World Law Group

2019-2020

Report on Global Trade Policy

WORLD LAW GROUP REPORT ON GLOBAL TRADE POLICY

Please note that this guide provides general information only. Its purpose is to provide a brief overview of legislation governing non-competition covenants requirements in each jurisdiction covered. This information is not comprehensive and is not intended or offered as professional or legal advice, generally or in a given situation. This guide is an outline of country-specific obligations, which may change. Facts and issues vary on a case-by-case basis. Legal counsel and advice should routinely be obtained, also locally for any particular jurisdiction. Please consult your own counsel.

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CONTENTS

INTRODUCTION I
ABOUT WORLD LAW GROUP II
1. AUSTRALIA 1
2. BRAZIL 3
3. CANADA 5
4. CHILE 7
5. CHINA 9
6. COLOMBIA 11
7. FRANCE 13
8. GERMANY 15
9. INDIA 17
10. IRELAND 19
11. MALAYSIA 21
12. MEXICO 23
13. PARAGUAY 25
14. PERU 27
15. PORTUGAL 29
16. RUSSIA 31
17. TAIWAN 33
18. THAILAND 36
19 TURKEY 38
20. UNITED KINGDOM 40
21. UNITED STATES 42
22. URUGUAY 45
23. OUR MEMBERS 47

INTRODUCTION

The World Trade Organization (WTO) recently noted that world trade is continuing to face strong headwinds in 2019 and 2020 after already growing more slowly than expected in 2018. International trade is weighed down by several factors, including, inter alia, new tariffs and sanctions affecting widely-traded goods, weaker global economic growth, volatility in financial markets and tighter monetary conditions in developed countries. Heightened trade tensions cannot explain all of the trade slowdown but they have undoubtedly played a significant role as consumers and firms alike have anticipated new trade measures taking effect. As nearly every unilateral trade measure is accompanied by a retaliatory act, trade tensions have wide international repercussions. Likewise, foreign investment control has become a top enforcement priority throughout several jurisdictions thereby slowing down the creation of new trade relationships.

Against this background and with the multilateral negotiations under the auspices of the WTO locked in stalemate, the focus of trade politics is currently on bilateral agreements such as the EU-Mercosur trade agreement and Economic Partnership Agreement between the EU and Japan. Those free trade agreements are sending a powerful signal that some of the world's biggest economies still reject protectionism. However, especially in times of increasing trade tensions, it is vital that the rules-based multilateral trading system, with the WTO at its core, is upheld and reinforced. Among others, the failure of the TTIP negotiations and the still possible No-Deal Brexit scenario prove that a strong and sound multilateral trading system is indispensable as the foundation of international trade.

World Law Group (WLG) member firms' day-to-day work is affected by the ongoing international trade tensions. Our trade practices include creating customized solutions to help clients achieve their business objectives when facing new trade barriers such as tariffs and sanctions.

This Report provides you with an overview on top trade policy priorities and challenges in several WLG member jurisdictions, outlining the overall approach country-by-country on international trade and specifying concrete policy measures applied such as new tariffs, sanctions and FDI control. Finally, our trade experts describe how the nature of their practice has evolved over the last two years and what further challenges they foresee down the road.

Please visit

www.theworldlawgroup.com/global-trade-policy

where we plan to post updates as they become available, and feel free to consult other reference sources.

We wish you a good read!

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ABOUT WORLD LAW GROUP

WLG is a network of 59 leading independent law firms with more than 400 offices in major commercial centres worldwide. WLG member firms comprise more than 18,000 lawyers working in a comprehensive range of practice and industry specialties. Clients can access local knowledge and seamless multinational service via a single call to any WLG member firm.

A full list of all WLG member firms and their respective contact partners is available at www.theworldlawgroup.com. If jurisdictions relevant to your organization are not included in this guide, WLG members can often times provide contacts for those purposes.

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Top Trade Policy Priorities

With the government returned after Australia's general election in May, Prime Minister Scott Morrison's priorities, as set out in his campaign, will provide a focus in Australia's ongoing negotiation of regional trade deals. Particular examples are finalizing a trade agreement with the European Union, finalizing the Regional Comprehensive Economic Partnership, and working with existing members of the Comprehensive and Progressive Trans-Pacific Partnership to extend the agreement to additional countries.

Australia will also be focusing on its position amid the US-China trade tensions, with any trade war having a significant impact on Australia's economy, which has seen its lowest growth since the global financial crisis. Australia will have to strike an appropriate balance, since its trade interests are aligned to China (Australia's largest trading partner) while its security interests remain aligned to the US and other countries that are party to the Five Eyes alliance (though the US remains the largest source of inbound foreign direct investment (FDI) into Australia and the top destination of outbound Australian FDI).

Work will continue in reducing nontariff barriers, with a nontariff barrier action plan launched at the end of 2018. Prepared in consultation with industry, the aim is to reduce nontariff barriers for Australian exporters by making it easier for businesses to report trade barriers and to help them to overcome such barriers.

Leaning Toward Nationalism or Globalism

Australia's trade and foreign investment policy has, since the 1980s, consistently been in the pursuit of more liberalized trade among Australia, its key trading partners, and the rest of the world. This remains the trade policy of Australia as it continues to pursue additional bilateral and regional trade deals. However, as seen in developed countries around the world, the rise of populism—such as the policies of President Trump in the United States and the vote for Brexit in the UK—has seen an increased call for protectionism.

In Australia, this extends to protecting Australian industries, particularly in relation to primary production and manufacturing. A report from Australia's Productivity Commission shows that in 2017–2018, these industries received 28 percent of assistance from the government but contributed nine percent value added to Australia's economy. Primary production is also an area that has additional screening rules for foreign direct investment with significant changes to these rules having been made in 2015 and 2018.

Australia has also introduced specific measures requiring all industry to demonstrate benefits to Australia's economy when industry bids for government contracts. This is highlighted where trade intersects with national security in defense sector procurements. The focus on sovereign capability means that although Australia acquires investment and design capabilities from foreign companies, the intention is for manufacturing to be carried out in Australia, bringing jobs and intellectual property to the nation. The decision to build the next generation frigates in Adelaide, South Australia, and offshore patrol vessels in Henderson, Western Australia, are examples of the government's commitment to this plan.

Bilateral or Multilateral Approach

Australia's approach, as announced in the foreign policy white paper in 2017 by the then–Prime Minister, confirms that Australia continues to advocate for open global trade and reduced protectionism, demonstrating its commitment to this through ongoing negotiations of bilateral and regional trade agreements. Australia is party to 15 free trade agreements, 12 of which are bilateral agreements, and its goal is to have 80 percent of its trade covered by free trade agreements by 2020. Australia has been well served by this open approach to global trade as demonstrated by its uninterrupted economic growth over 27 years.

Australia has been an active participant in upholding the global rules-based trading system. Australia supports the multilateral trading system as a means of upholding and further liberalizing trade, through its unwavering participation in and advocacy for the World Trade Organization. While a multilateral approach affords consistency across the entire system, any body that requires consensus-based decision making has its limitations, as demonstrated by the ongoing veto by the US of appointments to the WTO appellate body.

Adaptation of Our Trade Practice

Our practice has seen the majority of matters arising in respect of Australia's foreign investment rules for inbound investment. The rules were significantly reformed at the end of 2015, with policy shifts for additional scrutiny in respect of taxation, agribusiness, and critical infrastructure implemented in 2016 and 2018.

Despite the various, more generous screening thresholds that have been negotiated in Australia's bilateral and regional trade agreements for inbound investment, in practice the higher screening thresholds are often not available due to the specific ways in which the rules apply. As a result, we have seen an increase in regulatory applications made to the Australian Foreign Investment Review Board, even where the ultimate nationality of investors is that of a country with which Australia has a bilateral or regional trade agreement.

Consistent with the critical infrastructure theme, there has been a focus on sovereign capability, increased defense spending, and rules introduced for foreign influence and interference. This has seen a shift in our practice toward these areas as inbound investors find themselves facing additional scrutiny and regulation. As foreign firms in Australia take up opportunities associated with increased defense spending, particularly new entrants to the Australian market, there has also been an increase in export control advisory matters (which apply to certain defense and dual military–civilian use products and technologies).

As a consequence of Australia's long-standing "open for business" trade policies, Australian industry is becoming more savvy concerning the interaction of domestic regulation and international trade obligations. This has seen the rise of advisory services, not only regarding the compliance obligations and restrictions imposed under trade agreements, but also the identification and capture of available benefits under such agreements. Industries such as agriculture and wine, the creative industries, high-tech, public health and pharmaceuticals, telecommunications, defense and security, and investment and finance, along with local, state, federal and foreign governments, have all turned their attention to the operation of the global trading system and the challenges and opportunities that it poses for Australia.

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Top Trade Policy Priorities

Brazil has a longstanding tradition of supporting multilateralism, and it has always been an active member of the World Trade Organization (WTO) and other multilateral organizations.

For Brazil and other developing countries, multilateral bodies are the best fora to promote trade negotiations and to solve trade disputes, as they allow a better balance for the members to negotiate than bilateral negotiations do, where power asymmetries are more prominent.

In the past, Brazil has effectively succeeded in coordinating positions with other developing members on important themes and influenced the multilateral trade agenda in subjects such as the WTO waiver on some provisions regarding intellectual property to pharmaceutical products due to public health concerns.

Brazil is also an active user of the WTO Dispute Settlement System, having participated in 31 cases as complainant, 16 cases as respondent, and in more than 100 cases as a third party, and has won relevant disputes. Nonetheless, after the stalemate of WTO negotiations and proliferation of trade agreements, resorting to bilateral and regional trade negotiations became essential for any country to ensure access to global trade. In particular, Brazil took time to finally recognize the importance to bilateral negotiations as an alternative to the difficulties in the multilateral forum, and it lost opportunities as compared with Chile, Peru, and Colombia.

Leaning Toward Nationalism or Globalism

The new Brazilian government took office in January 2019, and the Ministry of Economy presented as one of its purposes to improve Brazil's access to the international economy and to promote international trade and investments.

These objectives should be achieved by the following actions: implementation of trade facilitation measures, promotion of regulatory convergence, negotiation of preferential trade agreements, reform of the tariff structure, and reduction of the costs of acquisition of inputs, capital goods, and information technology goods.

In this scope, Brazil already presented a proposal of reform of the Mercosur Common External Tariff, to be discussed with the other members of the customs union. The proposal concerns the reduction of average tariffs, and it addresses distortions in the tariffs that are applied to intermediary goods and capital goods. Furthermore, the government intends to reduce tariffs that are applied to capital goods and information technology goods in a unilateral manner, based on the exception provided by Mercosur to these sectors.

Bilateral or Multilateral Approach

Brazil, together with Mercosur, recently concluded negotiations of a preferential trade agreement with the European Union, which was under negotiation since 2012. Furthermore, the bloc is carrying on negotiations with the European Free Trade Association - EFTA (Switzerland, Norway, Iceland, and Liechtenstein), Canada, Singapore, and Korea and is pursuing extensions of already existing agreements with Mexico and India.

Another priority for Brazil is its admission to the Organisation for Economic Co-operation and Development (OECD). The process was initiated during the previous government, and it was a major topic during the presidential visit to the United States. Brazil accepted giving up its status as a developing country for World Trade Organization (WTO) purposes in exchange for support by the United States at the OECD.

Regarding trade remedies, the new government announced that it would seek to balance the two contradictory positions that had been adopted by previous governments. In the period from 2011 to 2014, there was a widespread use of trade remedies to protect domestic industries from imports. In the following years, in contrast, there was significant increase in the use of public interest analysis seeking to suspend such measures.

Now, government members have announced that they intend to grant more predictability to both procedures, reducing excessive use of trade defense measures but ensuring a formal and predictable public analysis procedure. In this scope, the government has already published substantial changes to the rules related to the public analysis procedure, which can change based on public consultations.

Adaptation of Law Practice

In the scope of trade facilitation, customs authorities are reviewing import and export procedures in response to implementation of the Single Window Program, and companies are increasingly adhering to the Authorized Economic Operator program, which has given rise to new consultations and has influenced the practice of customs lawyers. However, Brazilian customs legislation still involves some challenges for companies intending to perform import activities in Brazil and thus requires some guidance from lawyers.

Even though Brazil's new president, Jair Bolsonaro, is supportive of the liberal agenda proposed by its Ministry of Economy, the president was elected with a strong speech of nationalism and a robust alignment with the Trump Administration. The current Minister of Foreign Affairs is also very critical of globalization.

In this sense, although Brazilian trade policy in the first months of the new government has been driven by an agenda of promotion of international trade and combating protectionist, there have been some episodes of direct presidential interference with the economic agenda, with clear nationalist and protectionist purposes.

Notably, after the Ministry of Economy did not grant the extension of the longstanding antidumping duties applied to milk powder from the European Union and New Zealand, the president, addressing the concerns of the agricultural sector, sought to compensate for the resulting increased market access with an increase in tariffs (as a compensation for the safeguard applied by the EU on steel). The president also suspended the imports of bananas from Ecuador, based on phytosanitary arguments, and revoked the authorization to import that had recently been granted after a long dispute between Ecuadorian exporters and Brazilian producers.

In both cases, the president overrode the position of the Ministry of Economy and announced the measures on social media as tools to protect national producers.

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Top Trade Policy Priorities

The Canadian government remains committed to a focus on increasing and diversifying trade opportunities for Canadian businesses, while at the same time attracting job-creating investment to Canada.

In 2018, Canada launched a trade diversification strategy designed to help Canadian businesses access new markets. The goal of the strategy is to increase Canada's overseas exports by 50% by 2025. To achieve this strategy, the Canadian government is investing in infrastructure to support trade and enhancing trade services for Canadian exporters.

The Canadian government has also announced a commitment to greater promote its "Invest in Canada" program, a service designed to attract foreign investors to Canada by providing "concierge services" across the federal and provincial governments designed specifically to assist foreign investors and foreign direct investment in Canada.

To support increased trade generally, the Canadian government continues its work implementing recently signed free trade agreements (i.e., the Canada-European Union Comprehensive Economic and Trade Agreement and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership), as well as pursuing discussions with other trading groups (including Mercosur, the Pacific Alliance, ASEAN and certain countries). So, Canada remains clear in its vision to remain a global trading nation.

While open trade has been the position of the Canadian government for some time, two developments may impact this position. First, a federal election is scheduled for October 2019; the outcome of the election may affect Canada's trade policy priorities in the next year. Second, Canada has recently faced diplomatic challenges with certain trading partners (notably the US and China); the resolution of those challenges may also impact trade policies going forward, as alternative, attractive comparable trading partners are identified and sourced.

Leaning Toward Nationalism or Globalism

The current Canadian government's approach to trade continues to be to promote Canada as a country that is open to foreign investment in all but the most sensitive areas (such as communications, defense, and cultural initiatives). That said, political developments in other countries and new concerns about certain trading partners have resulted in some developments in Canada's approach to trade.

For example, following the 2016 election, the United States sought renegotiation of the North American Free Trade Agreement, which required that Canada react and engage with a number of demands that Canada was unwilling to submit to (including the removal of independent dispute resolution from the free trade agreement). Canadian trade negotiators successfully navigated these demands, which resulted in the United States-Mexico-Canada Agreement (known in Canada as the Canada-United States-Mexico Agreement).

By further example, the Canadian government has become increasingly careful as it concerns the implications for Canada of investments by state-owned enterprises in Canada, in particular from China. This care has resulted in an increased number of reviews under the Investment Canada Act; specifically, the government has increased the frequency of its ability to review investments to assess their national security implications.

In some high-profile cases, the Canadian government has blocked investments from foreign companies. Notably, in 2018, the government blocked the China Communications Construction Company's proposed acquisition of Aecon, a major Canadian construction company.

That said, in general terms, Canada has maintained a generally pro-global trade stance, although it has demonstrated a renewed willingness to assert a nationalistic position in specific instances.

Bilateral or Multilateral Approach

For countries with relatively small economies, such as Canada, the most advantageous forum to create trade rules and resolve trade disputes remains through multilateral institutions and relationships. Multilateral institutions and relationships permit broader access for countries to other markets, promote efficiency by facilitating the development of fewer sets of rules or standards (rather than there being rules or standards particular to the bilateral relationship), and provide a forum for resolution of disputes that is perceived as fair.

Adaption of Law Practice

Companies seeking opportunities to invest in Canada are seeking advice earlier in the investment planning process about the government's attitude toward trade, how their investments in Canada will be perceived, and how they can forge relationships with stakeholders early in the investment process to address potential concerns and to promote smooth approvals.

We expect this trend to continue through the 2019 election, and to intensify in late 2019 and 2020 as investors seek an understanding of the new government's priorities and perspective on international trade and investment.

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Top Trade Policy Priorities

Chile has been inclined to an international trade policy since the mid-1970s. It has been a member of the World Trade Organization (WTO) since its establishment in 1995, a member of the Organization for Economic Co-operation and Development (OECD) since 2010 (being the first South American country to join), a member of the Asociación Latinoamericana de Integración (ALADI) since 1960, among other international trade organizations.

According to the Ministry of Foreign Affairs, Chile's foreign trade policy has two main objectives: (i) deepen the international reach of the country, combining export development with the promotion and protection of investments; and (ii) favor the competitiveness and dissemination of technological change in a context of stable rules, surveillance of unfair competition, and with policies that reinforce their impact on social equity.

The main mission of the Foreign Trade Department of the Ministry of Economy is to advise the Minister of Economy in foreign trade matters and in gaining access to international markets. In order to develop the above, the Foreign Trade Department has the following functions, among others: (i) to participate in all international economic negotiations of the country, whether multilateral or bilateral, on behalf of the Ministry of Economy, with special emphasis on the issue of technical barriers to trade; and (ii) to administer the Technical Barriers to Trade Agreement of the WTO.

Leaning Toward Nationalism or Globalism

Currently, Chile has 28 commercial agreements in force, including Economic Complementation Agreements with Bolivia, Cuba, Ecuador, Mercosur, Peru, and Venezuela; Free Trade Agreements with the United States, China, the European Free Trade Association (EFTA, an integration of Iceland, Norway, Switzerland and Lichtenstein), among other countries; Economic Partnership Agreements with Japan, Singapore, New Zealand and Brunei Darussalam (P-4); and other trade agreements.

Accordingly, Chile is leaning more toward a trade policy that is driven by globalism. The reason behind this is that the country takes advantage of economies of scale. The national economy is mainly dedicated to producing those things in which Chile has comparative advantages, buying from countries that have comparative advantages to produce certain things that Chile needs but cannot produce at low cost or in an efficient way.

Bilateral or Multilateral Approach

On June 2019, President Sebastián Piñera requested to encourage three focuses of action regarding the economy of the country. First, to encourage investment, for which he asked the new Minister of Economy, Juan Andrés Fontaine Talavera, to send to the Congress in the next months the institutionalization of the Management Offices of Sustainable Projects (Oficinas de Gestión de Proyectos Sustentables, (GPS)) and the Office of Productivity and National Entrepreneurship (Oficina de Productividad y Emprendimiento Nacional, (Open)). The second focus is productivity and competition. To this effect, President Piñera requested Minister Fontaine to implement in three months a fast track for the registration of imported medications, diminishing the time of approval or rejection by 50%. In addition, the President requested to boost for a reform to the law of I+D (Ley Incentivo I+D "Investigación y Desarrollo," Law N° 20,241, amended by Law N° 20,570). And, the third focus is related to the PYMES (Pequeñas y Medianas Empresas or Small and Medium Enterprises, SME) and employment. It implies deepening the "Digitalize your SME Plan," to train more than 5,500 entrepreneurs.

Regarding the advantages of bilateral or multilateral agreements, we can assure that there are pros and cons for both of them, depending on the size and power of the country that wants to subscribe to them. For developing countries, such as Chile, multilateral agreements may be more beneficial in order to achieve equal terms with other countries. On the other hand, big and powerful countries may benefit more from bilateral agreements, since they will allow the "big fish" to create clauses that provide the maximum benefit for their local exporters and consumers. On the other hand, multilateral agreements may take longer to negotiate than bilateral ones do, since there are more parties. Therefore, it will depend on each specific situation for each country that wants to subscribe to a trade agreement.

Adaptation of Law Practice

In conclusion, globalization and taking advantage of economies of scale is essential to commercial development of every country. This implies that the practice of law will increasingly entail the revision and negotiation of international contracts and the necessity of lawyers to know more than one language. It is also leading to a tendency to merge law firms around the world.

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Top Trade policy Priorities

The year 2018 was marked by a trade war between China and the USA, in addition to trade frictions between other counties. The increased tariffs imposed by the US administration on imports from China are primarily ensued due to – from the U.S.A.'s point of view – the growing trade deficit with China. These trade tensions have created uncertainty among many countries, and to an appreciable extent, damaged the established multilateral rules-based trading system.

China has indicated its desire to resolve trade-related issues with the USA, and safeguard the multilateral trade mechanism, under which all members are benefiting and trading on an equal foot. This will be one of the primary objectives China is pursuing for the years to come. Furthermore, China will also try to establish a broader trade relationship with other countries by continuing its open policies to deepen its economic cooperation with other countries and, furthering its various sectors for inbound investment.

Leaning Toward Nationalism or Globalism

China's overall trade and foreign investment policy has consistently been in the pursuit of more liberalized trade between China and the rest of the world. To this end, China is actively seeking for bilateral and regional trade deals with other countries within the context of the WTO rules, by promoting globalism instead of "nationalism" or "unilateralism."

Unfortunately, with other countries moving towards "unilateralism", world trade and economic cooperation has become uncertain, in particular with increasing protectionism aimed at some countries.

China has been the frequent target of such protectionism, i.e., trade remedies exercised by certain countries, notably cases investigated by the USA and the EU. These remedies, such as dumping, subsidies and safeguard investigations, are creating tension rather than cooperation.

For instance, with regard to trade remedy investigations, impacted Chinese industries believe that they are experiencing enormous burdens of proof, and in most cases being subject to unreasonable application of "facts available" or "adverse facts available" to make findings.

It is no doubt that globalism is bringing benefits to all countries. However, if protectionism by some countries continues, this will damage world trade long term even if it may work for a short run.

Bilateral or Multilateral Approach

It depends on the specific structures established. With bilateral or multilateral, a proper dispute settlement mechanism is the most efficient channel and means to resolve the disputes. But, to observe rulings given by any types of disputes settlement mechanism, it must count on common understanding and openness. If protectionism is being placed as a primary concern, any dispute settlement structure, no matter how efficient it can be, will prove to be fruitless and of no effect at all. The crisis of the Appellate Body within the WTO gives a good answer to it.

Adaption of Law Practice

Our practice has seen the majority of matters arising with respect to trade remedies, i.e., investigations initiated by other countries. With some countries using protectionism to restrict competition from Chinese exporters, potential frictions are gradually emerging.

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Top Trade Policy Priorities

In sum, Colombia's trade policy priorities are focused on (i) the promotion of national exports, (ii) the promotion of IT or innovation entrepreneurships, (iii) the introduction of a sophisticated customs and trade regulation that could respond to 2019 needs, and (iv) the support of Free Trade Zones (FTZ) inside the country, which promotes more foreign investment.

With the promotion of national exports, the Colombian government aims to reduce the trade deficit and increase exports, not only of primary products or commodities (such as agricultural, mining, nonrenewable natural resources and others), but also services, by using the benefit of diversification and opening to new markets.

Other policies focused on expanding Colombian exports include (i) promoting Colombian manufacturing and services, and (ii) fostering innovation, which has led to multiple legislative measures, among them tax incentives to new companies whose objectives consist of conducting activities with technological added value (Law 1943 of 2018).

Colombia has compiled far-reaching legislation regarding customs law through Decree 390 of 2016, which aims to harmonize Colombia's customs legislation with the international standards of the Kyoto Convention, WCO, WTO, and others, constituting a step forward in terms of legal certainty. However, Decree 390 of 2016 is not completely in force, and it is necessary that Colombian authority implement the Decree, which includes some aspects of the Authorized Economic Operators regime (AEO) and risk management systems.

In addition, Decree 659 of 2018 modified more than 50 aspects of the Colombian FTZ, making the whole regulation fully coherent with Decree 390 of 2016, thus preventing misunderstandings that could lead to a dispute or that could impact investors' interests in Colombia.

Leaning Toward Nationalism or Globalism

Colombia has maintained internal and foreign policies that favor free trade and open borders (even following Venezuela's collapse, leading to an exodus of more than 1.3 million people into Colombia), as opposed to the worldwide trend that is moving nations' policies toward nationalism and protectionism.

During the last few years, the Colombian Congress has passed several bills supported by the central government in order to comply with the standards set by the Organization for Economic Co-operation and Development (OECD), the World Trade Organization (WTO) and the World Customs Organization (WCO), among others.

This new legislation has helped practitioners to more accurately interpret international trade pronouncements, because the applicable rules are now much clearer and less speculative.

In terms of dispute resolution inside Colombia between the administrative authority and foreigners (investors), there is still frequent divergence, mainly because tax and foreign trade matters are the responsibility of a single authority, leading to common misinterpretations of law.

Regarding the international context, Colombia has been recently engaged in discussions before the WTO dispute resolution mechanism concerning previous measures on textiles similar to those included in the PND. In October 2018, a WTO special panel assigned to a proceeding initiated by Panama against Colombia regarding tariff measures on shoes and textiles decided in favor of Colombia, as it did not find any breach of the international obligations of the country under the General Agreement on Tariffs and Trade (GATT). Panama appealed the decision.

The confirmation by the WTO that the tariff measure implemented by Colombia complies with international law contributed to the nation's reliance on the multilateral system, which is still regarded as legitimate and is supported by state institutions.

Bilateral or Multilateral Approach

Colombia's trade policy fosters free trade through the support of regional and multilateral organizations and agreements. Among them, the Free Trade Agreement involving Chile, Colombia, Mexico, and Peru—also known as the "Pacific Alliance"—is thought to be the most relevant free trade initiative in the continent, as it aims for deeper integration between nations and is not limited to tariff measures.

This contrasts with the Colombian government's decision to halt any further negotiations of bilateral agreements (both free trade and investment), which suggests that instead of looking for more agreements, Colombia's trade policy will aim to harness already existing bilateral and regional agreements.

However, recent government policies have limited some commodity imports, in an effort to defend national industries. For example, the National Development Plan (PND by its Spanish acronym) is a law that includes economic perspectives for the next four years, including a series of tariffs on textile imports.

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Top Trade Policy Priorities

Countrywide, French trade policies are decidedly progressive. The stated objective of President Macron and the French government is to enhance France's economic attractiveness to foreign investors by improving its competitiveness in the key industries of tomorrow's economy.

As such, the government has set up an extensive investment program of EUR 57 billion for 2018–2022 to help France prepare for the major challenges lying ahead. 20 billion euros will be dedicated to the ecological transition, EUR 15 billion to talent acquisition, EUR 13 billion to innovation and R&D, and EUR 9 billion to the creation of a digitalized State administration.

These efforts have already started to pay off, since in 2018 France was the first European destination for international investments.

The government purposely considers that innovation as one of France's major international competitive advantages. With 78 R&D centers across the territory in 2017 and with a historical increase of 85% in R&D projects in 2018, France has become the European center for innovation. The "French Tech" initiative implemented by the French government is a perfect example of this policy, with the aim to strengthen the dynamics of the French start-up ecosystem.

However, some gains are still to be made on tax competitiveness and the simplification of administrative processes, while France has been slowly recovering from a difficult social climate since November 2018.

Leaning Toward Nationalism or Globalism

French trade policies are also closely linked to the European Union. Within the European Union, most of the trade policies are regulated at the European level. France plays an active part in the negotiations with its European partners to develop policies designed to promote global trade.

Although France is conducting open and internationally oriented commercial policies, the French government does support a balanced approach. In particular, it reaffirmed its willingness to protect French business sectors by setting up a series of safeguard clauses and adjustment mechanisms to avoid any destabilization. France has also strengthened its trade defenced instruments by modernizing its antidumping regulation.

In addition, the government is planning to adopt a so-called "GAFA" tax (named after the initials for Google, Apple, Facebook and Amazon). This tax would target Internet and technology giants and would prevent them from "sheltering their profits" in countries with the lowest tax rates. Based on the perception that the digital economy is not contributing its "fair share" of tax revenues, this tax is expected to raise about EUR 500 million a year, according to French Finance Minister Bruno Le Maire.

Bilateral or Multilateral Approach

The European Union's commercial strategy is currently marked by the development of bilateral and regional agreements. Initially focused on internal trade, the European policy took a drastic turn with the implementation of the “Global Europe” program launched in 2006 and the negotiation of “next generation” trade agreements with an expanded scope. The aim of these new agreements is to suppress tariff and nontariff barriers globally and thus promote international trade.

This policy has led to the conclusion of several important agreements, in particular the CETA (Comprehensive Economic and Trade Agreement) with Canada and the JEFTA (Japan-EU Free Trade Agreement) which entered into force in 2017 and 2019, respectively. This commercial strategy is currently expanding as several agreements are under negotiation with Mercosur, Mexico, Australia, New Zealand, and Indonesia. Agreements with Singapore and Vietnam are in the process of being ratified.

Nonetheless, Brexit is today a major factor of instability. The European Union is a single market, which means that it is considered as one territory without any internal borders or other regulatory obstacles to the free movement of goods and services. The withdrawal of the United Kingdom from the European Union thus implies the withdrawal from this single market and, consequently, the reintroduction of customs duties with all Member States of the European Union. Brexit also means that the United Kingdom will withdraw from all European trade agreements.

Although Brexit has been repeatedly postponed in order to find common ground, the negotiation has not yet resulted in any agreement. Consequently, France is preparing for a no-deal Brexit scenario and its possible negative consequences, in particular concerning trade, through the adoption of several “emergency” Ordinances. As such, six Ordinances were signed between January 23 and February 13, 2019. From a trade perspective, they primarily aim at (i) enabling the rapid launch of works of utmost urgency necessary for the restoration of customs, sanitary, phytosanitary, and police controls at the borders between France and the United Kingdom; (ii) ensuring the continued supply of products and materials to the United Kingdom by licensed and authorized providers operating in the defense industry; and (iii) preparing for the United Kingdom’s withdrawal from the European Union with respect to financial services.

France also took the initiative to raise environmental and social standards as part of its trade policy at the European and international levels. All EU commercial agreements contain a chapter on sustainable development that provides for compliance by the parties with International Labour Organization (ILO) conventions and environmental agreements. France also expressed a strong commitment to ensure trade reciprocity to allow French businesses to fully take advantage of the opening up of markets around the world.

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Top Trade Policy Priorities

Being an EU Member State, Germany has transferred most of its trade policy competences to the EU, where the European Commission's Directorate-General for Trade develops and implements the EU's trade policy.

At the EU level, entering into new trade agreements has long been and remains a top priority. With the multilateral negotiations under the auspices of the WTO being in stalemate, the focus is currently on bilateral agreements such as the EU-Mercosur trade agreement, which the parties are hoping to finalize by the end of 2019. Another landmark was the conclusion of the EU and Japan's Economic Partnership Agreement, which entered into force on 1 February 2019, thus sending a powerful signal that two of the world's biggest economies still reject protectionism. Other governments have asked the EU to intensify free trade talks—most recently, Mexico, for example.

However, political changes have forced the EU to add a number of unforeseen priorities:

- Ensuring a smooth transition for pan-European businesses when the UK leaves the EU is important, both at the EU level and at a national level, where Germany has prepared, for example, national general export authorizations for the export of certain dual-use goods to the UK to avoid a sudden disruption to longstanding intra-European supply chains.

- Avoiding a further escalation of US-EU trade frictions, and in particular, the imposition of duties on motor vehicles is a top priority, both at the EU level and in Germany, whose automotive industry is vital for the domestic economy.

At the national level, German foreign investment control, which was previously relatively harmless, has become an enforcement priority—at least regarding investors from China. The number of in-depth assessments has increased dramatically in the last two years. Further, a tight control of the export of military or dual-use goods remains a top priority under the current government, and the German authorities continue to take a rather strict approach when enforcing German or EU export control rules.

Leaning Toward Nationalism or Globalism

Having been both an importer of raw materials and a major exporter of processed goods for a long time, Germany is well aware of the benefits of free trade. Also, the experience of two world wars in the last century as a result of nationalist (trade) policies, and of the subsequent stability and prosperity in Europe as a result of close economic and political cooperation within the EU has made Germany a strong believer in non-nationalist but plurilateral or multilateral trade policies. Within the EU institutions, Germany therefore normally strongly advocates for the EU to remain WTO-compliant when reacting to any trade concern, rather than taking unilateral measures to enforce the EU's short-term interests.

However, Germany is not immune to the global trend towards increased protectionism,. The German Minister for Economic Affairs recently published his view of a "national industrial strategy 2030," which calls for stricter foreign investment control, including the option of the country buying stakes in targets to better "protect" them from foreign investors. The paper also considers exemptions from merger control rules to allow for the creation of "European Champions." The strategy paper has been strongly criticized, and it remains to be seen which aspects of it will actually be implemented in the future and under new governments.

Bilateral or Multilateral Approach

Since the 2000s, the EU has slightly changed its strategic orientation by shifting its trade policy from a multilateral focus in the difficult negotiating framework of the WTO Doha Round to a more bilateral focus by initiating preferential free trade agreements (FTA) with countries and with regional blocks all over the world. The Doha negotiation turned out to be extremely difficult, mainly due to hardened positions between industrialized "Northern" countries and developing "Southern" countries. Since then, the EU has been successful in concluding many bilateral FTAs. However, even in times of increasing trade tensions, it is vital that the rules-based multilateral trading system, with the WTO at its core, is upheld and reinforced. This particularly applies to the EU as the world's largest exporter and importer of goods and services taken together, the largest foreign direct investor, and the most important destination for foreign direct investment (FDI). The failure of the TTIP negotiations and the still possible No-Deal Brexit scenario prove that a strong and sound multilateral trading system as the bottom line of international trade is indispensable.

Adaptation of Law Practice

The last two years have been characterized by a persistently high need for advice on sanctions on Russia. The reintroduction of US-Iran sanctions and the measures taken by the EU to this end (so called blocking statute) have also been a major issue for many German companies that had re-entered Iranian business in recent years. Despite the EU's efforts to maintain trade with Iran, many EU companies have effectively withdrawn from Iran.

In EU anti-dumping cases against China, legal certainty and predictability has further decreased because of the new dumping calculation method for companies from China, which raises many new questions, both in original investigations and in review procedures. Also, the question is whether the new method will be endorsed by the WTO, where China claims the method is not WTO-compliant.

We also expect a further increase in the number of Foreign Direct Investment (FDI) screening procedures. In spring 2019, the EU introduced a new regulation for the screening of FDIs. The regulation aims to provide a framework for the Member States to review foreign investments on the grounds of security or public order. It takes into account whether a foreign investor is controlled directly or indirectly, for example through significant funding, including subsidies, by the government of a third country or is pursuing state-led outward projects or programs. This is particularly targeted to Chinese outbound investments ("Made in China 2025" strategy). With its explicit focus on critical infrastructure, the EU Commission endorses the approach taken by the German government. However, the Regulation is a mere framework and does not need to be implemented by Member States. The sole competence for national security remains with the Member States. There will be no EU-wide procedure, only cooperation and information between the Commission and the Member States. The cooperation and information mechanism may result in longer review procedures. So far, 14 Member States of the EU have national investment screening regimes in place. In Germany, the new EU rules will supplement the already tightened regime.

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Top Trade Policy Priorities

India has recently undergone a general election that has resulted in the reelection, with a massive mandate, of the incumbent government of Prime Minister Narendra Modi for a second term from May 30, 2019. The new government has just taken the oath of office in the first week of June 2019. Experts expect India to fair better under Modi 2.0.

As per media reports, the new government will consider a group of proposals over the next 100 days to complete unfinished goals of fine-tuning reforms such as the bankruptcy code, spurring, private investments, reversing a slowdown in consumption, creating jobs and fixing farm policies. The finance ministry has prepared a 100-day agenda for the new government with an aim to push the economy, which has slipped to 6.6 percent in the third quarter of 2018-19. In its poll manifesto, the ruling political party BJP promised to turn India into a USD 5 trillion economy by 2025 and reiterated its promise to double farm income by 2022.

The government is expected to simplify GST by doing away with the two top rates of 18% and 28%.

The new government will also try to improve manufacturing and revitalize its Made in India initiative. The policy priority in the second term will be to reignite growth with prudence as secondary priority.

Another priority for the government will be to renew Narendra Modi's previous-term promise to double farmers' income by 2022. Last time, the Modi administration tried several new measures, such as the launch of e-mandi (marketplaces) for farmers across many states, hiking Minimum Support Price (MSP) of key crops, and announcing a PM Kisan Yojana to compensate landed farmers on their input costs.

India has also prepared a strategy to gain market access in China for its farm and pharmaceutical exports and to attract foreign companies looking to shift their manufacturing bases from China in the wake of the trade war between the United States and China. India's trade deficit with China stood at a record USD 63.04 billion in FY18.

Further, the government of India has launched several initiatives in the technology sector, such as Digital India and Start-Up India that have resulted in a push start for India's growth toward a digitally empowered society and a knowledge economy.

However, challenges also emerged as a by-product. The prominent ones include the threat to national cyber security, cybercrimes, misinformation, fake news, privacy, and data protection. Serious competition concerns are also contemplated due to the network effects and economies of scale reached by the digital technology giants by virtue of their new business models of pursuing growth at the expense of profit, which has resulted in allegations of predatory pricing and massive vertical integrations to suppress new entry by making their rivals dependent upon them.

In a nutshell, from the information available in the public domain, the top priorities of the new government are likely to be as follows:

1. Aspire for an export target of USD 1trillion each for goods and services to be achieved in the next five

years; it is the joint responsibility of government, financial institutions, and industry to ensure that all hurdles to boosting exports are gradually dismantled.

2. Three key aspects have been emphasized:

- Necessary trade policy reforms
- Improving trade logistics
- Improving export finance

3. Shift India's focus away from the regime of subsidies/incentives to reforms to boost the exports.

4. Build a robust data-protection framework that will achieve the dual purposes of privacy and innovation and that will strengthen India's position as a global tech leader with a focus on trust and innovation.

Leaning Toward Nationalism or Globalism

Like other developing countries, India has a longstanding tradition of supporting multilateralism, and it has always been an active member of the World Trade Organization (WTO) and of other multilateral organizations.

India Foreign Trade Policy, as outlined in the Foreign Trade Policy Statement for the period 2015–2020, is aligned with both India's interests in the negotiations and its obligations and commitments under various WTO Agreements.

In the ongoing Doha Round of trade negotiations, India has continued to work toward fulfilling its objectives and to work with like-minded members to remove asymmetries in the multilateral trade rules that place a developing country at a disadvantage, such as the rules relating to public stockpiling for food security purposes.

The current WTO rules, as well as those under negotiation, envisage the eventual phasing out of export subsidies. This is a pointer to the direction that export promotion efforts will need to take in the future, i.e., towards more fundamental systemic measures rather than incentives and subsidies alone.

However, the global economy is becoming increasingly protectionist. The countries that were the preachers of globalization and free trade are turning protectionist. These countries have also been the major beneficiaries of open and free trade. If this is the trend, then countries are bound to be driven by nationalism.

Some of the recent import tariff hikes by India made in response to the current global trend illustrate this apprehension.

Bilateral or Multilateral Approach

As noted above, India favors multilateralism. The WTO is key to the approach. The WTO has been effective in resolving trade disputes, except for the crisis in the WTO Dispute Settlement Body (DSB) due to nonappointment of Appellate Board members. If immediate appointments are not made, after December 2019 the dispute settlement body of the WTO will become dysfunctional.

IRELAND

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Top Trade Policy Priorities

As Ireland is part of the European Union (EU), the scope for deciding on independent trade policies is somewhat limited. The EU's common trade policy is developed and implemented by the European Commission's Directorate General for Trade and is an integral part of its wider 2020 strategy to boost employment and create a more modern, viable and sustainable economy. Under this strategy, the Directorate General for Trade has identified four specific trade objectives.

First, from an EU perspective, forging new trade deals and continuing to negotiate those that are currently in a state of flux is a top priority. There have been a number of trade deals entered into in recent times; for instance, the EU Japan Economic Partnership Agreement, which has applied since 1 February 2019; the EU Singapore Free Trade Agreement, signed in October 2018; and in July 2019, the EU Mercosur trade deal was agreed to by the EU following two decades of negotiations. While this deal engages all Member States, Ireland, being the fifth largest exporter of beef worldwide, will be particularly impacted by the tariff reduction that applies to beef from Brazil, Argentina, Paraguay, and Uruguay if the deal is voted through.

The second trade objective is the effective implementation of the EU's trade and investment policies. To successfully achieve free trade, the EU prioritizes monitoring the actions of its trading partners in order to rectify any discriminative or disproportionate barriers to trade. Third, the Directorate General for Trade strives to combat distortion and unfair trade practices (namely subsidization or dumping) in international trade as a matter of priority.

Lastly, the EU's success is inextricably bound with the success of trading partners, in both the developed and the developing world, and as a result, sustainable development is central to trade policy. Modern EU trade agreements contain rules on sustainable development. For example, the EU and its trade partners must follow international labor and environment standards and agreements; sustainably trade natural resources; combat illegal trade in threatened and endangered species of fauna and flora; and encourage trade that supports tackling climate change. It is interesting to note, however, that the foreign minister of Brazil (a party to the Mercosur deal) is quite sceptical of climate change.

At a national level, Ireland's trade priorities will depend greatly on the outcome of various EU deals. As mentioned above, the EU Mercosur deal will significantly impact one of Ireland's main exports, beef. The Minister for Agriculture and the Taoiseach (Prime Minister) have both indicated that they will vote against the deal if the economic and environmental assessments prove it to be against Irish interests. A main priority will be to protect Irish farmers and the beef export industry.

Ireland's trade priorities also very much depend on Brexit. Ireland's trade is predicted to be negatively affected in all exit scenarios. The UK is one of Ireland's biggest trade partners, and any tariff increases will have a huge effect on the economy. In the event of a no-deal Brexit, Irish exports to the UK will likely face tariffs at levels set down by the World Trade Organization (WTO). UK imports into Ireland will also be subject to tariffs that will increase prices and impact trade within the country. Whether Brexit is hard or soft, Ireland's trade policy future hangs on the economic arrangements between the UK and the EU.

Leaning Toward Nationalism or Globalism

Ireland's trade policy has been built upon free trade for many years. While the Trump presidency has somewhat brought a return to nationalist trade tendencies, Ireland historically has not performed well under a protectionist policy. We are a key exporter in a number of different areas such as agriculture, medical devices, pharmaceuticals, and technology/software. To this extent, we benefit immeasurably from free trade within the EU and from Free Trade Agreements (FTA) with non-EU countries. A protectionist trade policy would simply not be beneficial to Ireland, possibly with the exception of our agricultural sector. The EU Mercosur deal brings the danger of Irish beef prices being undercut by imported beef, and in that respect, this is a situation in which a protectionist policy seems more attractive.

Bilateral or Multilateral Approach

There are benefits to both a bilateral and a multilateral approach. Ireland participates in the FTAs of the EU, the European Free Trade Association, and the WTO, which has resulted in many multilateral agreements. Currently, WTO members are engaged in a round of multilateral negotiations known as the Doha Development Agenda, which includes the four main players of the food product trade: the EU, Brazil, India, and the US.

On the other hand, Ireland also has bilateral relationships, both as a member of the EU and as a sovereign nation. The EU has, or is currently negotiating, bilateral trade agreements with OECD countries, Euro-Mediterranean countries, and as mentioned, the Mercosur countries. Ireland as a nation has also enjoyed longstanding bilateral relationships with the United States and the United Kingdom. Certainly, post-Brexit, a bilateral trading relationship will be necessary to continuing trade with our closest neighbor.

Adaptation of Law Practice

The last two years have been hugely shaped by the possibility of Brexit in a number of different ways. From a business perspective, business has been generated as a result of those seeking to minimize the consequences of Brexit from both a business and legal perspective, in addition to a bank of new clients who have chosen Ireland as their new EMEA headquarters. This increased workflow has generated employment opportunities as legal practices are expanding at a rapid rate. We expect this to continue into the (near) future, but it is difficult to speculate what impact Brexit will have on the Irish economy and, in turn, on our practice, without knowing what form Brexit will eventually take.

MALAYSIA

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Top Trade Policy Priorities

Underlying Malaysia's trade policies are the commitment to multilateral trading systems and regional economic cooperation through Association of Southeast Asian Nations (ASEAN) as well as bilateral relationships. In terms of industrial policies, Malaysia has consistently promoted the growth of exports for both goods and services, and its policies are designed to facilitate and support open trade, enhance productivity, and reduce regulatory and administrative constraints.

In the initial years following the formulation of the New Economic Model (NEM) in 2010, concentration and focus were seen more in the domestic sphere, as the transformation was based on the three principles of high income, inclusivity, and sustainability to enable Malaysia to break out of the middle-income level. This was followed a year later with the launching of the Economic Transformation Programme (ETP), which aimed to project Malaysia to a high-income mark of USD15,000 of gross national income (GNI) per capita by 2020 through boosting both investment and private consumption.

Leaning Toward Nationalism or Globalism

The trade policy of Malaysia has developed over the years in tandem with international trade policies and is generally in favour of free trade, with the exception of protection accorded to certain selected critical sectors. Malaysia's trade policy was liberalized beyond that of goods when it joined the World Trade Organization (WTO). Subsequently, Malaysia concluded various bilateral and regional free trade agreements (FTAs), which accorded preferential tariff treatment to the relevant member countries; such commitments were beyond those of the WTO, marking the second phase of Malaysia's international trade arrangements.

Currently, Malaysia is in its third stage of international trade policies, which focuses on the entry into mega-regional trade agreements, such as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and the Regional Comprehensive Economic Partnership (RCEP) Agreement.

In March 2018, Malaysia endorsed the CPTPP, the successor to the Trans-Pacific Partnership Agreement (TPPA), alongside ten other member countries. The CPTPP is geared toward maintaining open markets, promoting world trade, and creating new economic opportunities for people of all incomes and economic backgrounds. As of today, the country has yet to ratify the CPTPP, which is expected to benefit Malaysia in terms of the ability to enjoy preferential tariff rates with CPTPP members but the debate appears to be ongoing as to whether the country will truly benefit from the open policies promulgated via CPTPP. It remains to be seen whether the present government, which assumed its office following the May 2018 general election, will proceed to ratify the CPTPP.

Malaysia is in the midst of negotiating the RCEP, which covers ten ASEAN member states and six states with which ASEAN has existing regional free trade agreements (Australia, China, India, Japan, New Zealand, and South Korea).

Bilateral or Multilateral Approach

A country's economic well-being and resolution of trade disputes is in our view most effectively handled via a multilateral approach.

For developing countries such as Malaysia, being part of a multilateral trade pact affords a pact member greater collective negotiation strength compared with a bilateral agreement. Under the multilateral approach, small developing nations such as Malaysia will have more leverage in negotiations when resolving trade disputes with a major WTO member. This becomes meaningful when developing countries in similar regions are similarly affected. This allows developing countries to act in concert with other similar developing nations that share the same stance on a particular dispute. For example, pursuant to the implementation of the regulation supplementing Directive 2018/2001 by the European Commission, which aims to restrict and ban palm oil biofuel in the EU by 2030, Malaysia is currently considering raising a trade dispute against EU's classification of palm oil as "high risk," together with Indonesia as these two developing countries form the two largest exporters of palm oil in the world, with the European Union being one of the largest importers of the palm oil produced by these countries.

Adaptation of Law Practice

With the adoption of the Belt and Road Initiative (BRI) by the Chinese government, there is a surge of foreign direct investment (FDI) from China, especially in the manufacturing sector. Between January and September 2018, approved FDI in the manufacturing sector recorded a total of RM48.8 billion, a rise of 249.4% from the previous year, out of which China accounted for 32% of the total FDI. Over the last two years, we have seen an increase in inbound work from China in various industries, such as automotive, logistics, e-commerce, construction, transportation, infrastructure, etc.

We also see a growing interest in the areas of e-commerce, FinTech, and artificial intelligence.

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Top Trade Policy Priorities

Since Mexico became a member of the General Agreement on Tariffs and Trade (GATT) on August 24, 1986, it has been a great promoter of the free trade of goods and services between countries and of trade liberalization policies.

Mexico was also a founding member of the World Trade Organization (WTO) and a recurrent user of the dispute resolution process foreseen under that web of multilateral agreements and under the WTO (as complainant in 25 cases, as respondent in 15 cases, and as third party in 104 cases).

In addition, since the 1990s, Mexico has negotiated, signed, and implemented a total of 14 Free Trade Agreements (NAFTA, Japan, the European Union, the European Free Trade Organization, Chile, Colombia, Israel, Peru, and Uruguay, among others), as well as five Preferential Trade Agreements (Argentina (ACE N°6), MERCOSUR (ACE N° 55), Brazil (AAP.CE N° 53), Paraguay (AAP.R 38) and Ecuador (ACE 29) in the terms of the ALADI and thirty-two (32) Agreements for the Reciprocal Promotion and Protection of Investments (Argentina, Brazil, Singapore, and China, among others).

Leaning Toward Nationalism or Globalism

Almost surprisingly, in spite of the nationalistic background that President Andrés Manuel López Obrador has shown, as well as his comments against neoliberal policies during his campaigns, the current government has expressed that it remains committed to a policy of free trade in goods and services and even of expanding our international commitments on the matter, seeking to diversify our exports to other countries and regions other than only centering our trade with its North America partners while, at the same time, promoting and seeking greater integration of local Mexican suppliers to the supply chain of exported goods, thereby increasing value added content to our exports.

Bilateral or Multilateral Approach

The series of FTAs that Mexico has thus far signed covers more than 50 countries and provides it with a comprehensive platform for the export of its goods and services, which in recent years has been enhanced by the negotiation and signing of three additional Free Trade Agreements of the last generation: i) the Comprehensive and Progressive Agreement for Trans-Pacific Partnership ("CPTPP), ii) an updated Free Trade Agreement with the European Union and, iii) the new Free Trade Agreement with the United States and Canada (USMCA).

However, mainly due to external pressure from the Trump Administration in the United States and since the change of its own presidential administration as of December 2018, Mexico has been going through a transition period that focused on ensuring its trade relationship with its principal trading partner (the United States) and in negotiating and obtaining the lifting and/or deferral of trade protectionist barriers involving steel and aluminum, Section 202 tariffs and general tariffs on goods due to migration policies and other politically motivated trade barriers.

That said, it must be noted that its international trade policy, during these initial six months of the current government has been at a standstill (a good deal as a result of having to react to US policies, the foreign ratification process of USMCA, and the uncertainty of Brexit and its effects on the negotiation of a new Free Trade Agreement with the UK), and has forced the Mexican government to take on a more reactionary role rather than a proactive role and to center its actions on finishing up outstanding matters of the past administration, such as the renewal of the ACE 55 with Brazil, conclusion of the new Free Trade Agreement with the EU, and implementation of the CPTPP.

At this juncture, although Mexico has faced an adverse environment to its now long-standing liberal trade policy, it remains committed to the promotion of free trade as a means of improving the socioeconomic status of its citizens.

That said, the current administration needs a clearer policy to confront protectionist measures and to foster a better environment for foreign investors after a series of questionable and controversial external decisions on infrastructure, energy and security matters, which may deter investment and which may ultimately have long-term effects on implementation of its goals on trade policy.

PARAGUAY

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Top Trade Policy Priorities

In the last decade, Paraguay has been one of the fastest growing economies in Latin America outpacing much larger countries in the region. New government policies have encouraged these growth trends.

In July, the European Union (EU) and Mercosur have reached a political agreement on a new trade framework that forms part of a wider Association Agreement between the two regions. The Mercosur bloc comprises Argentina, Brazil, Paraguay, and Uruguay. Over time, the agreement will remove duties on goods that EU companies export to Mercosur, such as industrial and agri-food sector goods, cars, chemicals, and clothing and footwear, among others. The agreement will also provide duty-free access, subject to quotas, for EU dairy products, which are currently subject to a 28 percent tariff.

Furthermore, in 2014, Paraguay issued its National Development Plan – Paraguay 2030 (NDP), which has three main purposes: to reduce poverty and increase social development, to seek inclusive economic growth, and to insert Paraguay properly into the global economy.

Since the adoption of the NDP, the country's economy has performed vigorously, due to the implementation of prudent fiscal, monetary, trade, and competition policies. New trade-related legislation was introduced, and existing legislation was amended during the review period in the areas of incentives for investment, electronic commerce, public-private partnerships, protection of competition, and simplification of businesses, among others.

The NDP also recognizes that public infrastructure and public services are key growth factors. In 2015, the government issued two tender offers for public-private partnership (PPP) projects in the transportation sector. As of this date, the Ministerio de Obras Publicas y Comunicaciones (MOPC) is considering additional projects under the PPP scheme, such as (i) the duplication of Route 1; (ii) the improvement, duplication and operation of Route No. 6; (iii) the improvement and operation of Route No. 3; and (iv) the opening, dredging, and signaling of the Paraguay river waterway.

Between 2015 and 2018, the government issued four tender offers for turnkey projects pursuant to Law No. 5.074/13 (the Turnkey Infrastructure Projects). Among them is the design and construction of a new road between Loma Plata and Carmelo Peralta (Corredor Bioceánico), which is expected to run from the Chilean sea ports of Antofagasta, Iquique and Arica to the Brazilian port of Santos, a major Brazilian port, thus connecting the Atlantic coast to the Pacific coast of South America. Corredor Bioceánico is expected to shorten transit times and decrease logistical costs of goods and services, which should benefit both importers and exporters in these countries. Additional turnkey projects are also underway, such as (i) the design and construction of Avenida Costanera Sur; (ii) the asphalt paving of the Cruce Centinela-Mcal Estigarribia-Pozo Hondo stretch; and (iii) the construction and operation of the second bridge access over the Paraná River, among others.

Leaning Toward Nationalism or Globalism

Paraguay is leaning toward a trade policy driven by globalism.

Paraguay's trade strategy is framed by the guidelines of its Plan Nacional de Desarrollo (PND) and is influenced by the country's participation in Mercosur. As such, Paraguay approved Mercosur's Protocol of Accession to the Agreement on the Global System of Trade Preferences Among Developing Countries, which is essentially a trade agreement signed by Mercosur members with the aim of increasing trade between developing countries in the framework of the United Nations Conference on Trade and Development.

Paraguay's policies regarding its presence on the global scene are also included in the PND, which encompasses (i) activities to attract investment and promote economic and regional integration; (ii) sustainability of the global habitat; and (iii) strengthening bilateral ties and diplomatic presence abroad.

Bilateral or Multilateral Approach

Multilateral agreements have proven to be more effective for Paraguay to promote trade negotiations and solve trade disputes, as they allow for better terms and conditions than bilateral agreements do.

As mentioned above, Paraguay is also part of the largest trading block in the region, along with Brazil, Argentina, and Uruguay. As a member of Mercosur, Paraguay is part of the EU-Mercosur Association Agreement, which will provide a boost to regional trade integration among these countries and create new opportunities for trade with the EU by removing tariff and non-tariff barriers to trade.

Paraguay is also a founding Member of the WTO and plays an active part in the work of the organization, especially in negotiating with groups such as the Cairns Group and the G-20 in the area of agriculture.

Adaptation of Law Practice

The current regulatory landscape in Anti-Monday Laundering (AML), compliance (tax, corporate), and antitrust, has adopted a mixture of both local and international principles to which organizations must abide when engaging in regulated sectors in Paraguay.

The increased sophistication in regulatory and reporting demands on organizations has resulted in a greater and more complex demand for outsourced legal compliance services.

We are acquainted with several bills concerning AML that will heavily affect the AML framework and will impact not only on financial services providers, but also will extend to other business and professionals (real estate brokers, lawyers, notaries, etc.).

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Top Trade Policy Priorities

Since the 1990s, Peru has pursued an open economy development model, which is, at its core, inextricably linked to promoting global trade. Simply put, Peru considers trade as a fundamental building block on which to promote economic growth and development.

Peru's approach to global trade is premised on the grounds that promotion and growth of trade requires coherent unilateral, multilateral and bilateral actions.

Today, Peru by choice does not impose duties on 70.4% of the items in its tariff schedule. Peru imposes duties, ranging from 0.6% to 11%, on the remaining items. As a result, there is a nonweighted average tariff of 2.2%, one of the lowest in the continent, down from over 60% in the mid-1990s.

Leaning Toward Nationalism or Globalism

Alongside this unilateral, nonprotectionist approach to tariffs, all Peruvian government administrations over the past three decades have actively supported and pursued multilateral trade and dispute settlement mechanisms. Peru considers its participation in the multilateral trading system a pillar to achieving sustainable economic growth through an increase in and diversification of trade, particularly of nontraditional sectors. Accordingly, Peru has been a member of the WTO since its inception in 1995 and has been proactive in various intergovernmental trade forums and unions, including the CAN (Comunidad Andina de Naciones, 1996), APEC (Asian Pacific Economic Cooperation, 1989), Mercosur (Mercado Común del Sur, 1991) and more recently the Pacific Alliance (Alianza del Pacífico, 2011).

In addition, as a mechanism to bypass the inertia and prolonged negotiation periods often associated with multilateral trade treaties, Peru has also been particularly active in pursuing parallel bilateral Free Trade Agreements (FTA). The bilateral approach to trade has reduced transactions costs (i.e., it is easier to reach consensus over a wider variety of topics in a bilateral negotiation) and has allowed for the expansion of dispute resolution mechanisms. These mechanisms are attractive and grant greater security to foreign investors (e.g., International Centre for Settlement of Investment Disputes (ICSID) dispute resolution). As a result, subsequent governments have been able to put in place FTAs with the United States, China, the EU, Canada, Japan, and South Korea, among others. As of 2019, Peru has signed 19 international trade agreements with countries that represent 61% of global GDP and cover 90% of the country's cross-border trade.

Global exports represent 21.2% of Peru's GDP. Accordingly, fluctuations in world trade may cause significant repercussions domestically. Increasing tensions and the escalating trade war between China and the United States are particularly relevant, since these two countries are Peru's top trading partners. In Q1 2019, China represented 30% of Peru's exports and 26% of its imports, while the United States represented 12% of Peru's exports and 20% of its imports.

Bilateral or Multilateral Approach

In this new external context, characterized by growing tensions, Peru has held steady in its globalist approach to trade, seeking to further diversify its trading partners. Accordingly, Peru is currently negotiating FTAs with both Argentina and India, while also preparing to ratify the Comprehensive and Progressive Agreement for Trans-Pacific Partnership – CPTPP (i.e., free trade agreement between Canada, Australia, Brunei, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam). Once the CPTPP is fully implemented, the 11 participant countries will form a trading block representing 495 million consumers and 13.5% of global GDP.

Adaptation of Law Practice

Peru remains one of the region's most stable economies, with real GDP growth of 4% projected for 2019. Despite a major improvement in Peru's infrastructure over the past decades, the amount of capital invested in infrastructure and access to basic services remains insufficient. This is reflected in the 2017/2018 competitiveness index published by the World Economic Forum, which ranks Peru 111 out of 137 countries in terms of overall infrastructure quality (85th in airport infrastructure, 108th in terms of the quality of its roads, 83rd in relation to port infrastructure). Consequently, one of the main challenges for Peru in continuing to trade and grow at relatively high rates, in the long term, is to reduce its "infrastructure gap." This gap is particularly pronounced in the transportation sector, in a context characterized by a weak executive marred by political corruption scandals involving the construction industry that has, in turn, rendered the country incapable of promoting any meaningful projects.

General elections will be held in 2021, and consequently dramatic shifts in trade policies (and in legal practices associated with international trade) are not expected to occur in the immediately foreseeable future.

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Top Trade Policy Priorities

Being part of the European Union (EU), Portugal's trade policies and position cannot be separated from the policies undertaken by the EU, being totally aligned with the principles of an open market and rules-based trading system that promotes fair trade with more transparency, following the EU values.

Indeed, the EU foresees the free movement of goods, capital, services, and labor among its members, and Portugal has been part of several bilateral and multilateral trade agreements with third-party countries outside the EU envisaging the implementation of similar principles, besides being part of the WTO (World Trade Organization) since 1 January 1995, and part of its predecessor GATT (General Agreement on Tariffs and Trade) since 6 May 1962.

Leaning Toward Nationalism or Globalism

Portugal has a long history of trade, having always considered it an essential and prime instrument for internal growth, job creation, and investment opportunities. Keeping that in mind, the top trade policy priorities for the following years are the enticement of foreign investment to the country by means of tax benefits, such as "non-habitual residency benefits"; the investment opportunities providing residency permits, such as "golden visas"; and, the creation of jobs and investment opportunities.

The main areas of investment are clearly focused on digital technologies and the IT sector, which was boosted by the allocation of the "Web summit" in Portugal for the next ten years. This leads Portugal to lean toward a more global and multilateral position in terms of trade policies, with the support of lesser regulatory barriers to promote digital services and technologies, either inside the EU or on a worldwide basis. This being said, we believe that Portugal is driven more by a global trade policy rather than by nationalism, and this will be the tendency for years to come.

Sustainability, environmental policies, and social impact measures are also hot topics in Portugal, and they will clearly be a priority in the coming years. Indeed, Portugal was one of the first countries in the EU to ratify the Paris Treaty, signed in 2016, under which each adhering country must determine, plan, and regularly report on the contribution undertaken by each country to mitigate environmental risks and to reduce the risks and effects of climate change and global warming. This will make the Portuguese government supportive of implementing trade polices focused on the defense of those goals.

As Portugal's economic recovery is following an overall upward trend, with GDP back to pre-crisis levels, a substantially lower unemployment rate, renewed investment, and domestic consumption now joining a robust export sector to drive the economy, the country continues to have strong commercial relationships (outside the EU scope) with the Portuguese-speaking countries Angola and Mozambique, as well as Brazil.

Bilateral or Multilateral Approach

Multilateral or bilateral trade agreements, which way to go is difficult to determine. Both have obvious pros and cons. Portugal has always favored a multilateral approach, being part of several multilateral organizations, such as NATO, OECD, OCDE, UNCTAD, The Forum for Economic and Trade Co-operation between China and Portuguese-speaking Countries, Organization of Ibero-American States, and Community of Portuguese Language Countries, among others. These relationships level the playing field in the international market and contribute to increase trade practices with benefits for the country's economic well-being.

Multilateral trade agreements may have positive effects, but they also have their downsides. And although bilateral trade agreements may not have a significant impact on economic growth as much as multilateral trade agreements do, in specific circumstances the negotiation and implementation of a bilateral agreement may be more attractive as compared to multilateral negotiations. Generally speaking, they will likely be easier and faster to conclude.

There can be specific situations where a bilateral approach and preferential trade agreements can better serve the interests of the participating parties, especially when there are long-lasting trade relationships between two countries. As an example, we refer to the United Kingdom and the Brexit situation—due to the close historical relationship between Portugal and the UK, it would decidely be important to negotiate a bilateral trade agreement between these two countries.

As for trade dispute resolutions, Portugal has often promoted and pursued arbitration. As it is the nerve center of investment in the Portuguese-speaking world, Portugal intends to promote a modern legal framework for arbitration and to be considered an international arbitration hub to resolve cross-border disputes.

Adaptation of Law Practice

The globalization and increasing global uniformity of trade regulations and practices (under either multilateral or bilateral arrangements), as well as the uniformity at the level of legal and ethical standards, have presented several challenges for the transactional lawyer in the past few years and will likely continue to do so.

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Top Trade Policy Priorities

Sanctions imposed on the Russian Federation in 2014 by the United States and the European Union, as well as response measures taken by the Russian government, have led to a decrease in trade between Russia and the rest of the world. It follows that Russia has had to adapt to new conditions and find new trading partners in areas where European and American goods previously dominated. Trade statistics clearly demonstrate how Russia has turned to the East in an attempt to fill the emerging gap. As a result, China and India have become the main beneficiaries of trade with Russia. The trade turnover with these countries has steadily been increasing over the last few years. China, which before the imposition of anti-Russian sanctions was Russia's main trading partner, has further strengthened its economic and political ties with Russia.

In the current geopolitical situation, Russia actively strives to develop the Russian national economy. For purposes of the scientific-technological and socio-economic development of Russia, certain priority national goals were approved by decree of Russian President Vladimir Putin. So called "national projects" were prepared in areas of strategic development, including those that have been approved for use until late 2024. The document outlined twelve priority areas: the digital economy, international cooperation and export, small and medium businesses, and support for business initiatives are among them.

One of Russia's key strategic goals in the area of foreign trade policy is to increase the share of non-resource and non-energy exports. Exports of competitive industrial products are also expected to grow. For example, exports of machine-building industry products are expected to grow by 82% and exports of chemical and petrochemical products by more than twofold. Also, Russia has ambitious plans to strengthen its agriculture industry and to boost exports of agricultural produce twofold.

Leaning Toward Nationalism or Globalism

Taking into account the current atmosphere of economic sanctions and trade restrictions, the Russian state's trade policy is more focused on the development of the national economy, which is supported by national projects. Despite the fact that protectionism reduces the openness of the Russian market to other market participants, this position allows protection of national interests.

In the current economic situation, the dependence of the Russian economy on foreign technologies and production capacities has become obvious. In this regard, a system of measures to support the Russian economy was adopted at the state level, namely, the establishment of Russia's own domestic production (i.e., so-called import substitution), and the localization of production.

The import substitution policy is aimed at increasing the share of Russian products, as well as developing domestic analogues of imported equipment. Today, a number of Russian government decrees prohibit or severely limit the admission of certain types of goods from foreign countries for public procurement purposes. So, in order to overcome these limitations, one must either produce products that have no analogues in Russia or reach the required level of localization of production and as a result receive the "Made in Russia" status.

The best example of such import substitution is a shift of state-owned companies to the procurement of exclusively domestic software. Since 2016, the state customer must give priority to Russian products when purchasing software for public purposes. This also covers strategically important sectors, such as military-industrial and fuel and energy. In addition, since 2014, the production volumes of almost all import-substituting food products have increased.

However, Russian trade policy is not limited only to national projects. Russia continues to work closely with Asian countries, as well as with neighbors on its geographical borders, including the countries of the Commonwealth of Independent States and the Eurasian Economic Union.

Bilateral or Multilateral Approach

Variations in trading practices of different countries can lead to mutual misunderstandings between business partners, which may lead to disputes and legal proceedings accompanied by a loss of time and money. With the liberalization of foreign trade and the reduction of trade barriers in the world, the bilateral approach gives way to multilateralism. However, bilateral and multilateral approaches have both advantages and disadvantages. And for each situation, one approach or another may be more convenient.

For example, before joining the WTO, Russia basically built its relations with trading partners on the basis of bilateral trade agreements. And so far, Russia is a party to more than fifty bilateral treaties that are still used in practice. In our opinion, bilateral treaties are a more convenient form of formalising relations between two states, since they take into account the interests and peculiarities of two specific states as much as possible and thus foster the most applicable terms of trade cooperation. However, the significant advantage of multilateral treaties is the establishment of common rules and principles of trading. For example, Russian business considers international commercial terms to be a convenient tool and often use them in foreign trade contracts in order to avoid discrepancies in the interpretation of the terms and conditions of sales transactions. On the other hand, recent geopolitical developments (sanctions and trade wars) demonstrate that international organisations and the usual mechanisms for resolution of trade disputes no longer work.

Adaptation of Law Practice

Thanks to the import substitution policy of the Russian government, we have seen a number of projects connected with localization of production. Despite all the restrictions, foreign producers of goods do not want to lose the Russian market and are trying to adjust to new requirements, including by setting up manufacturing facilities in Russia.

Another trend is the increasing number of Russian clients. They are very active in pursuing opportunities outside their home country but also are very keen to partner with international players who are not put off by political considerations.

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Top Trade Policy Priorities

Taiwan has an important role in the global economy as a well-known player in the world's information and communication technology industry (ICT), as well as a major supplier of goods across the industrial spectrum. The trade policy of Taiwan is leaning more toward globalization, as Taiwan actively participates in the WTO and additionally executed two bilateral Free Trade Agreements with New Zealand and Singapore, respectively, in 2013. Both of these agreements go beyond WTO requirements. Taiwan is now making intensive efforts to join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and the Regional Comprehensive Economic Partnership (RCEP). In addition, Taiwan has adopted a new model for economic development to boost growth by promoting innovation, increasing employment, and ensuring the equitable distribution of economic benefits. Taiwan is endeavoring to strengthen global and regional connections through the New Southbound Policy, which aims to diversify the nation's international markets by expanding links with ASEAN member states so as to decrease the concentration on the China market. In addition to the New Southbound Policy, the main goals of trade policies that have been adopted and actions that have been taken in the past two years are the implementation of trade facilitation measures, promotion of regulatory convergence, negotiation of preferential trade agreements, reform of the tariff structure, and reduction of the costs of acquisition of inputs, capital goods, and information technology goods.

In our view, Taiwan's overall trade policy continues to be one that is based on the premise that open trade, global and regional connectivity, economic growth and performance, rising living standards, and innovation are all strongly linked. Taiwan continues to pursue combined unilateral, bilateral, regional, and multilateral approaches to achieve a comprehensive trade policy.

For foreign investment, Taiwan continues its policy of encouraging investment to provide a new engine for economic growth, as the Department of Investment Services under the Ministry of Economic Affairs (MOEA) provides one-stop investment information services related to planning, launching, and expanding investment in Taiwan. Taiwan also promotes investments in the 5+2 innovative industries including "5" – intelligent machinery, an Asian Silicon Valley, green energy, biomedicine, and national defense and aerospace, plus "2" – new agriculture and the circular economy by using tax and non-tax incentives and other relevant measures.

Leaning Toward Nationalism or Globalism

Taiwan has been leaning more toward a trade policy driven by globalization in recent years rather than by nationalism, especially with the increasing participation in and the strengthening of the connectivity with ASEAN countries. Also, diversifying overseas markets and broadening the scope of its trade policy have been primary priorities of Taiwan. Additionally, creating a friendly business environment is also a key component of Taiwan's investment policy, and recent efforts have focused on the reduction of investment barriers and promoting a more accessible and transparent regulatory environment. However, control over investment involving Chinese parties and Chinese capital is still relatively tight. For example, foreign investors are required to submit a declaration indicating that no Chinese capital is involved in their investment application. Also note that the Anti-Money Laundering Act was amended in 2016 and in 2018 pursuant to the 40 recommendations issued by the Financial Action Task Force. Review of the sources of capital has becomes more strict. For example, foreign investors must indicate their beneficiary owners when applying for foreign investment approval.

Taiwan is committed to expanding domestic demand, developing trade in services, enhancing its international competitiveness, and reducing its overall dependence on specific trading partners.

The key approaches and the early dividends of the New Southbound Policy include the following:

• Economic and trade collaboration: For the prior ten months ending with March 2017, Taiwan's trade volume with target countries grew 10.11 percent year-on-year, which was higher than the 7.76 percent growth rate for trade with all countries. Taiwanese companies, including Taiwan Sugar, Taiwan Fertilizer, Taiyen Biotech, Chunghwa Telecom, petroleum refiner CPC Corp., shipbuilder CSBC Corp., and China Steel Corp. have invested in 31 projects in ASEAN countries to date. A Machinery Marketing Alliance was established to make inroads into supply chains in the target countries.

• People-to-people exchanges: Deepening bilateral exchanges of scholars, students, and industry professionals.

• Resource sharing: Promoting bilateral and multilateral cooperation in culture, tourism, medical care, technology, agriculture, and small and medium-sized enterprises. Early dividends have been cooperation in agricultural, culture, and medical technological sectors through the signing of bilateral agreements and memorandums of understanding, cooperation in film exhibits, regional disease control networks, medical regulatory harmonization, personnel training and bilateral exchanges, and regional cooperation on scientific research.

• Regional links: Building systematic bilateral and multilateral cooperation with partner countries while strengthening negotiations and dialogue. Early dividends are (1) stronger bilateral exchanges—Taiwan's dialogues with governments in the New Southbound countries have been broader, more frequent, and held at higher levels and have featured more high-level delegation visits over the past year; and (2) bilateral investment protection agreements—to protect the investments of Taiwanese companies, the government is in active discussions with New Southbound countries to sign and update investment-protection agreements.

Bilateral or Multilateral Approach

In consideration of Taiwan's international participation, trade disputes involving a Taiwan entity should be resolved bilaterally and multilaterally. Bilaterally, some of the disputes among Taiwan's trading partner countries, may, through successful consultation and negotiation, be resolved and settled with the trading partner on a win-win basis. Multilaterally, Taiwan also makes good use of the WTO dispute settlement mechanism and participates in such disputes as a third party to secure its trade interests.

Adaptation of Law Practice

The nature of our practice has not changed significantly in recent years. However, we have noticed that due to the change of the investment environment, foreign companies are increasing their participation and investments in Taiwan, especially in the energy sector and relevant supporting services. In addition, control over capital and investment from China has become increasingly strict in the most recent years, as investment from Chinese parties is subject to the "Act Governing Relations between the People of the Taiwan Area and the Mainland Area," which is more complicated than the investment procedures applicable to investors from other countries. Also, Taiwanese companies are become increasingly outward looking and international compared to the past few years. Exports from Taiwan were previously more intensively directed at only certain trading partners, but now export destinations have become more global and diversified. We believe that this constitutes a good change to Taiwan's trade environment, and we expect increasing development to follow.

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Top Trade Policy Priorities

The Thai government, across multiple administrations, has had a long history of promoting globalism and encouraging free trade. Thailand strives to participate in globalist trade policies through the promotion of multilateral, and regional trade agreements, in order to increase the country's competitive advantage and further develop its economy. Current trade policies principally focus on negotiating Free Trade Agreements (FTAs) and expanding investments with current trading partners. The government encourages inbound investment through the launch of incentive programs such as the Eastern Economic Corridor (EEC), which in turn creates a supportive business environment and ecosystem for foreign investors. As a developing country, Thailand's immediate best interests can be well met through participation in selected multilateral agreements and the promotion of globalist trade policies. Multilateral agreements can protect developing countries from potential trade exploitation by conferring Most Favored Nation (MFN) status, standardizing commerce regulations, and generally limiting negotiating disadvantages that may accompany bilateral agreements with partners that have stronger economies.

Leaning Toward Nationalism or Globalilsm

Thailand has repeatedly demonstrated commitment to multilateralism through engagement with multilateral organizations. It was one of the founders of the World Trade Organization (WTO) and has been an active member since 1 January 1995. As a WTO member, the country has made periodic use of the WTO Dispute Settlement System: in 14 cases as a complainant, in 4 cases as a respondent, and in 93 cases as a third party. Thailand has "a historically strong relationship" with the Organization for Economic Co-operation and Development (OECD), and it was the first nation in the region to participate in an OECD Country Program. In addition, Thailand maintains an active role in expansive regional organizations, such as Asia-Pacific Economic Cooperation (APEC), Asia-Europe Meeting (ASEM), and Asia Cooperation Dialogue (ACD).

Thailand has particularly pursued multilateral agreements within the Southeast Asian region. It was one of the five founding countries to sign the Association of Southeast Asian Nations (ASEAN) Agreement in 1967 with an aim to cooperate in and benefit from the economic, social, cultural, educational, technical, and other common elements among ASEAN countries. Because of trade liberalization under the ASEAN Free Trade Area (AFTA) and thereafter the ASEAN Trade in Goods Agreement (ATIGA), merchandise trade within ASEAN is almost completely duty-free. Quantitative and other nontariff barriers between member nations are gradually being eliminated as well. Thailand also assisted in forming the ASEAN Economic Community (AEC) in 2015, with the purpose of promoting economic integration and a single market and production base among all ten ASEAN countries. The country is further represented in subregional cooperative initiatives: Greater Mekong Sub-region (GMS), Indonesia-Malaysia-Thailand Growth Triangle (IMT-GT), and Ayeyawady-Chao Phraya-Mekong Economic Cooperation Strategy (ACMECS).

Bilateral or Multilateral Approach

As the current ASEAN chair, Thailand promotes free trade by working to finalize negotiations on the Regional Comprehensive Economic Partnership (RCEP) agreement by the end of 2019. This achievement would expand trade connectivity between ASEAN, China, India, Japan, South Korea, Hong Kong, Australia, and New Zealand, all of which already have individual Regional Trade Agreements (RTAs) in force with ASEAN. Thailand is similarly involved in negotiations with the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) trade group. In 2020, Thailand aims to conclude negotiations and sign FTAs, under negotiation now, with Turkey, Sri Lanka, and Pakistan. Thailand also plans to negotiate FTAs with the European Union (EU), the European Free Trade Association (EFTA), and the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC).

The Thai government continues to launch programs to ensure the country's role as the economic hub of Southeast Asia, best exemplified through its substantial Eastern Economic Corridor (EEC) project. Another similar program involves establishment of Special Economic Zones (SEZs). The SEZs support infrastructure development to stimulate economic growth in Thailand's ten border provinces. Investment incentives for foreign investors include reduced taxation, one-stop service provision, and priority access to foreign labor for operations in the SEZs. China's foreign investment has increased considerably in recent years, and the Thailand Board of Investment (BOI) has established three offices in China to better facilitate Chinese investment. The BOI has actively supported China's Belt and Road Initiative as a means of increasing investment and trade, especially on a regional level. The Thai government has also worked closely with the Asian Development Bank (ADB) to further promote the economic growth, productivity, and competitiveness of both Thailand and the region. ADB has consistently supported government's "Thailand 4.0" plan, designed to respond to the "Fourth Industrial Revolution" (or "Industry 4.0") by modernising and refocusing the Thai economy on technological innovation, research, and production.

Adaptation of Law Practice

This year, the Ministry of Commerce announced that Thailand would focus on enhancing connectivity of, and competitiveness among, ASEAN countries to strengthen regional trade. Thailand hosted the 34th ASEAN Summit on 20–23 June 2019, which focused on promotion of technological evolution for managing the challenges and opportunities of the digital era, and promotion of the connection of a one-stop electronic customs system within all ASEAN countries. Additional goals included promotion of exports by supporting a Strategic Partnership with all potential trading partners; enhancing trade cooperation within Cambodia, Laos, Myanmar and Vietnam (CLMV) countries; establishing an International Business Network; and, developing digital trade platforms connecting local trade to the global arena. For current trading partners, Thailand intends to expand total investment value, e.g., for China from USD 70 billion to USD 140 billion in 2021; for Cambodia from USD 6 billion to USD 15 billion in 2020; and for Laos from USD 6 billion to USD 11.8 billion in 2021.

For the past several years Japanese FDI has been significant in Thailand; representing 32% of all Board of Investment applications in 2018. Supported by integration with Mori Hamada & Matsumoto in 2017, the Japanese client base has grown, with approximately 50% of the firm's M&A transactions now involving Japanese corporates. Another important commercial development is the growing interest in Real Estate Investment Trusts (REITs). The SEC approved a new regulatory framework for establishing REITs in 2010 and continued with regulatory changes that eased limitations on former property fund rules—further incentivizing the use of REITS by developers and private investors. The firm brought in a REIT team early in 2018. As highlighted earlier, the government's EEC program and associated infrastructure projects are key to positioning Thailand as the economic hub of Southeast Asia; our team advises consortium members within bidding groups on many of these projects. Looking ahead, Thailand has an effective antitrust law; however, supplementary regulations, particularly those affecting enforcement, are now in place. Concomitantly, the firm is focusing on developing expertise in this area of the legislative environment.

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Top Trade Policy Priorities

In the past year, one of the focal points of the Ministry of Trade has been to assist the Ministry of Treasury and Finance in its struggle against inflation. Accordingly, 2018 and 2019 saw Minister of Trade Ruhsar Pekcan make reforms to support Turkish exporters. Turkey revised the Turkish EximBank, making it more accessible for exporters and especially providing its services to the exporters doing business in Turkish Lira. Turkish EximBank continues to be instrumental as a new support package was announced by Ruhsar Pekcan for the high-tech product exporters. In addition to the active employment of Turk EximBank, in late 2018, a piece of legislation that requires import proceeds to be brought back to Turkey was promulgated, in further efforts to stabilize Turkish Lira. We expect the facilitation of exportation to remain as one of the top priorities of the Turkish trade policy. Considering that Turkey broke its historic record of exports in May 2019, during a time where protectionist waves are on the rise throughout the world, it is easy to argue that the Ministry is reaching its targets.

On another front, Turkey is working on a free trade agreement to be signed with Japan, and Ruhsar Pekcan recently announced that the parties have intensified their efforts to expedite the process in the recent past. A Turkish trade delegation also met with Liam Fox, Secretary of State for International Trade of the United Kingdom regarding future collaboration between the two countries. We expect the facilitation of international trade relations and perhaps initiation of negotiations for new free trade agreements to remain as one of the priorities of the Ministry of Trade.

Finally, we should also mention modernization of customs and removing technical obstacles to trade as another goal of the Ministry of Trade. In May, Turkey amended the main piece of legislation that governs customs transactions. With the amendment, the Ministry has introduced a number of changes on laboratory tests, warehouses, and custom declarations, among others. These amendments aim to simplify the customs procedures in an effort to facilitate trade.

Leaning Towards Nationalism or Globalism

Although we observe that the trade defense instruments are being actively used by the Ministry of Trade in accordance with the contemporary context of international trade, we expect Turkey to continue to use these instruments only if faced with an unfair trade practice. Last year, Turkey initiated a safeguard investigation over steel and iron products, partially as an answer to the protectionist measures taken on these products around the world. However, this investigation has recently been terminated without any actions. When this attitude is read together with the efforts from the Ministry of Trade on trade facilitation and countless statements from the Ministry of Trade calling for adherence with the World Trade Organization (WTO) rules, we believe that Turkey is leaning toward globalism with an unwavering loyalty to the rule-based multilateral trading system. In the recently held G20 meeting, Ruhsar Pekcan once again warned against the threat of protectionism and emphasized that Turkey is a supporter of the multilateral trading system and the WTO.

Bilateral or Multilateral Approach

Turkey has been one of the relatively active members of the WTO ever since it became a member on March 26, 1995. Thus far, Turkey brought 5 cases, responded to 12 cases, and became a third party to 94 cases. Last year, Turkey filed another request for consultations with the United States over the steel and aluminum tariffs, joining a number of other countries which have already done so. After countless meetings with the Trump Administration, the U.S. tariffs on iron and aluminum products originating in Turkey were cut in half. However, the United States simultaneously terminated the Generalized System of Preferences (GSP) designation of Turkey, leaving us to wonder what will be the next step in this intricate relationship. As a conclusion, we believe that Turkey uses the multilateral forum provided by the WTO and bilateral negotiations simultaneously and the most effective solution is achieved by utilizing a balanced mixture between the two.

Adaption of Law Practice

With the full-scale trade war between United States and China going on since 2017, rising protectionism around the world changed our practice and we are more focused on the trade defense instruments of the countries. Although it is difficult to foresee where the rapidly shifting dynamics of international trade will lead our practice in the future, we believe one thing to be certain: all the members of the WTO have to work harder to preserve the rule-based multilateral trading system.

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Top Trade Policy Priorities

The short-term trade policy of the United Kingdom continues to be dominated by the question of the future status of the UK-EU relationship and the agreement of a road map for the UK's withdrawal from the EU. This has left little scope to consider longer-term trade policy priorities.

There are a number of possible outcomes that will shape UK trade policy in the coming 12 months:

- The current legal default position is that the UK will depart from the EU on October 31, 2019.
- Ratification by the UK Parliament of the current version of the Withdrawal Agreement (which after three attempts seems very unlikely) whereby a transition period applies until December 2020, extendable for up to two years while the UK and EU negotiate a future trading relationship.
- If the Withdrawal Agreement is not ratified, the UK will have no terms of trading with the EU—whereby there would be a "no-deal" Brexit and World Trade Organization (WTO) terms would be the default position.
- Alternatively, the UK government may request of the other EU27 a further extension of the Article 50 Notice period so the UK would remain in the EU for an extended period. This may be to (1) allow a general election; (2) have a second referendum of a number of options for the future relationship with the UK, including the option of remaining; and (3) further negotiations between the EU and UK (the EU27 have indicated that this is only possible with the Political Declaration accompanying the Withdrawal Agreement).
- Revocation of Article 50 and UK remains within the EU. At the time of writing, this is legally possible but politically very unlikely.

With regard to UK–third country trade, the focus has been on trade continuity to preserve UK preferential market access under the 40 agreements that the EU has with more than 70 countries. At the time of writing, the UK had negotiated to "roll over" around 12 trade continuity agreements with third countries. The main agreements thus far have been with Switzerland and South Korea. However, there are limitations to the scope and temporal application of some of these agreements. For instance, the agreement with Norway applies only to goods. Further, the EU is currently blocking a request from South Korea and the UK to allow diagonal accumulation, which would allow the substitution of EU for UK-originating materials and vice versa.

No concrete progress has been made with respect to the negotiation of a rollover agreement with three other major trading partners — Canada, Japan, and Turkey.

Leaning Toward Nationalism or Globalism

The current UK government's trade policy promotes a "Global Britain" agenda, seeking trade and investment liberalisation. There is currently no clarity as to what the UK's relationship with the EU, its biggest trading partner, will be in the future. This means that many third countries are reticent to negotiate anything other than a "holding situation" with the EU, pending greater clarity of that issue.

There is now stagnation at a political level over the direction of future UK-EU trade policy. On the one hand, the right wing of the Conservative Party considers that the UK should use Brexit as a means to "open up" to the rest of the world. By contrast, the Labour Party wishes the UK to remain in the EU Customs Union and the Single Market. If there is a General Election and the Labour Party is appointed to the UK government, the UK's external trade policy would fold into that of the EU.

Bilateral or Multilateral Approach

In times when the trade policy of key global trading countries is in constant flux, it is likely that a bilateral approach to trade agreements, prima facie, is a "quick win." In theory two trading partners can negotiate an outcome in a shorter time-frame, minimize the risk of one party's behavior jeopardizing the conclusion of an agreement, and achieve a greater depth and breadth of coverage of not only market access for goods but also investment and services.

On the other hand, as much as they can be beneficial for a party with stronger leverage, bilateral agreements can overcomplicate the overall trading environment by creating a "spaghetti bowl" of twisted rules of origin and complex custom rules that businesses—the immediate beneficiaries of such arrangements—find difficult and costly to navigate. Adding layer upon layer of bilateral trade agreements results in diminishing return in terms of how extensively agreements are utilised.

Aside from its membership in the WTO, the EU, and therefore the UK (as it currently stands), is party to just two multilateral trade agreements: the European Union Customs Union, which forms a fundamental part of the European Union: and the European Economic Area.

The EU-Turkey CU is under criticism for many aspects (it is essentially outdated), and in particular comes under fire for the absence of an effective dispute settlement mechanism. On April 2, 2019, the EU initiated a formal dispute before the WTO against Turkey's efforts to incentivize the production of pharmaceutical products in Turkey. This focuses on Turkish measures to promote the local production of pharmaceutical products, which are otherwise imported. This scenario may have been avoided had, firstly, the EU and Turkey negotiated a broader comprehensive trade agreement and, secondly, if a dispute settlement mechanism were in place.

Adaptation of Law Practice

The uncertainty surrounding Brexit and the future UK-EU trade relationship is a significant concern for UK, EU27 and other third-country businesses. It is likely that, whatever the future EU-UK relationship, businesses will face new pressures in complying with additional customs control processes.

Customs compliance has become a highly relevant area for UK businesses. Clients are increasingly looking to law firms for their experience and advice to navigate these issues and prepare for Brexit. This includes a reconsideration of contractual arrangements with distributors and freight agents, evaluation of existing customs procedures, and providing advice in relation to the adjustment and implementation of processes and controls for customs classification. We have seen customs and trade elevated to a "C-Suite" issue as UK businesses seek to unlock value in their supply chains by leveraging trade agreements and by reducing customs broker costs, for example through automation or broker consolidation. In addition, nonbarriers to trade increasingly pose a threat to crucial lead times.

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Top Trade Policy Priorities

The first half of 2019 has seen increased tensions between the United States and its numerous trade partners, especially China. These circumstances are largely attributed to President Trump's heavy reliance on certain trade remedies that were intended after the Cold War era to protect US national security interests and its innovations. Now, more than 50 years later, these statutes are being used to protect US steel and aluminium producers (Section 232 proceedings) and to focus US demands for China to improve its protections of US intellectual property and to halt its rules requiring foreign countries to relinquish sensitive technology as a quid pro quo for doing business in China (Section 301 proceedings). As a result of four rounds of tariff increases, imports from China totalling $550 billion worth of goods have been impacted. China has taken steps intended to retaliate against the US in kind.

What happens next is anyone's guess! However, it is certain that tough rhetoric from both countries will continue into the second half of this year, with the very real possibility that this trade spat will carry over into the 2020 election year. Another development to watch closely over the next three months is whether the US will assess 25% tariffs or import quotas on imported automobiles and their parts. The administration hopes that between now and mid-November the US will negotiate trade deals with Japan and with the European Union.

Last October, the US, Canada, and Mexico struck a deal to modernize the North American Free Trade Agreement (NAFTA) and rebrand it as the US-Mexico-Canada Agreement (USMCA). While Mexico has ratified USMCA, the US and Canada have not followed suit. Although Canada is poised to do so, they prefer to wait until the US Democratic-controlled House of Representatives receives assurances from the administration that the new rules governing automakers, strict labor and environmental standards, intellectual property protections, and digital trade provisions can be effectively enforced.

As the administration has not submitted implementing legislation for Congress to approve, the President's top trade official, US Trade Representative Robert E. Lighthizer, and House Democrats both believe that they can reach a consensus. In the meantime, the deal's fate remains uncertain.

In 2018, President Trump withdrew the US from the 2015 international nuclear deal with Iran and reinstituted and tightened primary and secondary sanctions that will apply to foreign companies operating in Iran. There has also been a marked increase in US enforcement of these sanctions. In recent weeks, the US has continued to add Iranian and third-country companies and individuals to the US sanctions lists and to take other actions to penalize investments and transactions with Iran. The current US policy of "maximum pressure" is intended to further weaken Iran's economy and pressure its leaders to engage in new negotiations on Iran's nuclear program. On July 18, 2019, as a sign of the worsening US relationship with Iran, the US sanctioned a range of third-country companies for supporting nuclear activities and Iran's energy sector.

Leaning Toward Nationalism or Globalism

Championing the "America First" policy, President Trump has repeatedly expressed frustration about global trade. The president has portrayed American workers, particularly in the manufacturing sector, as victims of bilateral and multilateral trade agreements negotiated by previous administrations and with trade partners that have taken advantage of the World Trade Organization (WTO). In particular, this administration has criticized the WTO as being ineffective in addressing the perceived trade distortions caused by China and its non-market-driven economy. In addition, a fundamental tenet of the WTO is that all member countries agree to have disagreements adjudicated by the Dispute Settlement Mechanism (DSM). However, increasing discontent with the DSM is shared by member countries, including the US. Key US criticisms include (1) that the DSM oversteps its authority by adjudicating decisions that should be reserved for sovereign nations to decide (i.e., matters of national security), and (2) that the DSM adopts activist posture in its decisions (i.e., gives a new interpretation to a long-standing WTO agreement or provision, or comments on topics neither raised nor necessary to resolve the dispute). To reinforce the US's discontent, the president has threaten on a number of occasions to withdraw the US from the WTO and, in addition, has blocked the appointments of new judges to the DSM, which would eventually render this body nonfunctioning and obsolete.

Thus, based on a zero-sum mentality and sense of grievance, US trade policy under the current administration has embraced a nationalistic approach and has gravitated toward (1) interacting one-on-one with other trading partners, rather than on a multilateral platform; (2) using more aggressive measures to enact trade policy, including imposing high tariffs and/or import quotas; and (3) relying on trade remedies on grounds unrelated to economic justification, such as threatening to impose additional duties on imports from Mexico for immigration issues.

Bilateral or Multilateral Approach

The Trump Administration's perspective on trade negotiations heavily favors a bilateral rather than multilateral approach, which represents a significant departure from past administrations. For decades, the US forged trade partnerships based largely on a key tenet of the WTO—namely, "multilateralism" with all of the world's trade partners united under a single set of negotiating rules. President Trump, however, is of the mind-set that bilateral talks provide better negotiating leverage, given the one-on-one dialogue. Further, when fewer countries are engaged, it is substantially easier to grant meaningful market-access concessions. Similarly, when only two countries are involved, it is easier to monitor and enforce their adherence to agreed-upon commitments.

Following his inauguration in 2017, President Trump withdrew the US from the Trans-Pacific Partnership negotiations, which originally included 12 Pacific Rim countries plus the US. Thereafter, the administration focused on two preexisting trade agreements—The US–Korea Free Trade Agreement (KORUS), which took effect in 2012, and the North American Free Trade Agreement (NAFTA), which had been in place since 1994. By reopening negotiations, the participating countries pursued benefits that would be advantageous to their individual country's goals (e.g., improving the country's economic profile, opening its domestic market, increasing trade and investment, implementing economic reforms, and broadening geopolitical considerations).

More recently, the US has expanded its pursuit of bilateral trade agreements with both prior and first-time suitors. These include individual trade negotiations with Japan (initiated in January 2019), the UK (letter of intent sent to Congress in October 2018; initiative postponed until Brexit is decided), the EU (initiated in January 2019), and India. In addition, while not as far along as the others (no letter of intent provided to Congress as of yet), the US has had exploratory discussions with Kenya and the Philippines. Already, it appears that these new rounds of agreements will include groundbreaking rules in the areas of e-commerce, labor, health, and environmental standards for participating jurisdictions, among others.

Adaptation of Law Practice

President Trump's inauguration in January 2017 ushered in a new era of trade remedies that previously were somewhat nuanced and often not an established aspect of many US trade practices. At the risk of sounding trite—things certainly have changed! On the other hand, we expect that at least up to the 2020 US elections, things will remain the same—meaning the US and China will continue to antagonize each other; the business community will continue to deal with safeguard tariffs, national security duties, and tariffs on imports from China; US sanctions policy against Iran will continue to evolve; and the administration will continue to promote bilateral trade agreements.

URUGUAY

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Top Trade Policy Priorities

With a population of 3.4 million people with middle-to-low purchasing power, the Uruguayan government has constantly supported international trade and one of the main objectives of its trade policy is to ensure stable and predictable market access. The sum of merchandise exports and imports was equivalent to 30.8% of GDP in 2017. Uruguay's exports consist mainly of commodities (food, wood and agricultural raw materials), with manufacturing on the decline. On the import side, the amount of manufactured goods increased, while imports of mineral products declined. Uruguay´s pattern of trade is slowly changing: exports to the Southern Common Market (MERCOSUR) declined although they still account for 23.7% of the total in 2017 compared to 30% in 2011. China overtook Brazil to become Uruguay's leading export destination in 2017, absorbing 18.8% of the total compared to Brazil's 16.5%. The European Union's share fell from 15% in 2011 to 11% in 2017, while exports to the United States increased from 3.3% of the total in 2011 to 5.7% in 2017. On the import side, Brazil and Argentina lost market share, accounting for 19.5% and 12.6% of Uruguay's imports in 2017, respectively, compared to 19.4% and 18.7% recorded in 2011. The United States' share of total imports grew slightly, while there was an increase in shipments from Europe and China, which supplied 17.2% and 20.0%, respectively, of the total in 2017.

Leaning Toward Nationalism or Globalism

Uruguay has been a member of the WTO since its creation in 1995. It was an early GATT contracting party (1953), and one of the first signatories of the San Francisco Charter, as well as the Havana Charter. Uruguay was a host of the "Uruguay Round," which resulted in the creation of the WTO. Uruguay accepted the WTO´s Protocol Amending the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) and in 2016 granted preferential treatment to services and service suppliers of least developed countries. Uruguay is a member of the World Intellectual Property Organization (WIPO) and is party to a number of international agreements administered by that organization. In 2014, Uruguay ratified the Marrakesh Treaty. However, it is not a party or observer to the plurilateral Agreements on Government Procurement, to the Agreement on Trade in Civil Aircraft, or to the Information Technology Agreement (ITA).

Foreigners are free to take part in government procurement procedures. Nevertheless, the law grants preference margins of between 4% and 16% to the domestic industry. A minimum of 35% local content is required for goods, services or works to be considered Uruguayan.

Uruguay protects geographical indications, indications of source and appellations of origin under various articles of its Trademark Law.

Uruguay has always strongly advocated the inclusion of agriculture in the multilateral negotiating agenda, and as such was a founding member of the Cairns Group of agricultural exporting countries.

Bilateral or Multilateral Approach

Regarding bilateral agreements, Uruguay's trade policy is closely linked to its participation in Mercosur. Uruguay, together with other Mercosur members, signed several trade agreements with Chile, Mexico, Bolivia, Peru, the Arab Republic of Egypt, Israel, India, the Southern African Customs Union (South Africa, Namibia, Botswana, Lesotho and Swaziland) and Colombia. In addition, Uruguay signed, as a member of Mercosur, an agreement with Palestine (2011) which has not entered into force yet.

Mercosur has just signed a bi-regional association agreement for free trade with the European Union (not ratified yet), and has ongoing negotiations at different stages with a number of countries or blocs, among these, the European Free Trade Association (EFTA) countries. Negotiations have recently begun for a Comprehensive Trade Agreement between Mercosur and Canada. It is expected that in 2019 negotiations will also be opened with South Korea and Singapore.

According to the OECD: "Part of Uruguay´s challenges in negotiating strategy lies with the Mercosur policy to negotiate as part of the bloc, giving Uruguay limited leeway to negotiate agreements independently." Another issue is that a good number of Uruguay´s trade agreements are restricted to certain sectors, therefore missing the mark for achieving comprehensive trade integration (most achieve very little more than what is already guaranteed under the WTO and the GATT). Other small countries have signed a similar number of agreements but have achieved a higher, more extensive level of trade integration. Uruguay has instead focused on negotiating bilateral tax information exchange agreements and double taxation agreements, on the grounds that they are important for services, and may help to expand the country's range of exports.

Uruguay's tariff is based on the Mercosur common external tariff (CET), with some exceptions. It applies tariffs ranging from 0% to 30%, while its bound tariffs fluctuate between 6% and 55%. The products assessed with the highest tariff average are generally clothing, with a 20% tariff. Uruguay also applies certain duties and charges exclusively to imports: the consular fee, the fees of the customs clearing agents and the port authorities, and the single tax on imports of newsprint. In 2018, Uruguay increased the consular fee from 2% to 5%. Imports, together with goods produced in Uruguay, are also subject to Value Added Tax (VAT), the Specific Internal Tax (IMESI), and the Tax on the Sale of Agricultural Goods (IMEBA).

Uruguay makes moderate use of anti-dumping measures, with only seven proceedings reported between 1995 and 2018, with the most recent one initiated in 2015.

Uruguay has an open investment regime and provides for national treatment of foreign investment with a few exceptions, such as the provision of radio and broadcasting services, air and maritime cabotage, and fishing within its territorial waters. Uruguay has Bilateral Investor Treaties (BITs) with 31 countries, which protect investors. Most of Uruguay´s BITs are "first generation" BITs and only afford national treatment post-investment (as opposed to pre-investment – that is a freedom of establishment in the country). Also, most of the BITs are with Uruguay´s traditional trade partners (European or Latin American countries), which is not strategically oriented at attracting investors from new partner countries. Uruguay has a good track record of honoring the provisions of its BITs. In recent years, when disputes have arisen, Uruguay has subjected itself to international arbitration at International Centre for Settlement of Investment Disputes (ICSID) which shows its respect for the international legal order. Uruguay has won both of these cases, showing perhaps that both disputes were not necessarily indicative of low compliance with these BITs.

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