Cambridge University Press & Assessment 978-1-009-19653-6 — Open Strategic Autonomy in EU Trade Policy Wolfgang Weiß, Cornelia Furculita Table of Contents <u>More Information</u>

## Contents

Pre	page xvii						
List	List of Abbreviations						
1	Tradau	oducti		1			
1		1					
	1.1	1.1 The Mission of This Book: Scrutinizing the New EU Trade Policy against Its Legal					
		Const	traints	1			
	1.2	Roots	s, Causes, Context: From 'A Stronger				
		Europ	pe' via 'Open Strategic Autonomy'				
		towa	rds an 'Open, Sustainable and Assertive				
		e Policy'	7				
	1.3	13					
	1.4	Outli	ne, Structure, and Core Results of				
		the B	ook	18			
Par	rt I E	EU Tra	de Policy and Its Constraints				
2	The	EU's T	rade Policy: Past and Prospect	25			
	2.1	26					
		2.1.1	Liberal Multilateralism: The Defining				
			Feature	26			
		2.1.2	The Shift to Active Bilateralism	30			
		2.1.3	'Open Strategic Autonomy': The Turn to				
			Stronger Enforcement and Ensuring a Level				
			Playing Field Strengthens a More				
			Geopoliticized EU Trade Policy	36			

ix

Cambridge University Press & Assessment 978-1-009-19653-6 — Open Strategic Autonomy in EU Trade Policy Wolfgang Weiß, Cornelia Furculita Table of Contents <u>More Information</u>

## X CONTENTS

	2.2	Drivers behind the EU's Geoeconomic							
		Reorientation towards Stronger Enforcement							
		and Ensuring a Level Playing Field							
		2.2.1		risis of Multilateralism and the Rise of	47				
				mic Nationalism	48				
		2.2.2		's Systemic Challenges and the	10				
		2.2.2	Proliferation of Geoeconomics						
		2.2.3		Issues of Digitization of the Economy,	52				
		2.2.0		te Change, and Resilience after COVID-19	57				
	2.3	Conc	lusion		59				
3	External and Internal Constraints for the EU's								
0				utonomy in Trade Policy	63				
	3.1		ductior		63				
	3.2				05				
	3.2	The Tensions of a Principled Pragmatist:							
				ism versus Autonomy	65				
		3.2.1		ommitment to Multilateralism and	65				
				ational Law Inscribed in the EU's DNA	65				
		3.2.2	EU Internal Relevance of International Law:						
			-	ting EU Autonomy	73				
			3.2.2.1						
				Validity of EU Legal Acts	74				
			3.2.2.2	Constraints Flowing from Conflict with					
				Other EU Primary Law	81				
			3.2.2.3	In Particular: Constraints Flowing from					
				the 'Autonomy of the EU' Exception	83				
		3.2.3	Legal and Political Consequences of Respect						
			for International Law and EU Autonomy						
				e Strategic Autonomy in Trade Policy	88				
			3.2.3.1	The EU Autonomy Exception and Article					
				46 Vienna Convention on the Law of Treaties	89				
			3.2.3.2	The EU Autonomy Exception and the EU					
				Trade Policy's Assertiveness Turn	93				
			3.2.3.3	Conclusion	95				
	3.3	EU Trade Policy Constraints Flowing from							
		Public International Law							
		3.3.1	International Legal Responsibility by Virtue						
			of the Mere Adoption of Legislation						
		3.3.2	Pertinent Disciplines of International and						
			WTO I	aw and Their Relevant Obligations	109				
			3.3.2.1	WTO Law	109				
			3.3.2.2	EU FTA Provisions	114				
			3.3.2.3	General Public International Law on					
				State Responsibility	116				

CONTENTS xi 3.3.2.4 General Public International Law on International Treaties 117 3.3.2.5 International Climate and Environmental Law 119 3.4 Conclusion 120 Part II The Tools for Stronger Enforcement of Trade Rights 4 The EU-Led MPIA: An Attempt to Rescue the WTO **Dispute Settlement** 125 4.1 Introduction 125 4.2 Article 25 DSU: Appeal Arbitration and 127 Conditions 4.3 The MPIA: Introduction, Conformity with the DSU Requirements, and Innovations 132 4.3.1 Multi-Party, Ex Ante, and Interim Arrangement 132 4.3.2 Appeal Arbitration Procedures under the MPIA 135 4.3.3 The MPIA's New Features: Timeline, Article 11 138 Claims, Obiter Dicta, and Flexibility MPIA Arbitration Awards: Security, Predictability, 4.4 and High-Quality Awards 145 4.5 Enforceability and 'Automaticity' of the MPIA, and Its No-Appeal Pact 152 Broader Implications of the EU-Led MPIA 4.6 157 4.7 Conclusion 161 The Amended Trade Enforcement Regulation: 5 Addressing Dispute Settlement Blockages 165 5.1 Introduction 165 5.2 The Un-Amended Trade Enforcement Regulation 654/2014 167 The 2021 Amendments to Trade Enforcement 5.3 Regulation 654/2014 168 The Legality of the 2021 Amendments Addressing 5.4 the AB Crisis 172 5.4.1 Article 23 DSU and Article 52 (4) ILC Draft Articles on State Responsibility 173 5.4.2 The Fall-Back Doctrine 183 The Legality of the 2021 Amendment Addressing 5.5 Potential Dispute Settlement Blockages under EU FTAs 187 5.6 Compliance with ILC Draft Articles Conditions 189 xii

CONTENTS

	5.7	Broader Implications of the 2021 Amendments of Trade Enforcement Regulation 654/2014						
		of Trade Enforcement Regulation 654/2014						
	5.8	Conclusion	195					
6	The Anti-Coercion Instrument: Is There a Place for							
	Uni	nilateralism under International Rules?						
	6.1	Introduction	198					
	6.2	The Content of the ACI	200					
	6.3	Legality under International Law	205					
		6.3.1 Customary Rules on Countermeasures	205					
		6.3.1.1 Countermeasures against an International						
		Wrongful Act	205					
		6.3.1.2 The International Wrongful Act: Violation						
		of the Principle of Non-Intervention	208					
		6.3.1.3 Conformity with the Conditions and						
		Limitations for Countermeasures under the	246					
		ILC Draft Articles	216					
		6.3.2 Legality under the Multilateral Trade Regime	218					
		6.3.2.1 Article 23 DSU	218					
		6.3.2.2 WTO Substantive Rules 6.3.2.3 Justifications for Potential WTO Violations	223 226					
		6.3.3 Legality under Bilateral and Regional Trade	220					
		Rules	234					
	6.4	Broader Costs and Benefits	236					
	6.5	Conclusion	241					
_								
7		Enforcement of the FTA TSD Chapters: Newfound						
		ength?	244					
	7.1	Introduction	244 246					
	7.2 Relevant Context							
		7.2.1 EU's Former Cooperative Approach towards						
		FTA TSD Enforcement	246					
		7.2.2 Stronger Enforcement of FTA TSD Chapters:						
		A Heated Debate That Lasted for Years	250					
	7.3	New Robustness of EU's Approach towards FTA						
		TSD Chapters	255					
		7.3.1 The Labour Dispute under EU–Korea FTA	256					
		7.3.2 Strengthening the Enforcement of the FTA						
		TSD Chapters: The New Action Plan	260					
	7.4	The Tools Available for Use in Case of Non-	267					
	Compliance with the Panel of Experts' Report							
		7.4.1 Resort to Unilateral Countermeasures under						
		Public International Law Rules	267					

				CONTENTS	xi
		7.4.2		e 60 (1) VCLT/VCLTSIO, the 'Essential nts' Clauses, and Article 62 (1) VCLT/ IO	27
	7.5	Politi		nsiderations	27
			lusion		27
			ools fo	or Assertive Representation of	
ЕU 8		rests	aulatia	on: A 'Level Playing Field' for	
0			-	mic Operators in Foreign Public	
		-		rkets within International Law	
	Con	fines?			28
	8.1	Intro	ductio	1	28
	8.2	The T	horny	Road towards an Adopted IPI	28
	8.3			ilation	29
	8.4		•	the WTO Constraints	29
		8.4.1	Natior	al Treatment Obligations under the	
			GATT	and GATS	29
			8.4.1.1	Violation of National Treatment:	
				Articles III:4 GATT and XVII GATS	29
			8.4.1.2	Derogation from National Treatment:	
				Article III:8 (a) GATT and Its Reach	30
			8.4.1.3	Derogation from National Treatment: Article XIII GATS and Its Reach	24
			0111	Conclusion on Compliance with WTO	30
			0.4.1.4	National Treatment Obligations	30
		8.4.2	Most-F	avoured-Nation Obligations under	
		0.1.2		ATT and GATS	3
		8.4.3	The Ag	greement on Subsidies and	
			-	ervailing Measures	3
		8.4.4	The D	ispute Settlement Understanding	3
	8.5	The I	PI and	EU FTAs	32
	8.6	Broad	ler Imp	olications	32
	8.7	Conc	lusion		32
9	The Foreign Subsidies Regulation: The Way Forward				
	to C	Compe	titive E	quality and Exterritoriality of EU	
	Con	npetiti	on Lav	<i>i</i> ?	32
	9.1	Intro	ductio	1	32
	9.2	The F	oreign	Subsidies Regulation: Need and	
		Core	Conter	nt	32

xiv contents

		9.2.1	The Gap-Filling Function of the Foreign				
			Subsidies Regulation	329			
		9.2.2	Core Content of the Foreign Subsidies Regulation	331 336			
	9.3		The Foreign Subsidies Regulation and WTO Law				
		9.3.1	International Commitments under the				
			WTO ASCM	337			
			9.3.1.1 Purview of the ASCM: Trade in Goods, Not				
			Only Importation	338			
			9.3.1.2 ASCM and Transnational Subsidization	342			
			9.3.1.3 Justification for Breach of ASCM?	346			
		9.3.2	WTO Non-Discrimination Disciplines	349			
	<b>•</b> •		Conclusion on WTO Law Conformity	353			
	9.4	The Foreign Subsidies Regulation and Bilateral					
			dy Commitments	354			
		9.4.1		355			
			EEA Agreement	359			
			Association Agreement with Ukraine	360			
		9.4.4	Stabilisation and Association Agreements with	0.00			
		0.4 -	the Western Balkan Countries	362			
		9.4.5	5	363			
		9.4.6		264			
	0 -		Subsidies Commitments	364			
	9.5		Political Implications of the Foreign				
			dies Regulation	365			
	9.6	Conc	lusion	367			
10			Border Adjustment Mechanism: In Tension				
	wi	th EU's	s International Trade and				
	Cli	mate (	Commitments	369			
	10.	1 Int	roduction	369			
	10.	2 Des	scription and Aims	372			
		10.	2.1 Presenting the CBAM Regulation	372			
		10.	2.2 EU's Interests and Values: Environmental				
			Protection and a 'Level Playing Field'	377			
	10.	3 CB.	AM and the CBDR Principle	380			
	10.	4 CB.	AM and Core WTO Obligations	386			
		10.4	_				
			II:1 (b), II:2 (a), and III:2 GATT	387			
			10.4.1.1 The Appropriate Venues, Their				
			Relationships, and Related Uncertainties	387			
			10.4.1.2 CBAM and Article II:2 (a)				
			GATT Requirements	392			

Cambridge University Press & Assessment 978-1-009-19653-6 — Open Strategic Autonomy in EU Trade Policy Wolfgang Weiß, Cornelia Furculita Table of Contents <u>More Information</u>

> 10.4.2 CBAM and Its Regulatory Character under Articles III:4 and XI GATT 404 10.4.2.1 Articles III:4 and XI:1 GATT: Applicability and Relationship 404 10.4.2.2 Article III:4 GATT 406 10.4.2.3 Article XI:1 GATT 409 10.4.3 CBAM and the Most-Favoured-Nation Principle 410 10.5 Justifying WTO Violations 415 General Exceptions under Article XX GATT 10.5.1 415 10.5.1.1 Article XX (b) GATT 416 10.5.1.2 Article XX (g) GATT 419 10.5.1.3 The Chapeau of Article XX GATT 424 10.5.2 The Enabling Clause 430 CBAM and FTA Rules 10.6 433 10.7 **Broader Implications** 435 10.8 Conclusion 439 Conclusion 442 11 11.1 Introduction 442 11.2 The EU Trade Policy's Assertiveness Turn in Perspective 443 The Assertiveness Turn and the Constraints 11.3 for Strategic Autonomy 446 The Results in a Nutshell 11.4 451 Core Messages of the Results 459 11.5 The EU Trade Policy Turn's Impact on 11.6 **Current Debates** 461 Bibliography 466 Index 499

CONTENTS

xv