



“The importance of Trade in Services in Trade between EU & Australia”

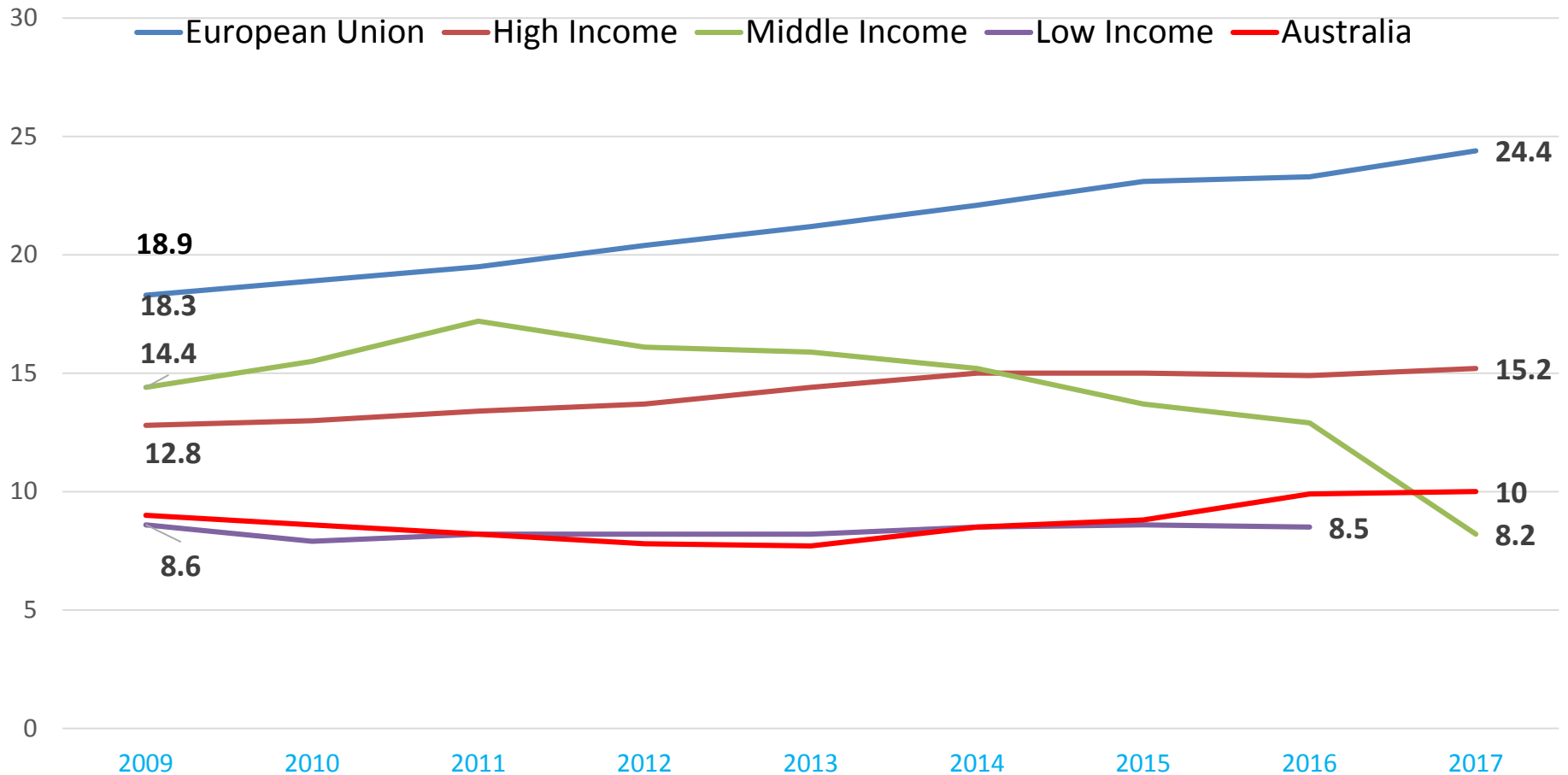




« The voice of the European Service Industries for International Trade Negotiations in Services »

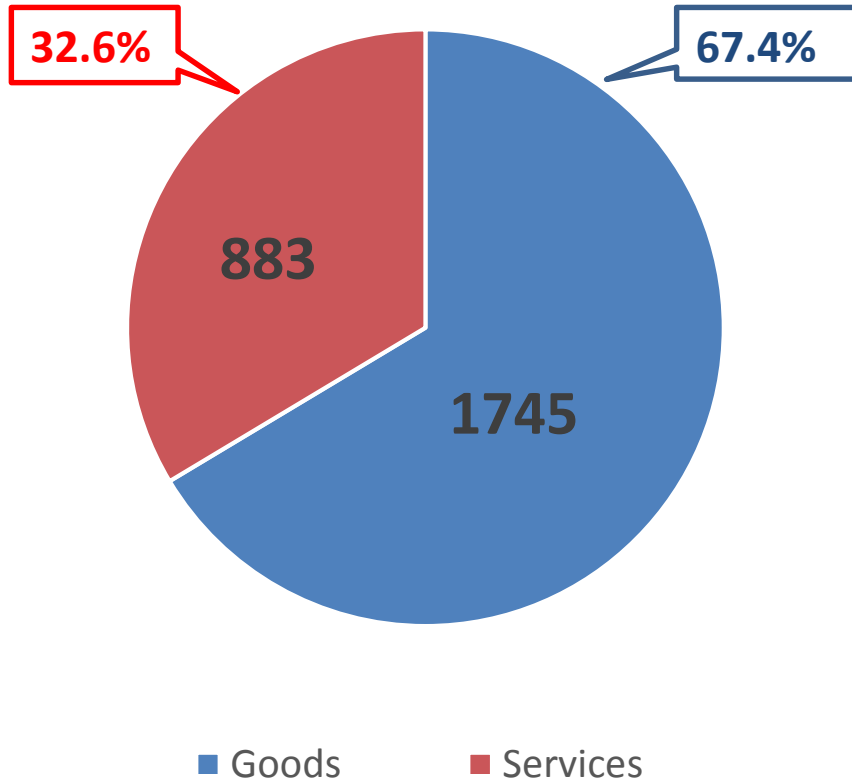
The share of Trade in Services in the EU GDP is higher than in other high income countries! → 24.4% (10 % in Australia)

Trade in Services (GDP) (%)



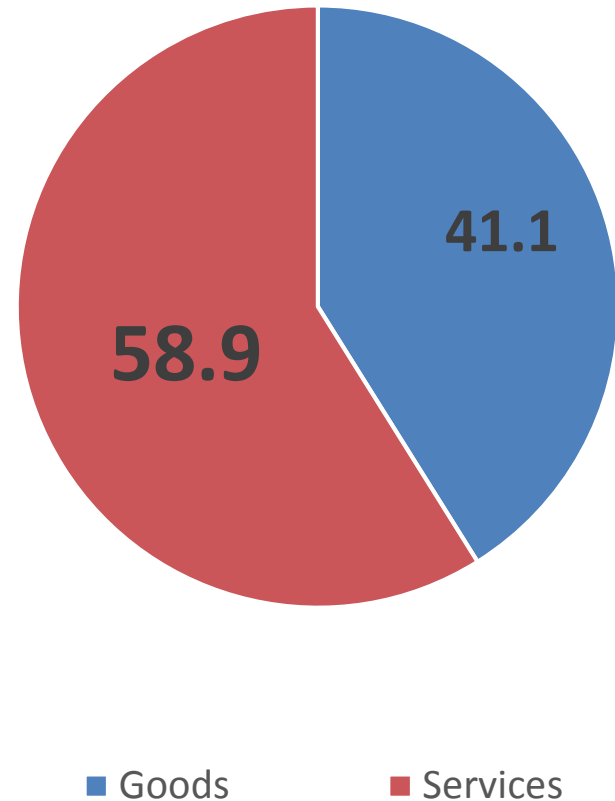
IMPORTANCE OF TRADE IN SERVICES
Comparison between BoP & TiVA

EU Exports in BOP - 2017 – Bio€



Total Export EU= 2628 €Bio

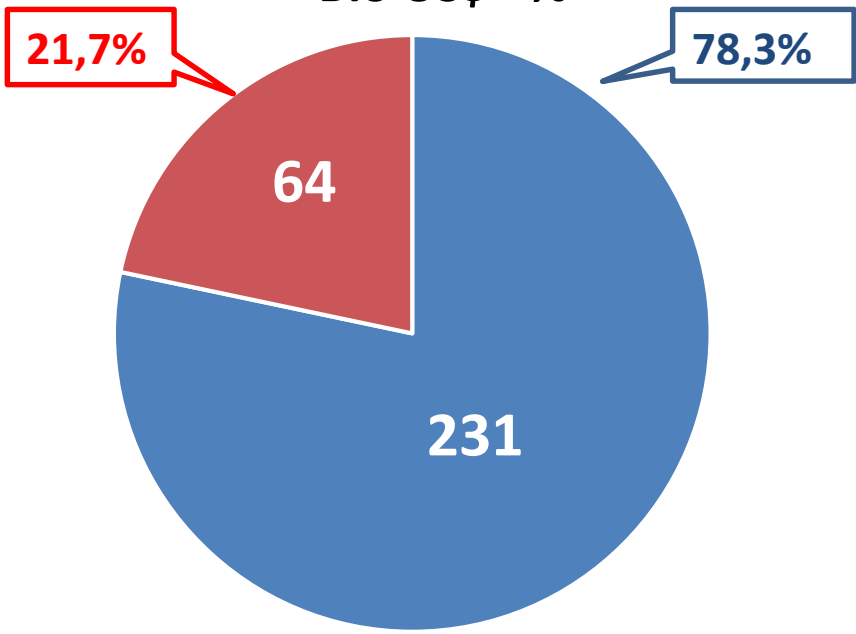
EU Exports in TiVA - 2016 - %



IMPORTANCE OF TRADE IN SERVICES in Australia
Comparison between BoP & TiVA

Australia Exports in BOP - 2017

- Bio US\$ - % -

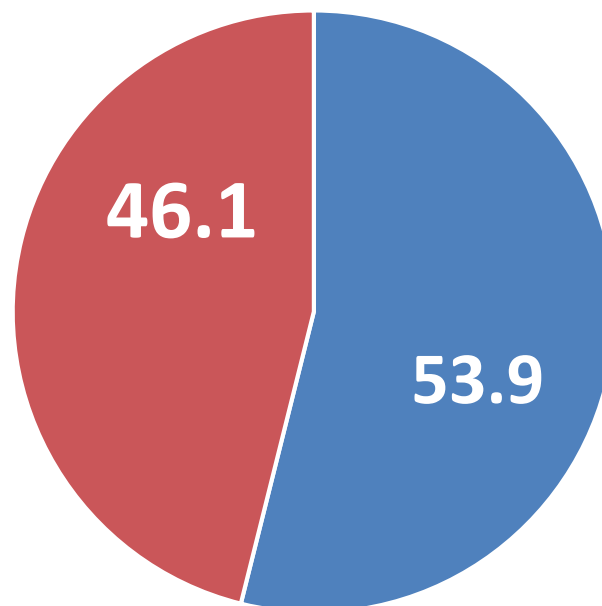


■ Goods ■ Services

Total Export EU= 295 \$Bio

Australia Exports in TiVA - 2011

- % -

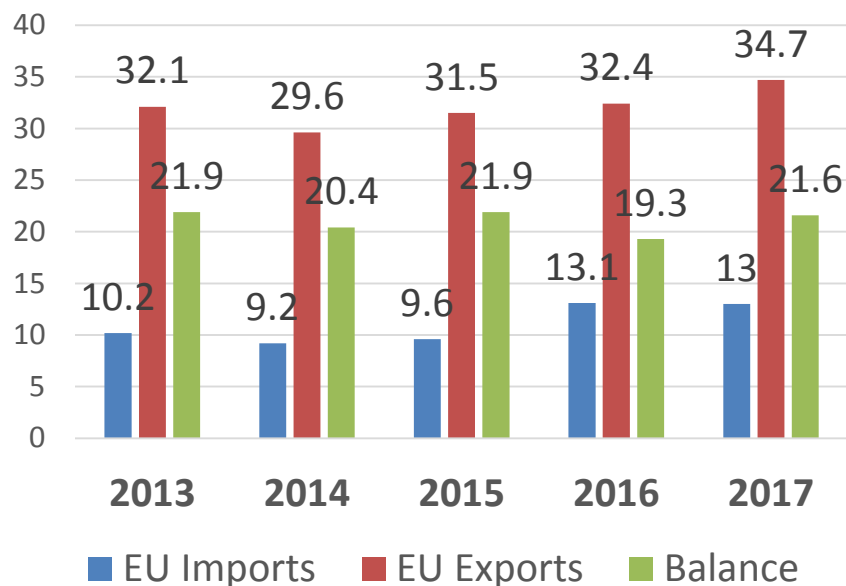


■ Goods ■ Services

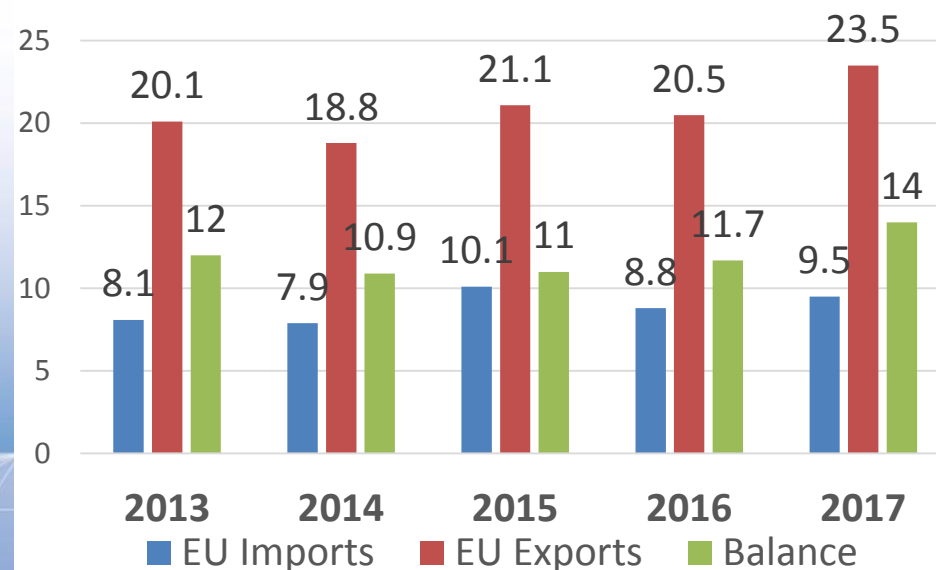
EU-Australia Trade & Investment

(Imports and exports of goods & services & FDI)

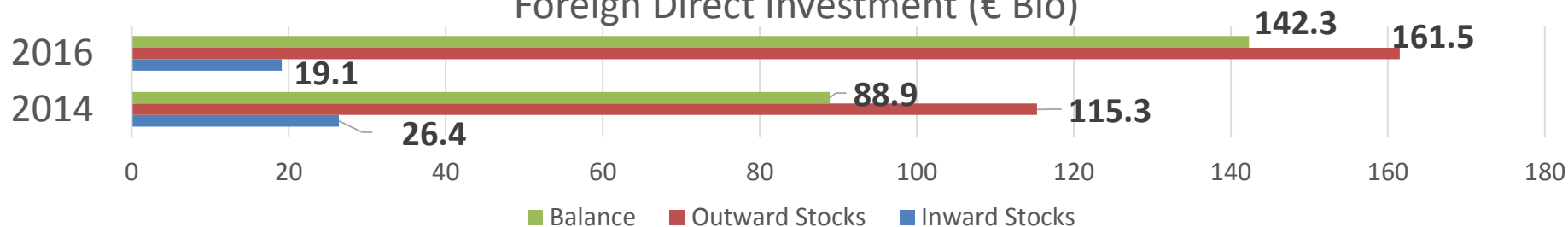
Trade in Goods (€ Bio)



Trade in Services (€ Bio)



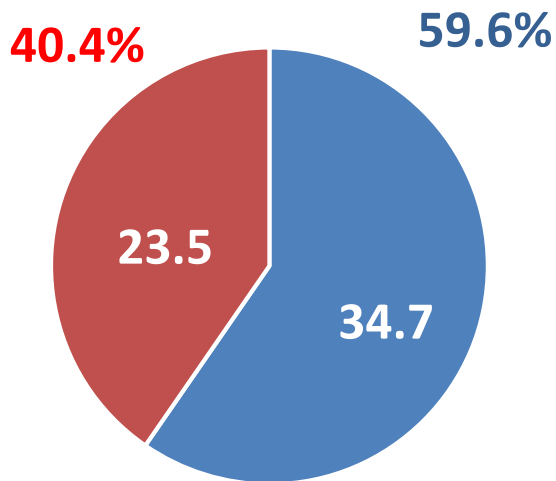
Foreign Direct Investment (€ Bio)



IMPORTANCE OF TRADE IN SERVICES IN THE EU-AUSTRALIA TRADE RELATIONSHIP

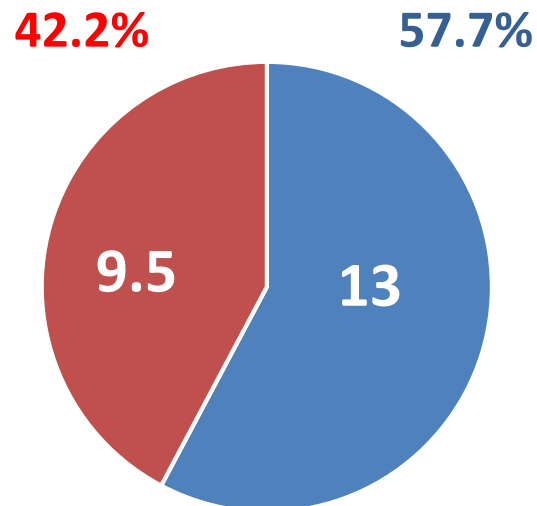
Services represents 40.9 % of the total trade between EU & Australia
(40.4% of EU exports to Australia = Services)

EU Exports to Australia
- 2017 - €Bio



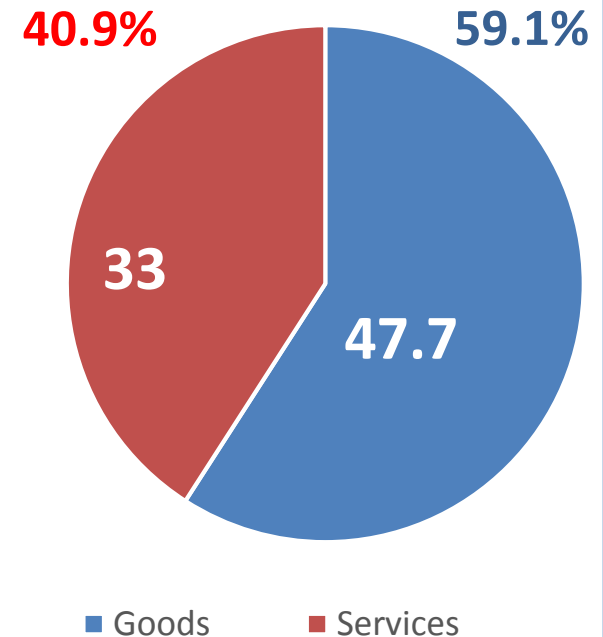
Total exports: 58.2 Bio€

Australia Exports to EU -
2017 - €Bio



Total exports: 22.5 Bio€

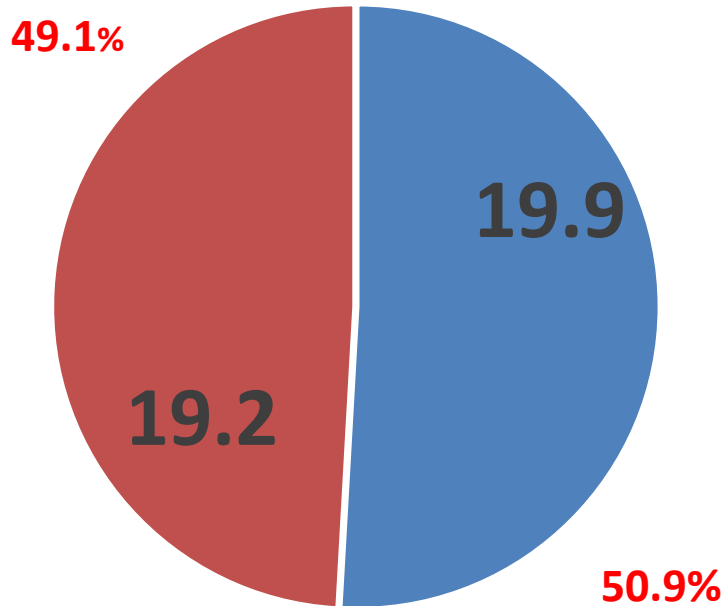
EU & Australia Total
volume of trade – 2017
– Mio€ - %



Total exports: 80.7 Bio€

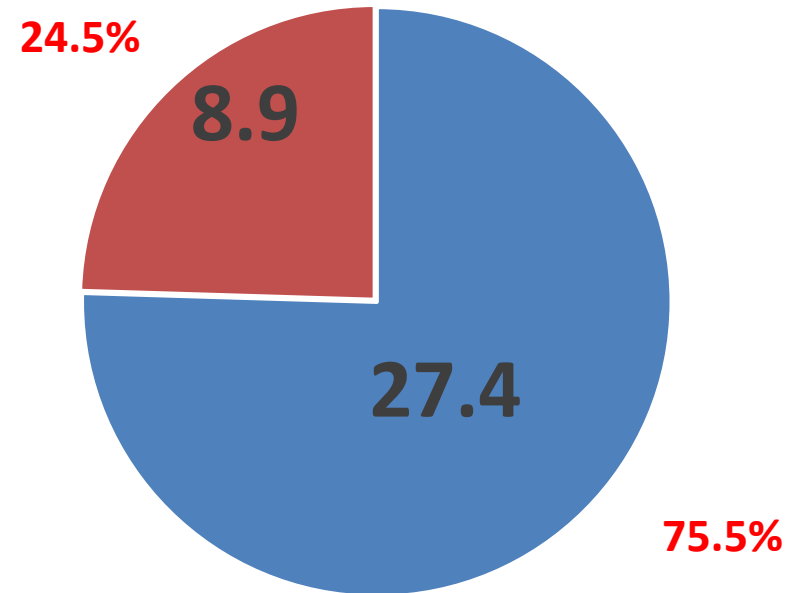
Share of Services value added in EU & Australia Goods Exports
 Share of Domestic & Foreign Services in Goods Exports - %

EU27 = 39.1%



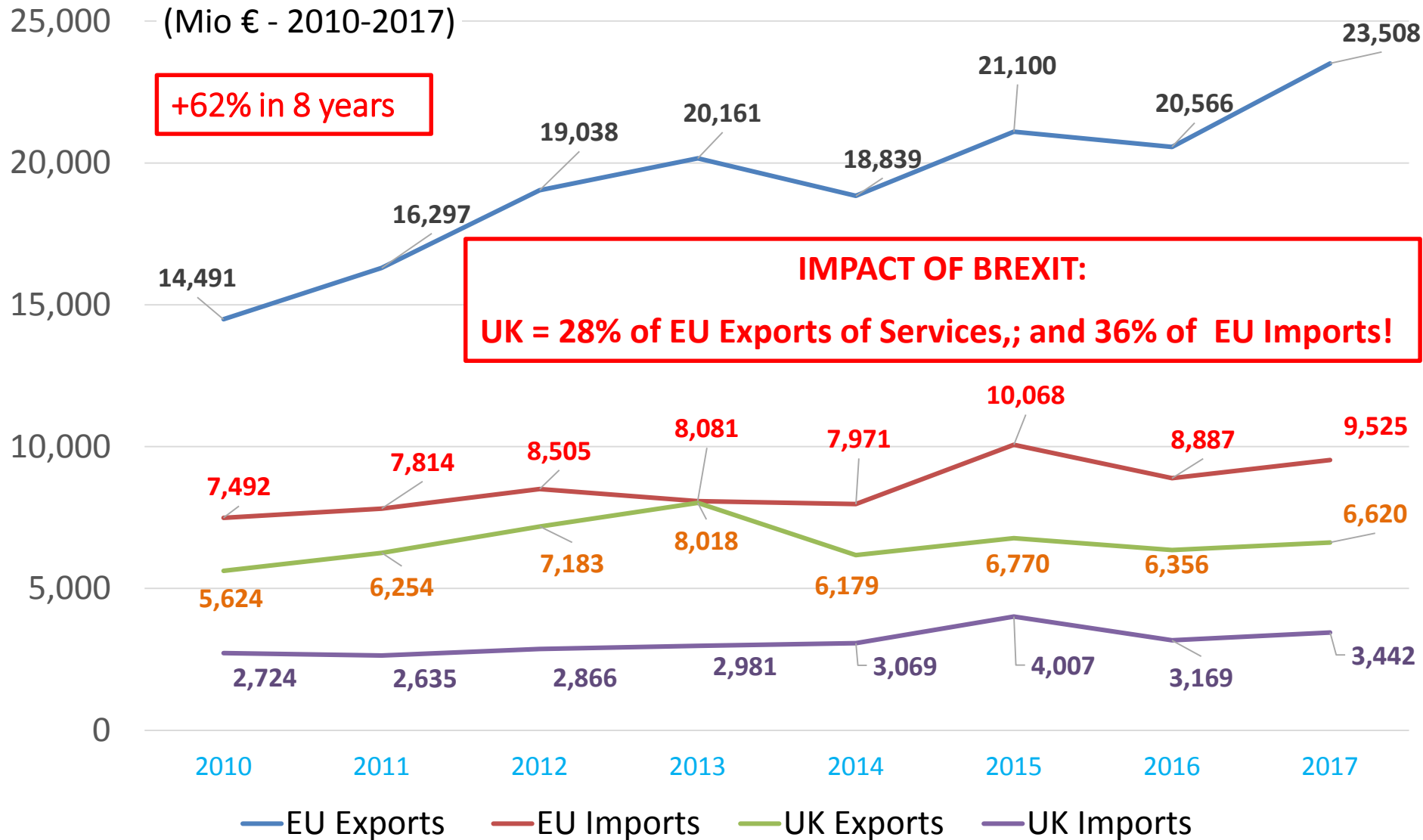
■ Domestic Services
 ■ Foreign Services

Australia = 36.3%



■ Domestic Services
 ■ Foreign Services

EU and UK Trade in Services with Australia



What should be the content of an EU Australia FTA?

- A. Market access Pillar
(incl. Public procurement in services)
 - B. Regulatory disciplines and cooperation
 - C. Movement of natural persons
 - D. Mutual recognition of qualification
- 
- A faint, light blue world map is visible in the background of the slide, showing the outlines of continents and a grid of latitude and longitude lines.

A. MARKET ACCESS PILLAR (1)

- Current bidding level for EU & Australia = GATS 1995
- Scheduling of Market access & National Treatment commitments using a “FULL” Negative list (i.e. with sub-federal level commitments): EU industry choice!
- ❖ GATS +; ➔ TiSA+; ➔ TPP+
- ❖ More Commitments on Mode 1 (Cross border transactions)
- ❖ Mode 3: Removal of all equity caps, with negotiated exceptions
- ❖ Binding of current practise (i.e. Higher Market access than in existing FTAs), with negotiated exceptions,
- ❖ Standstill and Ratchet Clause (to lock in the autonomous reforms)
- ❖ More on Professional services, telecom services, postal & express services, financial services, maritime Transport, etc.

A. MARKET ACCESS PILLAR (2)

- Increased public procurement market access in the services sectors: (Construction & related services (architects, engineers, etc.); cleaning and catering services in administrations and all public entities; insurance services; telecom and IT services; security services; environmental services, etc.

➔ **Australia sub federal level? Difficulties ??**

B. REGULATORY DISCIPLINES AND COOPERATION PILLAR

- Adoption of a strong Horizontal Chapter on Disciplines for Domestic Regulation (Look at TiSA):
 - ❖ Transparency of the regulation
 - ❖ Prior consultation of stakeholders
 - ❖ Impact assessment
 - ❖ transparency of the licensing requirements and procedures
(Proportionate to the goal, Objective, least burdensome administrative costs as possible, short and predefined delays, right of appeal)
 - ❖ Disciplines on cross border data flow, E-Commerce Chapter like in TPP
(?) (very sensitive in the EU!)
- Sector specific disciplines (e.g. on Telecoms, on Postal, on Energy, Environment, maritime and air transport, financial services, etc.) and Sector specific regulatory cooperation (living agreement)(TiSA?)
- Disciplines on State Own Enterprises (SOEs)

C. MOVEMENT OF NATURAL PERSONS

- A key priority for EU businesses in **EU-Australia FTA**
- Temporary period only, not permanent migration
- Negotiate faster Business Visa and Work permits delivery procedures: Visa facilitation (Sensitive in EU – Competence?)
- In all Categories of Natural Persons Covered under Mode 4:
 1. Intra-Corporate Transfers (ICT)
 - Managers
 - Specialists
 - Graduate Trainees
 2. Business Visitors (BV) = **kind of APEC Card with EU ?**
 3. Contract Service Suppliers (CSS)
 - Employees of Juridical Persons
 4. Independent Professionals (IP)

D. MRAs ON PROFESSIONAL QUALIFICATION

- The Commission and Canada Federal government have found a way to go forward:
- They agreed on a Framework Agreement that will be an annex to the CETA. It describes the modalities how MRAs on sector specific professional qualifications, once concluded by the private sector together with the “licencing bodies”, will finally be transformed into the binding International treaty (FTA).
- All the competent authorities in the Member States and the Provinces have been involved in this solution.

→ i.e. The Australian States regulatory bodies will have to be involved. Is it possible?

- The framework agreement is an “enabling tool” (with Guidelines for the sectors) that ensure legal security to the agreement, if – and only if – the professional services sectors want to conclude a MRA.
- The Architects have already started to work on a MRA.

E. CHAPTER ON SUSTAINABLE DEVELOPMENT

- A chapter on other related issues to investment!
- Rules on Labour (respect of ILO Core Conventions
→ Core labour standards like no child at work, no prisoners, etc.)
- Rules on Environment (Respect of multilateral environment agreements, COP 21, etc.)
- Possible rules on obligations for the companies to respect the basic corporate social responsibilities (CSR), OECD Guidelines for multinationals? etc. Human Rights?
- Question: should such a chapter be subject to the dispute settlement system of the FTA?



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THANK YOU FOR YOUR ATTENTION !

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