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The  
G8 Research Group  
at the Munk School of Global Affairs at Trinity College in the University of Toronto  
presents the

## **2013 Lough Erne G8 Summit Final Compliance Report**

18 June 2013 to 15 May 2014

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### 3. Trade: Trade Deals [8]

#### Commitment:

“[We will break down barriers to trade at home and abroad by] concluding a set of ambitious trade deals.”

*2013 G8 Lough Erne Declaration*

#### Assessment:

Country	Lack of Compliance	Work in Progress	Full Compliance
Canada			+1
France		0	
Germany			+1
Italy		0	
Japan			+1
Russia			+1
United Kingdom			+1
United States			+1
European Union			+1
Average Score		+0.78	

#### Background:

G8 leaders described trade and investment as “key engines of global economic growth, job creation and sustainable development.”<sup>188</sup> Globalization has radically transformed the nature of international trade, with almost 60 per cent of trade in goods in components.<sup>189</sup> Goods are increasingly being produced internationally through complex supply chains that use components from a variety of countries in production. Moreover, trade in services accounts for a growing proportion of the global economy and is increasingly tied to trade in goods.

This current economic landscape provides context for the G8 leaders’ commitment to drive forward free trade “based on a fair, strong rules-based trading system, protecting and promoting interests, and deepening economic integration.”<sup>190</sup> Thus, the G8 pledged to take action in order to further the potential of trade and investment to boost growth, jobs and sustainable development. They further agreed to refrain from and restrict protectionist measures, while calling on others to do the same.

During the 2013 Lough Erne Summit, the G8 leaders restated their support for the central role of the World Trade Organization (WTO) in reducing barriers to trade, resisting protectionist economic policies, establishing global trade standards, and ensuring enforcement to support a level playing field in world trade.<sup>191</sup> The G8 leaders stressed that streamlining bureaucracy at borders would cut the costs of trade. They reiterated their intent to reach agreement at the 9th WTO Ministerial Conference in Bali in December 2012 on a package that focuses on Trade Facilitation.

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<sup>188</sup> G8 Lough Erne Leaders Communiqué, G8 Information Centre (Toronto) 18 June 2013. Access Date: 2 December 2013. <http://www.g8.utoronto.ca/summit/2013lougherne/lough-erne-communique.html>.

<sup>189</sup> G8 Lough Erne Leaders Communiqué, G8 Information Centre (Toronto) 18 June 2013. Access Date: 2 December 2013. <http://www.g8.utoronto.ca/summit/2013lougherne/lough-erne-communique.html>.

<sup>190</sup> G8 Lough Erne Leaders Communiqué, G8 Information Centre (Toronto) 18 June 2013. Access Date: 2 December 2013. <http://www.g8.utoronto.ca/summit/2013lougherne/lough-erne-communique.html>.

<sup>191</sup> G8 Lough Erne Leaders Communiqué, G8 Information Centre (Toronto) 18 June 2013. Access Date: 2 December 2013. <http://www.g8.utoronto.ca/summit/2013lougherne/lough-erne-communique.html>.

The G8 pledged to provide, within their current Aid for Trade commitments, “substantial technical assistance and capacity building to help implement a WTO Trade Facilitation deal, in particular to the benefit of the Least Developed Countries.”<sup>192</sup> Furthermore, the G8 welcomed the trade and economic integration of Russia with some countries in the region, which was to be pursued in line with World Trade Organization (WTO) principles. The G8 reiterated their commitment to strengthening the multilateral trading system and securing a WTO deal in December that aimed to cut bureaucracy in order to more efficiently facilitate the transport of goods across borders. The G8 pledged to keep their promise to help developing countries slash barriers to trade that impede growth.<sup>193</sup>

**Commitment Features:**

The G8 welcomed the launch of negotiations for an EU-U.S. trade agreement, the progress made towards the Trans Pacific Partnership, the launch of the EU-Japan trade agreement negotiations, and the completion of the EU-Canada trade agreement. The G8 stated their goal to finalize all of the aforementioned deals as soon as possible.<sup>194</sup>

The G8 leaders demonstrated their commitment to open markets by pledging to conclude ambitious and genuinely liberalizing bilateral, regional, and multilateral agreements. These agreements were designed to address a wide variety of trade issues, as well as “tariff reductions, including behind-the-border barriers, rules, and regulatory coherence and better alignment of standards, all of which are central to unleashing the full potential of trade.”<sup>195</sup> These deals were designed to be consistent with and supportive of the WTO framework by serving as a foundation for future multilateral agreements in the WTO, which remain the most effective means of reducing international trade barriers.<sup>196</sup>

**Scoring Guidelines:**

-1	G8 member does not make any effort to break down barriers, either by implementing new policy or opening trade negotiations.
0	G8 member implements policies that facilitate trade BUT does not significantly advance in negotiations nor conclude negotiations of a bilateral, regional or multilateral trade deal.
+1	G8 member significantly advances in negotiations or concludes negotiations of a bilateral, regional or multilateral trade deal.

*Lead Analyst: Derakhshan Qurban-Ali*

**Canada: +1**

Canada has fully complied with its commitment to break down barriers to trade at home and abroad by concluding a set of ambitious trade deals, liberalizing trade laws, and facilitating trade through other mediums, such as the WTO.

<sup>192</sup> G8 Lough Erne Leaders Communiqué, G8 Information Centre (Toronto) 18 June 2013. Access Date: 2 December 2013. <http://www.g8.utoronto.ca/summit/2013lougherne/lough-erne-communique.html>.

<sup>193</sup> G8 Lough Erne Leaders Communiqué, G8 Information Centre (Toronto) 18 June 2013. Access Date: 2 December 2013. <http://www.g8.utoronto.ca/summit/2013lougherne/lough-erne-communique.html>.

<sup>194</sup> G8 Lough Erne Leaders Communiqué, G8 Information Centre (Toronto) 18 June 2013. Access Date: 2 December 2013. <http://www.g8.utoronto.ca/summit/2013lougherne/lough-erne-communique.html>.

<sup>195</sup> G8 Lough Erne Leaders Communiqué, G8 Information Centre (Toronto) 18 June 2013. Access Date: 2 December 2013. <http://www.g8.utoronto.ca/summit/2013lougherne/lough-erne-communique.html>.

<sup>196</sup> G8 Lough Erne Leaders Communiqué, G8 Information Centre (Toronto) 18 June 2013. Access Date: 2 December 2013. <http://www.g8.utoronto.ca/summit/2013lougherne/lough-erne-communique.html>.

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On 25 July 2013, the 18th round of Trans-Pacific Partnership (TPP) negotiations concluded in Malaysia.<sup>197</sup>

On 20 August 2013, Canadian Minister of International Trade Ed Fast noted that the recently created Canada-ASEAN Business Council (CABC) is working to improve trade and investment ties between Canada and the Association of Southeast Asian Nations (ASEAN).<sup>198</sup>

On 25 August 2013, the Canadian government announced that the first meeting of the Canada-Kuwait Joint Committee on Trade and Investment Co-operation will be held this fall.<sup>199</sup>

On 26 August 2013, Canadian and Turkish governments announced their intentions to create a joint economic and trade committee. During the meeting between Minister Fast and the Turkish Minister of Economy, Zafer Çağlayan, they also expressed support for the conclusion of exploratory talks toward an ambitious and comprehensive free trade agreement.<sup>200</sup>

The 19th round of TPP negotiations took place in Bandar Seri Begawan, Brunei, from August 22 to 30, 2013.<sup>201</sup>

On 17 September 2013, the Canadian government announced the conclusion of negotiations on a foreign investment promotion and protection agreement (FIPA) between Canada and Serbia.<sup>202</sup>

On 19 September 2013, Canada announced it will participate in several meetings related to the TPP negotiations, including a meeting of senior negotiators in Washington DC.<sup>203</sup>

The latest round of negotiations for a trade in services agreement took place in Geneva, Switzerland, from September 16 to 20, 2013, with 23 WTO members including Canada participating.<sup>204</sup>

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<sup>197</sup> Foreign Affairs, Trade, Development Canada. "Harper Government Advances Canada's Priorities in Trans-Pacific Partnership Negotiations." Harper Government Advances Canada's Priorities in Trans-Pacific Partnership Negotiations. <http://www.international.gc.ca/media/comm/news-communiques/2013/07/25a.aspx?lang=eng> (accessed January 7, 2014)

<sup>198</sup> Foreign Affairs, Trade, Development Canada. "Harper Government Continues to Deepen Canada's Economic Ties in Southeast Asia." Harper Government Continues to Deepen Canada's Economic Ties in Southeast Asia. <http://www.international.gc.ca/media/comm/news-communiques/2013/08/20a.aspx?lang=eng>

<sup>199</sup> Foreign Affairs, Trade, Development Canada. "Canada Deepens Commercial Ties with Kuwait." Canada Deepens Commercial Ties with Kuwait. <http://www.international.gc.ca/media/comm/news-communiques/2013/08/25a.aspx?lang=eng>

<sup>200</sup> Foreign Affairs, Trade, Development Canada. "Canada and Turkey Commit to Working Toward Increased Trade and Investment." Canada and Turkey Commit to Working Toward Increased Trade and Investment. <http://www.international.gc.ca/media/comm/news-communiques/2013/08/27a.aspx?lang=eng>

<sup>201</sup> Foreign Affairs, Trade, Development Canada. "Trans-Pacific Partnership Members Advance Negotiations in Brunei." Trans-Pacific Partnership Members Advance Negotiations in Brunei. <http://www.international.gc.ca/media/comm/news-communiques/2013/08/30a.aspx?lang=eng>

<sup>202</sup> Foreign Affairs, Trade, Development Canada. "Harper Government Concludes Investment Agreement with Serbia." Harper Government Concludes Investment Agreement with Serbia. <http://www.international.gc.ca/media/comm/news-communiques/2013/09/17a.aspx?lang=eng> (accessed January 8, 2014).

<sup>203</sup> Foreign Affairs, Trade, Development Canada. "Trans-Pacific Partnership Negotiations Continue in Washington, D.C.." Trans-Pacific Partnership Negotiations Continue in Washington, D.C.. <http://www.international.gc.ca/media/comm/news-communiques/2013/09/19a.aspx?lang=eng> (accessed January 8, 2014)

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On 26 September 2013, Canadian Minister of International Development and La Francophonie Christian Paradis announced the conclusion of negotiations on a FIPA between Canada and Côte d'Ivoire.<sup>205</sup>

On 26 September 2013, Minister Fast met with U.S. Secretary of Commerce Penny Pritzker in Washington DC for their first ever meeting. Minister Fast and Secretary Pritzker committed to strong bilateral cooperation regarding the Beyond the Border and Regulatory Cooperation Council Action Plans. These two initiatives focus on enhancing the two countries' mutual security, prosperity and economic competitiveness by increasing regulatory alignment and efficiency at the border.<sup>206</sup>

On 30 September 2013, Minister Fast announced that Canada's expanded free trade agreement with Chile is in effect.<sup>207</sup>

On 1 October 2013, the Canadian and Emirati governments launched the Canada-United Arab Emirates Business Council (CUBC) with its first meeting in Montreal.<sup>208</sup>

On 9 October 2013, the Canadian Government announced the launching of the first meeting of the Canada-ASEAN (Association of Southeast Asian Nations) Business Forum in Singapore. The Business Forum is a major initiative of the Canada-ASEAN Business Council (CABC).<sup>209</sup>

On 18 October 2013, an announcement was released regarding successful conclusion of negotiations for a Comprehensive Economic and Trade Agreement (CETA) between the European Union and Canada. The Canada-EU CETA addresses a wide range of issues, including improved access for goods and services; greater certainty, transparency and protection of investments; enhanced cooperation in areas of mutual interest, such as regulatory development and labour mobility; and new opportunities in procurement markets.<sup>210</sup>

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<sup>204</sup> Foreign Affairs, Trade, Development Canada. "Minister Fast Marks Conclusion of Latest Round on Trade in Services Agreement Negotiations." Minister Fast Marks Conclusion of Latest Round on Trade in Services Agreement Negotiations. <http://www.international.gc.ca/media/comm/news-communiques/2013/09/20a.aspx?lang=eng> (accessed January 8, 2014).

<sup>205</sup> Foreign Affairs, Trade, Development Canada. "Canada Concludes Investment Agreement with Côte d'Ivoire." Canada Concludes Investment Agreement with Côte d'Ivoire. <http://www.international.gc.ca/media/comm/news-communiques/2013/09/26a.aspx?lang=eng> (accessed January 8, 2014)

<sup>206</sup> Foreign Affairs, Trade, Development Canada. "Minister Fast Travels to U.S. Capital to Advance Canadian Interests." Minister Fast Travels to U.S. Capital to Advance Canadian Interests. <http://www.international.gc.ca/media/comm/news-communiques/2013/09/26d.aspx?lang=eng> (accessed January 8, 2014).

<sup>207</sup> Foreign Affairs, Trade, Development Canada. "Harper Government Expands and Modernizes Free Trade Agreement with Chile." Harper Government Expands and Modernizes Free Trade Agreement with Chile. <http://www.international.gc.ca/media/comm/news-communiques/2013/09/30a.aspx?lang=eng> (accessed January 8, 2014).

<sup>208</sup> Foreign Affairs, Trade, Development Canada. "Minister Ed Fast Announces Canadian Members of Canada-United Arab Emirates Business Council." Minister Ed Fast Announces Canadian Members of Canada-United Arab Emirates Business Council. <http://www.international.gc.ca/media/comm/news-communiques/2013/10/01a.aspx?lang=eng> (accessed January 8, 2014).

<sup>209</sup> Foreign Affairs, Trade, Development Canada. "Minister Fast Launches First Canada-ASEAN Business Forum." Minister Fast Launches First Canada-ASEAN Business Forum. <http://www.international.gc.ca/media/comm/news-communiques/2013/10/09a.aspx?lang=eng> (accessed January 8, 2014).

<sup>210</sup> Foreign Affairs, Trade, Development Canada. "Declaration by the President of the European Commission and the Prime Minister of Canada "A new era in EU-Canada relations"." Declaration by the President of the European Commission and the Prime Minister of Canada. <http://www.international.gc.ca/media/comm/news-communiques/2013/10/18a.aspx?lang=eng> (accessed January 8, 2014).

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On 31 October 2013, Minister Fast told business leaders attending the energy security panel at the Toronto Global Forum that the Canada-European Union trade agreement will contribute to global energy security. “Lowering trade barriers, opening our economy to foreign investment and investing in infrastructure all contribute to making Canada’s energy production more available to our trading partners,” said Minister Fast.<sup>211</sup>

On 1 November, the Canadian government announced that Canada has ratified the Convention on the Settlement of Investment Disputes between States and Nationals of Other States, known as the ICSID Convention. Canadian investors will have access to an impartial, less expensive and more effective dispute-resolution mechanism to resolve investment disputes with host states.<sup>212</sup>

On 5 November 2013, Minister Fast and José Adonis Lavaire, Minister of Industry and Commerce for Honduras, signed the Canada-Honduras Free Trade Agreement.<sup>213</sup>

On 8 November 2013, the Canadian government concluded the latest round of negotiations in Geneva for a trade in services agreement, which aims to open new markets and create a more predictable and stable environment for Canadian providers of services.<sup>214</sup>

On 27 November 2013, Minister Fast unveiled a new trade plan through a report, entitled the “Global Markets Action Plan: The Blueprint for Creating Jobs and Opportunities for Canadians Through Trade” during a speech to the Economic Club of Canada in Ottawa.<sup>215</sup>

On 27 November 2013, Canadian government announced that Canada and Albania concluded negotiations on a FIPA.<sup>216</sup>

On 3 December 2013, Canada announced it has ratified the modernized WTO Agreement on Government Procurement (GPA). The announcement was made in Bali, Indonesia, during the ninth WTO Ministerial Conference.<sup>217</sup>

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<sup>211</sup> Foreign Affairs, Trade, Development Canada. “Canada’s Pro-Trade Plan Contributes to Global Energy Security.” Canada’s Pro-Trade Plan Contributes to Global Energy Security. <http://www.international.gc.ca/media/comm/news-communiqués/2013/10/31a.aspx?lang=eng> (accessed January 8, 2014).

<sup>212</sup> Foreign Affairs, Trade, Development Canada. “Canada Ratifies Important International Treaty on Investment Disputes.” Canada Ratifies Important International Treaty on Investment Disputes. <http://www.international.gc.ca/media/comm/news-communiqués/2013/11/01a.aspx?lang=eng> (accessed January 8, 2014).

<sup>213</sup> Foreign Affairs, Trade, Development Canada. “Minister Fast Signs Canada-Honduras Free Trade Agreement as Canada Secures Full Market Access for Beef and Pork.” Minister Fast Signs Canada-Honduras Free Trade Agreement as Canada Secures Full Market Access for Beef and Pork. <http://www.international.gc.ca/media/comm/news-communiqués/2013/11/05a.aspx?lang=eng> (accessed January 8, 2014).

<sup>214</sup> Foreign Affairs, Trade, Development. “Latest Round of Negotiations Concludes on Trade in Services Agreement.” Latest Round of Negotiations Concludes on Trade in Services Agreement. <http://www.international.gc.ca/media/comm/news-communiqués/2013/11/08a.aspx?lang=eng> (accessed January 8, 2014).

<sup>215</sup> Reuters. “Harper Government Launches New International Trade Plan.” Reuters. <http://www.reuters.com/article/2013/11/27/idUSnCCN7dNjdQ+1c9+MKW20131127> (accessed January 8, 2014).

<sup>216</sup> Foreign Affairs, Trade, Development Canada. “Harper Government Concludes Investment Agreement with Albania.” Harper Government Concludes Investment Agreement with Albania. <http://www.international.gc.ca/media/comm/news-communiqués/2013/11/27b.aspx?lang=eng> (accessed January 8, 2014).

<sup>217</sup> Foreign Affairs, Trade, Development Canada. “Canada Ratifies Revised WTO Government Procurement Agreement.” Canada Ratifies Revised WTO Government Procurement Agreement. <http://www.international.gc.ca/media/comm/news-communiqués/2013/12/03a.aspx?lang=eng> (accessed January 8, 2014).

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On 5 December 2013, Canadian government announced the conclusion of negotiations on a FIPA between Canada and Guinea.<sup>218</sup>

On 5 December 2013, Canadian government announced that the FIPA between Canada and Tanzania will come into force in the coming days.<sup>219</sup>

On 6 December 2013, Minister Fast concluded his participation at the World Trade Organization's Ninth Ministerial Conference in Bali, Indonesia, by welcoming progress that will re-establish the WTO as an organization that advances trade liberalization around the world.

A new trade facilitation agreement (TFA) will reduce border transaction costs for Canadians doing business abroad by up to nine percent. The TFA will introduce binding rules for all WTO members on how goods are handled at borders to reduce bureaucracy and delays.<sup>220</sup>

On 10 December 2013, Minister Fast highlighted progress made at a successful meeting with trade ministers from the countries of the TPP. The TPP ministerial meeting was held in Singapore. Ministers identified potential outcomes for key outstanding areas of the text and agreeing to continue work to conclude market access negotiations.<sup>221</sup>

On 12 December 2013, the Canadian government announced that Canada and Moldova concluded negotiations toward a FIPA.<sup>222</sup>

On 30 December 2013, Minister Fast looked at accomplishments of the past year which include reaching a historic Canada-European Union trade agreement, bringing into force or signing free trade agreements with three priority countries and concluding or bringing into force a record 10 FIPAs.<sup>223</sup>

On 3 March 2014, the Canadian Government announced that Canada and Cameroon concluded negotiations towards a foreign investment promotion and protection agreement (FIPA).

On 11 March 2014, the Ministers of Trade for Canada and the Republic of Korea released a joint declaration, recognizing and celebrating the successful conclusion of negotiations on the Free Trade Agreement between Canada and the Republic of Korea.

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<sup>218</sup> Foreign Affairs, Trade, Development Canada. "Harper Government Concludes Investment Agreement with Guinea." Harper Government Concludes Investment Agreement with Guinea. <http://www.international.gc.ca/media/comm/news-communiques/2013/12/05a.aspx?lang=eng> (accessed January 8, 2014).

<sup>219</sup> Foreign Affairs, Trade, Development Canada. "Harper Government Announces Entry into Force of Investment Agreement with Tanzania." Harper Government Announces Entry into Force of Investment Agreement with Tanzania. <http://www.international.gc.ca/media/comm/news-communiques/2013/12/05b.aspx?lang=eng> (accessed January 8, 2014).

<sup>220</sup> Foreign Affairs, Trade, Development Canada. "Canada Welcomes Progress at WTO." Canada Welcomes Progress at WTO. <http://www.international.gc.ca/media/comm/news-communiques/2013/12/06b.aspx?lang=eng> (accessed January 8, 2014).

<sup>221</sup> Foreign Affairs, Trade, Development Canada. "Trans-Pacific Partnership Negotiations Continue in Singapore." Trans-Pacific Partnership Negotiations Continue in Singapore. <http://www.international.gc.ca/media/comm/news-communiques/2013/12/10c.aspx?lang=eng> (accessed January 8, 2014).

<sup>222</sup> Foreign Affairs, Trade, Development Canada. "Harper Government Concludes Investment Treaty with Moldova." Harper Government Concludes Investment Treaty with Moldova. <http://www.international.gc.ca/media/comm/news-communiques/2013/12/12d.aspx?lang=eng> (accessed January 8, 2014).

<sup>223</sup> Foreign Affairs, Trade, Development Canada. "Harper Government Records Most Successful Year for Trade and Investment in Canadian History." Harper Government Records Most Successful Year for Trade and Investment in Canadian History. <http://www.international.gc.ca/media/comm/news-communiques/2013/12/30a.aspx?lang=eng> (accessed January 8, 2014).

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Thus, Canada is awarded a score of +1 for its full compliance with its G8 commitment to conduct a series of ambitious trade agreements, liberalize trade laws, and facilitate trade through mediums such as the WTO. Expanding its trade relations and free trade has been seen as an important priority of the Canadian Government and this commitment has brought about recent key successes such as the EU-Canada Comprehensive Economic and Trade Agreement (CETA) and the Canada-Korea Free Trade Agreement (FTA).

*Analyst: James Flynn*

### **France: 0**

France has partially complied with its commitment to facilitate trade by breaking down some trade barriers while maintaining others.

France has consistently sustained its aid towards the World Trade Organization (WTO) Trust Funds. On 29 November 2013, France donated EUR 500,000 to the WTO, which will be put towards technical assistance programs for developing countries.<sup>224</sup> An additional EUR 500,000 will be allocated to internship programs to build expertise in trade policy for weak and transitioning economies.<sup>225</sup> France has contributed EUR 10,077,000 to the WTO Trust Funds since 2010.<sup>226</sup> These contributions will ultimately increase the negotiating capacity of weaker economies in trade deals.

France participated in the signing and conclusion of the Bali Package in December 2013. The Bali package is designed to “streamline trade, allow developing countries more options for providing food security boost ‘least developed countries’ trade and help development more generally.”<sup>227</sup>

France has intensified trade with Russia in compliance with its commitment. France is currently the 2nd largest European exporter to Russia, reaching EUR9.1 billion in exports in 2012. The 20th French-Russian Economic Financial and Trade Council held on 30 September 2013 culminated in agreements of greater cooperation in the fields of agriculture, health and pharmaceuticals, and railway transport between the two powers.<sup>228</sup> Minister of Foreign Trade Nicole Bricq welcomed greater Russian investment in France and highlighted the achievements they already made in the aerospace industry.<sup>229</sup> Further development in high tech industries is expected in the future.<sup>230</sup>

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<sup>224</sup> France Donates EUR1,000,000 to Strengthen Negotiating Capacity of Developing Countries, World Trade Organization 29 November 2013. Access Date: 23 December 2013. [http://www.wto.org/english/news\\_e/pres13\\_e/pr706\\_e.htm](http://www.wto.org/english/news_e/pres13_e/pr706_e.htm)

<sup>225</sup> France Donates EUR1,000,000 to Strengthen Negotiating Capacity of Developing Countries, World Trade Organization 29 November 2013. Access Date: 23 December 2013. [http://www.wto.org/english/news\\_e/pres13\\_e/pr706\\_e.htm](http://www.wto.org/english/news_e/pres13_e/pr706_e.htm)

<sup>226</sup> France Donates EUR1,000,000 to Strengthen Negotiating Capacity of Developing Countries, World Trade Organization 29 November 2013. Access Date: 23 December 2013. [http://www.wto.org/english/news\\_e/pres13\\_e/pr706\\_e.htm](http://www.wto.org/english/news_e/pres13_e/pr706_e.htm)

<sup>227</sup> WTO Bali agreement expected to boost growth, DW (Berlin), 7 December 2013. Date of Access: 28 May 2013. <http://www.dw.de/wto-bali-agreement-expected-to-boost-growth/a-17278088>

<sup>228</sup> 20e Conseil Économique, Financier et Commercial Franco-Russe, Le Portail du Ministère du Commerce Extérieure 2 October 2013. Access Date: 23 December 2013. <http://www.commerce-exterieur.gouv.fr/20e-conseil-economique-financier-et-commercial-franco-russe>

<sup>229</sup> 20e Conseil Économique, Financier et Commercial Franco-Russe, Le Portail du Ministère du Commerce Extérieure 2 October 2013. Access Date: 23 December 2013. <http://www.commerce-exterieur.gouv.fr/20e-conseil-economique-financier-et-commercial-franco-russe>

<sup>230</sup> 20e Conseil Économique, Financier et Commercial Franco-Russe, Le Portail du Ministère du Commerce Extérieure 2 October 2013. Access Date: 23 December 2013. <http://www.commerce-exterieur.gouv.fr/20e-conseil-economique-financier-et-commercial-franco-russe>

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She stated, “the Russian market is difficult to access” and thus launched the “Health Club” in an effort to break down barriers for small and medium sized businesses engaged in the biotechnology and pharmaceutical industries. Given the Crimean referendum, previous military sale agreements such as the EUR1.2 billion contract for two Mistral helicopter carrier warships, is pending cancellation. With the U.S. and EU contemplating sanctions, trade between France and Russia could be hampered significantly, especially in the sectors of electronics, transportation, cosmetics and pharmaceuticals.

France has had an equivocal position towards free trade. Foreign Trade Minister Nicole Bricep suggested that under the current context of the accord, the free trade agreement between the EU and Canada signed on 18 October 2013 would be beneficial for France. On the other hand, France maintained its protectionist stance by vetoing inclusion of film and music industries, and laid out strict rules on agriculture in the talks meant to further the EU transatlantic trade pact.

France’s previous steps to improve bilateral trade with Russia and its continued aid to developing countries via the WTO are in compliance with its commitments. Furthermore, its stance towards the EU transatlantic trade pact has hindered progress resulting in it receiving a score of 0. It will need to break down these barriers and resolve its disputes with Russia in order to achieve full compliance.

*Analyst: Araf Khaled*

### **Germany: +1**

Germany has fully complied with its commitment to break down barriers to trade at home and abroad by making progress towards concluding a set of ambitious trade deals and facilitating trade through other mediums, such as the World Trade Organization.

Germany participated in the signing and conclusion of the Bali Package in December 2013.<sup>231</sup> The Federal Minister of Economics and Technology Anne Ruth Herkes stated that Germany remains a “firm advocate of a successful multilateral trade system” and has as a goal to give “a fresh boost to the global trading system” through the Ninth WTO Ministerial Conference and the subsequent agreement.<sup>232</sup> The Bali package is designed to “streamline trade, allow developing countries more options for providing food security boost ‘least developed countries’ trade and help development more generally.”<sup>233</sup> This agreement could also boost the German economy by EUR60 billion every year.<sup>234</sup>

As part of the European Union, Germany has also started trade talks with the United States. The comprehensive Transatlantic Trade and Investment Partnership (TTIP) between the two partners is a “high priority” for Chancellor Angela Merkel despite diplomatic difficulties caused by an

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<sup>231</sup> Ministerial Conference Ninth Session. December 4, 2013 Access Date: December 21, 2013  
[https://mc9.wto.org/system/files/documents/W7R1\\_1.pdf](https://mc9.wto.org/system/files/documents/W7R1_1.pdf)

<sup>232</sup> Statement by H.E. Ms Anne Ruth Herkes, Federal Minister of Economics and Technology. Access Date: December 21, 2013 [http://www.wto.org/english/thewto\\_e/minist\\_e/mc9\\_e/stat\\_e/deu.pdf](http://www.wto.org/english/thewto_e/minist_e/mc9_e/stat_e/deu.pdf)

<sup>233</sup> Days 3, 4 and 5: Round-the-clock consultations produce ‘Bali Package’. December 5-7, 2013. Access Date: December 21, 2013 [http://www.wto.org/english/news\\_e/news13\\_e/mc9sum\\_07dec13\\_e.htm](http://www.wto.org/english/news_e/news13_e/mc9sum_07dec13_e.htm)

<sup>234</sup> WTO Bali agreement expected to boost growth. December 7, 2013. Access Date: December 21, 2013.  
<http://www.dw.de/wto-bali-agreement-expected-to-boost-growth/a-17278088>

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eavesdropping scandal.<sup>235</sup> Free Trade talks between the European Union and Japan have also shown progress.<sup>236</sup>

On 30 April 2014, Parliamentary State Secretary at the Federal Ministry for Economic Affairs and Energy Uwe Beckmeyer opened the “Germany and Japan — strong industrial locations for small and medium-sized companies” conference, where he recommitted to reduce existing trade barriers between the two countries. A deal with Canada has been signed and is pending approval by the Canadian Parliament and the national governments of the European Union, including Germany.<sup>237</sup>

Germany has shown positive developments regarding substantial trade agreements, especially regarding the WTO’s Bali Package. As a result, Germany has received a score of +1 for full compliance to its commitment.

*Analyst: Kevin Parra Duque*

### **Italy: 0**

Italy has begun to break down barriers to trade at home and abroad, and demonstrates resolve in concluding the Transatlantic Trade and Investment Partnership (TTIP) between the EU and the US, as well as an EU-Japan free trade agreement. Italy also participated in and supported the WTO Bali multilateral agreement for the liberalization of trade, concluded on 7 December 2013.

On 1 August 2013, Italy and Russia signed an agreement on the “Green Customs Corridor” project, which will increase the efficiency of interaction between Italian and Russian customs agencies, cutting costs for the transfer of goods between the two states.<sup>238,239</sup>

On 16 December 2013, Prime Minister Enrico Letta approved an Italian government communique that stipulated the “Destination Italia” plan, designed to encourage trade with and investment in Italian businesses, through legal reform and increased focus on the use trade-facilitating boards and commissions. The plan, founded by the Ministry of Foreign Affairs, includes several measures. It aims to align Italian investment practices with international standards, and establish better communication between foreign investors and Italian firms, with the aim of tax obligation compliance. Furthermore, the Destination Italia plan provides for methods to facilitate customs operations, and the functions of Italo-foreign Chambers of Commerce. Funding for the Italian foreign trade institute, the ICE, has been doubled for 2014.<sup>240</sup>

On 10 October 2013, during a visit to the Foreign Ministry of Japan, Secretary General of the Ministry of Foreign Affairs Michele Valensese affirmed the Italian government’s commitment to

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<sup>235</sup>U.S.-EU free trade talks begin amid spying row. July 8, 2013. Access Date: December 21, 2013.

<http://www.dw.de/us-eu-free-trade-talks-begin-amid-spying-row/a-16935160>

<sup>236</sup>Japan-EU free trade talks ‘going according to plan’. July 7, 2013. Access Date: December 21, 2013.

<http://www.dw.de/japan-eu-free-trade-talks-going-according-to-plan/a-16921564>

<sup>237</sup>European Union signs free trade agreement with Canada. October 10, 2013. Access Date: December 21, 2013.

<http://www.dw.de/european-union-signs-free-trade-agreement-with-canada/a-17167835>

<sup>238</sup>TALY- RUSSIA: agreement on “green customs corridor”, Ministry of Foreign Affairs (Rome) 01 August 2013. Access Date: 30 December 2013.

[http://www.esteri.it/MAE/EN/Sala\\_Stampa/ArchivioNotizie/Approfondimenti/2013/08/20130801\\_italia\\_russia\\_accordo\\_doganale.htm?LANG=EN](http://www.esteri.it/MAE/EN/Sala_Stampa/ArchivioNotizie/Approfondimenti/2013/08/20130801_italia_russia_accordo_doganale.htm?LANG=EN)

<sup>239</sup>Italy-Russia, Agreements Also In Terms of Customs, (San Donato Milanese) 28 November 2013. Access Date: 30 December 2013. <http://www.snam.it/en/Media/energy-morning/news-upload669.html>.

<sup>240</sup>Destinazione Italia — Plan approved, push toward internationalisation of businesses, Ministry of Foreign Affairs (Rome) 16 December 2013. Access Date: 30 December 2013.

[http://www.esteri.it/MAE/EN/Sala\\_stamp/ArchivioNotizie/Approfondimenti/2013/12/20131216\\_approvato\\_piano\\_impresa.htm](http://www.esteri.it/MAE/EN/Sala_stamp/ArchivioNotizie/Approfondimenti/2013/12/20131216_approvato_piano_impresa.htm).

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ratify a Italy-Japan agreement for social insurance institute reform that will remove non-tariff barriers to trade.<sup>241</sup> During the 25th General Assembly of the Italy-Japan Business Group, Deputy Foreign Minister Bruno Archi reiterated the desire for the removal of non-tariff barriers between the two states, as well as a hope for an EU-Japan free trade agreement.<sup>242</sup>

On 17 October 2013, after a meeting with United States President Barack Obama in Washington, Prime Minister Enrico Letta stated that completing the EU-US Transatlantic Trade and Investment Partnership (TTIP), which will eliminate tariff and remove costly regulations, will be a top priority for Italy's EU presidency, which will preside for the second half of 2014.<sup>243</sup>

In a 21 October 2013 press release, the Ministry of Foreign Affairs "welcomed" the political agreement reached by the European Commission and the Canadian Government on the content of the Comprehensive Economic and Trade Agreement (CETA).<sup>244</sup>

On 7 December 2013, the WTO Bali Ministerial Meeting concluded with an agreement, signed by 159 states, including Italy, to implement various measures with the general effect of liberalizing trade, and assisting developing countries in integrating with global markets. Deputy Minister of Economic Development Carlo Calenda, in an interview for the Italian newspaper, *Il Sole 24 Ore*, commented, "The EU and Italy have held a strong position of support for the package presented, contributing to the successful conclusion of the negotiations."<sup>245</sup>

Thus, Italy has been awarded a score of 0 for partial compliance to its commitment. It has begun to remove some barriers and costs to trade, both internally and with specific states. Through its membership with the EU, it has completed some ambitious trade deals, as is the case with the Bali package and CETA, and demonstrates willingness for the completion of the EU-TTIP and EU-Japan free trade agreement.

*Analyst: Gianluca Canaletti*

### **Japan: +1**

Japan has fully complied with its commitment to break down barriers to trade at home and abroad by making progress towards concluding a set of ambitious trade deals applicable to the G8 member nation, liberalizing trade laws, or facilitating trade through other mediums, such as the WTO.

On 29 October 2013, the European Union and Japan held a third round of negotiations toward a free trade agreement that is expected to boost Europe's economy by up to 0.8 per cent.<sup>246</sup> The round

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<sup>241</sup> Italy-Japan — Valensise in Tokyo. Abe to visit Rome, possibly in January 2014, Ministry of Foreign Affairs (Rome) 10 October 2013. Access Date: 30 December 2013.

[http://www.esteri.it/MAE/EN/Sala\\_stampa/ArchivioNotizie/Approfondimenti/2013/10/20131010\\_itgiapvalenstok.htm](http://www.esteri.it/MAE/EN/Sala_stampa/ArchivioNotizie/Approfondimenti/2013/10/20131010_itgiapvalenstok.htm).

<sup>242</sup> Italy-Japan Business Group: Archi in Tokyo for 25th General Assembly, Ministry of Foreign Affairs (Rome) 24 October 2013/ Access Date: 30 December 2013.

[http://www.esteri.it/MAE/EN/Sala\\_stampa/ArchivioNotizie/Comunicati/2013/10/20131024\\_ijbgarctokyo.htm](http://www.esteri.it/MAE/EN/Sala_stampa/ArchivioNotizie/Comunicati/2013/10/20131024_ijbgarctokyo.htm).

<sup>243</sup> Italy's Letta Says Trade Pact Between U.S., EU to Be Priority, Bloomberg News (New York) Oct 17, 2013 Access Date: 30 December 2013. <http://www.bloomberg.com/news/2013-10-17/italy-s-letta-says-trade-pact-between-u-s-eu-to-be-priority.html>.

<sup>244</sup> EU-Canada: Italy welcomes agreement on CETA negotiations, Ministry of Foreign Affairs (Rome) 21 October 2013. Access Date: 29 December 2013.

[http://www.esteri.it/MAE/EN/Sala\\_stampa/ArchivioNotizie/Comunicati/2013/10/20131021\\_UeCanada.htm](http://www.esteri.it/MAE/EN/Sala_stampa/ArchivioNotizie/Comunicati/2013/10/20131021_UeCanada.htm).

<sup>245</sup> Wto, approvato a Bali da 159 Paesi storico accordo multilaterale sul commercio, *Il Sole 24 Ore* (Milan) 7 December 2013. Access Date: 30 December 2013. <http://www.ilsole24ore.com/art/notizie/2013-12-07/wto-approvato-bali-159-paesi-storico-accordo-multilaterale-commercio-094309.shtml>.

<sup>246</sup> Progress reached at the 3rd Round of EU-Japan Trade Talks, EUROPA (Brussels) 25 October 2013. Access Date: 15 December 2013. [http://europa.eu/rapid/press-release\\_IP-13-998\\_en.htm](http://europa.eu/rapid/press-release_IP-13-998_en.htm).

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focused on an analysis of each side's proposals for the FTA's text.<sup>247</sup> Discussions took place in a number of working groups, covering topics such as trade in goods and services, technical barriers to trade and non-tariff measures, rules of origin, customs and trade facilitation, investment, procurement, competition, and intellectual property, among others.<sup>248</sup>

On 19 November 2013, the EU trade chief said Japan still has work to do in tearing down non-tariff barriers faced by European Union companies ahead of a decisive review of EU-Japan trade talks next April.<sup>249</sup> To address such concerns, Brussels and Tokyo have agreed on "roadmaps" for Japan's elimination of such barriers and creating a level playing field for EU firms bidding for lucrative rail contracts.<sup>250</sup> EU Trade Commissioner Karel De Gucht said that on non-tariff measures, on a number of issues, solutions have been found. However, on others, there is only progress on process but not the content, so there is still some work to do before the one-year deadline.<sup>251</sup>

On 29 November 2013, the third round of negotiations on a Free Trade Agreement (FTA) among Japan, China and the Republic of Korea (ROK) was held in Tokyo, Japan.<sup>252</sup> In this round of negotiations, various areas such as Trade in Goods, Trade in Services, Investment, Competition Policies, and Intellectual Property, amongst others, were discussed.<sup>253</sup> The three countries will work towards holding the next round of negotiations in Korea around February next year.<sup>254</sup>

On 19 February 2014, the Japan External Trade Organization (JETRO) said that trade between China and Japan, Asia's biggest economies, is set to pick up this year after a two-year slump, irrespective of political tensions.<sup>255</sup> The head of research at JETRO's China and North Asia division Yoichi Maie said that Japan's trade deficit with China widened last year by 18 percent to a record

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<sup>247</sup> Progress reached at the 3rd Round of EU-Japan Trade Talks, EUROPA (Brussels) 25 October 2013. Access Date: 15 December 2013. [http://europa.eu/rapid/press-release\\_IP-13-998\\_en.htm](http://europa.eu/rapid/press-release_IP-13-998_en.htm).

<sup>248</sup> Progress reached at the 3rd Round of EU-Japan Trade Talks, EUROPA (Brussels) 25 October 2013. Access Date: 15 December 2013. [http://europa.eu/rapid/press-release\\_IP-13-998\\_en.htm](http://europa.eu/rapid/press-release_IP-13-998_en.htm).

<sup>249</sup> Japan not ready yet to pass non-tariff barrier test: EU trade chief, Reuters (Tokyo) 19 November 2013. Access Date: 15 December 2013. <http://www.reuters.com/article/2013/11/19/us-eu-japan-trade-idUSBRE9AI0HP20131119>.

<sup>250</sup> Japan not ready yet to pass non-tariff barrier test: EU trade chief, Reuters (Tokyo) 19 November 2013. Access Date: 15 December 2013. <http://www.reuters.com/article/2013/11/19/us-eu-japan-trade-idUSBRE9AI0HP20131119>.

<sup>251</sup> Japan not ready yet to pass non-tariff barrier test: EU trade chief, Reuters (Tokyo) 19 November 2013. Access Date: 15 December 2013. <http://www.reuters.com/article/2013/11/19/us-eu-japan-trade-idUSBRE9AI0HP20131119>.

<sup>252</sup> Third Round of Negotiations on a Free Trade Agreement (FTA) among Japan, China and the ROK, Ministry of Foreign Affairs Japan (Tokyo) 29 November 2013. Access Date: 6 January 2014. [http://www.mofa.go.jp/press/release/press4e\\_000112.html](http://www.mofa.go.jp/press/release/press4e_000112.html).

<sup>253</sup> Third Round of Negotiations on a Free Trade Agreement (FTA) among Japan, China and the ROK, Ministry of Foreign Affairs Japan (Tokyo) 29 November 2013. Access Date: 6 January 2014. [http://www.mofa.go.jp/press/release/press4e\\_000112.html](http://www.mofa.go.jp/press/release/press4e_000112.html).

<sup>254</sup> Third Round of Negotiations on a Free Trade Agreement (FTA) among Japan, China and the ROK, Ministry of Foreign Affairs Japan (Tokyo) 29 November 2013. Access Date: 6 January 2014. [http://www.mofa.go.jp/press/release/press4e\\_000112.html](http://www.mofa.go.jp/press/release/press4e_000112.html).

<sup>255</sup> Japan-China Trade Set to Pick Up 'Slightly' After Two-Year Slump, Bloomberg News (Tokyo) 19 February 2014. Access Date: 12 March 2013. <http://www.businessweek.com/news/2014-02-19/japan-china-trade-set-to-pick-up-slightly-after-two-year-slump>.

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USD52.2 billion, as the Chinese economy restructured.<sup>256</sup> He added that Japan's exports fell by 10 percent as China cut construction and mining machinery orders.<sup>257</sup>

On 5 March 2014, the office of the US Trade Representative said in a document attached to US President Barack Obama's budget blueprint for the 2015 fiscal year that in pursuit of job-supporting trade opportunities, the administration will work to conclude negotiations of the TPP in 2014.<sup>258</sup> US trade representative Michael Froman stopped short of setting a deadline for signing the US-led trade pact after he failed to reach an agreement with his counterparts from the 11 other TPP countries.<sup>259</sup> Japan's acting chief negotiator Hiroshi Oe is likely to visit the US and meet with acting Deputy US Trade Representative Wendy Cutler to discuss tariffs on five key farm product categories for Japan and other sensitive areas.<sup>260</sup>

On 19 March 2014, the Australian trade minister said Australia is nearing a free-trade deal with Japan.<sup>261</sup> Australia launched free-trade negotiations with Japan in April 2007, and expects to conclude a deal by the time the Japanese Prime Minister Shinzo Abe visits the country later in 2014.

Thus, Japan has been awarded a score of +1 for full compliance to making progress towards concluding a set of ambitious trade deals applicable to its fellow G8 members, liberalizing trade laws, and facilitating trade through other mediums, such as the WTO.

*Analyst: Jivon Chun*

#### **Russia: +1**

Russia has fully complied with its commitment on trade.

On 26 November 2013, Head of the Federal Customs Service (FCS) of Russia Andrey Belyaninov signed two agreements on Russo-Italian bilateral customs cooperation — Protocol on information exchange between the Russian FCS and Italian Customs and Monopoly Agency, and memorandum of understanding between FCS and Italian Financial Guard. These agreements are aimed at increasing the efficiency of interactions between the customs agencies and will reportedly allow to facilitate the movement of goods and ultimately to increase trade turnover between the countries.<sup>262</sup>

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<sup>256</sup> Japan-China Trade Set to Pick Up 'Slightly' After Two-Year Slump, Bloomberg News (Tokyo) 19 February 2014. Access Date: 12 March 2013. <http://www.businessweek.com/news/2014-02-19/japan-china-trade-set-to-pick-up-slightly-after-two-year-slump>.

<sup>257</sup> Japan-China Trade Set to Pick Up 'Slightly' After Two-Year Slump, Bloomberg News (Tokyo) 19 February 2014. Access Date: 12 March 2013. <http://www.businessweek.com/news/2014-02-19/japan-china-trade-set-to-pick-up-slightly-after-two-year-slump>.

<sup>258</sup> U.S. sets 2014 goal for signing TPP free trade pact, The Japan Times (Washington) 5 March 2014. Access Date: 12 March 2014. <http://www.japantimes.co.jp/news/2014/03/05/business/u-s-sets-2014-goal-for-signing-tpp-free-trade-pact/#.UyvQIK15OJk>.

<sup>259</sup> U.S. sets 2014 goal for signing TPP free trade pact, The Japan Times (Washington) 5 March 2014. Access Date: 12 March 2014. <http://www.japantimes.co.jp/news/2014/03/05/business/u-s-sets-2014-goal-for-signing-tpp-free-trade-pact/#.UyvQIK15OJk>.

<sup>260</sup> U.S. sets 2014 goal for signing TPP free trade pact, The Japan Times (Washington) 5 March 2014. Access Date: 12 March 2014. <http://www.japantimes.co.jp/news/2014/03/05/business/u-s-sets-2014-goal-for-signing-tpp-free-trade-pact/#.UyvQIK15OJk>.

<sup>261</sup> Australia Says Japan Trade Pact Is Near, The Wall Street Journal (Canberra) 19 March 2014. Access Date: 20 March 2014. <http://online.wsj.com/news/articles/SB10001424052702304026304579448470602070320>

<sup>262</sup> Furthering Russo-Italian Customs Cooperation, Federal Customs Service of Russia 29 November 2013 [http://www.customs.ru/index.php?option=com\\_content&view=article&id=18575:2013-11-29-11-20-39&catid=40:2011-01-24-15-02-45&Itemid=2094&Itemid=1835](http://www.customs.ru/index.php?option=com_content&view=article&id=18575:2013-11-29-11-20-39&catid=40:2011-01-24-15-02-45&Itemid=2094&Itemid=1835).

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On 24 December 2013, the Supreme Eurasian Economic Council meeting took place in Moscow. The leaders of the three original member states of the Customs Union as well as the heads of state of the two potential ones — Armenia and Kyrgyzstan, participated in a meeting. The roadmap for Armenia’s accession to the Customs Union and the Common Economic Area was approved. A similar plan for Kyrgyzstan was also discussed.<sup>263</sup>

On 24 December 2013, Russian Government’s Legislative Commission approved a draft law “On ratification of the protocol on the use of the free trade zone agreement of 18 October 2011 between its parties and the Republic of Uzbekistan.” The draft law was prepared by the Russian Ministry of Foreign Affairs to facilitate Uzbekistan’s involvement into cooperation in the framework of CIS and to further the alignment of Customs Union’s members’ and Uzbekistan’s trade regimes. The protocol implies non-application of import duties in trade between the parties.<sup>264</sup> On 22 January 2014, the government submitted the Protocol on implementing the free trade zone agreement with Uzbekistan to the State Duma for ratification.<sup>265</sup>

Russia has concluded a number of trade deals, which will lower barriers to trade. Thus, Russia gets a score of +1 for fully complying with the commitment.

*Analyst: Andrei Sakharov*

### **United Kingdom: +1**

The United Kingdom has fully complied with its commitment to break down barriers at home and abroad by concluding a set of ambitious trade deals.

Since the Lough Erne Summit in June 2013, the United Kingdom has taken significant efforts to create policy changes in order to ease trade barriers.

On 7 December 2013, the Doha round of the WTO talks finally made progress and made its first deal since the talks began in 2001.<sup>266</sup> The talks involved a series of agreements that aimed to “bring down tariffs and various other trade barriers”.<sup>267</sup> As a member of the WTO, Britain is now committed to reducing international trade barriers in order to create a more open international market through the recently made agreement, once the details of the agreement are finalized.

On 9 December 2013, British Business Secretary Vince Cable began a four-day trip to India to delegate 25 British companies that plan to move there.<sup>268</sup> The UK also sent 120 companies to

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<sup>263</sup> Supreme Eurasian Economic Council meeting took place in Moscow, Eurasian Economic Commission 24 December 2013. <http://www.eurasiancommission.org/ru/nae/news/Pages/24-12-2013-4.aspx>

<sup>264</sup> Russian Government’s Legislative Commission approved a draft law “On ratification of the protocol on the use of the free trade zone agreement of 18 October 2011 between its parties and the Republic of Uzbekistan”, Russian Government 24 December 2013. [http://government.ru/dep\\_news/9229](http://government.ru/dep_news/9229).

<sup>265</sup> Decree N43 of 14 January 2014 “On submission for ratification of the Protocol on the implementation of the free trade zone agreement of 18 October 2011 between its parties and the Republic of Uzbekistan”, Government of Russia 14 January 2014. <http://government.ru/media/files/41d4b8a2fc5c860a4f75.pdf>.

<sup>266</sup> Unaccustomed Victory, The Economist (London) 14 December 2013. Access Date: 17 December 2013. <http://www.economist.com/news/finance-and-economics/21591625-global-trade-talks-yield-deal-first-time-almost-20-years-unaccustomed>.

<sup>267</sup> Unaccustomed Victory, The Economist (London) 14 December 2013. Access Date: 17 December 2013. <http://www.economist.com/news/finance-and-economics/21591625-global-trade-talks-yield-deal-first-time-almost-20-years-unaccustomed>.

<sup>268</sup> Business Secretary Vince Cable Takes Trade Delegation to India’s Growing Regional Cities, UK Trade & Investment (London) 9 December 2013. Date Accessed: 18 December 2013 <http://www.ukti.gov.uk/export/exporthome/pressRelease/670380.html>.

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China.<sup>269</sup> Prime Minister David Cameron stated, “linking Britain to fast-growing markets like China is a vital part of the government’s plan to provide sustainable growth and compete in the global race.”<sup>270</sup>

The UK government has been working towards having 100,000 more UK businesses exporting<sup>271</sup> and thus has highly encouraged companies to export overseas.<sup>272</sup> In addition, the UK government financed a GBP450 million deal to export petrochemicals to Saudi Arabia.<sup>273</sup> A statement put forth by the government about this action notes that “exporting is one of the Government’s priorities.”<sup>274</sup>

In July 2013, the EU began talks with the US that aim to reduce trade barriers between them.<sup>275</sup> The agreement is called the Transatlantic Trade and Investment Partnership (TTIP) and is still under negotiations.<sup>276</sup>

On 18 October 2013, the EU reached an agreement to reduce trade barriers with Canada.<sup>277</sup> As a member of the EU, the UK will participate in this agreement.<sup>278</sup> UK Prime Minister David Cameron stated this free trade agreement “represents an important step in strengthening our trade and investment relations.”<sup>279</sup>

The UK has also worked to strengthen existing partnerships with Hong Kong,<sup>280</sup> Kazakhstan,<sup>281</sup> Sweden,<sup>282</sup> Finland,<sup>283</sup> Greece,<sup>284</sup> and Korea<sup>285</sup> through various deals with each country.

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<sup>269</sup> £5.6 Billion Worth of Deals Signed With China, UK Trade & Investment (London) 6 December 2013. Date Accessed: 18 December 2013. <http://www.ukti.gov.uk/export/exporthome/pressRelease/669660.html>.

<sup>270</sup> £5.6 Billion Worth of Deals Signed With China, UK Trade & Investment (London) 6 December 2013. Date Accessed: 18 December 2013. <http://www.ukti.gov.uk/export/exporthome/pressRelease/669660.html>.

<sup>271</sup> New Creative Sector Taskforce to Boost Trade by £500 Million, UK Trade & Investment (London) 28 November 2013. Date Accessed: 18 December 2013. <http://www.ukti.gov.uk/export/exporthome/pressRelease/663920.html>.

<sup>272</sup> Trade Boost Sought in Fast Growing Export Markets, UK Trade & Investment (London) 16 July 2013. Date Accessed: 18 December 2013. <http://www.ukti.gov.uk/uktihome/media/pressRelease/548120.html>.

<sup>273</sup> Massive Boost to British Industry in Biggest Ever Petrochemical Project, UK Trade & Investment (London) 24 June 2013. Date Accessed: 18 December 2013. <http://www.ukti.gov.uk/export/exporthome/news/528740.html>.

<sup>274</sup> Massive Boost to British Industry in Biggest Ever Petrochemical Project, UK Trade & Investment (London) 24 June 2013. Date Accessed: 18 December 2013. <http://www.ukti.gov.uk/export/exporthome/news/528740.html>.

<sup>275</sup> What is the Transatlantic Trade and Investment Partnership (TTIP)?, European Commission –Trade –Policy (Brussels) 14 March 2014. Date Accessed: 23 March 2014 <http://ec.europa.eu/trade/policy/in-focus/ttip/about-ttip/>.

<sup>276</sup> What is the Transatlantic Trade and Investment Partnership (TTIP)?, European Commission –Trade –Policy (Brussels) 14 March 2014. Date Accessed: 23 March 2014 <http://ec.europa.eu/trade/policy/in-focus/ttip/about-ttip/>.

<sup>277</sup> Government Welcomes Historic EU-Canada Free Trade Agreement, Department for Business, Innovation & Skills (London) 18 October 2013. Date Accessed: 22 March 2014. <https://www.gov.uk/government/news/government-welcomes-historic-eu-canada-free-trade-agreement>.

<sup>278</sup> Government Welcomes Historic EU-Canada Free Trade Agreement, Department for Business, Innovation & Skills (London) 18 October 2013. Date Accessed: 22 March 2014. <https://www.gov.uk/government/news/government-welcomes-historic-eu-canada-free-trade-agreement>.

<sup>279</sup> Government Welcomes Historic EU-Canada Free Trade Agreement, Department for Business, Innovation & Skills (London) 18 October 2013. Date Accessed: 22 March 2014. <https://www.gov.uk/government/news/government-welcomes-historic-eu-canada-free-trade-agreement>.

<sup>280</sup> London – Hong Kong: A Tale of 2 Cities, UK Trade & Investment (London) 31 October 2013. Date Accessed: 18 December 2013. <http://www.ukti.gov.uk/export/exporthome/news/643740.html>.

<sup>281</sup> UK Companies Win New Business in Kazakhstan, UK Trade & Investment (London) 1 July 2013. Date Accessed: 18 December 2013. <http://www.ukti.gov.uk/export/exporthome/pressRelease/535640.html>.

<sup>282</sup> Business Secretary Visits Sweden and Finland to Strengthen Trade and Investment Partnership, UK Trade & Investment (London) 23 September 2013. Date Accessed: 18 December 2013. <http://www.ukti.gov.uk/export/exporthome/pressRelease/615240.html>.

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Therefore, the United Kingdom has focused heavily on exporting and has worked to strengthen existing partnerships with particular countries. It has begun to break down trade barriers through the WTO deal breakthrough, although the details of this agreement have not yet been finalized.

Additionally, significant policy changes have been made to reduce trade barriers between the EU and Canada, and negotiations to create a similar deal between the EU and the US are currently taking place. Thus the UK, as a member of the EU, has concluded a set of ambitious trade deals with Canada, and is working to do so with the US, resulting in a significant effort to break down trade barriers, resulting in the UK being awarded a score of +1 for full compliance.

*Analyst: Margot Whittington*

### **United States: +1**

The United States has fully complied with its commitment to break down barriers at home and abroad by furthering the negotiation of ambitious trade deals.

The United States continues to negotiate two major trade agreements. With the European Union, the United States is currently negotiating the Transatlantic Trade and Investment Partnership (TTIP).<sup>286</sup> On 15 November 2013, the United States and the European Union concluded Round Two of negotiations.<sup>287</sup> On 20 December 2013, the United States and the European Union concluded Round Three of negotiations.<sup>288</sup>

The other major trade agreement that the United States is negotiating is the Trans-Pacific Partnership (TPP), which involves the United States, Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam.<sup>289</sup> On 10 December 2013 in Singapore, ministers and heads of delegation for the TPP countries concluded a four-day Ministerial meeting. Specific issues of potential “landing zones” and market access issues were discussed.

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<sup>283</sup>Business Secretary Visits Sweden and Finland to Strengthen Trade and Investment Partnership, UK Trade & Investment (London) 23 September 2013. Date Accessed: 18 December 2013.

<http://www.ukti.gov.uk/export/exporthome/pressRelease/615240.html>.

<sup>284</sup>City of London’s Global Shipping Centre Status Promoted to Greek Ship Owners, UK Trade & Investment (London) 29 November 2013. Date Accessed: 18 December 2013. <http://www.ukti.gov.uk/export/exporthome/news/665000.html>.

<sup>285</sup>South Korea State Visit Delivers UK Trade Boost, UK Trade & Investment (London) 6 November 2013. Date Accessed: 18 December 2013. <http://www.ukti.gov.uk/export/exporthome/pressRelease/648440.html>.

<sup>286</sup>European Union, Office of the United States Trade Representative (Washington, D.C.) 2013. Access Date: 8 January 2014. <http://www.ustr.gov/countries-regions/europe-middle-east/europe/european-union>.

<sup>287</sup>Statement by U.S. Trade Representative Froman on the Conclusion of Round Two of T-TIP Negotiations, Office of the United States Trade Representative (Washington, D.C.) 15 November 2013. Access Date: 8 January 2014.

<http://www.ustr.gov/countries-regions/europe-middle-east/europe/european-union>.

<sup>288</sup>Statement by U.S. Trade Representative Froman of the Conclusion of the Third Round of T-TIP Negotiations, Office of the United States Trade Representative (Washington, D.C.) 20 December 2013. Access Date: 8 January 2014.

<http://www.ustr.gov/countries-regions/europe-middle-east/europe/european-union>.

<sup>289</sup>Statement of the Ministers and Heads of Delegation for the Trans-Pacific Partnership Countries, Office of the United States Trade Representative (Washington, D.C.) 10 December 2013. Access Date: 8 January 2014.

<http://www.ustr.gov/tpp>.

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On 14 March 2014 the United States and the European Union were unable to reach an agreement towards the TTIP in Round Four of negotiations.<sup>290</sup> Round Five of negotiations will take place from 19 May 2014 to 23 May 2014 in Arlington, Virginia.<sup>291</sup>

On 25 February 2014 the countries involved in the TPP were unable to reach a broad agreement due to contention between the United States and Japan in respect to market access for agriculture and the auto industry.<sup>292</sup>

The United States will participate in a chief negotiators meeting in Ho Chi Minh City for the TPP from 12 May 2014 to 15 May 2014.

Although the United States is still in various stages of negotiations regarding its trade deals, it is actively in compliance with its commitment to break down barriers at home and abroad by furthering the negotiation of ambitious trade deals. Thus, the United States receives a score of +1. The United States will participate in a chief negotiators meeting in Ho Chi Minh City for the TPP from 12 May 2014 to 15 May 2014.<sup>293</sup>

Although the United States is still in various stages of negotiations regarding its trade deals, it is actively in compliance with its commitment to break down barriers at home and abroad by furthering the negotiation of ambitious trade deals. Thus, the United States receives a score of +1.

*Analyst: Jay Thakore*

#### **European Union: +1**

The European Union has fully complied with its commitment to break down barriers to trade at home and abroad by concluding a set of ambitious trade deals. The EU has held consistent negotiations and roundtables to liberalize trade with both countries and international political associations.

On 6 December 2013, the European Union pledged EUR 400 million over five years to help developing states with the implementation of the World Trade Organisation Trade Facilitation Agreement.<sup>294</sup> The funds will go toward assisting developing states simplify domestic procedures in a quicker transition to the Trade Facilitation Agreement.

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<sup>290</sup> Statement by U.S Trade Representative Michael Froman at the Close of the Fourth Round Transatlantic Trade and Investment Partnership Negotiations, Office of the United States Trade Representative (Washington, D.C.) 14 March 2014. Access Date 12: May 2014. <http://www.ustr.gov/about-us/press-office/press-releases/2014/March/Statement-by-USTR-Froman-at-close-of-fourth-round-TTIP-negotiations>.

<sup>291</sup> T-TIP Round Information, Office of the United States Trade Representative (Washington, D.C.) 2014, Access Date: 12 May 2014. <http://www.ustr.gov/ttip/round-information>

<sup>292</sup> Japan, U.S spur new TPP talks in Vietnam, The Japan Times (Tokyo) 10 May 2014. Access Date: 12 May 2014. <http://www.japantimes.co.jp/news/2014/05/10/national/politics-diplomacy/japan-u-s-spur-new-tpp-talks-in-vietnam/#.U3CTca1dWhi>

<sup>293</sup> Press Office Week Ahead: May 12-19, Office of the United States Trade Representative (Washington, D.C.) 11 May 2014. Access Date: 12 May 2014. <http://www.ustr.gov/about-us/press-office/press-releases/2014/May/press-office-week-ahead-May-12-19>.

<sup>294</sup> EU pledges new financial support to help developing countries implement WTO Trade Facilitation Agreement, European Commission (Brussels) 6 December 2013. Access Date: 18 December 2013. <http://trade.ec.europa.eu/doclib/press/index.cfm?id=998>

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Japan and the EU have worked jointly to conclude an ambitious EU-Japan Free Trade Agreement. On 25 October 2013, the value of the bilateral trade agreement was projected to be an EU export increase to Japan of 32.7 per cent and a Japanese export increase to the EU of 23.5 per cent.<sup>295</sup>

On 18 October 2013, the EU signed the EU-Canada Comprehensive Economic and Trade Agreement<sup>296</sup> to open up jobs and foreign direct investment for both parties. The CETA has an added bilateral trade value of EUR 25.7 billion.<sup>297</sup> The EU has also held three sets of negotiations for the Transatlantic Trade and Investment Partnership<sup>298</sup> with the United States since the G8 Lough Erne Summit.

The EU signed a trade pact with Ukraine on 21 March 2014 to lead up to a formal economic deal following Ukrainian national elections in May. In efforts to help maximize the commercial exchange worth shared with Egypt, the EU has offered talks to negotiate a freer trade deal through a Deep and Comprehensive Free Trade Agreement. The potential pact would not only strengthen the already existing Association Agreement, but also cover elements of government procurement, intellectual property rights, and more.

The EU held their fifth round of talks with Japan in spring 2014 to open greater access to trade in services, goods, and procurement. Other negotiations to conclude ambitious trade deals, which continued its negotiations into 2014 from the previous year, include the United States, Canada, Vietnam, Japan, Mercosur states (Argentina, Bolivia, Brazil, Paraguay, Uruguay, and Venezuela), Azerbaijan, China, and Kazakhstan.

Thus, the EU has been awarded a score of +1 for its full compliance with the commitment to break down barriers to trade at home and abroad by concluding a set of ambitious trade deals.

*Analyst: Leah Bae*

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<sup>295</sup> Progress reached at the 3<sup>rd</sup> round of EU-Japan Trade Talks, European Commission (Brussels) 25 October 2013. Access Date: 18 December 2013. <http://trade.ec.europa.eu/doclib/press/index.cfm?id=979>

<sup>296</sup> Canada, European Union sign sweeping trade pact, Toronto Star (Toronto) 18 October 2013. Access Date: 18 December 2013. [http://www.thestar.com/news/canada/2013/10/18/canada\\_europe\\_sign\\_sweeping\\_trade\\_pact.html](http://www.thestar.com/news/canada/2013/10/18/canada_europe_sign_sweeping_trade_pact.html)

<sup>297</sup> The EU's bilateral trade and investment agreements — where are we?, European Commission (Brussels) 1 August 2013. Access Date: 18 December 2013. [http://trade.ec.europa.eu/doclib/docs/2012/november/tradoc\\_150129.doc.pdf](http://trade.ec.europa.eu/doclib/docs/2012/november/tradoc_150129.doc.pdf)

<sup>298</sup> Updates on the Third Round of Negotiations on a Transatlantic Trade and Investment Partnership, European Commission (Brussels) 18 December 2013. Access Date: 18 December 2013. <http://trade.ec.europa.eu/doclib/press/index.cfm?id=1004>