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Extension of trade barrier regulation to bilateral agreements will help EU traders fight market barriers

The EU has today published an amendment to the Trade Barrier Regulation that opens new avenues for tackling market access barriers in third countries. The revision will mean that EU companies can now challenge not just WTO or international rule violations, but violations of bilateral agreements by a European trading partner. This will help to ensure that the new market opportunities negotiated in bilateral agreements by the EU are more effectively ensured for EU traders. This commitment, part of the *Global Europe* strategy in 2006, is an important step forward for European companies seeking fair access to markets abroad.

What is the Trade Barrier Regulation and why amend it?

The Trade Barriers Regulation gives companies in the EU the right to lodge a complaint with the Commission on obstacles to trade. The complaint triggers an investigation by the Commission to establish the existence of the trade barrier and explore the solutions to remove it, whether by mutually agreed solution or by recourse to dispute settlement procedures under an international agreement with the trading partner.

In the past, European exporters lodging complaints about trade barriers could only point to obligations in multilateral rules, in particular those of the WTO. Many of the EU's earlier bilateral agreements did not have effective dispute settlement clauses, and thus policing non-adherence was often difficult. Since the agreement signed with Mexico in 1997, all EU bilateral agreements concluded or being negotiated include binding dispute settlement mechanisms modelled on those of the WTO.

The new system will not only help monitor the implementation of obligations in bilateral agreements, but will strengthen the EU's ability to enforce them.

In recent years, the Trade Barrier Regulation has helped remove discriminatory taxation on imported cars in Colombia, to protect the geographical indications "Bordeaux" and "Médoc" in Canada or to obtain repeal of a US antidumping legislation threatening EU companies with punitive damages and imprisonment.

Read the revised regulation: <u>http://eur-lex.europa.eu/JOIndex.do?ihmlang=en</u> For more information on the Trade Barrier Regulation: <u>http://ec.europa.eu/trade/issues/respectrules/tbr/index_en.htm</u>

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