

EU seeks Ciobo's help to fight against US trade rules



EU Trade Commissioner Cecilia Malmstrom will be in Australia for talks next week. Picture: AFP

[Primrose Riordan](#), The Australian, 12:00AM June 16, 2018

The EU is working “very closely” with Australia in pushing back at Donald Trump’s attempts to undermine the World Trade Organisation and the global trading order, European trade commissioner Cecilia Malmstrom has revealed.

Ms Malmstrom is travelling to Australia next week to meet Trade Minister Steven Ciobo and launch negotiations with the Turnbull government to secure a new trade deal.

Since slapping tariffs on steel and aluminium imports to the US, Mr Trump has been brawling with long-time allies and security partners over his administration’s protectionist trade barriers.

The US President also chose to snub last weekend’s G7 statement advocating a “rules-based trading system”, with his senior trade adviser, Peter Navarro, declaring there was a “special place in hell” for Canadian Prime Minister Justin Trudeau, sparking a diplomatic row between the long-time trading partners and allies. Ms Malmstrom said the failure to endorse the joint communique was a sign the US was withdrawing from the global trading system, and Australia needed to team with the EU to maintain rules-based trade.

“It shows the big concern that we have here in Europe, that we share with our friends in Australia and many others, is that the US is withdrawing from the international rules-based order or the multilateral system that we have created together; it’s very worrying,” she told The Weekend Australian. “And that underlines the necessity for all of us — those of us who strongly believe in this — which is clearly Australia, EU, Canada, Japan and others, to work even stronger to uphold it and defend it and to make sure we respect it and stick together to build this circle of friends.”

Ms Malmstrom said the White House had been effectively undermining the WTO’s system for settling global trade disputes by vetoing all appointments of judges to its appeals court. “It is true in half a year or eight months or so we will be running out of judges and we stop functioning. So we are urgently discussing this with our American partners,” she said.

Ms Malmstrom said the court was the “crown jewel” of the WTO, which had been kind to the US. “If you look at the history it has served the US very well; they have won most of their cases,” she said.

The trade commissioner said the EU was working closely with countries such as Australia to lobby the US to avoid the court’s collapse. “We are talking to the US and I know that many countries are, including Australia, to see if we can understand their concerns. Obviously, we are willing to discuss some minor reforms to strengthen it, but ... it is so important that the system is still there,” Ms Malmstrom said.

“These are discussions that are ongoing with this network of friends where Australia and the EU work very close together. I have had numerous contacts with Minister Ciobo on this. We haven’t found a solution yet but we’re working on it.”

The EU is Australia’s second largest trading partner, worth \$99.6 billion in 2016-17.

Ms Malmstrom acknowledged that agriculture was a “sensitive” issue in the proposed EU deal, but denied European agribusiness policy was protectionist. “It is sensitive for us. I don’t think it’s correct to say we have a protectionist policy here; we reformed our common agricultural policy quite profoundly last year,” she said.

Mr Ciobo is also working towards free-trade agreements with Indonesia and Britain.

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