

ROADMAP

Title of the initiative: **Communication: A Trade Strategy for EU 2020**
Type of initiative (CWP/Catalogue/Comitology): CWP
Lead DG: DG Trade / Unit A2
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Initial IA screening & planning of further work

A. Context and problem definition

(i) What is the political context of the initiative? (ii) How does this initiative relate to past and possible future initiatives, and to other EU policies?

This initiative is a follow-up to the Europe 2020 strategy. The main aim of this initiative is to ensure that the future EU trade policy continues to play a key role in promoting EU external competitiveness and growth, in a rapidly changing post-crisis global economy.

The Barroso I Commission put forward an external trade policy agenda for a competitive Europe in a globalized world and built on the renewed 2005 Lisbon Strategy. The new Europe 2020 strategy offers an anchor for a renewed trade strategy for the next 5 years.

What are the main problems identified?

Since 2006, there have been significant changes in global economic and trade issues, both in Europe and abroad. The global economy is slowly recovering from the worst economic crisis and trade is a major engine of economic growth and a key driver for economic prosperity. Trade is also an important contributor to economic growth in developing countries and EU trade policies should continue to play an instrumental role in promoting these development-related objectives.

In the current global context, where EU trade flows have suffered from a major contraction, there is a need to assess what additional role trade policy can play in restoring the EU economy on a strong recovery path. Globalization creates additional opportunities but also intense pressure on companies to trade in world markets. For a growing range of intermediate inputs and finished products, Europe must improve its competitiveness vis-à-vis our main trading partners through higher productivity and trade openness both at home and abroad. The Trade Strategy for EU 2020 will examine the best ways in which EU trade policy can contribute to this major EU objective, as laid out in the Europe 2020 strategy proposal by the European Commission.

Who is affected?

EU External Trade policy is a cross-cutting domain covering trade in goods (agriculture, non-agriculture), services, as well as various trade-related regulatory issues and as such the Trade Strategy for EU 2020 is relevant to potentially all economic players in the EU and our partners.

(i) Is EU action justified on grounds of subsidiarity?

Yes. The initiative refers to External Trade and common commercial policy, an exclusive EU competence.

B. Objectives of EU initiative

What are the main policy objectives?

The Trade Strategy for EU 2020 initiative will set out the broad strategic trade policy priorities that need to be pursued in the next few years. The initiative will also relate to other relevant economic and horizontal strategies adopted at EU level (e.g. sustainable development, growth, jobs, etc).

Do the objectives imply developing EU policy in new areas or in areas of strategic importance?

Yes. The detailed nature of each of these new trade policy actions will be spelled out in subsequent specific initiatives.

C. Options

(i) What are the policy options? (ii) What legislative or 'soft law' instruments could be considered?

The Global Europe trade strategy (2006) put the foundations for the current trade policy agenda and priorities. The new Trade Strategy for EU 2020 will assess progress in the implementation of that agenda and explore some new directions, based on the priorities announced in the EU 2020 strategy and taking into account recent economic and trade policy developments.

These policy options will include:

- An emphasis on concluding on-going multilateral and bilateral trade negotiations, in particular those with the strongest economic potential, as well as on better enforcement of existing agreements, focussing on non-tariff barriers to trade;
- Trade opening initiatives for sectors of the future, such as "green" products and technologies, high-tech products and services, and on international standardization in particular in growth areas;
- Proposals for high-level strategic dialogues with key partners, to discuss strategic issues ranging from market access, regulatory framework, global imbalances, energy and climate change, access to raw materials, to global poverty, education and development. It will also work to reinforce the Transatlantic Economic Council with the US the High Level Economic Dialogue with China and deepen its relationship with Japan and Russia.

In addition, starting in 2011 and then annually before the Spring European Council, a trade and investment barriers report identifying ways to improve market access and regulatory environment for EU companies will play an instrumental role in supporting the strategy.

(iii) Would any legislative initiatives go beyond routine up-date of existing legislation?

Yes

Does the action proposed in the options cut across several policy areas or impact on action taken/planned by other Commission departments?

Yes. The Trade Strategy for EU 2020 will develop links with policy areas in other Commission departments, to the extent that such policy areas are related to, and enhance the contribution of external trade actions to the broader EU policy objectives and priorities.

Explain how the options respect the proportionality principle

The Trade Strategy for EU 2020 initiative and its priority actions will be limited to what is necessary to achieve the objectives of the Treaties.

D. Initial assessment of impacts

What are the significant impacts likely to result from each policy option (cf. list of impacts in the Impact Assessment Guidelines pages 32-37), even if these impacts would materialise only after subsequent Commission initiatives?

The Trade Strategy for EU 2020 will put forward broad policy guidelines for future specific initiatives. As such, the potential impact of concrete initiatives would be difficult to capture at this stage. Proportionate impact assessments will be developed for any specific initiatives launched following the orientations laid out in this strategy.

Could the options have impacts on the EU-Budget (above 5 Mio €) and/or should the IA also serve as the ex-ante evaluation, required by the Financial Regulation?

N/A

Could the options have significant impacts on (i) simplification, (ii) administrative burden or on (iii) relations with third countries?

Possibly yes and obviously so in the case of third countries. However, the level of detail likely to be contained in this strategy paper does not provide enough elements to consider to define precisely the exact nature of such impacts. However, careful consideration will be given in follow up initiatives to address these aspects.

E. Planning of further impact assessment work

When will the impact assessment work start?

The Trade Strategy for EU 2020 will put forward broad policy guidelines for future specific initiatives. As such, the Communication will not contain all the necessary elements required for an impact assessment to be carried out. Impact assessments will be developed for any specific initiatives launched following the broad strategic orientations laid out in this Communication, as required.

(i) What information and data are already available? (ii) Will this impact assessment build on already existing impact assessment work or evaluations carried out? (iii) What further information needs to be gathered? (iv) How will this be done (e.g. internally or by an external contractor) and by when? (v) What type and level of analysis will be carried out (cf. principle of proportionate analysis)?

Any impact assessment of the future trade initiatives mentioned in the Trade Strategy for EU 2020 will be based on existing economic information, trade data and other statistics. Additional information (available only once these strategic initiatives will become operational) will be gathered internally and, if necessary with the assistance of an external contractor. The timeframe will be in line with existing guidelines for impact assessment, including the principle of proportionate analysis.

Which stakeholders & experts have been/will be consulted, how and at what stage?

Relevant stakeholders (industry associations, civil society, etc) and key outside experts in each of the trade policy areas under examination will be consulted for each specific trade initiative that stems from the trade strategy for EU 2020.