

Statement by the Committee on Industry and Trade 2020/21:NU28

Communication from the Commission on a Trade Policy Review

Summary

The Committee has examined the Communication from the Commission on a Trade Policy Review and proposes that the Riksdag file the statement.

The Committee notes that, in its Communication, the Commission has identified challenges to the shaping of the EU's trade policy, as well as focus areas with proposals for action. The Committee agrees with the Commission that trade that is open and sustainable is the key to growth, employment and prosperity. In the opinion of the Committee, it is important that the EU's future trade policy defends an open, rules-based international order and compliance with this, and that the Union helps to counter the growing protectionist tendencies around the world. The Committee furthermore stresses that a modernisation of the WTO and its functioning is of the utmost importance for a successful trade policy.

The statement includes seven explanatory reservations (from the Moderate Party, Sweden Democrats, Left Party, Christian Democrats and Liberal Party).

The examined document

Communication from the Commission Trade Policy Review - An Open, Sustainable and Assertive Trade Policy (COM(2021) 66).

The position of the Committee

Introduction

The Committee explains its position under the following headings:

- General position on the Commission's Communication
- The EU's bilateral trade relations
- Trade and sustainability.

General position on the Commission's Communication

The Committee welcomes the Communication from the Commission on a Trade Policy Review, and shares the Commission's opinion that open and sustainable trade is the key to growth, employment and prosperity. The Committee notes that there has long been broad support in the Riksdag for the position that free trade is essentially something positive. Trade that is free, sustainable and fair is in the common interests of Sweden and the international community. It is important that trade with countries outside the EU can take place on open and equal terms. The EU's trade policy can serve as an important tool in promoting sustainable development globally. It is important that the EU's future trade policy defends an open and rules-based international order as well as compliance with such an order, and that the Union helps to counter the growing protectionist tendencies around the world. The importance of countering protectionism has been highlighted with the ongoing pandemic. In the opinion of the Committee, it is crucial that production of and access to vaccines are not affected by unnecessary trade barriers. One of the most important objectives is to increase production of vaccines, and escalating trade disputes counter such ambitions.

In its Communication, the Commission stresses the reform of the World Trade Organisation (WTO) as one of the key measures for achieving a successful trade policy. The Committee shares the Commission's opinion that a modernisation of the rules and improvement of the WTO's functioning are critical in tackling competitive distortions and providing an agreed framework for digital and sustainable trade. The Committee therefore welcomes the Commission's stated ambitions regarding reform of the WTO. The Committee has previously expressed the need to modernise the WTO and that both Sweden and the EU need to promote this actively. A functioning multilateral trade system in which the WTO is a key actor is of great significance for a rules-based trade system and there is a need to strengthen this system.

The Committee also shares the Commission's view that the EU should be at the forefront as regards digitalisation and e-commerce. In order to maintain its competitiveness, the EU needs to be a leader when it comes to digital trade and technology.

With regard to what has been stated above, the Committee recommends that the Riksdag file the statement for this part.

The EU's bilateral trade relations

The Committee has previously underlined the importance of the EU concluding more free trade agreements. The EU will strengthen its strategic position by concluding more free trade agreements where trade policy contributes to sustainable development in the EU and globally. The Committee therefore welcomes the Commission's ambitions to deepen trade relations with neighbouring and enlargement countries, and to promote deeper engagement between the EU and Africa.

The Committee shares the Commission's opinion that the building of a fair and rules-based relationship with China is of priority. The Committee is positive to the Commission's intention to pursue ambitious negotiations on agreements to facilitate trade and market access, as well as equal terms of competition. The Committee furthermore shares the opinion that it is crucial that the EU involves China in the reform of the WTO. In addition, the Committee considers that China's use of special and differential treatment in the WTO needs to be adapted to the country's development level.

The Committee also shares the Commission's opinion that the new US administration provides an opportunity for improved trade relations. This also means an opportunity for cooperation in reforming the WTO, and new prospects for close collaboration regarding the green and digital transitions. The Committee is positive to the fact that the EU intends to prioritise efforts to strengthen its relationship with the USA.

As regards the Mercosur Agreement, the Committee considers that it will benefit both regions' economic development, growth and employment, and that it is of strategic political significance as it brings the EU and Mercosur countries closer together. At the same time, the situation in Brazil is of concern. The Committee notes that there is an ongoing dialogue to strengthen the sustainability dimension of the Agreement, and which deals with the implementation of the Paris Agreement and, in particular, deforestation.

With regard to what has been stated above, the Committee recommends that the Riksdag file the statement for this part.

Trade and sustainability

The Commission notes in the Communication that, in line European Green Deal, combating climate change and environmental degradation is the EU's top priority. All EU policies need to contribute, but progress will depend on global partners, on large emitters and polluters being ready to increase their level of ambition. Trade policy will have an important supporting role in the digital and green transitions. The Committee shares the Commission's opinion and wishes to stress the role of trade in the implementation of Agenda 2030 and the Paris Agreement. There should be a clear correlation between the EU's trade policy and the global goals in Agenda 2030, the climate goals of the Paris Agreement and the green recovery. The sustainability dimension is an important starting point for new free trade negotiations, and the Committee considers that new trade agreements between the EU and third parties should take the environment and sustainability into

consideration. The Committee especially wishes to underline the importance of an effective implementation of the sustainability chapters. It is positive to action that promotes the use and development of standards to support a resource-efficient and non-toxic circular economy, as well as other climate transition in line with the EU's Green Deal.

The Committee shares the Commission's view that the EU's trade and investment agreements should contribute to the promotion of respect for human rights and other rights on the labour market, and that the implementation of measures in these areas should have special priority. The Committee also welcomes the Commission's view as regards the importance of further increasing trading opportunities for developing countries to reduce poverty and to create jobs based on international values and principles, such as labour and human rights. Free trade agreements must not lead to the undermining of social, trade union and economic rights in Sweden or the EU. In this context, the Committee wishes to stress the importance of the Commission's forthcoming legislative initiative on due diligence.

The Committee further wishes to underline that free trade must continue to be fair. In the opinion of the Committee, the EU must be a strong voice for fair world trade in order to promote sustainable development and the fulfilment of the global goals for sustainable development, human rights, protection of employee and consumer interests and the fight against corruption.

With regard to what has been stated above, the Committee recommends that the Riksdag file the statement for this part.