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

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The Netherlands thanks the Presidency for the background paper on FTA implementation. As the EU's web of trade agreements with third countries increases, effective implementation of these agreements becomes ever more important. While much work is already being undertaken – as shown by the yearly FTA implementation report and discussions at expert level – room for improvement remains. It is evident the EU needs to continue to show that trade agreements deliver, not only in terms of benefits for businesses, but also on the promotion of EU values and effective implementation of commitments on trade and sustainable development. Below, the Netherlands reflects on the role that the Chief Trade Enforcement Officer could play in the area of FTA implementation, provides some information on work undertaken in the area of FTA implementation and gives some suggestions for future priorities. We look forward to further discussion on FTA implementation in TPC and elsewhere.

Public perception of trade policy, trade and sustainable development and Chief Trade Enforcement Officer

While the share of people indicating they believe to benefit from international trade is relatively high in the Netherlands, as evidenced by the recent Eurobarometer survey on attitudes towards trade and EU trade policy, trade agreements are subject to much public debate. Various stakeholders and political parties express concerns over the effects of trade agreements. These concerns go beyond developments in bilateral trade flows and focus on topics such as the effectiveness of commitments on trade and sustainable development and a level playing field on production standards.

Effective implementation of provisions on trade and sustainable development should continue to be an integral part of FTA implementation. The Netherlands welcomes that the Chief Trade Enforcer will also focus on the implementation of trade and sustainable development provisions, such as those on labor rights, environmental commitments such as the Paris Agreement, the promotion of the OECD-guidelines, and the role of civil society in implementing agreements.

Utilization of and information provision on EU FTAs

As preference utilization rates remain imperfect proxies to measure the use of FTAs, the Netherlands welcomes ongoing efforts to delve deeper into factors that might affect the use of EU FTAs by businesses. The Netherlands would like to note that Ecorys has also carried out a study on barriers faced by Dutch businesses when making use of EU FTAs.[1] We look forward to upcoming sectoral discussions in the Market Access Advisory Committee on the impact of market access barriers and other factors on the utilization of EU FTAs. What would be of further use is data on preference utilization rates per FTA on member state level, where such information is available. This is because the sectors and FTAs of most interest in light of

[1] The report can be found here: https://www.ecorys.com/sites/default/files/2019-07/study-on-the-use-of-trade-agreements%20%283%29-compressed.pdf.

foregone duty savings can differ significantly per member state.

Information provision on FTAs is a joint responsibility of member states, the Commission, and businesses. This is especially important for small and medium-sized enterprises. Awareness raising will remain important in order to maximize the amount of businesses that make use of EU FTAs. The Netherlands therefore looks forward to the upcoming launch of Access2Markets, a merger of the EU Trade Helpdesk and the Market Access Database that will expand upon the current functionalities of both websites. Of particular interest are the practical tools and guides geared towards SMEs that will be introduced, such as a rules of origin guidance. A concern that is often voiced is that it is particularly difficult for SMEs to have an overview of the administrative requirements for preferential tariff treatment and to ascertain whether they meet rules of origin. Hopefully the rules of origin guidance will provide some assistance in this regard.

The Netherlands principally provides information on how to use EU FTAs, including information on proofs of origin, via the website of the Netherlands Enterprise Agency. Businesses can also contact the Netherlands Enterprise Agency if they have any questions. References are also made to information of the Commission as well as the Market Access Database. Digital information provision is supplemented by information sessions organized in coordination with trade promotion agencies and/or business organizations.

Where information provision could be improved is in the non-tariff parts of FTAs, such as public procurement and trade in services – including mode 4. It is not easy for example to figure out what the public procurement market access in a third party country covers or what the national treatment of a service entails. The EU could follow the example of the extensive Canadian Public Procurement website in this regard. We are looking forward to information material on services and mode 4 that is being developed for CETA, and to guidance on how to export services that will be added to Access2Markets.

Impact assessments

Ex post and ex ante impact assessments – and follow-up thereof – are also an integral part of FTA implementation. While SIAs and ex post evaluations already provide many useful insights, their effectiveness can be improved. Members States need, for the public debate on trade policy, national and sectoral information which is not available in the impact assessments currently carried out by the Commission. Including such information in impact assessments could help Member States in their communication with stakeholders. The European Commission could set up a procedure to take on board Member States' sensitivities in the design of such impact assessment to the extent this is possible, including on sustainable development issues. Additionally, in order to maximize the usefulness of SIAs, they need to be available before the conclusion of negotiations and consequently be updated once the outcome of the negotiations has become clearer.

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