

Restoration of a pro-active trade policy

The Congress of the Alliance of Liberals and Democrats for Europe (ALDE) Party convening in Stockholm, Sweden on 26-28 May 2023:

Recognises that:

- open trade and investment between democratic, market-based economies that share the values of fair and equal market access and respect for the rule of law are serving Europe and its citizens well, with EU trade supporting 35 million jobs and 16 million jobs being dependent on foreign investment;
- the global Covid pandemic, global lockdown and the war in Ukraine have however exposed Europe's excessive dependence on trade with countries that do not share these values, and which we are in a systemic rivalry with as the underlying conflict is between democracies and autocracies;
- this challenges the rules-based world order, our economic resilience, democratic values, and way of life when these countries use market or resource dependencies as means of political coercion;
- without diversification of supply chains and trade partners, Europe will remain politically and economically vulnerable to exogenous shocks and undue political interference and coercion from foreign powers that do not share our democratic values. Europe will only be able to achieve this diversification and rebalancing by pursuing the dual track of both working together with likeminded partners multilaterally and simultaneously reigniting its bilateral trade agenda.

Therefore, ALDE calls for:

- member parties to nationally reject protectionism grounded in domestic political considerations and clientelism;
- active engagement by the liberal forces within the European institutions to revive the push for trade and investment agreements with open, market-based economies to diversify both export markets and the sources of imports to strengthen the EU's economy and to also reduce the dependence on regimes that do not share our European values;
- agreements to be based on mutual respect and understanding, while continuously striving for an expanded level playing field, also when it comes to trade and sustainable development chapters.

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- a recalibration of the EU's self-understanding in relation to trade. With no trade agreements having been ratified since 2020 though some more have been concluded, we need to reassess why;
- a return to the core purpose of engagement on trade, which is mutually beneficial economic exchange, while using this as the steppingstone to promote our fundamental values with our trading partners.

Americas

- the immediate revitalisation of negotiations on a trans-Atlantic free trade agreement as the best way to ensure EU and the US achieve our shared climate objective, create jobs and growth opportunities on both sides of the Atlantic Ocean, recognising the reason Mexico and Canada are not exposed to the negative consequences of the Inflation Reduction Act in the same way as Europe is due to the modernised and comprehensive free trade and investment area agreed in USMCA;
- approve and ratify the EU-Mercosur agreement without delay as soon as the EU has achieved additional assurances and commitments on environmental and climate commitments.

Africa

- rethinking our trade relations with Africa to reflect an equal partnership and to attain genuine action to enhance Europe's economic integration with key African countries in line with the specific economic strengths and interests of the different countries;
- focussing on a strengthened energy partnership with North and West African countries in order to develop a win-win situation for both sides;
- exploring how strategic cooperation with sub-Saharan countries with important deposits of rare earths and minerals e.g., cobalt and copper, can enable these countries to exploit these resources to grow their economies in a sustainable manner by developing a competitive local supply industry and expanding their manufacturing base with the aim of building new critical raw material partnerships enabling i.a to improve the security of supply chains;
- Further, recognising the huge renewable energy potential of Africa to develop and implement sustainable products and clean technologies and targeting business opportunities offered by the European Green Deal and the digital transformation;
- examining the untapped potential of agriculture, food industries, and fair trade for mutually benefiting businesses and investing in

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efficient and sustainable agriculture along with productive food value chains;

- taking into consideration that improved trade in services with African countries could help to diversify the supply chains and strengthen resilience and reduce dependencies, as well as improve the competitiveness of African economies. Further targeting to enhance the stronger services trade between the European Union, like-minded European countries, and Africa;
- using development funds strategically to help African countries increase their manufacturing base. It must be ensured that the Global Gateway initiative incentivises existing development funds, EU and national, to be refocussed to help skilling of the workforce, especially young people and women. Support for good governance models and institutional and rule of law reform based on countries' self-interest, based on multilateral agreements, should be continued in order to create partnerships on eye-level.

Indo-Pacific

- unlocking the potential of the entire Indo-Pacific region to diversify away from China by;
- completing the ongoing negotiations for a free trade agreement with Australia, that should be ratified as soon as possible; and
- exhibiting an open-minded approach to new forms of solutions in order to conclude the trade talks with Indonesia and India in a timely manner, with clear understandings on common values, such as rule of law, reciprocity in market access and adherence to existing WTO commitments as well as international agreements such as the U.N. Charter, the Paris Agreement et al. underlying any treaty with the European Union;
- launching without delay an impact assessment, a public consultation, and a scoping exercise for the bilateral investment agreement between the EU and Taiwan;
- investigating further trade agreements with additional countries in the region, with the end goal being a block-to-block agreement between EU and ASEAN while keeping in mind the different political, economic and human rights situation in the different ASEAN countries, welcoming in this regard the relaunch of negotiations with Thailand.

WTO

- Europe to take the lead on WTO reforms with likeminded countries, notably on:

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- Restoring the WTO appellate body as soon as possible; its governance and decision-making rules, definition of developing and developed countries to ensure fair and reciprocal market access;
- new commitment on IPR, subsidies and competition, forced localisation & local content requirements;
- contractually enforceable, strong social, environmental, and human rights standards, both to uphold shared values and to reduce trade distortions from predatory security, social and environmental practices;
- in absence of any progress on the multilateral level, accept plurilateral negotiations and agreements, specifically on services, trade in e-commerce and digital technologies and environmental goods to foster digital and green transformation of our economies, as a first step towards multilateral rules.

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