

## **Fagforbundet presentation**

What kind of trade regime can we expect from Trump?

What is Trump's critique of the trade agreements?

What to fear and what not to fear?

I'm sure we all have experienced this – we thought that Trump was frightening. And then we got to know who's in his team, and we were even more frightened.

### **Peter Navarro**

Head of the newly created "National Trade Council".

Navarro has taken a hard line on China's trade practices, accusing the country of currency manipulation and of policies aimed at gutting U.S. manufacturing. Famously wrote books like "Death by China, one lost job at the time"<sup>1</sup>

### **Jason Greenblatt**

He was the executive vice president and chief legal officer to Donald Trump and The Trump Organization, and his advisor on Israel. Now the United States Special Representative for International Negotiations

### **Robert Lighthizer**

He is head of the US Trade Representative office, the chief negotiator and former partner in a lawfirm that worked to gain access to foreign markets on behalf of U.S. corporations

Lighthizer represented an enterprise controlled by the government of China in a trade dispute with the United States in 1991

Lighthizer suggested that the U.S. should bring more cases against China for failure to comply with the regulations of the World Trade Organization.

### **Wilburn Ross**

Secretary of Commerce. Forbes magazine has reported that Ross has a net worth of \$2.5 billion

In trade, the business representatives are as important as the government officials. And sometimes it's hard to tell the difference.

Other side of the table:

### **Michael Punke**

- Worked six years for the US as a trade negotiator in Geneva
- new job as vice president of global public policy for Amazon Web Services
- lead efforts to launch and negotiate the TISA and was also the lead official in TTIP
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## **The trade deals**

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<sup>1</sup> En av de tøffeste dragkampene i administrasjonen kan bli mellom Navarro og de «økonomiske nasjonalistene» på den ene sida, og Stephen Mnuchin i front på den andre. Han var Chief Information Officer (kommunikasjonsdirektør) i Goldman Sachs, jobbet der i 17 år.

## General

1. of March the Trump administration published a short report explaining the trade policy.

Broadly, the report lays out four priorities:

- defending national sovereignty over trade policy
- strictly enforcing U.S. trade laws
- using leverage to open foreign markets
- negotiating new and better trade deals.

### What is good?

- Includes to refuse the legitimacy of investor state dispute settlements.
- No commitment either way on big trade deals.

Peter Navarro: stressed was that multilateral trade agreements will not be pursued by the Trump administration.

Several deals that were advanced under the Obama administration are on hold. I will go through some of them now.

## China

[Among his own party, there is some fear for stepping up a trade war, like with China, because of people like Peter Navarro.

For some states the agricultural export is to the most important, and China are a very important market for US farmers. One republican senator pointed out that when trading partners retaliate against the U.S., agriculture often is singled out.<sup>2</sup>

Something Trump made clear throughout his campaign and has maintained since taking office.]

## NAFTA

Besides the TPP, the second big issue for Trump has been the NAFTA agreement between the US, Canada and Mexico. Here he said that he want to renegotiate it, but it's still not clear what it means. The congress needs to know 90 days in advance before any new negotiation can start.

Trump could intend to scrap NAFTA altogether and forge bilateral trade deals with Mexico and Canada instead<sup>3</sup>

Secretary Wilbur Ross says bilateral is preferred and there's no immediate hurry as he intends to notify congress over the next few weeks.

He criticized the deal for its weak enforcement on environmental and labor standards.

“All aspects of NAFTA will be put on the table,” Ross said.

## TPP

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<sup>2</sup> Tim Scott during the session with the Finance Comitee

<sup>3</sup> If the White House is indeed proceeding under fast-track authority, that suggests (...), said Gary Hufbauer, a senior fellow at the Peterson Institute for International Economics.

Confusion all these abbreviations. Some confusion: Was he against TTIP?  
He was surely against TPP. Cancelled that one the first hectic days of his administration.

**Very similar to TTIP, but much broader. If there's any health workers here**  
the TPP goes far longer in protecting patents, and will make sure that companies can do so called "evergreening", that is prevent cheap copy medicines for decades.

The one he was most committed in cancelling, and started of by doing.

#### **Bad news for the supporters of the policy in this trade deal?**

Not necessarily.

There are several routes out of this for the people who supports the policies in the deal.

- remain engaged bilaterally with TPP members in an effort to upgrade access to markets for U.S. goods beyond what was negotiated in TPP.
- This is according to the official government report.

"These bilateral discussions will present unique opportunities to engage our Asia-Pacific partners in areas in which the TPP failed to provide adequate market access of American-made goods and agriculture products," the report states.

#### **This is an absolute core element of the Trump administration trade policy:**

They want to do it on their own, negotiating with each and every country.

That doesn't mean that they have to do a lot more work – it means that they could copy paste their own demands in previous deals and say to countries in a weaker position: take it or leave it.

#### **One important element in the trade deals:**

- You can't demand that companies hire local staff
- Buy from local business
- Transfer technology

#### **Still a core element.**

E-commerce text  
a number of the bad IP provisions  
some of the bad investment provisions  
some of the SOE chapter.

#### **TPP could be salvaged by kicking it off as a bilateral with Japan**

"They'll probably go straight to Japan; and once they have Japan other nations are going to come on board, and then they're going to have to do the same thing over in Europe," Committee Chairman from the republican party, after a meeting with the Trump administration in February.<sup>4</sup>

A quote from a US official, that didn't want to be named: we can't afford to wait because the longer we wait the more likely it is that China or somebody else moves into the vacuum.

Australia have already hinted on invited China (not the SOE) on board the TPP: The plot thickens.

## **TTIP**

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<sup>4</sup> Orrin Hatch, komiteleder når Trump-admin møtte republikanske senatorer i februar.

The Trump administration is still reviewing the negotiations to date for a trade agreement with the European Union, the government report says.

### **Round of questions in the congress: Blamed the EU**

Here there was a round of questions in the congress, where the trade representative Lighthizer highlighted that EU was the one to blame for the failure of the TTIP agreement. “important differences remained on critical negotiating areas of the agreement”, he said.

They want a deal with the UK.

### **TISA**

It's unclear what will happen. It could be a last-ditch effort by the corporates and the bureaucrats that have been working on it for years, to salvage it.

- EU is not outlining TISA in any of its priorities in its communications for 2017. They've said that it is not realistic to convene the first meeting in March.
- Waiting to hear from the US side.
- In february the TiSA negotiating team met in Parliament: the US has cancelled all the meetings that were scheduled in terms of the technical homework. There are no meetings currently scheduled.

Protecting manufacture is priority, the new trade reports says.

When it comes to exports, the Trump administration mentions two: agriculture export and services exports.

“As a general matter, we believe that these goals can be best accomplished by focusing on bilateral negotiations rather than multilateral negotiations”

They might leave the negotiation all together because of this, but are under huge pressure. They are debating if they can get the same deals with individual countries. They are debating whether or not to make a big statement.

They avoided addressing the TISA in the Presidential Trade policy document on March 1.

Lighthizer spoke to the Congress two weeks ago, and was very unclear.

There were so much mess with the first Executive Orders that were put out, so they had to stop doing it, in order to handle them better.

### **Three scenarios:**

## Three scenarios

1. The first is that Trump announces that the US is out of the TiSA.
2. Trump makes an announcement that the US is still IN the TiSA.
3. A third is that there is no announcement for a while – and what do we do in the interim? How can we use the space to move forward campaigning and push our messages?

One lesson from TPP is that the remaining governments feel that they have to defend the agreement that they've agreed to;

and that they say the US got out because it was bad for them so it must be EVEN BETTER for us! So we have to be prepared for that!

The Corporations are not sitting around waiting. They are doing everything they can at this time to convince Trump to GO AHEAD with the deal.

But the EU have no clue: The new US ambassador to the EU takes office in May, we won't know anything until then.

Remember Singapore, Uruguay, Paraguay and possibly Pakistan, and now the US is another country that's seen that it's a bad deal. We don't want to make it seem like it was going well and then Trump got out.

**Last, but not least: Both the US and the EU will pursue the same TISA policies in other arenas.**

The most important message for us right now is that it is the content, not the vehicle that is the main problem.

- That's why the US are talking with Japan about the rules that they made in the TPP
- That's why the US want a bilateral deal with the UK first, and then with each EU country
- That's why the US even goes to India now and could get home with a services agreement.<sup>5</sup>

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<sup>5</sup>“Outside of the WTO framework, the Trump administration will engage with India via the work plans agreed to in the 2016 U.S.-India Trade Policy Forum, the report states.” – US Inside Trade

“This regularized engagement will provide an opportunity to achieve meaningful results on a wide range of trade and investment issues, and allow the United States and India to partner on issues of mutual interest in advance of the 2017 TPF,” it adds. (ibid)

Last week India presented, in the World Trade Organization, a proposal to make a new mandate in the WTO about services. And it was worse than TISA. Actually both the rich countries and the developing countries opposed it.

The rich countries because it touched upon very controversial issues

- temporary work permits
- migration
- health tourism.

Developing countries because of restricting political space in services – which is why they stopped a services agreement in the WTO earlier.

- E-commerce, as they call it, could be a topic in NAFTA as well.
- The EU are negotiating over 20 bilateral agreements at the moment, are looking to secure their position (a good one on privacy) in these.

**Next slide**

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## **There are three things worth highlighting, using the TISA agreement as a case:**

### **1.**

First, TISA should have been or could be Trump's deal:

- Trump is not against trade agreements; he has said that he thinks US negotiators did a bad job and we've had bad deals, and that he's going to renegotiate and get good deals.

So he could very well then take up the TiSA as an agreement that's still under negotiations, and put his stamp on it, and then say "oh look this is what happens when you negotiate a good agreement!" And you can bet that all the corporations are talking with him now about doing this, because they are not going to abandon the project for nothing.

- The TiSA is fundamentally about deregulation, and Trump LOVES deregulation.

In the US we were trying to call it the Trump in Services Agreement. Then if he pulls out, it's part of the victory of the campaign.

- His base are folks who have primarily been affected by our trade agreements that pit working class manufacturing workers against each other. They are very careful now in how they talk about these trade deals.

**In many ways it's not that hard an exercise: More than ever they are vocal on their own interests, they want a deal that's best for the US.**

Before the argument was more about international cooperation and Obama said that it was important to write the rules for the global economy. Now the Trump administration says that it only wants the rules that's good for them, and here it's easy to say: good for American workers.

### **2.**

Second, when the big trade agreements fall apart we can't give Trump the credit. Not because we don't want, but it would be wrong.

- TTIP was dead before he was elected
- TPP became a huge topic in the elections because of Bernie Sanders, and even Elizabeth Warren that was the left candidate in the US before Sanders.

TISA hit the wall as the negotiations tightened in autumn/winter last year.

I met with the negotiations of the US, and it was clear that one issue was causing big problems: The privacy issue. US technology companies want to remove all restrictions on data storage.

They want to sell and transfer personal information across borders. They want to challenge the privacy laws in the EU.<sup>6</sup>

They will pursue this in other arenas, like the WTO.

Lastly I will just repeat the most important thing:

All the work that has been done in these trade agreements, and especially TISA, is not wasted.

### **3.**

It's text that they simply will copy paste into other agreements. Now we can't introduce new acronyms all the time. So we have to shift our focus on talking about services and how we want to make them better, and not make them a part of a trade agreements. Now many people in Norway knows what TISA is, and we can use that, to say we don't want any trade deals that takes controll over our democracy.

We need to show that it's a paradigm that's in crisis; if our governments are trying to rescue it, it's the last gasp of the dying. It seems like in a lot of countries they're trying to resuscitate the crippled agreements. It's harder to show how these are really flawed agreements once people get into crisis model.

And then start to get more concrete on our proposals, make a Peoples trade agreement.

#### **What is Trumps critique of the trade agreements?**

That they're not good enough for the US

#### **What to fear and what not to fear?**

The content, not the vehicle.

The content of any agreement is what we have to look up for, not the names, because they will change.

#### **What kind of trade regime can we expect from Trump?**

A messy one. No longer talk about international cooperation and the supremacy of free trade. Less ideological liberalism, more raw economical power.

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<sup>6</sup> On January 25, Trump signed a rambling executive order called "Enhancing Public Safety In the Interior of the United States." Down at section 14 was this paragraph: "Agencies shall, to the extent consistent with applicable law, ensure that their privacy policies exclude persons who are not United States citizens or lawful permanent residents from the protections of the Privacy Act regarding personally identifiable information."