

**— EU development  
cooperation policy,  
development aid and  
Common Commercial  
Policy**

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# EU development cooperation policy and humanitarian aid

## EU development cooperation policy

Conducted within ‘the framework of the principles and objectives of the Union's external action’ (Article 208(1) TFEU)

**primary objective** : ‘reduction and, in the long term, the eradication of poverty’

Ordinary legislative procedure (Article 209 TFEU)

## EU humanitarian aid

**Objective** : ‘provide ad hoc assistance and relief and protection for people in third countries who are victims of natural or man-made disasters’ (Article 214(1) TFEU)

- **Internal measures** : ordinary legislative procedure
- **External measures** : conclusion with third countries and competent international organisations of agreements

# EU-OACPS Partnership Agreement

## 6 priority areas:

- democracy and human rights
- sustainable economic growth and development
- climate change
- human and social development
- peace and security
- migration and mobility



# EU-OACPS Partnership Agreement

Atypical association. Very large number of partners, all developing countries, located in three distinct geographical areas (47 Africa, 16 Caribs, 15 Pacific countries+ Maldives)

Three **components** of the agreement: political dialogue, trade liberalisation and multidimensional cooperation

**Institutional framework** (ACP-EU Council of Ministers, ACP-EU committee of ambassadors, joint ACP-EU ministerial trade committee, etc.) and **contractualised financial assistance**

The EU has negotiated a series of **economic partnership agreements** (EPAs) with the 79 ACP countries. Asymmetry of trade concessions

## Common commercial policy

- It derives largely from the rules and provisions contained in **WTO** agreements, which govern the multilateral trading system.
- CCP is the **interface** between the increasingly integrated internal market and its external trade partners
- The **consolidation of the internal market** strengthened the EU's position as a pole of attraction and influence for trade negotiations, conducted bilaterally with other countries and multilaterally in the GATT.
- **Nexus** of international political economy, regulatory governance, and foreign policy

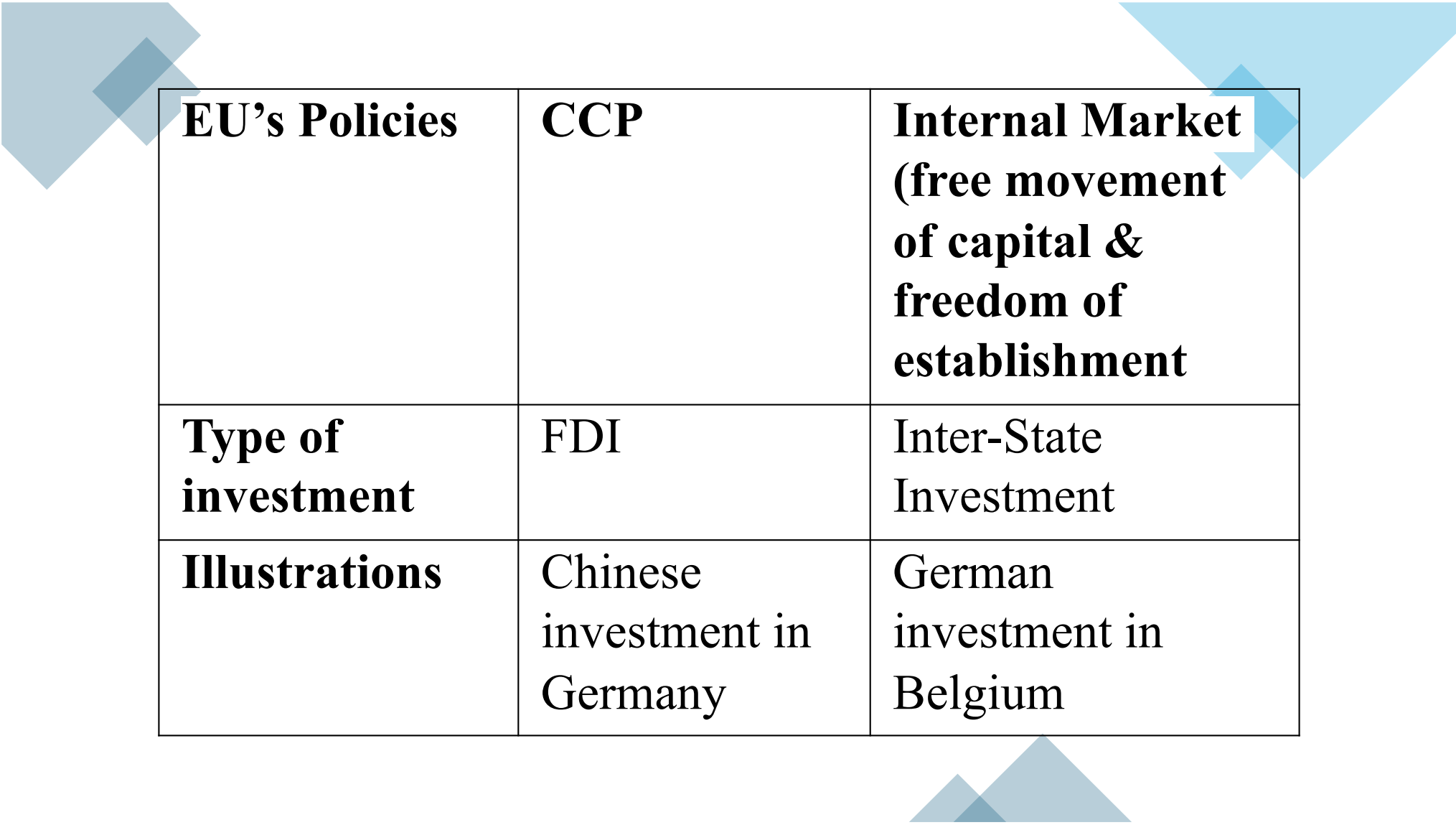
## **Wide-ranging objectives**

The CCP is embedded into the EU's framework for external action.

- uphold and promote EU's values and interests of the Union's external action (art. 216 TFEU)

## CCP Scope (Article 207 (1))

- the conclusion of **tariff and trade agreements** relating to trade in goods and services
- the **commercial aspects of IPR**
- and **foreign direct investment** (with the exception of portfolio)
- trade protection measures (**dumping** or **subsidies**)



<b>EU's Policies</b>	<b>CCP</b>	<b>Internal Market (free movement of capital &amp; freedom of establishment</b>
<b>Type of investment</b>	FDI	Inter-State Investment
<b>Illustrations</b>	Chinese investment in Germany	German investment in Belgium



	Internal Market	CCP
<b>Legal basis</b>	Article 114 TFEU	Article 207 TFEU
<b>Criteria</b>	EU's measures should relate trade in the internal market	EU's (internal or external) action should specifically relate to international trade, meaning trade with non-member countries, in that it is essentially intended to promote, facilitate or govern trade and has direct and immediate effects on trade (C-414/11 <i>Daiichi Sankyo Co. Ltd</i> , para 51).

# CCP Scope

- However, the CCP does not provide a complete ‘external face’ for the internal market, nor does it necessarily offer a complete ‘one-stop-shop’ for wide-ranging contemporary trade and investment agreements.
- The relationship between the CFSP and the CPP has given rise to considerable tension between the institutions, particularly with regard to the fight against terrorism and against the proliferation of weapons. The CJEU favours EU integrated powers.

# Limits to CCP

- CCP (internal powers) cannot be expanded to the detriment of other internal powers (transport, environment, health, etc.) granted elsewhere in Treaty la (shared powers).
  - Imports of goods or services of third country origin may be covered by other EU regulatory measure than CCP measures
- > the autonomous regulatory measure is primarily directed at the internal market or at protection the environment
- Deforestation-Free Products Regulation (Reg. 2023/1115) = Environmental measure

# CCP Regulatory Approach

*'In the course of taking the measures necessary to implement the principles of the common commercial policy, the Community is empowered, pursuant to the powers which it possesses, not only to adopt **internal rules** of Community law, but also to conclude **agreements with third countries**' (Opinion 1/75)*

CCP is a **combination** and **interaction** of internal and external (trade agreements ) measures, without priority being taken by one over the others

# CCP Regulatory Approach

The CCP is implemented by means of

>> **autonomous measures** adopted by the EU

- Application of uniform principles on the establishment and modification of customs duties
- Generalized system of preferences
- Trade defence measures (**dumping** or **subsidies**)

>>through **international agreements** concluded with third countries

# Internal legislation Decision-Making Process

- i) **European Commission** – proposes regulations to the EU lawmaker
- ii) **Legislative co-decision**
- **Council of Ministers** (representatives of the Member States' governments)
- **European Parliament** has acquired since 2009 joint decision rights in the adoption of framework Regulations implementing the CCP
- - i) **European Commission** – implementing measures (anti-dumping, ....)

# Trade Agreements Decision-Making Process

Central actor: **European Commission** negotiates trade agreements

**Council of Ministers** (representatives of the Member States' governments)

- decides on negotiation mandates
- overseeing such negotiations
- concludes trade agreements

**European Parliament** - power to consent to – or to withhold consent from – trade agreements

# Trade Agreements Decision-Making Process

- **Exclusive competence:** Trade agreements are concluded by the EU alone (Article 3(1) TFEU) without the need for lengthy Member State ratification
- **Shared competence:** Trade agreements are concluded by the EU and the 27 MSt



# European Union Customs Union (EUCU)

No tariffs between the members of the customs union.

Essential for the proper functioning of the single market.

- adopting an **autonomous legislation on customs and tariffs** > common rules regulating the initial release of goods into free circulation within the internal market (common external tariff)
  - **Union Customs Code (UCC)** (Regulation (EU) No 952/2013)
  - rates depend on the specific type of product imported,
- negotiating **tariff and trade agreements**

## European Union Customs Union (EUCU)

- National Customs Services manage the day-to-day operations of the Customs Union. Almost 1 900 EU customs offices handle the import, export and transit of close to 1 110 million items.

## CUSTOMS UNION IN NUMBERS 2022



**1870**  
customs  
offices

**82 431**  
customs  
staff

### IMPORT



**546.8**  
million items  
declared

### TRANSIT



**17.7**  
million  
movements

### EXPORT



**562.8**  
million items  
declared

**PER 1 SECOND**  
(import and export)



**35**  
items  
declared



**€228 025**  
declared  
value

# Generalized system of preferences (GSP)

- EU's CCP shall be guided by the **principles** and pursue the **objectives** of the Union's external action (Article 21 TEU) => fostering the sustainable economic, social and environmental development of developing countries, with the primary aim of eradicating poverty.
- By providing preferential access to the EU market, the GSP (Regulation (EU) No 978/2012) should assist developing countries in their efforts to reduce poverty and promote good governance and sustainable development by helping them to generate additional revenue through international trade.

For **low and lower-middle income countries** : partial or full removal of customs duties on two-thirds of tariff line

Afghanistan, China, Micronesia, India, Indonesia, Cambodia, Marshall Islands, Nepal, Pakistan, Thailand, Vietnam

**GSP+** Special incentive arrangement for vulnerable developing countries (lack of export diversification and insufficient integration within the international trading system) provided that they implement 27 international conventions (labour, HR, environmental and climate protection, good governance). Mongolia, Pakistan, Philippines, Sri Lanka

**EBA** is a special arrangement for LDC's providing them duty-free, quota-free access to the EU market for all products except arms.

Bangladesh, Kiribati, Laos, Myanmar, Solomon Islands, Timor-Leste, Vanuatu, Samoa



# Anti-dumping measures (Regulation (EU) 2016/1036)

A product is considered dumped when when non-EU manufacturers sell it in the EU at a price below the normal value (usually the sales price) on their domestic market.

Price-undercutting is not in itself illegal. anti-dumping measures may be imposed only:

- whether there is **dumping** by the producers in the country/countries concerned;
- whether the European industry concerned suffers '**material injury**';
- whether there is a **causal link** between dumping and injury, and;
- whether putting measures in place is not against the **European interest**.

The European Commission must observe applicable **procedural requirements**, including the due process rights of interested parties.

When the 4 conditions are met, the Commission can adopt anti-dumping measures.

The Commission is entrusted with imposing anti-dumping duties. Duties are normally imposed for five years.

# At a price below the normal value

It can be difficult to prove that foreign firms charge lower prices to export markets than domestic customers, based on estimates of production costs.

In determining undistorted prices or benchmarks for the purposes of constructing normal value, the Commission will try to calculate a 'fair price' in using:

1. **corresponding costs of production and sale** in an **appropriate representative country**, ie a country with a similar level of economic development as the exporting country;
2. **undistorted international prices**, costs or benchmarks; or
3. **domestic costs**, but only to the extent that they are positively established not to be distorted.

## **At a price below the normal value**

The Commission publishes reports describing the market circumstances in certain countries or sectors about which there are well-founded indications of the possible existence of significant distortion.

See Commission staff working document on significant distortions in the economy of the People's Republic of China for the purposes of trade defence investigations, 10.4.2024 (SWD(2024) 91 final)

# **EU Foreign Subsidies Regulation (Regulation (EU) 2022/2560)**

Prior to the FSR, subsidies granted by non-EU governments went unchecked, while subsidies granted by Member States are subject to close scrutiny under EU State aid rules.

- Foreign subsidies may distort the EU's internal market, including by providing their recipients with an unfair advantage to acquire companies or obtain public procurement contracts in the EU to the detriment of fair competition.
- The FSR addresses such distortions and closes a regulatory gap.
- The FSR is based on Articles 114 (internal market) and 207 (CCP) TFEU