

The new strategy

Available at Europa.eu, and subtitled *Towards a more responsible trade and investment policy*, this document sets out the principles which the Commission believes should underlie the EU's approach to setting up trade deals in the future. The emphasis it puts on trade and investment as powerful engines for growth and job creation is clearly what attracted Mr Cameron's approval and he was no doubt equally pleased to see the emphasis on helping small and medium-sized enterprises (SMEs) to benefit from exporting. So what exactly is the Commission proposing?

It is important to remember with any proposal from the European Commission that it is trying to appeal to two distinct groups — Members of the European Parliament (MEPs) and the Member States — and must get the support of both if it is to succeed. It is clear in this particular document that the section relating to the values which should underpin the EU's approach to trading with other nations is designed to appeal to the Parliament, while Trade Ministers and others in the Member States will welcome the section dealing with new negotiations in the vital Asia-Pacific region and in Africa. Certainly, this caught Mr Cameron's attention, the Prime Minister declaring himself to be "delighted that the European Commission has committed today to push ahead with ambitious agreements with China, Australia, New Zealand and countries in South East Asia".

The principles behind the deals

The Commission argues that every deal should be based on the following.

- *Effectiveness*: making sure trade actually delivers on its promise of new economic opportunities 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. This also means the inclusion of effective provisions to encourage the involvement of small businesses in future trade agreements.
- *Transparency*: opening up negotiations to more public scrutiny by publishing key negotiating texts, as has been done, the Commission claims, in the ongoing negotiations for the Transatlantic Trade and Investment Partnership (TTIP).
- *Values*: using trade agreements as levers to promote, around the world, European values such as sustainable development, human rights, fair and ethical trade and the fight against corruption. This means, the Commission argues, including anti-corruption rules in the EU's trade agreements, and making sure that its trading partners implement provisions on core labour standards including the rights of workers to organise and the abolition of child labour.

The future of trade

While ensuring that major ongoing projects such as the Doha Round of World Trade Organization (WTO) talks, TTIP, the EU-Japan free trade agreement (FTA) and the EU-China investment agreement are given full attention, the Commission wants to start new

negotiations for FTAs with Australia, New Zealand, the Philippines and Indonesia and plans a deepening of the EU's relationships with its African partners. At the same time, it believes that the EU must not neglect existing partners and the trade strategy envisages the modernisation of existing Agreements with Mexico and Chile and of the Customs Union with Turkey.

Trade for All argues that the EU–South Korea FTA, as the first of a new generation of Agreements negotiated by the Union, provides an excellent example of the value that can be expected from future trade deals. In the four years since the Agreement entered into force, EU exports of goods to South Korea increased by 55% overall and by 59% on products on which tariffs have been reduced. In the first three years, it generated €4.7 billion worth of extra exports and vehicle exports have more than doubled. While the US share remained stable and Japan lost 2%, the EU's share of South Korea's imports increased from 9% to 13%.

Who will benefit?

According to the Commission, the new strategy will fail if the following groups do not see direct benefits.

- *Consumers*: who should have a wider choice of products at lower prices, while being sure that their safety is being protected. To give consumers confidence in the products they buy and how those products are made, trade agreements should enshrine EU levels of consumer, environmental and social protection.
- *Workers*: in the EU more than 30 million jobs — almost one in seven — already depend on exports outside the Union. Completing negotiations with, for example, the United States and Japan and launching new negotiations in the Asia Pacific region and in Latin America will, the Commission argues, help create more jobs. FTAs will also contain strong provisions to promote the respect of labour rights around the world.
- *SMEs*: the new strategy seeks to make it easier for smaller businesses to take advantage of the opportunities provided by trade agreements by proposing dedicated provisions on their requirements in all negotiations. For example, the Commission will work with trading partners to persuade them to set up dedicated web portals to provide SMEs with access to information on legal requirements for products.
- *People in developing countries*: the Commission believes that its 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.