years to come, the EU will have to seize the opportunities offered by higher rates of growth recorded abroad, in particular in South and East Asia. Developing and emerging countries will probably represent close to 60% of global GDP between now and 2030, compared with less than 50% today.

The EU's objectives have to evolve as a consequence. The reduction in customs duties on industrial and agricultural products are still of high importance. However, the **crucial challenge** will be market access for services and investments., the opening up of public procurement, the improvement is agreements on the protection of intellectual property rights (IPR) and on the enforcement of that protection, barrier-free supply of raw materials and energy and, lastly and above all, the removal of regulatory barriers, in particular by the promotion of international standards. Through trade, the EU should also encourage a greener global economy and decent working conditions.

CONTENT: this communication is a key element of the Europe 2020 strategy's external dimension and describes in what manner trade policy and investment should contribute to this objective. It should also be considered as a clear declaration of Europe's intent to play an active and proactive role in the promotion of trade policy objectives within the G20 and all other trade bodies working at global level.

In summary, the following actions will be undertaken:

1. **To continue the programme of negotiations to stimulate growth:** the priority for trade policy must involve obtaining better access to the greatest and most dynamic economies in the world, in particular by concluding ambitious trade agreements.

Complete the cycle of Doha negotiations urgently and by no later than the end of 2011: world trade should increase by more than 300 billion euros per year and global revenues by more than 135 billion euros. The conclusion of the Doha Round is still very precious to achieve, not only for the economic gains it will bring but also to confirm the central role of the WTO in the world trade system. Nevertheless, the Doha agreement will not give answers to the newer questions that global trade rules ought to take care of. It is time to start reflecting on the next steps after Doha, and the Commission will set up a group of eminent people to that effect.

Conclude the programme of negotiation of free trade agreements (FTAs) already under way: negotiations to conclude an FTA have started with Korea, as well as with Peru, Colombia and Central America. Talks with the Gulf countries, India, Canada, and Singapore are at an advanced stage. We reopened important negotiations with the MERCOSUR region. We will seek to expand and conclude bilateral negotiations with ASEAN countries, beginning with Malaysia and Vietnam, and to deepen our trade and investment relations with the Far East. In parallel, we will continue to pursue Deep

and Comprehensive Free Trade Agreements (DCFTAs) within the respective frameworks of the Eastern Partnership and the Euro-Mediterranean Partnership.

Intensify strategic partnerships: because of their economic size and potential, as well as their influence on the global economy, our trade policy needs to pay particular attention to the US, China, Russia, Japan, India and Brazil.

- the **US** is by far the EU's largest trade and investment partner. In spite of occasional disputes, trans-Atlantic trade and investment proceeds with more freedom than almost anywhere else in the world. The biggest remaining obstacles lie in the divergence of standards and regulations across the Atlantic, even though we have very similar regulatory aims.

- China is the EU's second largest trading partner. However, our trade with China remains well below potential. Important market access barriers persist - in standards and regulations, services, investment and public procurement, as well as insufficient enforcement of IPRs, an opaque standardisation system, burdensome certification procedures and industrial policy measures aimed at import substitution, forced transfers of technology and granting local producers preferential access to raw materials. The EU has challenged a number of these measures in the WTO and bilaterally, and will continue to do so.

- **Russia** is our most important near neighbour. It is also the second largest destination for EU exports, the third largest source of EU imports globally, and the biggest energy provider for many Member States. Russia's integration into the WTO remains a crucial short-term objective for EU trade policy. In the meantime, the bilateral agreement under negotiation between the EU and Russia to replace the current Partnership and Cooperation Agreement would help to achieve a more effective, stable and predictable trading environment.

Public procurement: this is an area where foreign markets are particularly closed for EU companies. With a share of over 10% of GDP in large industrialised countries, and a growing share in the emerging economies, public procurement contracts constitute business opportunities in sectors where EU industry is highly competitive. This includes sectors such as, for example, public transport, medical devices, pharmaceuticals and green technologies. The Commission will present in 2011 a legislative proposal for an EU instrument to increase our leverage to **secure improved symmetry in access to public procurement markets** in developed and large emerging economies.

2. **The enforcement and implementation agenda:** the EU must step up our efforts to enforce our rights under bilateral and multilateral agreements to prise open markets that are illegally closed. Proper enforcement of trade rules is an indispensable pillar of trade policy.

At global level: the Commission will continue to pay particular attention to trading partners' actions in the recovery from the economic crisis. It will act vigorously against any protectionist tendencies that may harm our interests.

As regards **bilateral agreements**, we will prioritise the implementation of free-trade agreements, particularly in respect of the regulatory component and non-trade barriers.

The **Market Access Strategy (MAS)** will remain a key element of our enforcement activities. In line with our aim of stronger enforcement activities, the Commission will look to i) set up additional market access teams in half a dozen third countries and reinforce the existing 33 teams with a particular focus on monitoring the implementation of free trade agreements; ii) produce an annual **trade and investment barriers report** which will monitor trade barriers and protectionist measures in third countries. It will trigger appropriate enforcement action, with the possibility of "naming and shaming" third countries.

In order to ensure **better respect of IPRs**, the Commission will review its 2004 strategy on the enforcement of **intellectual property rights** in third countries to respond to new challenges. In negotiating FTAs, the IPR clauses should as far as possible offer identical levels of IPR protection to that existing in the EU while taking into account the level of development of the countries concerned. The Anti-Counterfeiting Trade Agreement (ACTA), when agreed and implemented, will effectively introduce a new international standard, building on the WTO TRIPS agreement.

The Commission will apply **trade defence instruments** in compliance with WTO rules to new forms of distortions such as subsidisation of strategic sectors, including where third countries use export restrictions to confer indirect benefits to downstream industries. It will support EU businesses if third countries use trade defence instruments in an unfair way, including, where appropriate, by raising these issues in the WTO.

In addition, the Commission will present a Communication on possible support measures to **help SMEs** that want to develop their international activities. It will also enhance the **role of EU Delegations as contact points for EU business abroad** and, where appropriate, create specific business support structures in third countries.

It will continue to develop **export control measures** aimed at simplifying and making more transparent the business environment for EU exporters, which at the same time contribute to strengthening international security efforts. It will bring forward a Green Paper to consult on the functioning of the current system and possible areas of reform.

New trade policy for Europe under the Europe 2020 strategy

2010/2152(INI) - 27/09/2011 - Text adopted by Parliament, single reading

The European Parliament adopted by 526 votes to 108, with 9 abstentions, a resolution on a New Trade Policy for Europe under the Europe 2020 Strategy, in response to the Commission Communication entitled 'Trade, Growth and World Affairs on the future commercial strategy of the EU.

The resolution stresses that **the world has seen some profound changes over the last few years.**

- **The Union's and the United States' share in the world's relative GDP is declining** while the emerging countries are rapidly increasing their performance: while the two biggest developed economies, the Union and the United States, accounted for 48% of world GDP in the year 2000

(at PPP), it is now estimated that they will account for 35% of world GDP in the year 2020, signifying a decline of 27% in their relative joint economic performance. The Union accounted for 19% of world exports of goods in the year 1999 and whereas it accounted for 17.1% of world exports in 2009, signifying a decline of 10% in its relative export performance.

- **Demographic changes also have an influence on economic performance**: the Union's population is projected to increase by almost 5% by the year 2035, followed by a steady decline thereafter, and the Union's working age population is expected to start declining from the year 2010 onwards.
- **The Union's economy is highly dependent on participating in external growth**: by 2015, 90% of world growth will be generated outside the Union. 18% of the Union's labour force, or 36 million jobs, are dependent on the Union's trade performance. It is paramount to harness, and benefit from, the growth potential inherent in increasing productivity, and the growth potential inherent in external trade.

A coherent long-term trade strategy: Parliament regrets that many targeted goals of the Global Europe Strategy have not been reached as yet and would have expected a more critical analysis of the Strategy. It insists that the Union needs a coherent long-term trade strategy in order to take account of the challenges ahead and in particular of the major emerging countries. Furthermore, a future European Strategy on Trade Policy should take the specific features of EU industries, territories and dependence on external growth into account. Parliament expected to receive a real future trade strategy, which took account of mid- and long-term developments and did not build on the false assumption of a continuing status quo on the world trade stage. Regretting that the Communication fails to deliver a profound forecast of how the 'world of trade' could look in a policy-planning perspective of 15 to 20 years, Parliament asks the Commission to deliver such a forecast as a basis and to present a revised mid-and long-term trade strategy by **summer 2013**.

The resolution makes the **following principal recommendations**:

(1) A modern trade policy is required to take into account other policy areas such as human rights, securing and creation of jobs, labour rights and ILO core labour standards, agricultural policy, climate change, the fight against poverty, development policy, security of raw materials and energy supply, and the protection of intellectual property rights. Parliament calls on the Commission to give high priority to the EU's trade interests vis-à-vis its trading partners when negotiating trade agreements and to achieve a better intra- and inter-institutional coordination when dealing with trade issues.

(2) Multilateral approach within the WTO: the multilateral trading system, embodied in the WTO, remains by far the best framework for achieving free and fair trade on a global basis. However, the WTO system, in particular the Dispute Settlement Body, should be reformed in order to increase its effectiveness. It states that even after 10 years, it has still not been possible to complete the Doha Round and that the necessary and reasonable conclusion of these negotiations seems currently to be highly unlikely

(3) Free Trade Agreements (FTAs) are important instruments for market access: Members reiterate that all new FTAs concluded by the EU should be WTO-compatible, comprehensive, ambitious including with regard to sustainable development, balanced and lead to real reciprocal market access. It must go beyond both existing multilateral commitments and those expected to result from a successful conclusion of the DDA. The resolution reminds the Commission to carry out – within a framework defining trade priorities in terms of timetables and strategic geographical areas – a thorough, impartial and unprejudiced ex-ante evaluation of European interests before deciding on future FTA partners and negotiation mandates.

(4) High-level dialogues with major trading partners such as the US, China, Japan and Russia must produce more and better results: the Commission is asked to conduct more proactive negotiations with a view to successful progress in our trade relations with these countries aimed at eliminating tariff and non-tariff barriers, in particular in respect of technical standards, intellectual property rights, market access, public procurement and supply of raw materials.

Members suggest that the European Union and the United States both work to develop the evolving, comprehensive '**Transatlantic Growth and Jobs Initiative**', which would include plans for the removal of remaining non-tariff barriers to trade and investment by 2020.

In addition, the Commission and Member States must to do more to promote the use of existing initiatives and tools available such as the 'market access database' and the 'export helpdesk', so that citizens and SMEs can take full advantage of the EU's trading relations.

(5) The Union as a relatively open economy needs effective trade defence instruments: Parliament reiterates that the pursuit of further trade liberalisation still requires an ability to protect European producers against unfair trading practices.

The resolution also stresses that EU competitiveness and economic success cannot exist without services and **well-protected foreign direct investments** . Parliament asks for positive reciprocity in international public procurement markets. Members call on the Commission to work towards positive reciprocal access in that important economic sector, bearing in mind that the clear priority in reciprocal access is not to close our markets, but to open up foreign public procurement markets.

Parliament also asks for an ambitious attempt to **tackle regulatory barriers** within and outside Europe. It asks the Commission to include the aspect of international competitiveness in all impact assessments related to new legislative proposals and reminds it to pay particular attention to the 'non-tariff barriers' and regulatory barriers used by many countries, including WTO members, vis-à-vis EU exports.

Lastly, recalling its commitment to the **fight against poverty** within and outside the EU, Parliament stresses the need for:

- a sustainable and undistorted supply of raw materials;
- better customs cooperation inside and outside the EU;
- adequate intellectual property rights protection which also bears in mind the interests of the poorest. Parliament regards the appropriate protection of IPRs, especially trademarks and geographical indications by our main trading partners as an indispensable requirement for preserving and improving the EU's competitiveness.