



EU TRADE POLICY 2024-2029

FINNISH BUSINESS PRIORITIES FOR FUTURE EU TRADE POLICY:

Our vision for future EU trade policy - We strive to achieve the following:

- **The European Union is a globally strong and competitive economy:** Its companies succeed in international markets, in global value chains and in the competition for investments and talent. The EU promotes open, market-based and technology-neutral international trade based on predictable international rules and fair competition. The more equal the competitive conditions are globally, the better our companies can grow.
- **The competitiveness and sustainability of the EU economy rely on the world's most efficient internal market and the most extensive trade and partnership relations with third countries:** This allows the EU to be a modern, innovative, resilient and climate-neutral economy. Its companies are successful in the digital and green transition and offer these solutions to the rest of the world.
- **Trade and partnership agreements increase the EU's strategic competitiveness, encourage investment and strengthen sustainability of our economy:** The EU negotiate and finalise new bilateral, sector-specific or regional agreements covering a larger number of countries. They facilitate the export and import of companies, including the availability of critical technology and raw materials. The EU emphasizes cooperation with countries that comply with international law and promote rules-based free trade and an open economy. Along with bilateral trade relationships, the EU promotes the functionality of the multilateral WTO trade system.
- **The EU protects its companies and its internal market whenever necessary from unfair competition with trade protection measures in accordance with WTO rules.** These EU actions must always be appropriate, well-justified and time-bound and must not jeopardize the EU's economic competitiveness.

To achieve this ambitious vision the EU trade policy should focus on:

1. Ensuring the competitiveness of the EU economy and its companies globally by improving better market access for companies and smooth export-import **with new trade agreements**.
2. Primarily **promoting EU trade and economic goals**, such as seamless market access and fair competition. We must not be protectionist or impose unreasonable demands on trading partners that go beyond international commitments.
3. **Promoting the modernization of the economy** by supporting trade policy and market-based incentives. This ensures that the best possible technologies are available worldwide, that will enable the digitalization of the economy, energy and resource efficiency.
4. **Intervening if unfair competition, such as state subsidies, occur.** The trade protection measures employed should be limited in duration and proportional in their effects, taking into account the trade effects and disadvantages for European companies.
5. **Promoting the EU's strategic trade and technology partnerships with third countries**, for example to secure the availability of critical technology and raw materials. To strengthen economic security, the EU must use trade measures to ensure the seamless import and export of services and goods, ranging from food and energy to medicines and machines.

Finnish Business Trade Policy Priorities in Nutshell

WAYS TO STRENGTHEN IMPACT OF THE EU TRADE POLICY FOR BUSINESS:

1. MODERN TRADE AGREEMENTS WITH EFFECTIVE NEGOTIATION PROCESS

- Around 50 trade agreements have made the EU the most important trading partner for 74 countries. Meanwhile China is the most important partner for 66 countries and the USA for 31 countries. Recently, however, the EU's ability to conclude trade agreements has weakened.
- It should be ensured that the EU effectively negotiates new or updated trade, investment and partnership agreements that secure the Union's core trade interests. EU must set priorities for negotiations and guarantee needed resources for the Commission to negotiate.
- Certain old, existing trade agreements need to be revised. New trade deals may be more concise in terms of content, and potentially also wider in terms of geographical coverage, like possible EU-CPTPP agreement.

2. ADDING VALUE THROUGH PARTNERSHIPS AND ALLIANCES

- Ensure functional and predictable trade through agreements and alliances with countries that play a key role in ensuring the competitiveness and resilience of the EU economy in imports and exports - from critical raw materials to technology.
- There is a need to develop strategic cooperation with countries that strengthen a functioning and predictable, multilateral WTO-based trade system and are willing to deepen regulatory cooperation in jointly agreed areas.

3. NEW KIND OF MODERN PLATFORMS AND FORUMS FOR CO-OPERATION

- A new type of cooperation needs to be developed and promoted to remove trade barriers and create uniform technical regulation and standards, like for example the Trade & Technology Council (TTC) cooperation started with the USA and India.
- Means related to mutual recognition (MRA) need to be developed and renewed to simplify official inspections of, for example, machinery and equipment to promote trade in, among other things, environmental and energy technology. This lowers transaction process costs.

4. WISE USE OF DEFENSIVE TRADE MEASURES IN PRACTICE

- Defensive trade protection measures are only used justifiably and periodically to safeguard the EU's interests and protect the competitiveness of European companies, as well as to ensure healthy and more equal competition with third countries.
- Regulations regarding export controls of dual-used goods and sanctions must be interpreted uniformly throughout the EU region. It is important to actively address the circumvention of sanctions and also new tools to end illegal evasion of sanctions need to be developed.
- Incentives that support trade and investments are used instead of regulation that restricts competition and causes conflicts in order to create positive effects on the market. Ways to improve investment protection must be developed.

5. NEED TO KEEP TRADE POLICY ON THE TOP OF THE EU POLICY AGENDA

- EU trade agreements are the EU's main means of preventing protectionism, opening export and import markets, lowering costs and increasing the predictability of trading. This also contributes to growth and has a positive effect on the EU's economy and employment.
- The effectiveness of the EU's trade policy in the future requires that the EU's trade policy capacity be strengthened by taking care of clear and realistic goals, sufficient expert resources and effective negotiation processes. The EU's trade policy threatens to become ineffective if the objectives of the trade policy fall too far behind the promotion of the EU's other policy objectives. Therefore, active and effective trade policy must be one of the key priorities of the next EU Commission.

Finnish Business Trade Policy Priorities in Detail

EU TRADE POLICY IN GEOPOLITICAL TURMOILS

Engagement with third countries

- EU needs to remain engaged with all trading partners, not only those that we consider like-minded today. EU still is the largest trading bloc, but our competitiveness depends how successful we are in our trade with the rest of the world.
- EU must deepen strategic trade partnership with such trade agreements which makes attractive for third countries to develop partnership with us.
- EU must remain committed to the multilateral trade system based on the modernized WTO system with functioning dispute resolution.

Relations with the U.S.

- Need for functioning trade relations with the next US administration regardless of who is in power.
- Creative ways needed to convince the U.S. that trade relations with the EU benefit both.
- Need to keep TTC work going, but more concrete projects are needed in order to deepen closer commercial cooperation.
- EU-U.S. MRA on conformity assessment of clean technologies are needed in order to build up transatlantic market for climate-neutral solutions.

Relations with China

- Management of China risks is necessary, but also dialogue with China is needed. EU must address market distortive policies by China. But most of trade with China is still risk free and relevant for our competitiveness.
- EU must have its own China policy which is independent from the U.S. policy. EU must focus on European interests but naturally also co-operate with other partners like the USA when it concerns ways to tackle unfair competition and market disruption by Chinese actors.

FINAL REMARKS - THE WAY FORWARD

- *The EU must find a right balance between open trade and economic security.*
- *The EU needs to remain engaged widely with its trading partners, not only with like-minded, because of companies' critical value chains.*
- *To ensure strong EU action on trade policy we may need a dedicated Commissioner for Trade and DG Trade must have sufficient resources.*

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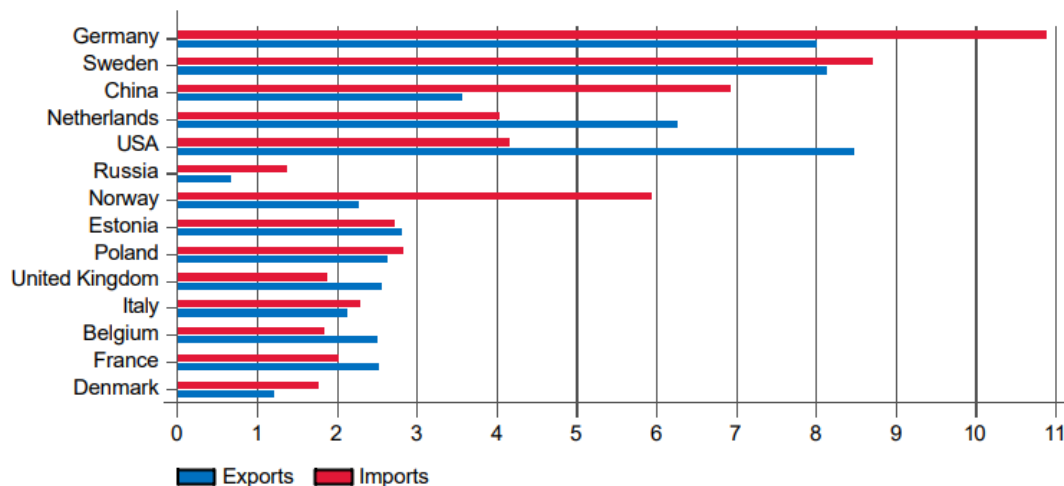
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FACTS ON FINLAND IN INTERNATIONAL TRADE

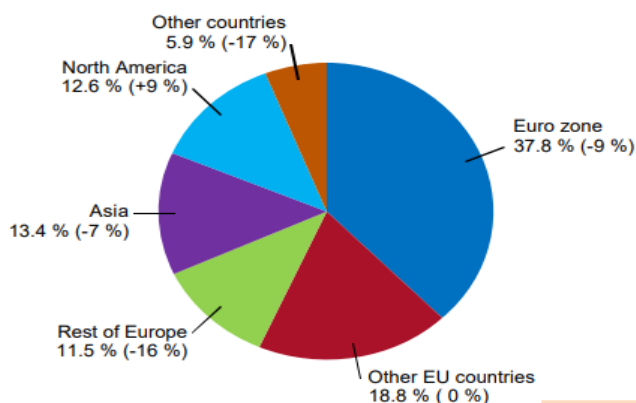
INTERNATIONAL TRADE BY COUNTRIES 2023(1-12)

Ordered by total trading (EUR billion)



EXPORTS BY REGIONS 2023(1-12)

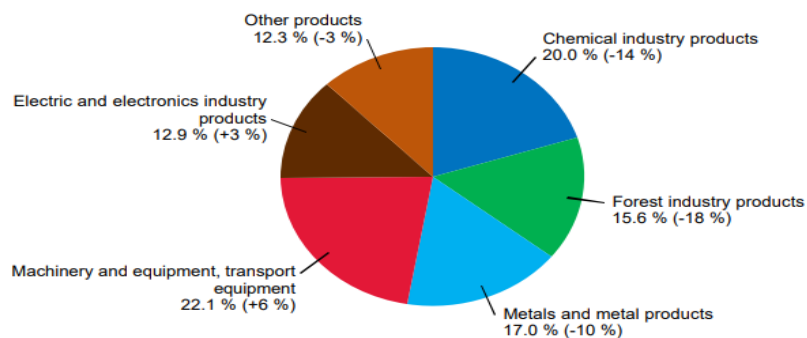
Share and change from previous year (%)



Total value of exports in 2023(1-12) was EUR 76.2 billion (-7 %)

EXPORTS BY PRODUCTS BY ACTIVITY (CPA) 2023(1-12)

Share and change from previous year (%)



Total value of exports in 2023(1-12) was EUR 76.2 billion (-7 %)