

EU AND THE CHALLENGES OF RISING GLOBAL PROTECTIONISM

Agnes Ghibuțiu*

Abstract

The slowdown in global trade growth over the post-crisis period was accompanied by steadily rising protectionist tendencies and prevalence of economic nationalism, alongside increasing public sentiment against globalization and free trade. Moreover, the last years have seen an upswing in trade protectionism, with the EU and its Member States turning into outright targets of trade restrictive measures applied by countries worldwide.

Against this backdrop, our paper reviews recent trade policy developments that bear upon EU's external trade relations, and aims at discussing: (1) dynamics and characteristics of the new protectionist measures implemented by EU's trading partners; (2) the importance of accessing external markets, and the European strategy and related trade policy kit to cope with the protectionist phenomenon; and (3) the challenges facing the EU in the changing global environment. The paper concludes that the upsurge in new protectionist measures and limited rollback of the existing ones since 2008 call for strengthening the multilateral trade framework and resuming WTO negotiations, as the most effective means to address crisis-related protectionism. Hence, EU's efforts to tackle protectionism should be backed up by similar endeavours globally. Since the multilateral trade agenda remains at the heart of EU's trade policy, the Union should act more convincingly toward relaunching global trade cooperation.

Keywords: EU, G20, trade policy, trade protectionism, World Trade Organization (WTO), trade agreements

JEL Classification: F10, F13, F15

1. Introduction

Weakening global growth and dramatic slowdown in global trade growth in the post-crisis years coupled with a whole array of challenges to global economic recovery provided a fertile ground for countries' propensity to resort to protectionist trade policy measures.

It is well known that deviation from free trade is enticing for governments in times of economic downturn and heightened instability given that trade protectionism is commonly perceived as a quick and easy way to save jobs and replace imports with domestic production, and also a less painful remedy than fiscal austerity or cuts in budgetary spending.

*Agnes Ghibuțiu PhD is senior research fellow at the Institute for World Economy of the Romanian Academy, Bucharest. E-mail address: agnes.ghibutiu@gmail.com. This article is an extended and updated version of the author's paper presented at the 4th International Conference on Economic Scientific Research – Theoretical, Empirical and Practical Approaches – ESPERA 2016², December 15-16, 2016, Bucharest, Romania.

Despite widespread fears of the international community that the 2008/2009 crisis might trigger a protectionist spiral of a magnitude comparable with the Great Depression, and with equally devastating effects, this did not come true. Nevertheless, the crisis has been accompanied by a steady increase in the number of trade-restrictive measures introduced by countries from all over the world as policy responses to the crisis-related difficulties. But even though the world has not seen a return to the across-the-board tariff increases of the early 1930s, governments worldwide have not refrained from using the full toolkit of protectionist trade policies, ranging from massive stimulus packages, bailouts, and subsidies, to various discriminatory trade measures affecting their trading partners.

Mindful of the 1930s experience and the contribution of trade to macroeconomic stability and performance, and wishing to prevent the escalation of protectionist pressures likely to affect global economic recovery, leaders of the Group of 20 (G20) economies pledged already in November 2008 at the first crisis-related summit in Washington to refrain from introducing new barriers to trade and investment and abolish the existing ones. They also requested the WTO, in collaboration with the OECD and UNCTAD, to monitor G20 countries' trade and investment policy measures and periodically report on their findings.

Yet, for the last eight year in a row, the global institutions monitoring the protectionist phenomenon in the G20, along with alternative monitoring entities, have pointed to the steady accumulation of new trade-restrictions and few efforts to liberalize international trade. Moreover, according to the latest monitoring reports, trade protectionism has seen an alarming upswing since 2015, both in G20 countries and on a global scale. Given that G20 economies are responsible for the bulk of global protectionism, accounting for about 80% of all protectionist measures introduced worldwide since the start of the crisis [Evenett and Fritz (2016)], it is quite clear that G20 leaders' commitment in 2008 to contend trade protectionism – renewed each year since then – has been systematically violated.

The current developments in the area of trade policy are all the more worrying as trade openness would be needed to keep recovery going, especially in the present global economic and political context, marked by instability and uncertainty. On the contrary, global efforts toward market opening continue to be in impasse, with the multilateral trade talks in the WTO hardly progressing in the absence of political will. Besides, we are witnessing an upsetting rise in negative perceptions on open trade and globalization in numerous countries and areas of the world, coupled with obvious signs of exacerbated economic nationalism and populism. And alongside the growth in anti-trade and anti-globalization rhetoric in the public discourse, the idea that trade has plateaued and globalization has peaked, and inherently economic integration of the world has come to an end, seems to gain more and more support.

Serious concerns about the recent upward trend in protectionist developments worldwide are coming from the EU, too. The European Commission's last monitoring report confirms that the propensity to impose new trade-restrictive measures remains strong among EU's trading partners, which goes clearly against the G20 commitment to abstain from imposing trade restrictions and remove existing ones. Given the EU's high weight in global trade and investment flows, these trends are fueling uncertainty in the world economy and hinder thus the revival of global trade and investment, badly needed to keep global recovery on track.

Against the backdrop of growing protectionist pressures worldwide, this paper aims to give an overview of the main trends shaping crisis-related protectionism at the European level and highlight the Union's policy response to this phenomenon as well as the challenges ahead. In doing so, it relies on data provided by the last monitoring reports released by the European Commission and WTO, as well the Global Trade Alert (an independent monitoring body), and draws on insights from the current literature on protectionism. The paper is structured as follows: Section 2 reviews the main protectionist developments at the European level, based on the Commission's latest report, to evidence the dynamics and patterns of protectionist measures targeting EU trade. Section 3 discusses EU-related protectionism in a broader context. Section 4 examines the EU's strategy and related trade policy kit designed to ensure European companies' access to external markets and address protectionist impulses by its trading partners. Section 5 concludes, along with some reflections on the challenges facing the EU in its efforts to counter trade protectionism in the changing global landscape.

2. EU – a primary target of crisis-related protectionist measures

From a trade policy perspective, developments and trends in the EU's commercial policy may be discussed from a double angle, i.e. as both source and target of policy measures aimed at restricting trade. Seen from the first angle, the EU and its four Member States that are part of G20 (i.e. France, Germany, Italy, and the UK) are subject to WTO's trade policy monitoring exercises since the outbreak of the crisis in 2008, in accordance with the anti-crisis G20 commitment to “refrain from raising new barriers to trade in goods and services and investment or imposing new export restrictions, or implementing WTO inconsistent measures to stimulate exports” [G-20 (2008)]. Since G20 as a group accounts for about 85% of world GDP and 80% of global trade, its member countries bear a special responsibility for keeping the world trading system open and preserving fair competition conditions in domestic and global markets. Hence, the EU as a G20 member is equally responsible for the escalating protectionist trends globally, which are attributed in proportion of about 80% to the G20 group, as mentioned above. However, this dimension of EU's trade policy lies outside the scope of our paper, which focuses exclusively on the second dimension, namely the EU as a target of protectionist trade policies promoted globally.

As a G20 member, the Union monitors itself the evolution of protectionist tendencies worldwide and publishes regularly reports on the results of its monitoring exercises, both in the framework of the G20 commitment to resist protectionist pressures and in the context of its own efforts to phase out trade barriers raised by its trade partners. In this regard, EU's monitoring exercises complement those carried out by the WTO, but in addition these focus on the markets of EU's main trading partners with the aim to identify and, respectively, address trade barriers affecting its trade.

The last monitoring report¹ released by the European Commission in June 2016 takes stock of protectionist tendencies in 31 EU trade partners² from 1 July 2014 to 31 December 2015 [European Commission (2016a)]. What are the main findings of the report?

¹ Unlike earlier reports, the June 2016 report (entitled “Report on trade and investment barriers and protectionist trends”) combines the information previously contained in two separate reports,

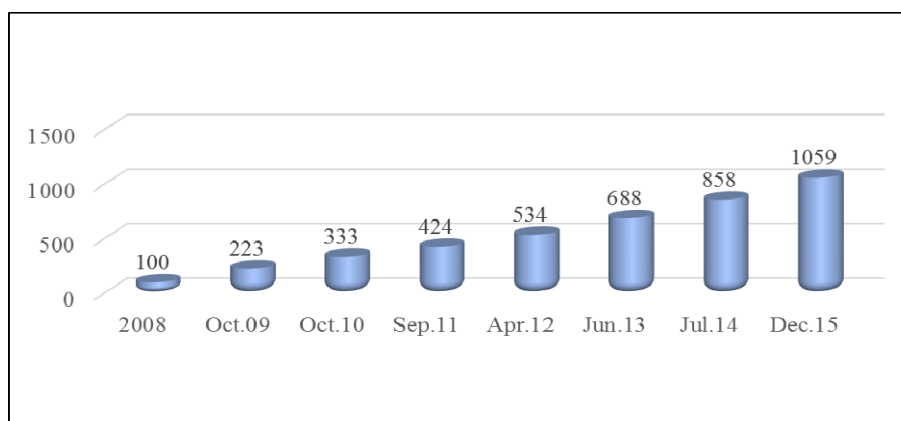
2.1 Dynamics of new protectionist measures targeting the EU

The Commission's report reveals that crisis-related trade protectionism continues to be on the rise around the world, with many countries still resorting to trade-restrictive measures.

While trade-restrictive measures that are targeting the European economy continue to grow at roughly the same pace as identified in earlier monitoring reports, only few barriers to trade have been removed so far. Moreover, numerous new ones have been introduced between July 2014 and December 2015, which are adding to the continually growing stock of protectionist measures in place since the start of the crisis. Accordingly, the rate of removal of trade-restrictive measures by third countries, including G20 countries, remains far too low to reduce the overall stock of trade-restrictive measures adopted by EU's trading partners since 2008.

More specifically, during the 18-month period under review, 201 new potentially trade-restrictive measures have been implemented by EU's trading partners, while only 16 previously imposed such measures were withdrawn. As a result, the stockpile of protectionist measures identified by the EU since 2008 has continued to increase, amounting to 1059 by the end of 2015 (figure 1). As only 17% of the total has been removed since 2008, the rate by which trade-restrictive measures are being eliminated remains insufficient to significantly counteract the growing number of new measures.

Figure 1: Evolution of the stock of trade-restrictive measures since 2008



Source: Author's compilation based on data from the European Commission [European Commission (2014, 2016a)].

namely the *Report on potentially trade restrictive measures* ("Protectionism report"), published annually since 2008, and the *Trade and investment barriers report*, published annually since 2011 and focused on the progress achieved in dismantling barriers to the markets of EU's six strategic economic partners – China, India, Japan, Brazil, Argentina, Russia, and the US.

² Algeria, Argentina, Australia, Belarus, Brazil, Canada, China, Ecuador, Egypt, India, Indonesia, Japan, Kazakhstan, Malaysia, Mexico, Nigeria, Pakistan, Paraguay, the Philippines, Russia, Saudi Arabia, South Africa, South Korea, Switzerland, Taiwan, Thailand, Tunisia, Turkey, Ukraine, the US, and Vietnam. These countries account together for the bulk of EU's trade with third parties.

Equally relevant for assessing the dynamics of protectionist measures applied by EU's trading partners and the state of their market opening is the ratio between newly introduced protectionist measures and trade liberalization measures. Therefore, in addition to the new protectionist measures, the Commission also monitors the *trade-facilitating measures* adopted by its trading partners to improve trade or investment conditions, such as reducing import/export duties, facilitating import procedures or relaxing foreign ownership limitations. Though the last monitoring report suggests that the number of such trade liberalization measures is on a slight upward trend between July 2014 and December 2015 as compared to previous reports, these initiatives are still outpaced by protectionist trade policy initiatives in a ratio of 1:3, which says a lot.

2.2 Main offending nations and patterns of EU-related trade protectionism

The main offending nations identified by the European Commission in its last monitoring report are *emerging economies*. These countries together account for the bulk of all new trade-restrictive measures applied by EU's trading partners between July 2014 and December 2015.

Interestingly, the same emerging economies as in previous years – namely, China, Russia, Indonesia and India taken together – were responsible for nearly half of all new protectionist measures detected by the Commission in the reporting period. These countries were followed by South Africa, Argentina, Turkey, Ecuador, Algeria, Brazil, and Mexico. But developed countries, including some G20 members (e.g. the US and Japan) continue to adopt protectionist measures, too, in spite of repeated promises to refrain therefrom. In EU's trade with Japan and the US, for instance, numerous longstanding hurdles to market access persist, including tariffs, non-tariff measures (e.g. sanitary and phytosanitary measures, and technical barriers), as well as public procurement restrictions.

Regarding protectionist trends in specific sectors, among the products most severely hit by protectionist measures are *raw materials* and *energy goods*, which are restricted mainly by export restrictions and discriminatory provisions (e.g. local content requirements), respectively. The *ICT sector* ranks also among the domains increasingly hurt by new protectionist measures (imposed particularly by China, India, and Russia), with market access limiting measures ranging from duty increases to local content requirements, mandatory certification or intrusive testing requirements. And not least, the worsening of global overcapacity in the steel sector³ during the period under review has triggered an increase in protectionist measures by third countries against the European *steel sector*, which represents 1.3% of EU GDP and provides over 328,000 jobs [European Commission (2016b)]. These measures took especially the form of disproportionate restrictions on imports, including large increases in customs duties (e.g. India), but also import licensing procedures and quotas imposed on European steel

³ Especially since 2015, overcapacity in the steel industry has become a serious problem for many G20 countries amid slowing global demand, which led to closing steel mills and layoffs. In particular, China – which accounts for over half of world steel production – has been accused of artificially maintaining an excessive number of steel mills through subsidies and other government support, thus fueling overproduction, distorting market and affecting global trade.

products (e.g. in Algeria, the second largest export destination for EU steel), along with the imposition of export restrictions, and not least a notable surge in the use of trade defense instruments, including safeguards.

In terms of *typology of the trade policy measures*, border measures directly affecting EU imports and exports (e.g. tariff increases, quantitative restrictions, import licensing or even outright trade bans) continue to account for the largest share of newly introduced trade restrictions, with India, Indonesia and Russia applying the highest number of new border measures restricting imports between July 2014 and December 2015.

A significant rise occurred over the reporting period in the number of new *behind-the-border measures*. This suggests an increasing resort of third countries to internal measures affecting foreign competition, which are in general more difficult to identify than border barriers. Among these are mainly new measures that restrict access to public procurement, and trade in services and investment, but also discriminatory tax measures or other discriminatory provisions favouring local companies or requiring local content, registration procedures and other standards and technical requirements. China once again applied the highest number of such behind-the-border measures, followed by Russia. While China accounts for the highest number of restrictive measures introduced in the area of services and investment, followed by Indonesia, Russia has adopted the largest number of measures restricting access to government procurement, followed by the US.

In addition to the protectionist measures mentioned above, numerous EU trade partners increasingly support their companies through *subsidies* (e.g. the US), *incentives* and other measures, particularly stimulus measures aimed at boosting exports, with potentially distorting effects on competition.

Finally, the resort of third countries to *trade defence instruments* (i.e. anti-dumping, anti-subsidy and safeguard measures) against EU and individual Member States is on a clear upward trend since 2010. The use of trade defence instruments (or trade remedies) is aimed at providing temporary protection to domestic industries and is subject to WTO rules and disciplines. However, unlike WTO reports, trade defence measures are not included as potentially protectionist measures in the Commission's monitoring reports on the ground that these are designed to correct anticompetitive behaviour of trade partners or to react to sudden increases in imports that may cause injury. However, since unwarranted trade defence measures may adversely impact EU exports, the Commission monitors distinctly the development of trade defence investigations initiated by non-EU countries against European companies to ensure that these measures are applied in accordance with WTO rules.

According to the Commission's latest report on trade defence measures, the total number of such measures in force affecting EU exports increased to 151 at the end of 2015 as compared to the 140 measures in place in 2014 [European Commission (2016c)]. This total included 108 anti-dumping measures, 5 anti-subsidy measures, and 38 safeguard measures. Of particular concern to the EU is the increased imposition of safeguard measures, which apply against all countries of origin, whether or not causing any injury to the domestic industry. Among the most active countries imposing trade defence measures against EU exports are India and China (each with 19 measures in force, mostly anti-dumping), followed by the United States (with 18 measures in force, mostly anti-dumping), Brazil (with 16, only anti-dumping measures and a remarkable increase relative to 2014), and Turkey (12).

3. Discussing EU-related protectionism in a broader context

From the overview of recent protectionist developments in the EU, based on data provided by the European Commission's latest monitoring exercise, we may conclude that almost a decade after the outbreak of the financial crisis, the protectionist phenomenon is far from giving any sign of retreat. On the contrary, it is on the rise. Many countries still continue to consider protectionist measures a valid trade policy tool for overcoming post-crisis economic difficulties, though it is quite clear that resort to protectionism and inward looking economic policies would not solve the challenges currently facing the world economy. In fact, it would make them even worse.

Nevertheless, the Commission's findings on EU-related protectionist trends are worth to be looked at in a broader context to get a more comprehensive picture of the dynamics and patterns of crisis-related protectionism. Such an approach brings us to some additional comments.

A first point to be made is that the real extent of protectionist measures targeting the EU economy is presumably much larger than that suggested by the Commission's last report, given that monitoring exercises, even if very useful, cannot capture but part of the vast universe of protectionist measures imposed by third countries. Nowadays, these measures are frequently adopted in a non-transparent way and therefore may not be detected. In tough economic times governments have strong incentives to resort to new, often hidden and subtle, ways to favour domestic commercial interests over foreign competitors. This is why numerous contributions point to the "murky" and "creeping" nature of contemporary trade protectionism [(e.g. Evenett (2014), Evenett and Fritz (2016), Hufbauer and Jung (2016)].

A second point is that the Commission's report tracks the evolution of the protectionist phenomenon at the European level just till October 2015. Since EU's monitoring reports are in general consistent with similar WTO reports⁴, and do also complement the findings thereof (even though the date of their release does not usually overlap), we may get some insights into the evolution of protectionist trends thereafter from two subsequent WTO monitoring reports, which together cover the period October 2015 to October 2016 [WTO (2016a, 2016b)]. Both reports contain alarming signals about continually escalating protectionist pressures. According to these reports, the number of new trade-restrictive measures introduced by G20 economies remained worryingly high after October 2015 too, with the overall stock of such measures (including trade remedies) recorded since 2008 increasing further, and with less than a quarter of these measures being removed. This reinforces the notion that the rate of removal of such measures by G20 members remains far too low to reduce the existing stock of restrictive measures. Furthermore, the policy mix used by governments appears to have been shifting since 2015. Apart from the large number of border measures and the alarming rise in trade defence instruments, which point to increasingly tensed relations between trading nations worldwide, G20 economies more frequently resort to a large

⁴ The methodology of WTO's monitoring reports differs in several respects from the Commission's reports, as it takes into account a smaller group of countries (G20) over a shorter (6-months) period and also covers trade defence instruments, which are excluded from the Commission's reports.

variety and more focused forms of government intervention, i.e. sector-specific and export-oriented support measures, including export credits, export rebates and refunds and other export incentives [WTO (2016b)].

But even more disturbing are the data provided by the last report published by Global Trade Alert (GTA) – an independent monitoring body co-ordinated by the London-based Centre for Economic Policy Research. The GTA report⁵ goes far beyond the WTO and EU monitoring initiatives in that it covers a much wider range of protectionist policy instruments than those tracked by the WTO or EU, and also identifies the main offending nations, as well as the trading partners likely to be harmed by protectionist measures. Its findings for the whole year 2015 and the first quarter of 2016 show that resort to protectionism worldwide was roughly 50% higher than in 2014, with G20 members accounting for the lion's share of global protectionism (over 80%) [Evenett and Fritz (2016)]. The 10 most protectionist nations in 2015 were all G20 members, with the US and Russia on the top of the list, followed by India, Brazil, Indonesia, Argentina, Japan, Canada, the UK, and Italy. While European trade policy seems to have become less protectionist since the onset of the crisis, the EU ranks as the second largest target of protectionist measures among G20 countries, after China. Especially the commercial interests of its larger exporters, namely, France, Italy, Germany and the UK tend to be harmed most often.

Another point relates to the potential trade impact of protectionist measures. Although the analysis of this issue is beyond the scope of our paper, there is no doubt that the stock of such measures in place since 2008 and the continuous addition of new trade barriers are bearing upon EU's external trade relations.⁶ However, due to scarce information and complex nature of trade barriers, the exact economic impact of barriers targeting the EU is difficult to quantify. Depending on the complexity, product scope, and duration of the protectionist measures implemented by third countries, their effect on trade can vary with more or less far-reaching consequences for EU's trade.

Nevertheless, we may get a very rough notion of EU's trade volumes potentially covered by protectionist measures if we relate the extra-EU merchandise import share in world total (of about 14% in 2015) to WTO figures on the share of G20 and world imports covered by import-restrictive measures.⁷ According to WTO estimates, the trade

⁵ GTA maintains a comprehensive database of trade-restrictive measures since 2009 and monitors a much greater variety of trade policy instruments than the WTO (or EU). Its figures on the extent of global trade protectionism are much higher than those published by the WTO. According to GTA estimates, the WTO data on protectionism represent only about 1/3 of all protectionist measures really introduced on a global scale during the crisis and post-crisis period [Evenett (2014)].

⁶ The Commission's last report on protectionist tendencies does not offer any estimates on the share of EU trade covered by protectionist measures. According to an earlier report, already in 2009 European exports potentially affected by trade-restrictive measures were in the range of €96 to 130 billion (9 to 12% of EU's total exports in 2009) and EU imports of raw materials worth around €6 billion [European Commission (2011)].

⁷ The WTO periodically calculates for "import-restrictive" measures (i.e. trade remedy actions and other import-restrictive measures) the share of G20 and world imports covered by such protectionist measures. However, these percentages are only a crude indicator for the trade effects of protectionism since these depend on the type and the size of the measures, and also on different other variables including import demand elasticities [Ollivaud and Schwellnus (2015)]. Besides,

coverage of such import-restrictive measures identified by the organization since October 2008 was around 6.5% of G20 merchandise imports or 5.0% of world imports in October 2016 [WTO (2016b)]. In value terms, this amounted to US\$817 billion (based on 2015 import data), reflecting – in the view of WTO economists – the significant decrease in the value of world trade between 2014 and 2015. From here we may infer that the volume of EU trade potentially covered by protectionist measures (of US\$114,4 billion, according to our calculation) is not at all negligible. And it is quite possible that trade barriers erected by third countries against EU trade flows may have largely contributed to the decline in the value of extra-EU goods exports and imports between 2014 and 2015 (by 12% and respectively 15%), according to WTO data [WTO (2016c)].

Whether the crisis-related protectionist phenomenon has contributed or not to the dramatic slowdown in global trade growth over the recent years continues to be a strongly debated issue. The arguments put forward so far to explain the factors behind the sluggishness of trade growth, both in absolute terms and relative to world GDP growth, are still highly divergent. Despite a large consensus among trade experts that both cyclical and structural factors are responsible for the weakness in trade, the opinions continue to be controversial on the specific role of each of these factors. The dominant view [e.g. Constantinescu *et al.* (2015), Boz, Bussière and Marsilli (2015), Ollivaud and Schwellnus (2015), Freund (2016), Haugh, Kopoin, Rusticelli *et al.* (2016)] is that trade protectionism weights negligibly in the respective equation as increases in this phenomenon would have played at best a marginal role in the slowdown of global trade after the crisis. But even though these contributions do not assign a major role to protectionism in the current trade slowdown, most of them do not rule out the possibility that the absence of trade liberalization after the 2000s, in conjunction with some protectionist developments since the crisis, including major state intervention in certain industries, could have contributed to the strong deceleration of global trade growth. On the opposite side, an increasing amount of research [e.g. Evenett (2014), Evenett and Fritz (2015), Evenett and Fritz (2016), Hufbauer and Jung (2016)] points to the unequivocal growth in the number of protectionist measures (including subsidies to domestic industries, anti-dumping actions or discriminatory regulations), but also to the rise in “micro-protectionism” due to G20 governments intervention during the post-crisis period. These contributions also underscore the “creeping” or “murky” feature of crisis-related trade protectionism and provide data to demonstrate that slowdown in trade liberalization and soaring trade protectionism are taking their toll on trade flows.

4. The European response to the challenges of rising trade protectionism

As the world's largest market for goods and services and the most important source and destination of foreign direct investment, the EU has a major interest in fighting trade protectionism and ensuring an open and fair global trading system.

International trade in goods and services plays an essential role for the EU economy, with extra-EU trade accounting for about a third of EU-28 GDP [Eurostat (2016)]. The EU

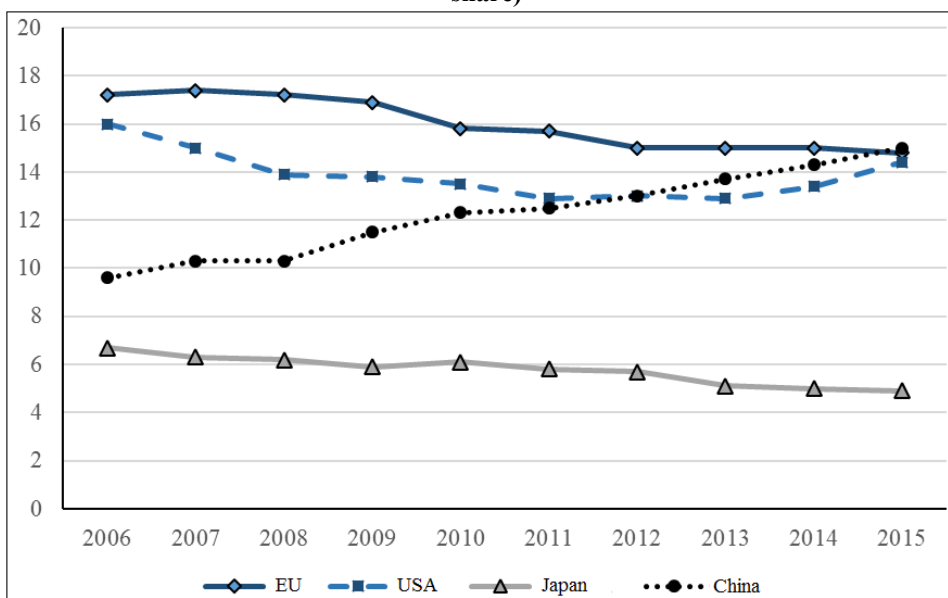
this WTO indicator relates to import-restrictive measures only; hence it is not able to capture the protectionist policy instruments in their totality.

is the world's largest exporter and importer of goods and services taken together. Based on WTO data, the value of EU-28 exports of goods to the rest of the world amounted to US\$1,985 billion in 2015, equivalent to 15.2% of world exports, while imports stood at US\$1,914 billion or 14.3% of the world total [WTO (2016c)]. In the world hierarchy of goods exporters, the EU ranks second (in 2015), being outpaced by China (with a 17.4% share of world exports), but surpasses the US (11.5%). On the import side, the EU ranks also second, but after the US (17.3%) and before China (12.6%).

When excluding intra-EU trade from the world total, the EU-28 becomes the largest exporter and importer of services in the world. Its services exports to third countries are valued at US\$890 billion and services imports at US\$728 billion (in 2015), representing almost 25% and respectively 20% of world total [WTO (2016c)]. The EU ranks first in the world as undisputed leader in services exports, being followed at a great distance by the US (with a 19.1% share of world services exports) and China (6.4%). Similarly, among the top services importers, it ranks first, followed at a large distance by the US (13.1% share of world services imports) and China (12.2%).

However, it is important to note, that EU's share in global trade in goods has witnessed a downward trend over the last decade, as illustrated in figure 2. A similar picture arises when considering the evolution of EU's share in world trade in services, albeit the decline in this case is less pronounced. Nevertheless, the EU remains a major trading power.

Figure 2: Evolution of EU's share in world merchandise trade¹ relative to the United States, Japan and China, in 2006-2015 (percent share)



Note: ¹ Average of world exports and imports.

Source: Author's calculation based on Eurostat data for 2006-2013 and WTO data for 2014-2015 [European Commission (2016d), WTO (2015a), WTO (2016c)].

Since the EU is facing the challenge of boosting growth, investment and jobs following a difficult and protracted downturn, trade is seen by the European Commission as one of the few tools available to revive the European economy without the risk of burdening state budgets. Accessing goods and services markets outside the EU and removing barriers to EU exports in the markets of third countries is an essential prerequisite for spurring growth and creating new jobs. It is also the main tool of improving the competitive potential of the European economy, particularly as its leading trade partners are less open than the EU, and in certain cases significantly so. Furthermore, as trade is expected to become an even more important source of growth in the future – given that about 90% of global economic growth in the next 10 to 15 years is estimated to be generated outside Europe – economic recovery in the EU needs to be consolidated through stronger trade links with the new centres of global growth, especially in Asia [European Commission (2015)].

Hence, supporting European companies gain access to third country markets and ensuring that international trade and investment flows are reaching unhindered the European market continue to be an essential component of EU's trade policy. This, however, requires an open and fair international trading system. It is well established that today's main trade policy challenges do not primarily lay in cutting tariffs for goods, but in overcoming regulatory barriers, gaining better market access for services and investment, opening public procurement markets, better protecting and enforcing intellectual property rights, and tackling unjustified barriers hampering the supply of raw materials. Yet, it is also well known that the rules and disciplines of the GATT/WTO system have not kept pace with the trade realities of the 21st century, including the rapidly expanding range of barriers in the global economy. Notwithstanding the remarkable progress in removing tariff barriers to trade and in tackling some of the non-tariff barriers to trade (e.g. sanitary and phytosanitary measures, and technical barriers to trade), there are still many areas where multilateral rules and disciplines need to be upgraded and developed.

In its endeavours to keep external markets open and explore new markets for European exporters worldwide, the European Commission acts in accordance with the EU Market Access Strategy and through promoting a number of sectoral trade policies. The EU Market Access Strategy aims at enforcing the Union's multilateral, plurilateral and bilateral trade agreements and ensuring that third country markets were open to EU exports and trade opportunities created by these agreements translate into real trade benefits for European exporters. Since its launch in 1996, this strategy and the associated sectoral trade policies (box 1) have been continuously improved and adjusted too keep pace with the changes in the global economy, both in terms of markets and barriers that prevent market access.

Box 1: Objectives of EU sectoral trade policies to access external markets

- removing/reducing individual barriers erected to the *flow of goods and services* in EU's key export markets, including tariff barriers (e.g. import tariffs) and non-tariff barriers (such as technical barriers to trade and sanitary and phytosanitary measures), as well as “behind the border barriers”, i.e. specific domestic regulations or discrimination against European suppliers;
- making certain that European companies have access to *government procurement*

markets around the world on fair terms and EU suppliers are provided a level playing field when tendering abroad;

- ensuring protection and enforcement of *intellectual property rights*, which is crucial for the EU's ability to stimulate creativity and innovation and to compete in the global economy;
- preserving EU's *rules on investment*, which is a critical prerequisite for European companies' ability to access and operate effectively in foreign markets;
- defending the functioning of the EU market against *unfair competition* and trade distortions, such as dumping or subsidies;
- *taking action whenever international trade rules are infringed* either through bilateral dispute settlement provisions, WTO-specific dispute settlement procedures or through specific investment dispute provisions.

Source: European Commission (2016d).

In line with its trade strategy and policies geared toward open markets and rules-based trade, the EU tackles the problem of removing trade barriers implemented by its trading partners and of opening their markets in two ways simultaneously, i.e. within the multilateral framework of the WTO and by promoting a broad agenda of bilateral and regional trade agreements

4.1 EU's engagement in multilateral and plurilateral trade talks

Acknowledging the key role of the rules-based multilateral trading system in ensuring a stable and predictable framework for world trade and the need to further strengthen and improve it is an enduring dimension of EU's trade strategy and policies. Hence, supporting the multilateral trade agenda and the dispute settlement system anchored in the WTO remains the cornerstone of EU trade policy, as often stressed by the Commission.

The growing propensity of EU's trade partners to resort to new protectionist measures following the global financial crisis and the slow pace of removing the restrictions in place highlight even more the need to strengthen an upgrade the multilateral trading system built around the WTO. However, the Doha Round negotiations under the WTO, that could effectively address trade protectionism around the world are stalled since July 2008 and the multilateral trade talks have hardly advanced since then due to major and persisting divergences between developed and developing countries. The last couple of years has seen, nevertheless, some progress in multilateral cooperation, as reflected by the successful conclusion of several sectoral trade deals designed to further open global trade. Doubtless, strong European leadership in the WTO has been crucial in achieving these still modest, but significant results. The following brief review may highlight the EU's contribution to these achievements.

The EU has substantially contributed to the negotiated outcomes that have been delivered at the 9th and 10th WTO Ministerial Conferences in Bali (2013) and Nairobi (2015) respectively. On 5 October 2015, the EU ratified the multilateral *Trade Facilitation Agreement (TFA)*, which is a major result of the Bali package. The TFA entered into force in February 2017, meaning that it is able to start delivering its benefits [WTO (2017)]. Seen as the most important multilateral trade deal since the 1990s, the

agreement will simplify and modernize customs procedures around the world and create new export opportunities, especially for small businesses. According to WTO projections, full implementation of the TFA is likely to reduce trade costs by an average of 14.3%, and has the potential to increase global merchandise exports by up to US\$1 trillion per annum [WTO (2015b)].

Noteworthy is also EU's decisive role in agreeing the "Nairobi package" at the 10th WTO Ministerial Conference in 2015, which provides, inter alia, for the elimination of subsidies and other support schemes granted to agricultural exports with distortionary market effects, as well as other measures that are expected to contribute to a fairer global trade [WTO (2015c)]. Besides, in Nairobi the EU has contributed to the formal conclusion of the new *Information Technology Agreement (ITA 2)* – a plurilateral agreement which extends the scope of the earlier ITA agreement signed under the WTO in 1996. Under ITA 2 import duties will be eliminated on 201 new generation IT products, whose annual trade is estimated at over US\$1.3 trillion, or about 10% of world trade in goods. Negotiations were conducted by 24 participants, representing 53 WTO members, which together account for approximately 90% of world trade in these products [Ghibuțiu (2016)].

Given that *plurilateral* trade agreements are an important means to further the market-opening and rule-making agenda and may play an important role in complementing multilateral trade liberalization initiatives, the EU is a fervent advocate of this type of trade deals, provided that these are consistent with WTO rules and have the widest possible coverage in terms of participants. The following examples are illustrative for EU's active participation in such deals.

At the plurilateral level (but outside the WTO) the EU is negotiating the *Trade in Services Agreement (TISA)*. Launched in 2013, this agreement is currently negotiated by 23 WTO members (including the EU), which together account for 70% of world trade in services and aims at liberalizing services trade beyond the GATS in areas such as licensing, financial services, telecommunications, e-commerce, maritime transport, and services provided by individuals abroad. As services represent about 70% of EU GDP and employment and account for an increasing share of extra-UE trade (e.g. 31% in 2015), TISA has a large potential to support European services exporters [Ghibuțiu (2016)].

Since July 2014, the EU and 16 other WTO members are negotiating a deal to liberalize global trade in environmental goods – the *Environmental Goods Agreement (EGA)*. EGA aims at removing barriers to trade and investment in goods, services and technologies that can contribute to protecting or improving the environment. At present, the talks focus on phasing out tariffs on a broad range of environmental goods, but the EU strives to also include related services and address non-tariff barriers, such as local content requirements or restrictions on investment. Since EU is a world leader in trading environmental goods, European companies would derive large benefits from EGA. And, not least, the EU has the ambition to multilateralize both the EGA and TISA agreements in the future, that is to bring them under the WTO umbrella after reaching a critical mass of participants [Ghibuțiu (2016)].

The EU is also a strong supporter of the revised plurilateral *Government Procurement Agreement (GPA)*, which entered into force in April 2014 following the renegotiation of the former GPA concluded in 1994. 43 WTO members, including the EU

and its member states, are parties to this revised plurilateral agreement, which extends commitments on market access in the area of public procurement. While the ratification process is under way, discussions continue on upcoming accessions to GPA, especially those of China and Australia. The EU actively takes part in these discussions, pursuing the objective of ensuring the widest possible coverage of the GPA in terms of participants [European Commission (2016a)].

4.2 The EU's bilateral and regional trade agenda

Bilateral and regional negotiations are very important in terms of removing trade barriers and opening markets worldwide. While multilateral trade talks are in general slow and cumbersome, negotiations at the bilateral and regional level advance much faster and can deliver more efficient results. In addition, these allow for addressing the full range of trade barriers, including non-tariff barriers and behind-the-border-barriers, which prevail among present-day trade policy instruments but are not – or are only in part – covered by multilateral rules and disciplines.

To boost the EU's capacity to benefit from trade and investment by addressing the elimination of protectionist measures implemented by its trading partners, the European Commission has developed over time an extensive bilateral and regional trade agenda, that complements the Union's engagement at the WTO. As stated by the Commission, the EU has the most ambitious bilateral trade agenda in the world, with preferential trade agreements in place with 52 countries and negotiations for FTAs and Economic Partnership Agreements ongoing with 80 countries, including with some of its key economic partners (e.g. the US, Japan, Mercosur and India – although negotiations with the latter are stalled for the time being) [European Commission (2016a)].⁸ FTAs in force are estimated to cover more than a third of EU trade and their share is expected to increase to two thirds in the future. And as pointed out in January 2017 by EU Trade Commissioner Cecilia Malmström, the EU has a long list of numerous countries willing to deal with the EU, and about 20 more trade deals are already in the pipeline [European Commission (2017)].

To give just a few examples, apart from EU's ongoing trade talks (since 2013) with the US and Japan – in the context of the Transatlantic Trade and Investment Partnership (TTIP) and the EU-Japan Free Trade Agreement, respectively⁹ – the EU concluded the negotiations of the EU-Canada FTA (CETA) in September 2014 and the EU-Singapore FTA in October 2014, as well as the FTA negotiations with Vietnam in December 2015. More recently, the EU launched negotiations with the Philippines (December 2015), Mexico (June 2016), and Indonesia (July 2016). After a long pause, in 2016 it restarted trade talks with the Mercosur countries in South America, with preparations being under

⁸ For an overview of FTAs and other trade negotiations, cf.: European Commission (2016e).

⁹ While the on-going trade talks with Japan are making good progress, the EU-US negotiations are frozen following the election of the new US president Donald Trump [European Commission (2017)]. The initial idea behind the TTIP deal was to create a comprehensive framework for furthering the US-EU economic relationship, with trade as one of its strategic pillars. However, due to the controversial trade policy options of the new US administration the dynamics of these negotiations is likely to be reversed, with possible tensions over many trade and investment issues.

way for starting negotiations with Australia, New Zealand, and Chile, and is also considering to resume the dormant talks with Malaysia [European Commission (2017)].

All new generation FTAs concluded by the EU so far, or under negotiation, cover a very broad range of issues, from customs duties and regulatory barriers to trade in services, public procurement, competition rules, intellectual property rights, investment and rules on sustainable development. The recent FTAs concluded with Vietnam and Canada, for instance, are seen as ground-breaking agreements, given that these are highly ambitious not only on traditional trade barriers, but also behind-the-border measures. While the deal with Vietnam provides a new model for Europe's engagement with developing countries, CETA is one of the most comprehensive ever agreed between developed countries. Both FTAs go far beyond the traditional trade issues into areas like services, procurement, product standard, labour rights and environmental protection, and also break new ground in respect of investment protection provisions. Therefore, the European Commission wants these two agreements to pave the way for a multilateral investment court in the future [European Commission (2016f)].

5. Concluding remarks and some reflections on the challenges ahead

It is quite obvious that G20 countries' commitment in the context of the 2008 global economic downturn to refrain from adopting new trade-restrictive measures and roll-back those in place to avoid undermining the fragile global recovery has not been honoured. On the contrary, protectionist pressures by G20 economies, which together account for 85% of world GDP and 80% of global trade, have not ceased rising over the post-crisis period, as reflected by the increasing accumulation of new trade-restrictions and few efforts to liberalize trade. Moreover, the latest monitoring reports released by the European Commission and the WTO, as well as private entities, such as the GTA, provide alarming signals of escalating trade protectionism worldwide, especially since 2015 when trade growth seems to have plateaued. The available data suggests that new trade restrictions reached already a post-crisis high in 2016.

While protectionist measures imposed by the EU and its Member States appear to have been diminishing since the outbreak of the crisis 2008, there is plenty of evidence that the Union is now the second largest target of protectionist measures among G20, after China. Furthermore, trade protectionism has changed over the last few years not only in size, but also in terms of geography and patterns. On the one hand, trade restrictions have clearly shifted toward emerging countries (including China, Russia, Indonesia, and India), which account for the highest number of new trade-restrictions erected against the EU and are also the main offenders. Such a protectionist drift derives from their deteriorating economic performance, but also from their increasingly assertive role in global economic governance. On the other hand, the traditionally prevailing forms of trade-restrictions (i.e. border measures, typically tariffs and quotas) are increasingly being replaced by a large variety of behind-the-border measures (e.g. restricting access to public procurement or trade in services and investment, as well local content requirements, discriminatory taxation, registration procedures, standards and technical requirements), which are not – or are only partially – within the purview of multilateral rules and disciplines, and hence are less transparent and more difficult to be identified. And not least, the recent surge in the number

of trade defence investigations and subsequent trade remedy measures is indicative of the intensified trade tensions among nations. Besides, the growing number of trade litigations jeopardizes the already overburdened technical capabilities of the WTO's dispute settlement system.

In face of continually growing trade barriers erected by third countries since the outburst of the financial crisis, the Union's policy response to crisis-related protectionism has been shaped in line with its trade strategy traditionally geared towards open markets and rules-based trade. Accordingly, the objective of removing protectionist trade measures and opening the market of its trade partners has been pursued in two ways simultaneously, i.e.: (1) in the multilateral framework of the WTO; (2) and through the EU's broad agenda of bilateral and regional trade agreements.

Notwithstanding the Union's own efforts to fight protectionism so far, which may have helped mitigating temporarily and in certain cases the protectionist impulses from its trade partners, these efforts alone are by far not sufficient to reverse the protectionist tendencies at the European level, given that protectionism has turned into a severe global phenomenon in the post-crisis years. Hence, as in the case of other global issues, countering protectionism would require global efforts and global solutions.

The most effective way to combat protectionism worldwide would be, indeed, strengthening the multilateral trading system built around the WTO and resuming multilateral trade cooperation, including through relaunch of the Doha Round talks. There are numerous examples to illustrate the recent commitments to further these goals, which have been assumed by both WTO members (e.g. at the last Ministerial Conferences) and by G20 countries. To take just the example of the last annual summit in Hangzhou (China) in September 2016, G20 leaders once again reconfirmed their opposition to protectionism on trade and investment in all its forms and extended their commitments to standstill and rollback of protectionist measures till the end of 2018 [G20 (2016)]. They also pledged to take effective steps to tackle the global overcapacity in steel, which has caused a tide of protectionist measures worldwide and whose root causes touch upon trade policy matters (e.g. subsidies and other types of government support). It remains to be seen if G20 leaders responsible for global economic governance will be able this time to comply with their commitments.

As regards EU's action on the multilateral front to preserve open markets and rules-based trade, the Union has largely contributed to the important negotiated outcomes aiming at further market opening, that have been delivered at the 9th and 10th WTO Ministerial Conferences in Bali (2013) and Nairobi (2015). Given that 2017 will be another important year for the WTO as it prepares for its 11th WTO Ministerial Conference to be hosted in December in Buenos Aires, the Union's determination to pursue its engagement and political support throughout 2017 and beyond will be essential to keep strengthening the multilateral trading system anchored in the WTO.

Hence, further progress in EU's multilateral and bilateral trade agenda alongside increased focus on effective implementation and enforcement of the existing trade agreements continue to be crucial. However, the Union's actions in terms of trade policy are facing at present unprecedented challenges due to a plethora of external and internal factors, which relate both to the current global economic and geopolitical environment and the internal developments which are under way in the Union. Regardless of the

perspective from which we look at these new challenges, it is quite evident that both lines of action – i.e. multilaterally and bilaterally – that have been traditionally pursued by the EU to address trade protectionism are now facing strong headwinds.

To begin with, the global macroeconomic picture and the global economic trends continue to be marked by a slow recovery of the world economy, along with persisting economic difficulties and increased uncertainties. In fact, the global economic outlook is set to remain gloomy, particularly for international trade. If the WTO's revised trade forecast of last September comes true, 2016 would mark the slowest pace of trade and output growth since the financial crisis. What is more, this upsetting prediction appears to be already confirmed by forecasts released by the World Bank and the United Nations in January 2017, showing that both global GDP and world trade volumes have recorded in 2016 their weakest performance since the global financial crisis.¹⁰ Besides, the economic outlook is expected to remain sluggish, especially as substantial uncertainty persists around the global growth projections for 2017, and the balance of risks remains tilted to the downside, amid unclear prospects for policy direction in major economies [World Bank (2017)]. Hence, there is lot of uncertainty ahead of the international trading community in general and the EU in particular.

Furthermore, alongside the dramatic slowdown in global trade growth, the last few years have witnessed a growing backlash against globalization and free trade in many regions of the world, with a number of formerly open countries turning protectionist and inward-looking. More recently, free trade has become relatively unpopular even in the EU, as reflected by the rising public concerns about the impact of trade agreements and trade policy in general. The EU-Canada Comprehensive Economic and Trade Agreement (CETA), for example, took seven years to be finalized and was just about of being blown up in 2016 by the parliament of Belgium's Wallonia region. The opposition to the CETA deal, but as well to the EU-US Transatlantic Trade and Investment Partnership (TTIP), another flagship project of the EU, showed that what used to be one of the most effective instruments of EU trade policy has become increasingly subject to public opposition. Actually, trade is now more debated than ever before in the Union as people are questioning both the fundamental benefits of open trade and the fairness and effectiveness of the means to achieve it.

In addition, the EU has now to cope with several major challenges arising from its internal agenda. These range from the need to stabilize the eurozone and manage in a rational and coherent manner the coming Brexit negotiations with the United Kingdom to

¹⁰ In September 2016, the WTO revised downward its trade forecast to 1.7% for world merchandise trade volume growth in 2016, from its earlier forecast of 2.8%, based on an expected global GDP growth of only 2.2%. The forecast for 2017 has been revised, too, with trade projected to grow between 1.8% and 3.1%, down from 3.6% previously [WTO (2016d)]. The World Bank estimates that global growth has fallen to a post-crisis low of 2.3%, in 2016, with a projected rise to 2.7% in 2017, while global trade growth slowed further to 2.5%, to its weakest pace since the global financial crisis; for 2017 a rise to 3.6% is expected [World Bank (2017)]. According to United Nations estimates, both world output and trade growth has decelerated in 2016, to just 2.2% and 1.2% respectively, which equates to the slowest rate of growth since the Great Recession of 2009. The world economy and world trade volumes are projected to grow by 2.7% each in 2017 [UN/DESA (2017)].

the need to weather the threats posed by the growing wave of populism, nationalism and euroskepticism that took hold of major EU member countries, such as Germany and particularly France. There are widespread fears that a victory of the nationalist tendencies, especially in France, could severely damage the European construction and even prompt the eurozone and the EU to fall apart. Therefore, the Union's answer to its current challenges in terms of domestic politics and the outcome of the upcoming elections in France and Germany in particular are likely to set the very direction for the further development of the Union, including its trade agenda and the associated trade policies.

And last but not least, the EU will have to manage the risks posed by the radical change of gear in the new US administration's vision on trade policy. The signals the new US administration under president Donald Trump has sent out so far suggest a comprehensive paradigm shift in American trade policy, from globalization towards protectionism and isolationism. Such a shift in trade policy orientation could be tantamount to a significant disruption of the liberal world order – established through US-European partnership following WWII – involving severe threats to the built-in multilateral institutions, alliances, agreements and commitments. Moreover, the new trade policy vision, with its underlying transactional approach to international trade agreements and skepticism about trade liberalization could even herald the United States's disengagement from its pivotal role in shaping the liberal world order. Pursuing the "America first" strategy of isolationism and exacerbated protectionism would inevitably lead to trade retaliation by America's trading partners, thereby increasing significantly the likelihood of trade wars. This might diminish both the dynamics and volume of trade, hindering thus global growth and ultimately damaging all economies in the world. Besides, such a conflictual approach to trade could even undermine the global trading system based on the WTO and cause its architecture to fall apart under the pressure of the unavoidable surge in new litigations submitted to its already overloaded dispute settlement system.

If this new course of trade policy is set to continue, it is likely to have far-reaching but yet unforeseeable economic and geopolitical consequences for the entire world.¹¹ And while the full implications of such a shift are largely unpredictable, one thing is nevertheless certain: the cost to the EU would be tremendous, as much of its prosperity is based on liberal values and an open trade regime for both goods and services, and investment. Hence, it has huge stakes in preserving a rules-based global system. A relapse to a world dominated by protectionism, power politics, and competing nationalisms would undermine the EU's very foundation as a transnational union that seeks collective solutions to its members' problems [Lehne and Grabbe (2017)].

In face of these new challenges, the EU will need to increase its own engagement and international efforts even further and provide increased leadership as well as adopt a far more focused and ambitious approach to trade if it is to fare well under the new global circumstances.

While pursuing with enhanced determination its own trade agenda for advanced bilateral and regional free-trade agreements and pushing for the resumption of the

¹¹ It is worth recalling the traumatic experience of the 1930s, when the world's leading powers turned inward in a similar way, with America's Smoot-Hawley Tariff Act (1930) unleashing global trade wars that compounded the Great Depression.

multilateral trade talks under the WTO still remain core objectives for EU trade policy, the Union will have to forge a strong international alliance to resist protectionism and defend the open and fair trading system centered on the WTO. As many countries still share a similar vision and wish to preserve the liberal world order and defend liberal values and promote an open trading system, the EU should rely on alliances of like-minded partners from both the developed and emerging world (e.g. Canada, Australia, New Zealand, China and India). Particularly emerging countries that have derived important benefits from globalization over the last decades, have now a major interest in keeping globalization going and withstanding protectionism. Against this background, the Chinese president Xi Jinping's speech delivered at this year's World Economic Forum annual meeting in Davos should be seen as an unequivocal statement in defense of globalization and a call for leadership of the open global economy [World Economic Forum (2017)].

As regards specifically the Union's multilateral trade agenda, the EU should do much more to restore the centrality of the WTO as a negotiation forum for global trade rules and to revitalize its trade agenda. Except for some slight improvements, the WTO rulebook as the foundation of the world trading order, has remained largely unchanged since the Uruguay Round (1986-1994), due to the failure to conclude the Doha Round negotiations launched in 2001, but also the shift in the focus of WTO members' interests and efforts toward the bilateral and regional agenda. Regardless of whether the Doha Round is considered dead or alive, the EU could build on the Bali and Nairobi momentum for reinvigorating the WTO agenda so as to ensure the delivery of further incremental, yet substantive results at the forthcoming 11th WTO Ministerial Conference and beyond this event. This means, first of all, dealing with some of the outstanding issues of the Doha Round, like agricultural domestic support or industrial subsidies, that only in the WTO can be tackled. Secondly, the EU should engage with a stronger determination in updating the WTO agenda, by addressing several urgent issues that are required by the 21st century global trade landscape, but are not yet subject to multilateral trade rules (such as e-commerce, SMEs, non-tariff barriers, regulatory practices, export restrictions, to name just a few). And last but not least, reviving the WTO and strengthening its capabilities to deliver multilaterally negotiated outcomes will require addressing the root cause of the current impasse in multilateral trade talks, which resides in the very lack of WTO members' political will to compromise. This, in turn, relates to a highly sensitive political issue – namely, the growing imbalance between the relative contribution of developed countries and large emerging countries to the multilateral trading system and the benefits derived from it. While among the WTO membership there was no drive until now to discuss this sensitive problem in earnest, the EU may, nevertheless, prompt such a discussion and help finding the badly needed compromise, given both its economic weight in the global economy and traditional leadership within the WTO and the new challenges arising from the global trade scene.

Hence, taking over strong European leadership in multilateral trade cooperation will be decisive not only for preserving the multilateral trading system anchored in the WTO, but also for strengthening and improving the functions of the WTO, including on negotiation, dispute settlement and monitoring. And this, in turn, would support the Union's own efforts to hold up trade protectionism.

References

- Boz, Emine, Bussière, Matthieu and Marsilli, Clément. 2015. “Recent slowdown in global trade: Cyclical or structural?”. In: Hoekman, Bernard (Ed.). 2015. *The Global Trade Slowdown: A New Normal*, Vox.EU.org Ebook, pp. 55-70.
- Constantinescu, Cristina, Aaditya, Mattoo and Ruta, Michele. 2015. “The Global Trade Slowdown: Cyclical or Structural?”. *IMF Working Paper*, 15/6, January, Washington D.C.
- European Commission. 2011. Report from the Commission to the European Council. Trade and Investment Barriers Report 2011. Engaging our strategic economic partners on improved market access: Priorities for action on breaking down barriers to trade, COM(2011) 114, Brussels.
- European Commission. 2014. Directorate-General for Trade. 11th Report on Potentially Trade-Restrictive Measures Identified in the Context of the Financial and Economic Crisis 1 June 2013 – 30 June 2014, Brussels.
- European Commission. 2015. Trade for All. Towards a more responsible trade and investment policy.
- European Commission. 2016a. Report from the Commission to the Council and the European Parliament on Trade and Investment Barriers and Protectionist Trends 1 July 2014 - 31 December 2015, Brussels, 20.6.2016 COM(2016) 406 final.
- European Commission. 2016b. Press release. Steel industry: Commission takes action to preserve sustainable jobs and growth in Europe. Brussels, 16 March.
- European Commission. 2016c. Report from the Commission to the Council and the European Parliament. 13th Report. Overview of third country trade defence actions against the European Union for the year 2015, Brussels, 15.6.2016 COM(2016) 392 final.
- European Commission. 2016d. Trade. Accessing Markets. Accessed on 25 February 2017, at: http://ec.europa.eu/trade/policy/accessing-markets/index_en.htm.
- European Commission. 2016e. Overview of FTA and Other Trade Negotiations. Updated January 2016. Available at: http://trade.ec.europa.eu/doclib/docs/2006/december/tradoc_118238.pdf
- European Commission. 2016f. Speech. Cecilia Malmström, Commissioner for Trade. “EU Trade Priorities in 2016”, 10 March, Peterson Institute, Washington D.C. Available at: http://trade.ec.europa.eu/doclib/docs/2016/march/tradoc_154345.pdf
- European Commission. 2017. Policy. EU Trade Commissioner Cecilia Malmström Bruegel Lunch Talk. “The future of EU trade policy”, Brussels, 24 January. Available at: http://trade.ec.europa.eu/doclib/docs/2017/january/tradoc_155261.pdf
- Eurostat. 2016. Statistics explained. The EU in the world - international trade. Accessed on 20 January 2017, at: http://ec.europa.eu/eurostat/statistics-explained/index.php/The_EU_in_the_world
- Evenett, Simon J. 2014. *The Global Trade Disorder*. The 16th GTA Report, Centre for Economic Policy Research. CEPR press. London.
- Evenett, Simon J. and Fritz, Johannes. 2015. “Crisis-era trade distortions cut LDC export growth by 5.5% per annum”. In: Hoekman, Bernard (Ed.). 2015. *The Global Trade Slowdown: A New Normal*, Vox.EU.org Ebook, Centre for Economic Policy Research. London, pp. 267-278.
- Evenett, Simon J. and Fritz, Johannes. 2016. “Global Trade Plateaus”, The 19th Global Trade Alert Report, Centre for Economic Policy Research. CEPR press. London.
- Freund, Caroline. 2016. “Global Trade Growth: Slow But Steady”. In: Olivier Blanchard and Adam S. Posen (Eds.). *Reality Check for the Global Economy*. March. PIIE Briefing 16-3, pp. 19-22.

-
- G20. 2008. Declaration of the Summit on Financial Markets and the World Economy. November 15. Washington D.C. Available at: <http://www.g20.utoronto.ca/2008/2008declaration1115.html>.
- G20. 2016. G20 Leaders' Communique Hangzhou Summit, Hangzhou, 5 September. In: European Commission (2016). Press Release Database. Statement. Available at: http://europa.eu/rapid/press-release_STATEMENT-16-2967_en.htm.
- Ghibuțiu, Agnes. 2016. "Evoluția comerțului internațional în 2015 și perspectivele pentru 2016-2017. Tendințe recente în sistemul comercial internațional" (The Evolution of World Trade in 2015 and the Prospects for 2016-2017. Recent Trends in the Global Trading System). In: Poladian, S., Pop, N., Albu, C. and Cartas, M. (Coords), *Conjunctura Economiei Mondiale – 2016*, Institute for World Economy. Bucharest, pp. 17-46.
- Haugh, David, Kopoin, Alexandre, Rusticelli, Elena et al. 2016. "Cardiac Arrest or Dizzy Spell: Why is World Trade So Weak and What Can Policy Do about It?". *OECD Economic Policy Paper* No.18, September, OECD, Paris.
- Hoekman, Bernard. 2015. (Ed.). *The Global Trade Slowdown: A New Normal?* A VoxEU.org eBook, Centre for Economic Policy Research, London.
- Hufbauer, Gary and Jung, Euijin. 2016. "Why Has Trade Stopped Growing?: Not Much Liberalization and Lots of Micro-Protection, *Peterson Institute for International Economics*, March, Washington D.C.
- Lehne, Stefan and Grabbe, Heather. 2017. "How Donald Trump Could Save EU Foreign Policy". Carnegie Endowment for International Peace, January 12.
- Ollivaud, Patrice and Schwellnus, Cyrille. 2015. "Does the Post-Crisis Weakness of Global Trade Solely Reflect Weak Demand?". *OECD Economics Department Working Papers*, No. 1216, OECD Publishing, Paris.
- UN/DESA, UNCTAD and the five UN regional commissions. 2017. *World Economic Situation and Prospects 2017*. January. United Nations, New York.
- World Bank. 2017. *Global Economic Prospects. Weak Investment in Uncertain Times*. A World Bank Group Flagship Report. January. Washington D.C.
- World Economic Forum. 2017. *President Xi's speech to Davos in full*.
- WTO. 2015a. PRESS RELEASE. *Modest trade recovery to continue in 2015 and 2016 following three years of weak expansion*. PRESS/739. 14 April, Geneva.
- WTO. 2015b. *World Trade Report 2015, Speeding up trade: benefits and challenges of implementing the WTO Trade Facilitation Agreement*. Geneva.
- WTO. 2015c. NEWS ITEMS. MINISTERIAL CONFERENCE, 10TH, NAIROBI. *WTO members secure "historic" Nairobi Package for Africa and the world*. 19 December.
- WTO. 2016a. *Report on G20 Trade Measures (mid-October 2015 to mid-May 2016)*. 21 June. Geneva.
- WTO. 2016b. *Report on G20 Trade Measures (mid-May 2016 to mid-October 2016)*. 10 November, Geneva.
- WTO. 2016c. PRESS RELEASE, TRADE STATISTICS AND OUTLOOK. *Trade growth to remain subdued in 2016 as uncertainties weigh on global demand*. PRESS/768. 7 April. Geneva.
- WTO. 2016d. PRESS RELEASE, TRADE STATISTICS AND OUTLOOK. *Trade in 2016 to grow at slowest pace since the financial crisis*. PRESS/779. 27 September. Geneva.
- WTO. 2017. NEWS ITEMS, TRADE FACILITATION. *WTO's Trade Facilitation Agreement enters into force*. 22 February. Geneva.