



International Trade

Trade and Investment Agreements

July 2021

Bilateral and regional free trade agreements (FTAs) have proliferated globally in recent years as major initiatives to reform consensus-driven WTO system have stalled. The EU is working to secure the survival of the multilateral trading system embodied in the WTO, while also seeking bilateral trade agreements with partner countries from Asia to Latin America. The European Parliament, which must give its consent to EU FTAs and investment agreements, has consistently promoted values-based trade, particularly when it comes to the issues of human rights, and social, labour and environmental standards. This topical digest summarises the most recent research written for Parliament policymakers. A [topical digest on international trade](#) is also available.

[Legislative trains on trade](#)

The Legislative Train Schedule – resembling the arrivals-departures board in a railway station – provides a summary of the state of play of trade legislation and international trade agreements all in one place.

Trade agreements by continent

North America

[Climate-proofing transatlantic trade: How green and how open?](#)

Chapter 2.2 in Harnessing the new momentum in transatlantic relations: Potential areas for common action during the Biden presidency, in-depth analysis by Tania Latici, Suzana Anghel, Piotr Bakowski, Meenakshi Fernandes, Liselotte Jensen, Matthew Parry and Marcin Szczepanski, June 2021

[EU-US dispute over civil aircraft subsidies](#)

'At a glance' note by Jana Titievskaja, November 2020

A short background to the long-lasting WTO dispute, including tariffs, countermeasures and retaliation.

[CETA implementation: SMEs and regions in focus](#)

In-depth analysis by Jana Titievskaja and Ioannis Zachariadis, November 2019

The aim of the analysis is to chart the state of play of CETA's ratification procedures, the agreement's key objectives, the controversies surrounding it, and the initial results stemming from provisional application, with a focus on regions and small and medium-sized enterprises.

[EU-US trade and investment relations: Effects on tax evasion, money laundering and tax transparency](#)

In-depth analysis by Isabelle Ioannides, March 2017

This study analyses EU-US trade and investment relations to assess whether and, if so, to what extent these relations have impacted on issues related to tax evasion, money laundering and tax transparency. Challenges remain on questions of beneficial ownership, cross-border exchange of information, privacy issues, and designated nonfinancial businesses and professions.

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[US: Economic indicators and trade with EU](#)

'At a glance' note by Györgyi Macsai and Giulio Sabbati, June 2021

Asia and Pacific

[EU-China Comprehensive Agreement on Investment: Levelling the playing field with China](#)

International agreements in progress, Gisela Grieger, March 2021

The lack of reciprocity in access to the Chinese market and the absence of a level playing field for EU investors in China have posed major challenges for EU-China investment relations in recent years, with the EU considering negotiation of a comprehensive agreement on investment (CAI) key to remedying the situation.

[Trade negotiations between the EU and ASEAN member states](#)

Briefing by Krisztina Binder, November 2020

In the longer term, these bilateral FTAs would allow the establishment of a region-to-region FTA, which remains the EU's ultimate ambition. By bringing together two of the world's largest economic areas, the agreement would establish a free trade area with a combined market of more than 1 billion people

[State of play of EU-New Zealand FTA talks](#)

'At a glance' note by Krisztina Binder, November 2020

Negotiations on an EU FTA with New Zealand, one of the fastest-growing developed economies in the world, were launched in June 2018. Eight negotiating rounds took place between July 2018 and June 2020, resulting in the closure of the future FTA's transparency chapter.

[State of play of EU-Australia FTA talks](#)

'At a glance' note by Krisztina Binder, November 2020

In May 2018, the Council authorised the Commission to negotiate an FTA with Australia. Negotiations were officially launched in June 2018. Between July 2018 and September 2020, eight negotiation rounds took place. The first chapter of the prospective EU-Australia FTA, concluded at the technical level, concerns small and medium-sized enterprises. The ninth negotiation round started on 30 November 2020.

[EU-China geographical indications agreement](#)

'At a glance' note, by Gisela Grieger, September 2020

The reciprocal EU-China agreement seeks to protect 100 EU GIs in China and 100 Chinese GIs in the EU against imitation and usurpation. Council endorsed the agreement's signature on 20 July 2020. The agreement could boost EU exports of high-quality foodstuffs, wines and spirits to the EU's third-largest destination for agrifood exports, and also foster rural development. It should also expand global recognition of the EU's GI protection regime, a key EU trade policy objective.

[EU-Vietnam trade and investment agreements](#)

Briefing by Martin Russell, February 2020

In 2019, Vietnam became the second south-east Asian country after Singapore to sign trade and investment agreements with the EU. The agreements are expected to bring major economic benefits to both sides, but opinions are divided on whether Parliament should consent to them, owing to human rights issues in Vietnam.

[EU free trade agreements with Australia and New Zealand](#)

Briefing by Vadim Kononenko, February 2018

This note offers an initial analysis of the strengths and weaknesses of the European Commission's impact assessment accompanying the FTA proposals, submitted on 13 September 2017 and referred to Parliament's

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Committee on International Trade (INTA). For the Commission, the proposals marked a step towards fulfilling key criteria for the EU's trade relations with third countries.

[International agreements in progress: EU-Singapore trade and investment deals pass major milestone](#)

'At a glance' note by Krisztina Binder, April 2019

The EU-Singapore agreements are considered a reference as regards the EU's ambition to conclude trade and investment agreements with other ASEAN members.

[International agreements in progress: Bilateral trade deal with Japan – largest to date for EU](#)

'At a glance' note by Krisztina Binder, February 2019

Following the signature of the EU-Japan Economic Partnership Agreement (EPA) in July 2018, and the conclusion of the ratification procedures by both partners at the end of 2018, the agreement entered into force on 1 February 2019. The agreement is the EU's largest bilateral trade agreement to date. It establishes a free trade area with a combined market of around 640 million consumers, accounting for roughly a third of the world's gross domestic product (GDP).

[International agreements in progress: EU-Vietnam Trade and Investment Agreements](#)

Briefing by Martin Russell, November 2019

The free trade and investment protection agreements with Vietnam have been described as the most ambitious deal of their type ever between the EU and a developing country. Not only will they eliminate over 99 % of customs duties on goods, they will also open up Vietnamese services markets to EU companies and strengthen protection of EU investment in the country.

[India: Economic indicators and trade with EU](#)

'At a glance' note by Giulio Sabbati, April 2021

[Australia: Economic indicators and trade with EU](#)

'At a glance' note by Nadejda Kresnichka-Nikolchova, February 2020

[Indonesia: Economic indicators and trade with EU](#)

'At a glance' note by Nadejda Kresnichka-Nikolchova, December 2019

[China: Economic indicators and trade with EU](#)

'At a glance' note by Nadejda Kresnichka-Nikolchova, December 2019

Latin America

[EU trade with Latin America and the Caribbean: Overview and figures](#)

In depth analysis by Gisela Grieger, December 2019

This publication provides an overview of trade relations between the EU and Latin American and Caribbean countries and groupings. The EU has fully fledged agreements with two Latin American groupings (Cariforum and the Central America group), a multiparty trade agreement with three members of the Andean Community (Colombia, Ecuador, and Peru), and bilateral agreements with Chile and Mexico. Since November 2017, a new agreement governing trade relations with Cuba has also been provisionally applied.

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Modernisation of the trade pillar of the EU-Mexico Global Agreement

Briefing by Gisela Grieger, October 2020

The trade pillar of the Global Agreement was the first trade liberalisation agreement the EU concluded with a Latin American country. It has contributed to a significant increase in EU-Mexico trade in services and industrial goods. However, it has become outdated, as both parties have entered into a wide range of preferential trade agreements with state-of-the-art provisions reflecting new developments in trade and investment policies.

Amazon deforestation and EU-Mercosur deal

'At a glance' note by Gisela Grieger, October 2020

After coming to a political agreement on the trade pillar of the three-pronged EU-Mercosur association agreement in June 2019, the EU and the four founding members of Mercosur (Argentina, Brazil, Paraguay and Uruguay) reached agreement on the political dialogue and cooperation parts in July 2020. However, as environmental deregulation and deforestation continue unabated in Brazil, opposition to the deal is growing. It is unlikely to be submitted to the European Parliament for consent in its current form.

The trade pillar of EU-Mercosur Association Agreement

Briefing by Gisela Grieger, September 2019

On 28 June 2019, the European Union (EU) and the four founding members of Mercosur (the 'Southern Common Market') – Argentina, Brazil, Paraguay and Uruguay – reached an 'agreement in principle' on a free trade agreement (FTA) as part of a wider association agreement (AA).

Modernisation of the trade pillar of the EU-Chile Association Agreement

'At a glance' note by Gisela Grieger, November 2018

In November 2017, the EU and Chile launched negotiations on a modernised trade pillar of the 2002 EU-Chile Association Agreement, based on a Council negotiating mandate which is the first-ever to have been published prior to the start of negotiations with a view to enhancing transparency and inclusiveness.

The trade pillar in the EU-Central America Association Agreement: European implementation assessment

Study by Isabelle Ioannides, October 2018

This evaluation assesses specifically the implementation of the trade and sustainable development (TSD) chapter of the trade pillar of this agreement during the five years of its operation. After briefly outlining the trade interests of this agreement, this study situates sustainable development by explaining its legal foundations in the Association Agreement and reviewing the ex-ante impact assessment conclusions on the issue. It then focuses on the monitoring mechanisms of the Association Agreement, including the European Commission's annual reports, Parliament's oversight work, civil society dialogue, and the results of the meetings of the specialised committee and annual Association Committee and Association Council meetings.

Trade agreement between the EU and Colombia and Peru

Study by Anna Zygierewicz, July 2018

This European implementation assessment consists of two parts. The in-house opening analysis (Part I) presents briefly the signature of the trade agreement between the EU and Colombia and Peru. The research paper prepared by external experts (Part II) presents detail analysis of trade in goods and services and foreign direct investments. The paper also evaluates in detail the implementation of the trade and sustainable development chapter of the agreement in both Colombia and Peru.

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[The effects of human rights-related clauses in the EU-Mexico Global Agreement and the EU-Chile Association Agreement](#)

Study by Isabelle Ioannides, February 2017

The democracy clause in the EU-Mexico Global Agreement and by extension the EU-Mexico Free Trade Agreement calls for respect for fundamental human rights. If these are breached, a sanctioning clause can be invoked. The widely reported violations of human rights in Mexico are tackled through political dialogue. The agreement includes cooperation articles on social policy, the results of which are non-binding. Against this background, it is difficult to make a clear link between the potential effects of human rights-related clauses in the Global Agreement on the human rights situation in Mexico. The EU-Chile Association Agreement (AA) also includes a comprehensive free trade agreement, which is subject to the democracy clause.

[Mercosur: Economic indicators and trade with EU](#)

'At a glance' note by Giulio Sabbati, December 2021

Africa

[An overview of the EU-ACP countries' economic partnership agreements: Building a new trade relationship](#)

Briefing by Ionel Zamfir, July 2018

In line with the objective enshrined in the Cotonou Partnership Agreement (signed in 2000), the EU has sought to update its preferential trade relationship with the ACP countries by establishing free-trade areas with regional groupings. The negotiation process has been longer and more complicated than initially expected. So far, it has ushered in nine agreements covering more than half (51) of the ACP countries.

[International agreements in progress: Economic partnership agreement with the East African Community](#)

Briefing by Eric Pichon, April 2018

The current ACP-EU Partnership Agreement (the 'Cotonou Partnership Agreement') features a provision making it possible for the EU to negotiate different economic partnership agreements (EPAs) with regional ACP sub-groups. This provision was needed for the partnership to be brought into compliance with the World Trade Organization's rules. Negotiations for an EPA with the members of the East African Community (EAC) – at the time: Burundi, Kenya, Rwanda, Tanzania, and Uganda – were finalised in October 2014.

Europe

[The level playing-field for labour and environment in EU-UK relations](#)

Briefing by Issam Hallak, April 2021

Although the TCA LPF provisions on labour and environment are in many respects similar to those in the EU's new generation FTAs, they strengthen the enforcement of non-regression provisions by allowing for remedial measures, and also reinforce the precautionary approach. The TCA also represents a notable innovation with its rebalancing and review provisions.

[EU-UK Trade and Cooperation Agreement: An analytical overview](#)

In-depth analysis by Issam Hallak et al, February 2021

This agreement is the institutional framework, that governs the new EU-UK relationship. It establishes trade on zero-tariff/quota terms and covers a wide range of areas, including energy, transport and fisheries.

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UK trade agreements with third countries: Implications for the EU

Briefing by Issam Hallak, December 2020

The UK is aiming to become a champion of free trade. As expressed by Secretary of State Liz Truss in February 2020, the UK's objective is to 'secure free trade agreements with countries covering 80 % of UK trade within the next three years' – which leaves no alternative but to secure a deal with the EU. By placing the Pacific area among its highest trade priorities, the UK is also proving to be seeking to 'diversify [its] trading links and supply chains', as mentioned in the CPTPP position statement, thus reducing its dependence on the EU.

Excluding Northern Irish imports from EU tariff rate quotas

Briefing by Issam Hallak, December 2020

To address the problem of the proper functioning of the EU single market and to provide legal clarification, the European Commission adopted a legislative proposal on 14 August 2020 stipulating that goods imported into Northern Ireland from non-EU countries would not benefit from EU tariff rate quotas or other import quotas unless ultimately destined for the EU.

Association agreement between the EU and Ukraine: European implementation assessment (update)

Study by Anna Zygierewicz, July 2020

The EU recognises the progress made in implementing the association agreement in Ukraine, but still points to the efforts needed in order to achieve the expected results. According to the latest EU association implementation report, Ukraine successfully completed the presidential and parliamentary electoral cycles and continued to implement several important reforms, with significant involvement of civil society in the process

Association agreement between the EU and the Republic of Moldova: European implementation assessment (update)

Study by Anna Zygierewicz, July 2020

Moldova's implementation of its association agreement/deep and comprehensive free trade agreement (AA/DCFTA) with the EU is progressing and is influencing the country's development positively. Despite Moldova being 'the poorest country in Europe', various reports underline that it is enjoying economic growth of around 5 % a year and 'has made significant progress in reducing poverty and promoting inclusive growth since the early 2000s'.

Association agreement between the EU and Georgia: European implementation assessment (update)

Study by Anna Zygierewicz, July 2020

According to the 2019 association implementation report on Georgia by the European Commission and the High Representative of the Union for Foreign Affairs and Security Policy (HR/VP), Georgia is continuing to implement the AA/DCFTA within the time limits agreed with the EU, and with 'extensive commitments in the areas of democracy, human rights and the rule of law'.

UK: Economic indicators and trade with EU

'At a glance' note by Giulio Sabbati, February 2020

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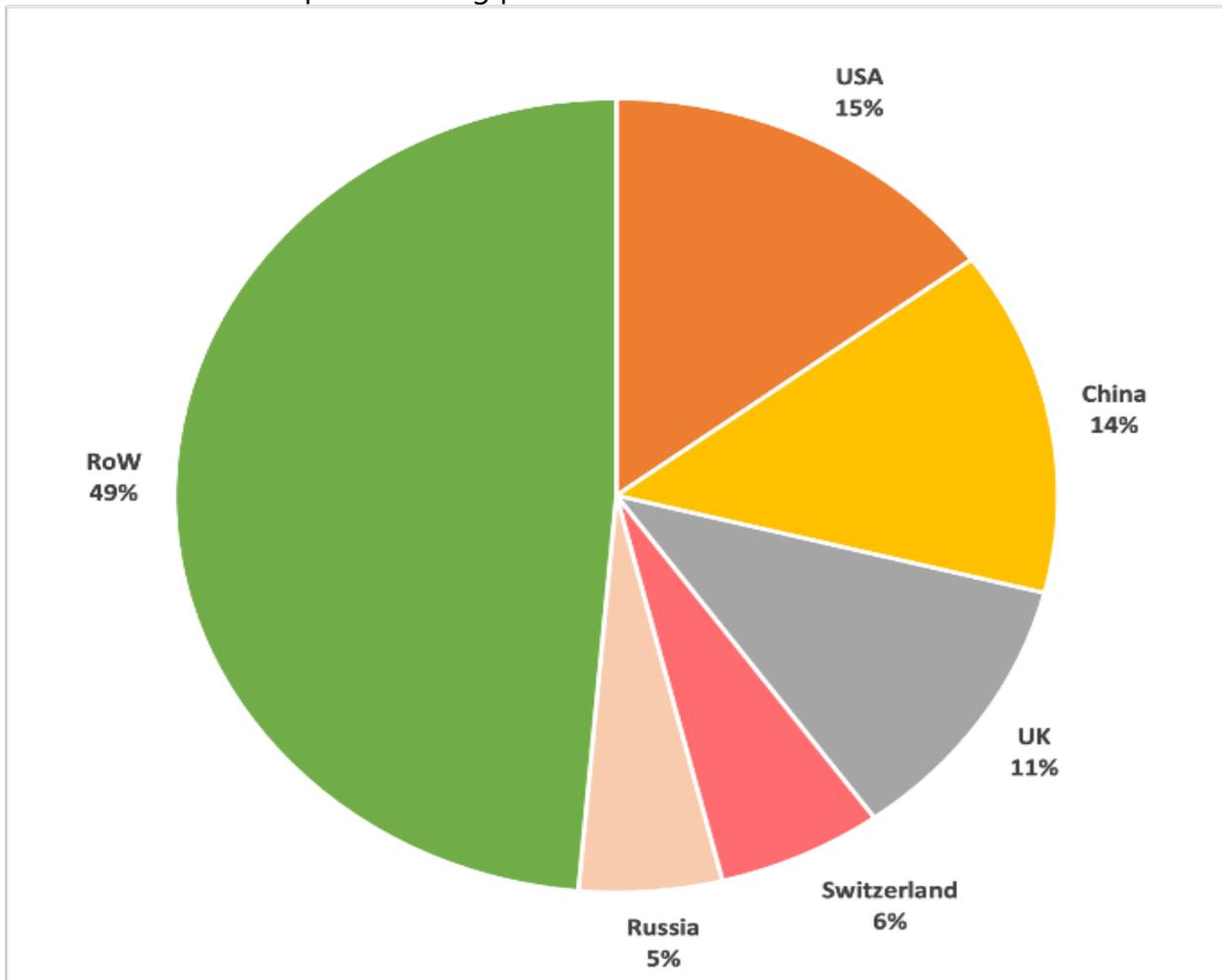


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Top five trading partners of EU27 total trade 2019



Source: UN Comtrade database; calculations by Issam Hallak, EPRS

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