

Sustainable Trade Policy

Climate change, peace, food security – European trade policy must change course



EU - USA (TTIP 2.0)

With the TTIP treaty, the EU commission and the U.S. government were planning to abolish 97 percent of tariffs on traded products. They also intended to open markets to goods which were not manufactured in line with the expectations of EU consumers. U.S. president Donald Trump scrapped the talks, and the Biden administration has announced that it has no intention of signing further free trade agreements, instead advocating for a domestic industrial policy geared towards benefiting U.S. workers. Large sums are being invested in subsidies for climate change mitigation and production facilities for advanced technologies. However, these benefits are reserved for goods which are manufactured primarily in the US.

Businesses seeking U.S. subsidies are also restricted from cooperating with China and from investing there. Competition with China is major priority for the U.S., which urges its trade partners to stand by its side in this confrontation. Together with the EU, the U.S. has created the EU-US Trade and Technology Council (TTC). Ten permanent working groups are tasked with preparing decisions concerning common technological and regulatory standards and with coordinating general policy, especially toward China and Russia. In practice, this amounts to a kind of regulatory TTIP without a formal trade agreement. The arrangement has also served as a blueprint for reshaping the relationship with other trade partners and has been offered to India as well as the African Union.



EU - India

After stalling for years, negotiations between the EU and India on a free trade agreement have resumed. EU Commission President von der Leyen has made a speedy conclusion of the negotiations by the end of 2023 a priority. Concerns have been raised in Indian civil society that key policy tools such as the purchase and distribution of milk could be jeopardized by pro-market clauses in the agreement. India also has shorter patent protection periods than EU countries or the U.S. and is thus able to produce generic drugs more quickly, which are much cheaper for people around the world as a result. If the EU Commission were to push through the pharmaceutical companies' demand to significantly extend patent protection in the negotiations, a global medical supply crisis would be the result.

We want to win India as a partner to develop the expansion of education, find new ways for sustainable urban development and solutions for the digitalization of the world. We should offer an alliance for peace and sustainability in southern Asia and jointly strengthen institutions that can protect people from discrimination based on their origin, gender or religious beliefs.



EU - China

The EU has concluded its negotiations with China about a Comprehensive Agreement on Investment (CAI). As part of the treaty, China committed itself to ratifying the ILO conventions against forced labor and has done so. The agreement contains commitments for both sides to protect social rights and the environment, some of which go beyond the EU's catalog of standards, the first time China has included such clauses in a trade agreement. None of the EU's other official Strategic Partners offer comparable investment potential. In recent decades, China's policy of inclusive growth has not only lifted the majority of its population out of poverty. The country's middle class will soon include 800 million people.

However, serious human rights violations are being committed in China. A UN report raises allegations of torture and abuse in connection with the mass detentions of Uyghurs. Because of these human rights violations, the Council of Member States of the EU has imposed sanctions on China. China responded with sanctions against the EU, including the European Parliament's Human Rights Committee and MEPs who have been particularly vehement in their criticism of China. As a result, the European Parliament put ratification of the CAI agreement on hold as long as China's sanctions remain in place.

China is a key partner for the entire world in achieving sustainability in consumption and production. Sustainability also includes respect for human dignity. This will also be reflected in the new European Supply Chain Act.



EU - Mexico

The treaty, which has been in place since 2000, is slated to be amended: Tariff exemptions for more agricultural products are planned as well as an extension to the service sector, including financial services. The EU is also seeking access for European businesses to public contracts in Mexico and its provinces. Many provinces have already agreed to these terms.

Tens of thousands of people have died in Mexico during the last year due to clashes between security forces and drug cartels. The treaty would open the floodgates to money laundering by cartels in the EU. After his election, Mexico's left-wing president Andrés Manuel López Obrador called for a review of the Mexico-EU trade relationship. López Obrador seized the opportunity of a new EU initiative to call for a reflective pause. The EU is seeking to formally separate trade policy from the association agreement with Mexico. This would allow trade policy to be set by the EU Council and Parliament without the need for ratification by individual member states.



EU - Mercosur

The prospect of increased exports through the EU-Mercosur free trade agreement has already been acting as an accelerant to the fires in the Amazon rainforests, despite the fact that the treaty has not yet been agreed upon. Brazil's far-right President Bolsonaro fanned the flames further by abolishing conservation laws. Bolsonaro has been voted out of office. Brazil's new leftist President Lula da Silva has said he will only sign an agreement with the EU if it helps protect the climate and allows Brazil to industrialize sustainably. However, neither goal was included in the outdated negotiating mandate of the EU Commission, which is reluctant to renegotiate the agreement. Its ratification has long been denied by the European Parliament and some member states because of Bolsonaro's environmental crimes.

The free trade agreement must be replaced by a treaty on cooperation and economic collaboration that, among other things, provides stable incomes for the people in the region from the conservation of rainforests, but also promotes sustainable economic development for people on both continents.



Economic Partnership Agreements (EPAs)

The Economic Partnership Agreements EPAs with a number of countries and regions in Africa, the Caribbean and the Pacific were not signed entirely voluntarily by the former colonies of European powers. These EPAs grant European corporations access to raw materials and an outlet for agricultural surpluses. These conventional free trade agreements have done almost nothing to help partner countries establish their own manufacturing industries. Poverty has been rendered permanent. The African Union, with 54 of its member states, has now set out to build and strengthen regional economic and trade cooperation. The African Continental Free Trade Area (AfCFTA) was established to not only facilitate trade, but also to enable the region to create its own supply chains.

The EPAs must be overcome. They stand in the way of Africa's regional integration. The report by MEP Helmut Scholz on the future of trade and investment relations between the EU and Africa, which the European Parliament adopted by a large majority in June 2022, states as much. We need cooperation and investment agreements with Africa that are systematically geared toward achieving sustainability goals.



EU - ASEAN

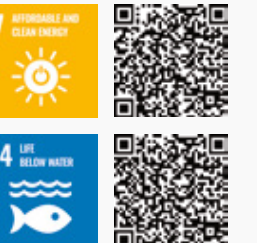
The association of Southeast Asian states ASEAN includes ten countries and additionally, as an observer, East Timor. The EU originally intended to negotiate a region-to-region free trade agreement. This effort failed due to the realization that it would not be possible to get an agreement through the EU Council and Parliament with ASEAN member Myanmar, which is ruled by a military dictatorship. Instead, the EU shifted to striking agreements with individual ASEAN states. Today, agreements are in place with Singapore and Vietnam. Negotiations with Thailand stalled after the military coup, but are about to resume. Negotiations with Malaysia are suspended because the country does not want to sign a chapter on sustainability; those with the Philippines are suspended because the previous Duterte government used violence against its own people. Negotiations with Indonesia are ongoing and could be concluded soon. Meanwhile, ASEAN countries have signed a regional free trade agreement with China, Japan, Australia and New Zealand (RCEP). At the same time, Vietnam and Malaysia are also part of the Pacific free trade agreement CPTPP. China and Great Britain have also applied for membership.



EU - Australia and New Zealand

The EU's agreement with New Zealand has been fully negotiated and will be ratified by the European Parliament and the Council in 2023. The sustainability chapter it contains will be the most progressive to date in agreements concluded by the EU. New Zealand would have preferred even more extensive protection of labor rights, but the EU Commission was not yet prepared to grant this request. New Zealand was able to push through a separate chapter to promote the trade interests of the Maori.

The negotiations with Australia are to be concluded by the end of 2023. So far, Australia's former government, which was committed to the coal industry and rejected climate protection targets in the sustainability chapter, has stood in the way. The new government will shift Australia's position on these issues, but has tied this to concessions from the EU for the export of agricultural products. However, it doesn't stand to reason that agricultural products that are also produced locally have to be transported halfway around the world at the expense of the climate.



On behalf of the governments of the member states of the European Union, the European Commission is currently negotiating the conclusion of comprehensive free trade agreements with many countries and regions. A number of agreements have already been signed. The success of these agreements has so far been measured by the growth of the gross national product in Europe, the expansion of the export economy and the increase in profits for large companies.

But greed is a bad advisor. Very few are becoming very rich, while over 800 million people are starving. Over two billion people suffer from malnutrition. The earth's climate is deteriorating at a dramatic pace. More and more animals and plants are threatened with extinction. We must act now! To this end, all member states of the United Nations have jointly agreed on 17 goals to be achieved by 2030 in order to ensure our survival on the planet in a sustainable manner.

We demand that contributions to achieving the UN Sustainable Development Goals become the new benchmark for policy success. These goals have not only been formulated for developing countries, but also adopted for Europe. European trade policy to date is accelerating economic development in a direction that is unsustainable for the planet due to rising consumption of raw materials and increasing social inequality. We want a consistent change of course. The old paradigm of free trade must be replaced by modern cooperation agreements with economic, social and environmental dimensions. The implementation of the 2030 Agenda for Sustainability should replace profit as the overriding goal.

- EU & Customs Union (Andorra, Monaco, San Marino, Turkey) & European Economic Area (Norway, Iceland, Liechtenstein)
- Existing trade agreements
- Trade agreements under negotiation/negotiation before acceptance or ratification
- Standard tariffs for WTO members

