



« The voice of the European Service Industries for  
International Trade Negotiations in Services »

# EIAS BRIEFING SEMINAR

**Wednesday, 8 February from 16:00 to 18:00**

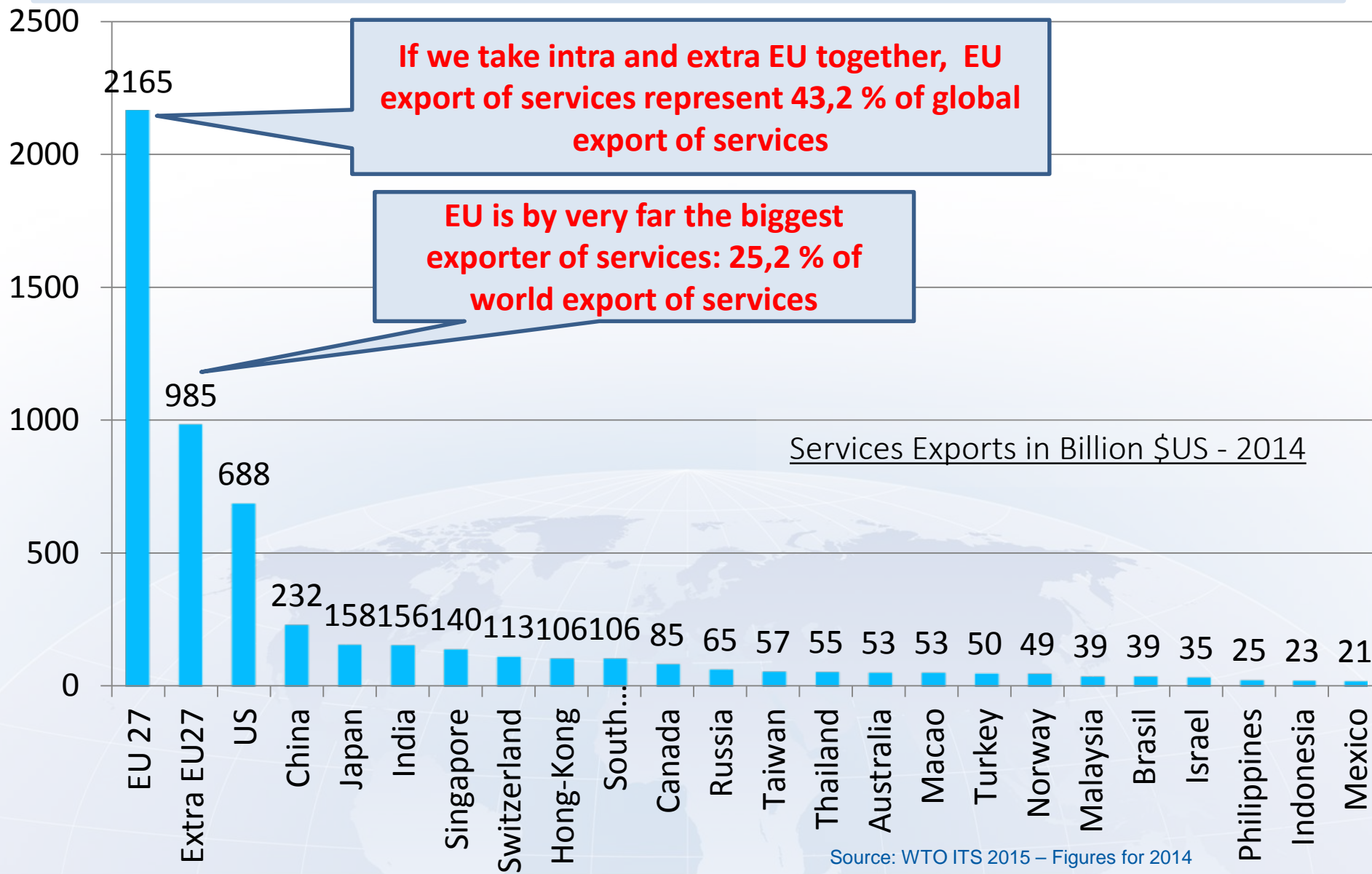
**at Asia Platform, Rue de la Loi 26, 10th Floor, B-1040 Brussels**

## *“Brexit – Implications for Asia: Boom or Bust?”*

EIAS – 26, rue de la Loi - Brussels  
8 February 2017

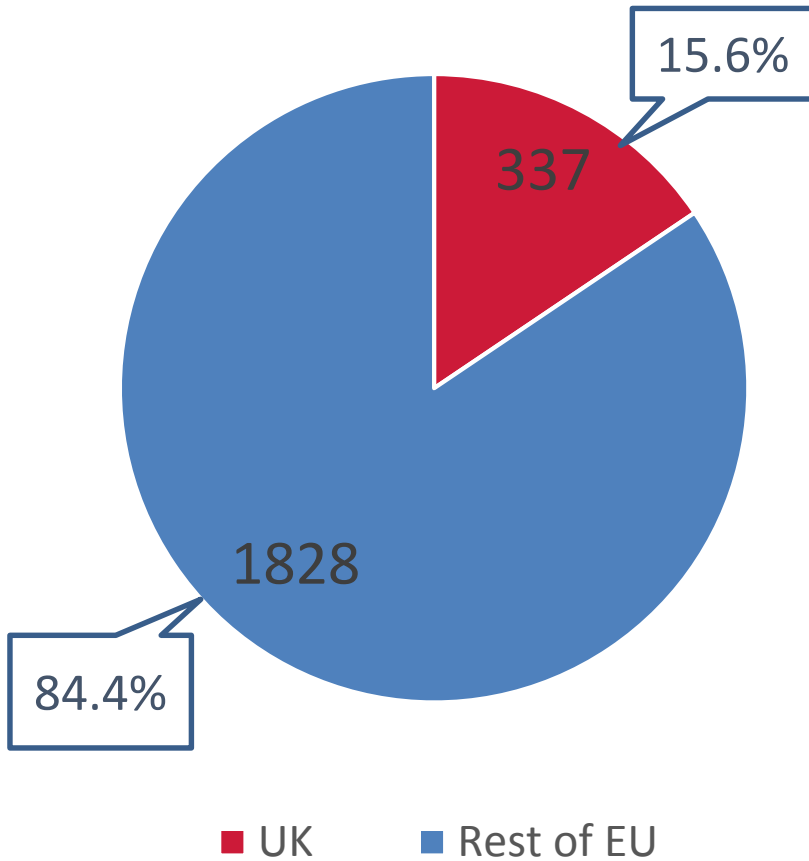
**Pascal Kerneis – Managing Director  
ESF (European Services Forum)**

**THE EU IS BY FAR THE WORLD BIGGEST EXPORTER OF TRADE IN SERVICES**

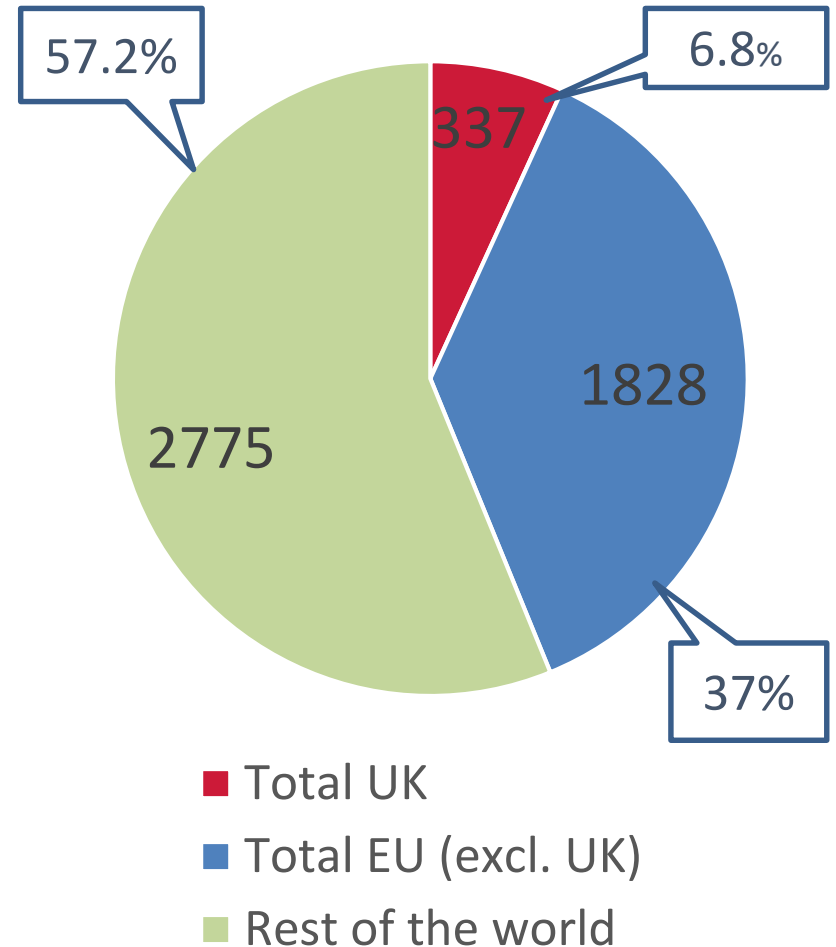


Share of the UK in World trade in services in the EU and in the World

Total EU (Incl. Intra EU) = 2165 \$Bio



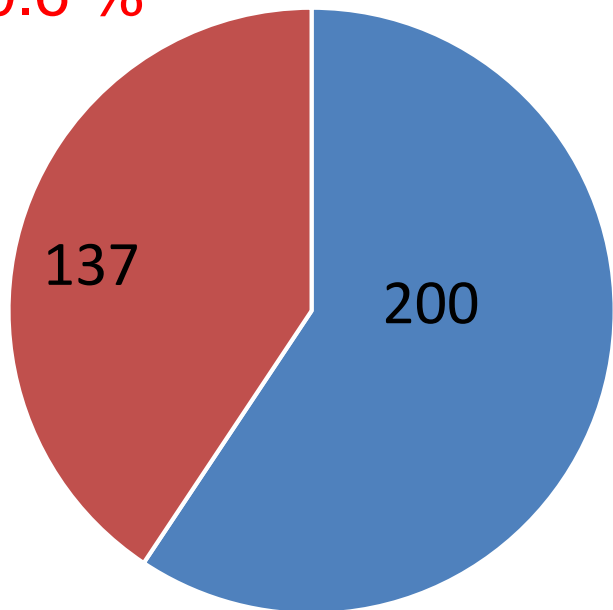
Total World (Incl. Intra EU) = 4940 \$Bio (\$Bio)



**THE UK REPRESENTS A VERY LARGE PART OF THE INTRA & EXTRA EU TRADE**

**UK Exports of Services – 2014 –**  
**UK=337\$ Bio**

40.6 %

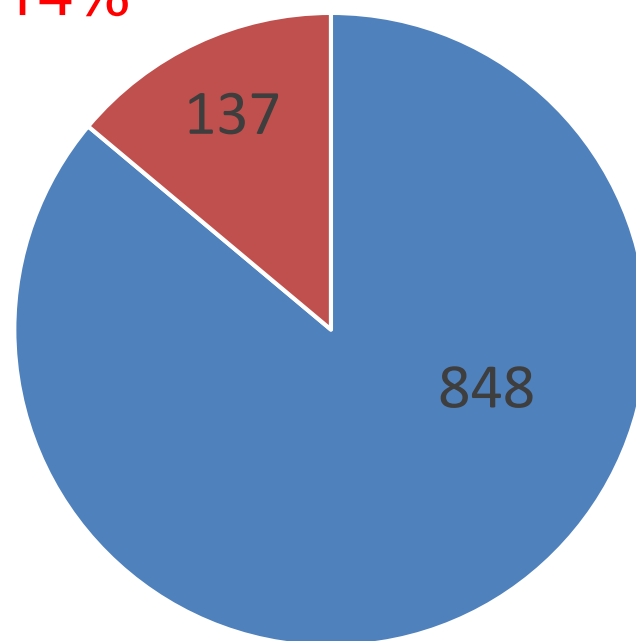


59.3%

- UK Exports to Non-EU
- UK Exports to EU

**EU Exports of Services - 2014 -**  
**EU28=985 \$Bio**

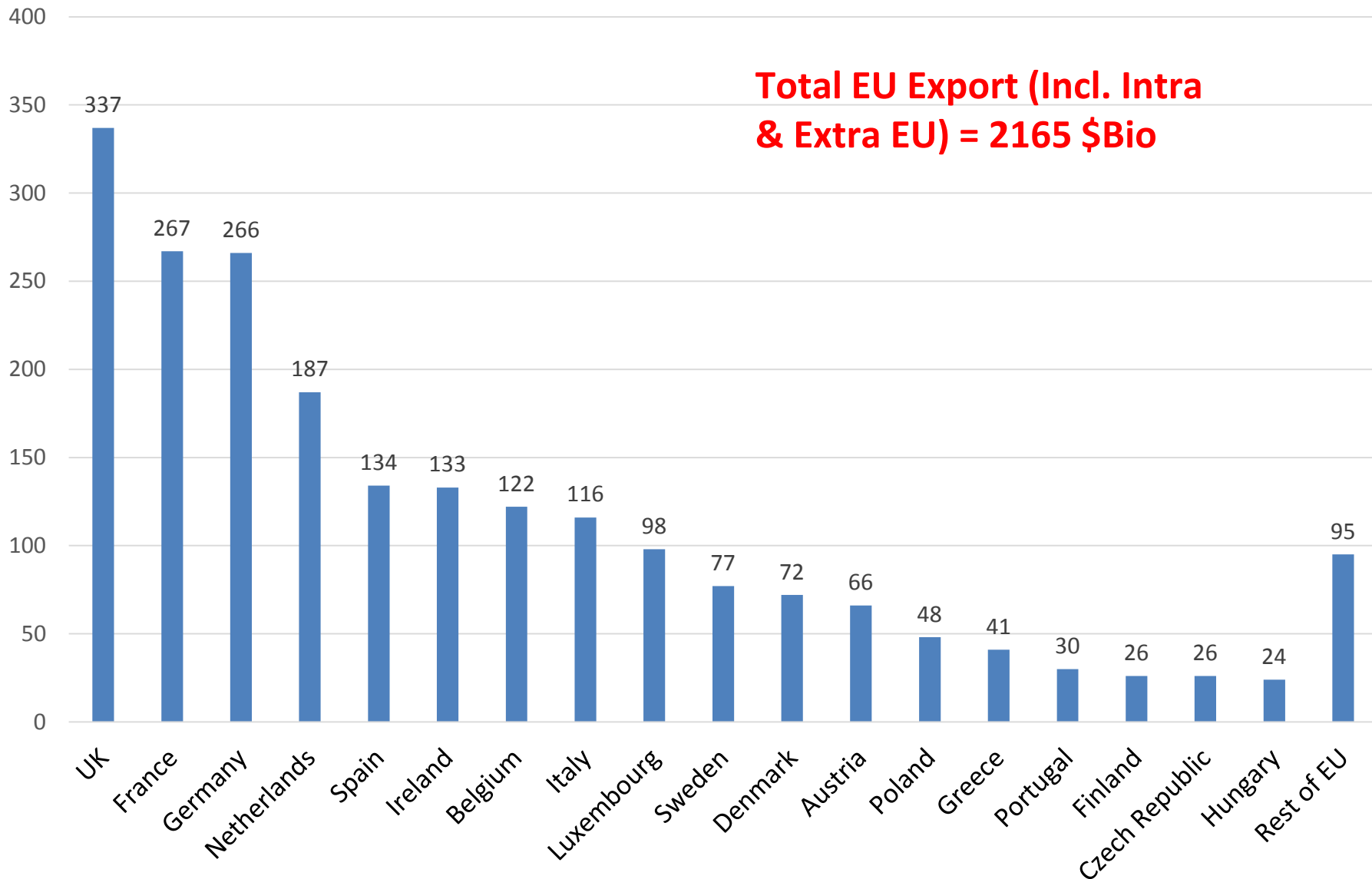
14%



86%

- EU27
- UK

**EU Exports of services per countries (Incl. Intra EU) - \$Bio - 2014**





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The UK will have to develop its trade policy by following the EU trade policy:

Three different kind of countries:

- 1. Countries that have already concluded a trade deal with the EU (with UK as member)**
  - a) Agreements that are ratified and implemented
  - b) Agreements that are concluded but not yet ratified
- 2. Countries with which the EU is currently negotiating (US is still a member until it leaves the EU at the end of the Art. 50 Negotiations – 2019?)**
  - a) “Dormant” negotiations
  - b) Active negotiations
  - c) Negotiations to be started soon
- 3. Countries with which the EU has no FTA yet.**

## EU Trade Policy:

### **➔ Agreements ratified and implemented:**

1. EU-Mexico (2000) (few and low services Commitments)
2. EU-Chile (2002) (modest services commitments)
3. EU-Cariforum (15 countries) (2008)
4. EU-South Korea (ratified i 2011)
5. EU-Colombia (ratified - 2012)
6. EU-Peru (ratified - 2012) (EU-Ecuador ratified in 2017)
7. EU-Central America (6 countries) (ratified en 2012)
8. EU with Eastern Partnership: Ukraine, Georgia, Moldova  
(Nov 2013) (Approximation – EU Acquis)
9. EU with EuroMed (Goods only): Algeria, Egypt, Israel,  
Jordan, Libanon, Morocco, Palestine, Syria, Tunisia.
10. EU EPAs with African countries

## EU Trade Policy:

### I. Concluded Agreements (not yet ratified) :

1. EU-Singapore FTA (Political deal: December 2012, Initialled; September 2013 – wait for ECJ Opinion! – 03/2017 + Ratification in EP?)
2. EU-Canada CETA (Political deal on trade: Oct. 2013, on Investment with ICS: Sep. 2014 + April 2016) (Signed on 30/10/2016 -Ratification:15/02/2017 ? – Provisional application: 1/07/2017);
3. EU-Vietnam FTA (Political deal: August 2015)



## EU Trade Policy:

### II. On-Going FTA negotiations:

#### A. “Dormant Negotiations”:

1. EU-India (TIA)(started in 2006 - elections in 2014 – stalled in 2013)(2017?)
2. EU-Malaysia FTA (started in 2010 – 7 rounds, stalled since 09/2012, elections in 06/2013, 8<sup>th</sup> round not scheduled yet)
3. EU-Thailand (started 03/2013, 1 round: 05/2013, 2<sup>nd</sup> round: 09/2013, 3<sup>rd</sup> round : 12/2013 – Stalled after Military Coup in May 2014)
4. EU-USA TTIP (started 2013 - 15 rounds; Suspended on 18 October 2016 by EU Council + US new Administration in 2017!)
5. EU **EPAs with ACP countries** (5 African regions, incl. 6 SADC countries signed in June 2016, but nearly nothing on **services**)(?)
6. EU with EuroMed : DCFTA with Morocco started in 2013, but stalled in 2014 (?)...other countries? (agriculture, Services).



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## EU Trade Policy:

### II. On-Going FTA negotiations:

#### B. “Active” Negotiations:

1. EU-Japan (Started March 2013 – 13 rounds ; One-Year Review: May 2014 – Last Rounds : 16<sup>th</sup> : April 2016 in Tokyo. 17<sup>th</sup>: 26-30 September 2016 – Next Round? March 2017 - Deal: Spring 2017?
2. EU-MERCOSUR FTA (Argentina, Brazil, Uruguay, Paraguay) (started in 1999 –blocked in 2004 – restarted in 2008) (New exchange of offers in May 2016) – Next Round: 19 March 2017 - Conclusion in 2017?
3. EU-Indonesia CEPA: Vision Group 2011; Launch: July 16 – 1<sup>st</sup> Round: Sept 2016 – 2<sup>nd</sup> Round: January 2017.
4. EU-Philippines FTA: 1<sup>st</sup> Round (23 May 2016); 2<sup>nd</sup> Round (Dec 2016)
5. Revision of EU-Mexico: 1<sup>st</sup> Round: week 13 June 2016! “to be accelerated in 2017”?
6. EU with EuroMed : Tunisia.

## EU Trade Policy:

### B. “Active” Negotiations (Cont<sup>d</sup>):

7. EU-China Bilateral Investment Agreement: (mandate: Nov 2013; 12 Rounds – 2017?)
8. EU-Myanmar BIA: (mandate March 2014 – 4 rounds – Last: Dec 2016)

### III. EU Bilateral FTA to be started soon?

1. Revision of EU-Turkey Custom Union: Draft Mandate. Start 2017?
2. Australia & New Zealand DCFTA;
3. Revision EU-Chile (Consultation launched – Deadline 31/08/2016).
4. Taiwan BIA?
5. Hong-Kong BIA

## UK obligations/Strategy:

1. For all of the countries which have an agreement with the EU → UK will first continue to apply commitments undertaken when EU member (Incl. WTO, Canada, Vietnam, Singapore).
2. For the on-going FTAs:
  - UK has indicated that it will continue to support EU negotiations, with a view to get the better agreement possible.
  - For deals concluded when UK still an EU Member, same as above.(Japan, Mercosur, Mexico, ???)
3. For 1) and 2), UK will then transcribe the obligations undertaken as EU member into a Bilateral agreement (i.e. with existing EU partners), and eventually later will try to improve them.
4. For On-going talks not concluded by EU when UK is out, and for other possible FTAs with countries with which the EU has no deals, the UK will be free to apply its own trade policy.



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## Conclusion

### Impact of Brexit on EU and its trading partners

- The EU will pursue its trade policy, even if it might be revisited (Asia – Quicker), more because of US elections than because of Brexit.
- EU remains one of the biggest importer, exporter and investor in the world, even if reduced by UK departure.
- ➔ EU attractiveness and bargaining power remain.

### Impact of Brexit on UK and its trading partners

- The UK will likely have an even more liberal approach once left the EU, which means that:
  - Look for 0% tariff (but quid of TRQs, SPS & TBT certification, etc.
  - Services liberalisation (but quid of Mode 4 commitments?)
  - Regulatory cooperation, transparency, etc.
- ➔ But UK attractiveness? Bargaining power?



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**THANK YOU FOR YOUR ATTENTION !**

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