



EU trade actions in the international dimension

*For Europe to thrive from globalization, digitalisation and sustainability, trade policies should not be seen in isolation. Properly formulated **EU trade policies ensure peace and stability** at its borders by forging deeper ties with world economies. **Policy must inherently be designed to ease the cost of doing responsible business internationally.** EU should lead the development of global carbon pricing system and setting of standards for sustainable and ethical use of natural resources, creating strong financial incentives to climate change mitigation and sustainability.*

The **EU trade policy needs to remain transparent and inclusive.** Defending the benefits of **open and rules-based trade** is an integral part of EU's policies. **The role of WTO is essential in framing and enforcing an international level playing field for manufacturing industry.** Hence, the modernization of the WTO is absolutely necessary in introducing more transparency, new rules and disciplines and enforcement mechanism.

Reciprocity in trade relations is required to address level-playing field in global competition, promote universal respect of trading rules and environmental and social agreements.

- The EU should continue to develop the most **ambitious and comprehensive network of bilateral trade and investment agreements.** Asia, Africa and Latin America are fast growing and promising regions and should be in the focus of our efforts.
- **In public procurement,** many of the EU's major trading partner countries still apply restrictive and discriminatory practices. EU should restrict the access of companies from those countries to the EU market, and impose a swift adoption of its revised proposal for an International Procurement Instrument.
- The EU should foster dynamic setting of technology neutral **globally accepted standards** that reduce risks for both innovators and purchasers, encourage innovations and set guidelines for sustainable business.
- The only way to ensure just transition to carbon neutral economy is by **developing global carbon pricing system.** EU should lead the way in developing such system, and meanwhile ensure level playing field for European companies through intermediary compensation systems.
- **A fair and predictable OECD-rules based tax system** is a prerequisite for internationally operating companies, which must deal with multiplicity of tax systems, unpredictable changes in scope and rate of taxation.
- **Free flow of capital is a cornerstone for innovation and industry.** The EU has to have a consistent policy on both market access and protection of investors. Investment protection should remain a priority in the EU's bilateral trade negotiations.
- The EU should **rebalance its relation with China** by promoting a framework that ensures improved market access and fair and equal treatment for European companies. The EU should also engage with China to address key multilateral challenges like the WTO reform while insisting that China actively commits in a level that is proportional to its current economic and technological development.
- **Reform of the WTO Agreement on Subsidies and Countervailing Measures (ASCM) is needed.** A major challenge in disciplining government support comes from the extremely diverse forms and the lack of transparency in the way programmes are implemented.

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