



EUROPEAN COMMISSION

FACT SHEET

Q & A on 'Trade for all', the Commission's new trade & investment strategy

Brussels, 14 October 2015

1. What are the main initiatives in the new strategy?

The communication announces a range of initiatives under the headings of effectiveness, transparency, values, and the EU's programme of negotiations. The top 12 are as follows:

A more **effective** policy that tackles new economic realities and lives up to its promises by:

- Updating trade policy to take account of the new economic realities such as global value chains, the digital economy and the importance of services.
- Supporting mobility of experts, senior managers, and service providers.
- Setting up an enhanced partnership with the Member States, the European Parliament and stakeholders to implement trade and investment agreements better.
- Including effective SME provisions in future trade agreements.

A **more transparent** trade and investment policy by:

- Extending the TTIP transparency initiative to all the EU's trade negotiations. Some new negotiating texts are already available on the Commission's website. More will follow by January.

A trade and investment policy based on **values** by:

- Responding to the public's expectations on regulations and investment: a clear pledge on safeguarding EU regulatory protection and a strategy to lead the reform investment policy globally.
- Expanding measures to support sustainable development, fair and ethical trade and human rights, including by ensuring effective implementation of related FTA provisions and the Generalised Scheme of Preferences.
- Including anti-corruption rules in future trade agreements.

A **programme of negotiations** to shape globalisation by:

- Reenergising multilateral negotiations and designing an open approach to bilateral and regional agreements, including TTIP.
- Strengthening our presence in Asia:

- setting ambitious objectives with China
- requesting a mandate for FTA negotiations with Australia and New Zealand
- starting new ASEAN FTA negotiations with the Philippines and Indonesia, when appropriate.
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- Ensuring EPAs are implemented effectively and deepening relationships with African partners that are willing to go further and with the African Union.
- Modernising existing agreements with Mexico and Chile and the Customs Union with Turkey.

2. What does 'Trade for All' mean?

The new trade strategy is focused on making sure as many people as possible have access to the benefits of trade.

Consumers:

- Consumers already have a wider choice of products at lower prices thanks to the EU's open trade policy. The new trade agreements planned in the strategy will expand this while protecting consumer safety. The Commission will also analyse more closely the impact of trade on prices and choice.
- The new strategy also contains actions to increase consumers' confidence in the products they buy:
 - The Commission pledges to protect Europe's levels of consumer, environmental and social protection and will ensure that these will also be enjoyed in EU trade agreements in the future. This will give consumers confidence in the products they buy and how products are made, respecting human rights, social and environmental protection.
 - The Commission's proposed new approach to investment protection safeguards public authorities' right to regulate in the interest of consumers.
 - The Commission will give greater support to fair and ethical trade schemes and to broader efforts to ensure responsible management of supply chains, helping consumers to make informed, sustainable choices.
 - In the same vein, the new strategy expands measures to fight against corruption, support sustainable development and human rights, including by ensuring effective implementation of related FTA provisions and the Generalised Scheme of Preferences.

Workers:

- The new strategy will support jobs in Europe by making trade agreements more effective at creating economic opportunities. As 90% of future global growth will happen outside Europe's borders, that means supporting jobs in Europe. More than 30 million jobs - almost one in seven - already depend on exports outside the EU. Completing negotiations with, for example, the US and Japan and launching new negotiations in the Asia Pacific region and in Latin America will help create more jobs like these.
- Free trade agreements will also contain strong provisions to promote the respect of labour rights around the world. The Commission will make it a priority to see that our trading partners implement provisions on core labour standards like the abolition of child labour, the rights of workers to organise and non-discrimination at work. The TTIP will include strong provisions on key issues like these as well.

- The Commission will review the performance of the European Globalisation Adjustment Fund to make it more effective. The fund helps communities adapt when jobs are lost due to international competition.

Citizens:

- The new strategy will help the public engage with trade policy-making by making the negotiations more transparent.
- The Commission will, for example, request that the Council publish negotiating mandates and publish EU text proposals online for all negotiations, following the practice in TTIP.

Small and medium-sized enterprises:

- The new strategy seeks to make it easier for SMEs to take advantage of the opportunities provided by trade agreements by proposing dedicated provisions on SMEs in all negotiations. This will mean:
 - Requesting that trading partners set up dedicated web portals to give access to information on legal requirements for products.
 - Taking SME concerns into account in all parts of trade agreements.
- Outside of negotiations, the Commission will:
 - Work with the Member States so that they better coordinate how they implement trade agreements with their national strategies to help SMEs go global.
 - Conduct regular surveys on barriers SMEs face in specific markets.

People in developing countries:

- As the world's largest importer, the EU's deep and open market is already a vital source of income to people in developing countries. The new strategy confirms this basic pro-development stance.
- It also expands our action to support sustainable development. The EU has been the strongest proponent of ambitiously integrating sustainable development into trade policy in the UN's 2030 agenda and we will keep promoting this ambition worldwide.
- It will also give more prominence to human rights concerns in trade work. We will begin intensified dialogue with the developing countries where EU trade has most influence to fight against human rights breaches, in particular those benefitting from the Generalised Scheme of Preferences (GSP).
- The Commission's new efforts to support fair and ethical trade schemes and ensure responsible management of supply chains will help improve develop more sustainable trade opportunities for small producers and better conditions for workers in poor countries.

3. Why should the EU update its trade strategy now?

For several reasons:

The trade debate: Current public discussions on trade – mainly but not exclusively on the Transatlantic Trade and Investment Partnership (TTIP) – show that many people are concerned about the potential impact of trade policy on their daily lives. They also want to be reassured that the products they buy from abroad are made under fair working conditions and without harming the environment. Many ask the question, "Who is trade

policy for?" The EU needs a clear answer – a strategy that serves the broad interests and values of the people of our continent.

Global value chains: Trade and investment are already working for Europe, providing one in seven jobs in the EU, along with lower prices, choice, and innovation. But trade is at the centre of a major change to the way products are made. Goods and services are very often created through long global value chains that cross many borders, and facilitated by digital connections and the travel by experts, senior managers or service providers. That means trade is now at the heart of our economy, not just a way to export finished products. And that in turn means trade policy needs a new outlook and new tools. We need to open markets and we need to think more widely than just traditional barriers to trade at the border. We must also factor in consumers expectations for more responsible management of supply chains.

Targeting the markets of today and tomorrow: The EU needs to engage in negotiations with the world's most important economies so it can maximise the opportunities from trade. That means updating our work in and around the WTO, in bilateral free trade agreements and in specific agreements on investment. It also means removing trade barriers from highly innovative sectors such as renewable energy and other environmental technologies. Reaching a deal on environmental goods and services in the WTO would give an impetus to a sector that is growing in double digits and adding new jobs.

Getting the most out of existing trade agreements: Trade deals work – as the success of the EU Korea FTA shows – but we do not yet exploit all the opportunities they create, including for SMEs.

Despite its excellent overall results, companies are not taking full advantage of the reduced tariffs this agreement provides. In the first year of its implementation, 60 % of EU exports were still subject to unnecessary duties. The effective use of those preferences has now improved to cover two thirds of EU exports but a wide range of utilisation rates across Member States still remains, suggesting that more can still be done to improve its effective implementation.

4. How do we know trade agreements can work to deliver economic results?

The EU–South Korea FTA is the first of a new generation of FTAs negotiated by the EU. It entered into force in 2011 and it provides one of the best examples of the benefits of the EU's trade agreements. In four years, EU exports of goods increased by 55% overall and by 59% on products on which tariffs have been reduced since the agreement entered into force. This has generated EUR 4.7 billion worth of extra exports in the first three years. Vehicle exports have more than doubled. The long-standing EU trade deficit has now turned into a surplus.

Moreover, the EU's share of South Korea's imports increased from 9% to 13%, while the US remained stable and Japan lost 2%.

Other agreements were negotiated along the same lines (with Canada, Singapore and more recently with Vietnam) and are expected to bear the same fruits.

5. How has the Commission prepared this new strategy?

The Commission consulted widely with the Member States, the European Parliament and civil society in its preparations for the new strategy.

Member States:

- In the Council, Ministers discussed the strategy twice, on 14 November 2014 and on 16 March 2015. The issue was also discussed in the Trade Policy Committee on 9 April 2015.
- The Commission also met individually with representatives of all 28 Member States, in Brussels and during visits to 17 national capitals. In most cases, the Commission met officials from multiple government departments.

The European Parliament

- Commissioner Malmström informed the International Trade Committee of plans for a new strategy on 3 December, 2014 and on 6 May 2015. She held a detailed discussion with committee members on 13 July 2015.

Stakeholders

- Civil society dialogues: The Commission held two civil society dialogues on the upcoming strategy, on 24 April and 8 May 2015. Over 140 organisations from all parts of civil society registered to attend.
- European Trade Policy Day: The Commission organised an all-day conference on the new strategy on 23 June. Over 450 people participated, again from the full range of civil society and stakeholder organisations, along with national government representatives and several Members of the European Parliament.
- Dedicated pro-active outreach meetings: During 16 of the Commission's visits to national capitals officials were able to hold dedicated sessions with stakeholders from across a broad spectrum. The Commission also had contacts with a variety of stakeholders in Brussels. In these meetings officials met over 180 organisations.

6. What are the next steps for the new strategy?

Commissioner Malmström will speak to the International Trade Committee of the European Parliament on 15 October 2015. The Foreign Affairs Council will likely adopt conclusions on 27 November

The Commissioner will also participate in a Civil Society Dialogue on 20 October. The European Economic and Social Committee is also expected to issue an opinion on the strategy.

On the basis of these discussions, the Commission will assess how implementation should proceed over the course of the current mandate. Some actions – such as those on transparency – can move ahead without delay. Others will take the form of Commission proposals and therefore be subject to normal consultation and decision-making procedures.

[The Communication](#)

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