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From:	FI Delegation
To:	Trade Policy Committee (Deputies)
Subject:	EU trade agreements – How can we improve benefits for EU firms and citizens? Comments by Finland

Ministry for Foreign Affairs, FINLAND

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PUBLIC

EU trade agreements – How can we improve benefits for EU firms and citizens?

Comments by Finland

Finland would like to thank the Presidency for the background paper and questions on how the benefits of EU trade agreements for firms and citizens can be improved. Please find our answers below. We look forward to an active discussion on this topic at TPC during the Croatian Presidency.

1. *Main steps to promote EU trade agreements in 2019*

Enhancing the implementation of EU trade agreements is an important issue for Finland and this theme was one of the trade policy priorities during our Presidency in 2019. In this context, we welcome the conclusions of the FAC Trade of 21 November on FTA implementation and continuation of discussions at TPC.

We have promoted the use of EU trade agreements both at the EU-level and nationally by organizing and participating in seminars, workshops and panel discussions. Please find some examples below.

- Workshop of the Committee of Regions and Eurochambers in November on how the EU trade agreements can benefit businesses and regions.
- Panel discussion organized by BusinessEurope and European Services Forum in September on benefits and loopholes of EU-Canada CETA.
- FTA implementation is a central part of all of our trade policy and export promotion related presentations. Such presentations are given to companies regionally in Finland and by our embassies for example, in Tokyo and Ottawa on the recent FTAs with Japan and Canada.
- Training given on several occasions to companies on EU trade agreements together with the Finnish Customs, Business Finland, the Chamber of Commerce and the Confederation of Finnish Industries.

The Finnish Customs has improved their webpage by adding a simple customer journey map on how the origin of a product is demonstrated https://tulli.fi/yritysasiakkaat/vienti/miten-alkupera-osoitetaan. The Finnish Customs is, in its outreach paying more attention to smaller companies and start-ups in order to better inform them on how they can benefit from trade agreements.

2. *Information on analytical work undertaken*

A study of the economic impact of EU trade agreements on Finland was published in December 2019. The study was conducted by the Research Institute of the Finnish Economy ETLA, and financed by the Finnish Government.

The study shows that Finland has benefitted from EU trade agreements, but less than the EU on average. There has been a significant increase in Finnish exports to many countries covered by the trade agreements, but in most cases, this is mainly due to the growth of trade in general as a result of globalization.

However, in certain sectors, such as the forest industry and machinery and equipment manufacturing, EU free trade agreements have had a key role in Finland via value chains.

The study in English can be found here: http://julkaisut.valtioneuvosto.fi/handle/10024/161952.

We are planning a survey on trade barriers faced by Finnish companies in their exports and imports. The previous survey was conducted in 2016 with companies reporting around 900 barriers. This time we intend to use the survey also for monitoring the implementation of trade agreements.

3. *Areas related to FTA implementation which could benefit from an exchange of good practices*

Cooperation at the EU-level

It is important that the Commission and Members States continue discussions on how we can together improve FTA implementation. This is an important common task. We believe that this topic could benefit from regular discussions at TPC. This could be a more horizontal agenda point covering all relevant trade agreements.

In order to structure the discussion at TPC and to improve transparency and coherence of FTA implementation activities, we feel it could be useful to have “an implementation matrix” including at least the most relevant agreements. This matrix could include a regularly updated list of actions related to the implementation of these agreements. It could include, for example, legislative actions needed on both sides, market access barriers, upcoming FTA committees and working group meetings, as well as plans for information campaigns. This would help us together to follow-up activities and monitor the progress.

Additionally, in our view it is also important to have FTA implementation on the political agenda at FAC Trade at least once a year.

Finally, in terms of the new Chief Trade Enforcer, we welcome an active role in monitoring and ensuring compliance with FTA commitments. It is also important that he/she is active in advancing awareness of trade agreements among companies and citizens in the EU, and where appropriate, in partner countries. We are happy to continue the discussion on the tasks of the Chief Trade Enforcer in the coming weeks/months.

Awareness raising

It is still important to pay attention to awareness raising and find proper ways to inform, especially small companies and start-ups, of the benefits of trade agreements. Information material needs to be easy to read and targeted at the right people in the company, like export secretaries when it comes to duty preferences.

It is also important to give good notice, coupled with concrete examples of upcoming benefits, to companies when it comes to FTAs that are entering into force. This would ensure that proper use of the agreements can be made from day one.

It would also be useful to inform companies in FTA partner countries about duty preferences, as they often are those who apply for duty reductions.

It is also important to continue to monitor preference utilization by Member States and by sectors. It is more difficult to monitor how companies benefit from other commitments of these agreements such as in services and public procurement, and we would welcome ideas how this could be done systematically.

In order to improve awareness of EU trade agreements among EU companies, we welcome the idea of the EU delegation in Tokyo to prepare a step-by-step guide for users of the EU-Japan EPA. The aim that the guide will cover not only goods, but also services and investments is good. This format could also be used to promote other EU trade agreements.

In addition, the EU-Japan Center for Industrial Cooperation has done good work in outreach and in explaining the content of the EU-Japan EPA to companies. We would like to hear the Commission's views on the work done and how this format could be used also for other trade agreements.

As for EU-Canada CETA we see that we could benefit from concrete discussions and exchange of good practices on TBT-related information especially on the conformity assessment annex and its application. This kind of discussion could also be useful in Ottawa between the Commission and Member States.

We welcome the new Access2Markets database, which will replace the Market Access Database. We hope it will cover information on all relevant free trade agreements and is easy to read and up to date, so that companies can easily use it and rely on the information. It is also important that DG Trade webpages on bilateral trade with FTA partner countries are updated regularly.