BRIEFING

Shape globalisation and fight all kinds of protectionism

BUSINESSEUROPE

Open new markets through bilateral trade and economic agreements

"Sharpened EU bilateral trade and investment strategies will foster new opportunities for international business"

BACKGROUND

International trade and investment are major drivers of European economic growth. Europe's companies need access to the markets of the world's largest and most dynamic economies. Bilateral trade and investment agreements can complement WTO agreements to provide new market access for EU companies.

Access to high growth markets such as Russia, China, India, ASEAN, Korea, Canada and Brazil is a priority for bilateral trade negotiations. Agreements should cover a broad range of issues, from tariff reduction and services liberalisation to improvement of intellectual property protection and access to public procurement markets. New types of trade barriers appear every day so the EU also needs to become a leader in regulatory convergence efforts, with neighbours such as Ukraine and major trading partners such as the US, Canada, Japan or Russia.

What BUSINESSEUROPE wants :

Free-trade agreements based on economic criteria

Free trade agreements (FTAs) must be pursued on the basis of where the EU's current and future markets lie. Criteria should include current and potential trade in goods and services, the level of barriers faced by EU goods and services exporters and the risk of EU companies being excluded by FTAs between Europe's major trading partners.

Extensive liberalisation in goods and services

If bilateral agreements are to secure tangible benefits for the European economy they must not be undermined by carve-outs or exceptions for important economic sectors. 100% of industrial tariffs should be liberalised and non-tariff barriers must be vigorously addressed in EU FTAs. Services chapters must provide European companies with legal certainty for their current international business while also creating new opportunities for growth.

New opportunities for European investment

Globalised supply chains are increasingly required for competitive production and European investment outflows are among the largest in the world. EU FTAs must seize their potential to remove barriers to investment abroad and secure equal treatment for European investors in third-country markets. Our FTA partners also stand to benefit from opening up to EU investment.

Protection of intellectual property rights

Innovation, a basic requirement for Europe's growth, depends on the existence of a robust system of intellectual property rights protection. European companies exporting or investing abroad must be secure in the knowledge that their intellectual property is protected. EU economic agreements must therefore address gaps in trading partners' intellectual property systems by ensuring they comply with, and wherever possible go beyond, international agreements such as TRIPs.

A broad scope and strong dispute settlement

Intensifying globalisation means that more policy areas have an impact on international trade and investment. EU trade and economic agreements must therefore include provisions on competition policy, government procurement, trade facilitation and, crucially, regulatory cooperation. All of this has to be backed up by robust enforcement mechanisms to solve disputes if commitments are to be properly enforceable. For some agreements, the EU will also need to improve the monitoring of implementation to ensure that companies actually benefit from new business opportunities.

Results from regulatory cooperation

Heavily divergent approaches to the regulation of goods and services markets between the European Union and its major trade and investment partners create barriers to increased economic integration. Recent initiatives to make meaningful progress on regulatory cooperation such as the Transatlantic Economic Council (TEC) promise – and must deliver – results in key sectors for business. Such a model should now also be applied to other key partners such as China and Japan.