



EUROPEAN COMMISSION

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Dear President,

The European Commission would like to thank the Portuguese Parliament for its opinion on the Commission Communication "Trade, Growth and World Affairs - Trade Policy as a core component of the EU's 2020 strategy" (COM (2010) 612), which sets out the priorities and objectives for EU trade and investment policy for the coming 5 years, and presents a list of actions for 2011. We would like to apologise for the long delay in responding to your opinion.

In reply to the specific comments of the Draftsperson of the Portuguese Parliament, the Commission would like to particularly highlight the following issues:

The European Commission has taken great care in developing the new trade policy strategy, and has to that end engaged with a wide variety of stakeholders and Member States. Trade policy is an exclusive EU competence and therefore the Common Commercial Policy is indeed set for the EU and its Single Market as a whole. This does not mean that the Commission does not look on a case by case basis into the specific consequences that our policy could have on specific Member States, but it explains why a Communication defining our Common Policy must focus on the EU common interest.

The above-mentioned engagement has been done through the Trade Policy Committee (TPC) with all Member States and the International Trade Committee (INTA) of the European Parliament, and more broadly through a wide public consultation, a special Eurobarometer survey and an online debate among trade economists on the VoxEU website. The public consultation gathered views on the rationale, scope and strategic objectives for the EU trade policy from over 300 stakeholders, including the Portuguese Government, and was open from 2 June to 6 August 2010.

The Communication introduces the Commission's renewed trade and investment strategy, and is a crucial element of the external dimension of the Europe 2020 strategy. It is accompanied by two Commission staff supporting documents: the "Report on progress achieved on the Global Europe strategy, 2006-2010", which provides an overview of progress achieved to date on previously set objectives; and the paper "Trade as a driver of prosperity", which provides a comprehensive economic analysis and background material in support of initiatives contained in the new trade strategy. While there are no formal requirements specifying the languages to be used in public consultations, the Commission is very conscious of the fact that the language barrier can be a hindrance for people and organisations to participate in public consultations. The Commission therefore strives to strike the right balance between the number of languages used and the resource requirements of producing these versions.

*Ms Maria da Assunção Esteves
Presidente da Assembleia
da República
Palácio de S. Bento
P – 1249-068 LISBOA*

On the other hand, there is no constraint placed on the language of the responses from stakeholders and the Commission takes into account all opinions received. Furthermore, there are other channels for the Commission to be informed about citizens' opinions on trade policy as for instance via the Civil Society Dialogue or, more specifically for this communication, via the EU wide survey of the Eurobarometer in all EU member states (as already mentioned above).

The European Commission recognises the potential impact of trade on climate change. Both positive and negative effects may occur side by side, as discussed in the document "Trade as a driver of prosperity". In this document, ways are advanced in which trade can mitigate climate change, e.g. by linking trade opening to improvements in relevant environmental legislation and enforcement, by facilitating the transfer of emission-reducing technology, or by reducing tariffs and other barriers to trade in environmental and climate friendly goods and services. Energy-related issues are also important and through our policies we will look at ways to help diversify energy supplies and promote trade in sustainable energy. In working to explore the different possibilities, the EU remains committed to support green growth and climate change objectives, as well as those of resource efficiency and biodiversity protection.

While trade alone is not a guaranteed route to economic growth for all developing countries, evidence suggests that trade and openness to the global economy play an important role in creating jobs and prosperity. Making trade work for development means weighing the needs of every developing economy, and tailoring policies that reflect different vulnerabilities and strengths. The European Commission recognises this and has adopted a carefully differentiated approach that pays systematic attention to coherence with development policies. In this continued effort, the European Commission has recently completed the "Public Consultation on a new Trade and Development Communication", the results of which you could find online¹.

The WTO is a rules based organisation composed of governments and customs territories (such as the EU) whose decisions are mainly taken on a consensus basis. Furthermore, the WTO is equipped with a Dispute Settlement Mechanism which helps to apply the rules in a fair manner. This is of particular interest for small or developing countries that would otherwise have to solve their problems bilaterally with more powerful partners. Hence, the EU supports the work of the WTO on multilateral rule-making, trade liberalisation and sustainable development. Through the WTO, the EU seeks to ensure market access for European companies. Furthermore, the European Commission works to protect EU producers from international trade distortions or disruptions, by applying trade defence instruments in compliance with WTO rules.

Small and Medium-sized Enterprises (SMEs) are of great concern to the European Commission. The transparency and predictability of international rules are primarily at the advantage of SMEs since unlike larger companies they cannot afford to explore each and every rule and regulation in other countries. Furthermore, the Commission developed a market access strategy and various other tools to help SMEs: the Commission will enhance the role of EU Delegations as contact points for EU business abroad and, where appropriate, create specific business support structures in third countries. The new communication aimed at helping SMEs that want to develop their international activities, entitled "Small Business,

¹ Results from the consultation are available at <http://trade.ec.europa.eu/consultations/?consul%5Fid=156>.

Big World - A new partnership to help SMEs seize global opportunities", is now complete, and has benefited from public consultation as well².

Consultation with civil society is a fundamental part of our policy-making. Whenever possible, we provide feedback to the respondents to our public consultations. In the case of trade policy, this is partly achieved by the regular Civil Society Dialogues on trade³ as well as by publicising reports on public consultations. Regarding this communication in particular, you may consult the final report on "The public consultation on the future EU trade policy"⁴.

The Communication contains, as you identified, an imprecision regarding Figure 1. When it reads, in page 3 of the Portuguese version of the document, that "As shown by Figure 1 in the annex, our share in global trade remains stable for now (...)", it should read instead "Figure 2".

The Commission hopes that these clarifications address the concerns expressed by the Assembly of the Republic of Portugal.

Yours faithfully,

*/-/ Maroš Šefčovič
Vice President*

² The Communication can be found at http://ec.europa.eu/enterprise/policies/sme/market-access/internationalisation/index_en.htm#h2-1.

³ For more information please consult <http://trade.ec.europa.eu/civilsoc/>.

⁴ http://trade.ec.europa.eu/doclib/docs/2010/september/tradoc_146556.pdf.