

EIN SUMMER UNIVERSITY

Round Table: Saving Global Trade

Chairman: Christopher Fjellner Member of EP Committee on International Trade, Chairman of the EIN Working Group on "Globalization and International Trade"

The recent financial crisis has accelerated the reshaping of the world trade picture, a phenomenon which started one decade ago. At present, the world trade is characterized by a multiparty system with a growing role for those formerly developing countries which have tackled the effects of the financial crisis in a better way.

Despite the signs of a significant recovery in 2010 for the developed economies trade, including the European Union, it is undeniable that China, India, Brazil should be considered big players in the new scenario of international trade and probably forever. Under the new circumstances, the main goal in world trade - the positive outcome of the Doha Round - seems to be more and more distant.

As a consequence, the European Union and other players are becoming engaged in an increasing number of regional and bilateral free trade agreements that can boost world trade and approach countries, even though they are the second best choice.

Resistance against the increase of protectionist measures and its progressive reduction should be taken into account as part of a general strategy under which the new actors are called to take on their own responsibility in order to reach the same level playing field.

Guest speaker: Mr Glattfelder: Member of EP Committee on International Trade

The speech was mainly focused on the special link existing between climate change and world trade and, in particular, the influence that a more rational trade system could play in combating climate change.

The biofuel trade and the patterns which some goods follow sometimes before being sold to consumers represent some significant cases of this kind of irrationality.

The objective of having a CO₂ emissions reduction and the poor results of the 2010 Summit on Climate Change should call on WTO to put more emphasis on the environmental issues related to trade

Panellist: Barid Baran BHATTACHARYA: Vice Chancellor Jawaharlal University, New Delhi India, Senior Advisor to the Prime Minister

The trend of trade exchanges between the EU and India is outdated and low, partially due to a wrong perception from both parties on the potential for such trades. Nevertheless, the business opportunities in India are enormous.

As an example, the wine consumption in India is increasing and India represents one of the best places in the world for investments in services, particularly, cultural and health services. Thanks to such a capacity, India can contribute to reducing the costs of health services worldwide.

It was clearly made that the Indian government is opposing and it will oppose the proposal for the Doha measures package that has been put on the table, because of its unacceptable commitments related to the agricultural pillar of the agreement requested from India.

Panellist: Quaqng Yongchang Professor Fudan University, Centre for European Affairs

The recent financial crisis has produced some important results in the world trade: a new role for developing countries in a new multiparty system, the increase of protectionist measures, many of them addressed against exports from China, the new marginal consumption tendency which does not allow in some developed economies, particularly, in the United States, a full recovery from the crisis, the continuous standstill of the Doha Round negotiations.

In this new context, the world trade system would need a stronger and full worldwide cooperation, especially among the big trade players.

Panellist: Peter Balás European Commission Trade Deputy Director General

He gave a general outlook on the main ongoing issues:

- the negative pattern of the Doha Round, blocked by mutual vetoes, in particular on the agricultural measures package
- the increase of bilateral contacts by the European Union (India, Canada, South Korea, MERCOSUR....) in view of complete and new generation FTAs which represent a second but necessary choice to boost world trade and promote the EU interests
- fight against protectionist measures, including no trade barriers as a major step to promote a fair trade where the big actors can play by the same rules.

In the end the European Commission will try to find a balance between the EU legitimate interests and those of our partners, so as to increase exports to the EU.

Questions:

Mr Hodak (Secretary General ACEA - Car Industry)

Topic: the ongoing trade negotiations conducted by the European Commission, in particular with the Asian countries and some critical remarks on the consequences of the FTA with South Korea on car industry.

Federico Eichberg (Fare Futuro Think Tank)

Topic: Adoption of the origin marking Regulation on certain categories of goods imported from third countries

Finally, **Mr Glatz rapporteur of EIN Working Group 10**, stressed again that trade is crucial for the EU economy and proposed the following conclusions:

- the world trade system has been fundamentally reshaped by the entry of big players, also because of the financial crisis;

- despite the recent big deadlocks, the search for a positive and balanced outcome of the Doha Round negotiations should continue to represent a major goal in the EU trade multilateral strategy;
- the outcome of the Copenhagen Summit on climate change was also unsatisfactory due to lack of political willingness from some major international actors;
- there is a need for insisting on the fight against protectionism - trade and no trade barriers;
- need to include developing countries in the new world trade scenario and call on them for a major responsibility in pursuing strategies and objectives for a fair world trade.