



EUDA 2014 ANNUAL CONFERENCE (TH 13 NOVEMBER 2014)
BREAKING TRADE BARRIERS AROUND THE WORLD
SPECIAL FOCUS ON THE WORLD DREDGING MARKETS
SUMMARY & KEY MESSAGES

Conference's Summary:

Trade is an essential part of human activities since prehistoric times. With the exchanges of products, services and knowledge inherent to its nature, trade contributed to economic as well as to scientific and cultural development of the human societies around the world and helped them transform into today's globalised human society.

Trade development is inseparable from transport. Transport technology and infrastructures helped establish, maintain and develop the trade flows. Thanks to international shipping, the links between the trade network nodes have been further multiplied and expanded from local, to regional, to international and now global with the port networks connecting their multimodal logistics chains.

Along with the trade routes, systems and measures were quickly invented to capture some of the wealth and opportunities of the passing merchants. Not long after trade started, Trade Barriers were also raised to protect the local industries from foreign competition. However, the protection of local industries produces in the long term negative side effects that can overall counterbalance the initial short term benefits.

In the worldwide dredging markets, many types of Trade Barriers have been put in place to restrict or to exclude foreign competition. At best, European Dredgers are prevented from delivering the full extent of their added value and, at worst, they are prevented from accessing closed markets.

With the development of trade, Trade Barriers were further refined and, along with the tariff and non-tariff barriers, came their antidotes with the 'panacea' being the free trade agreements. Following the recent failure of the 'multilateral' negotiations of the WTO Doha Round, the direct 'bilateral' Free Trade Agreements (FTAs) between economic zones have been reactivated.

The EuDA 2014 AGM Conference opened with an overview of the main Trade Barriers around the world and looked into the way trade negotiations can manage to lift some of them with the recent example of Canada and US. Some possible ways for the European Dredgers to enter the US market were briefly outlined and generated strong interest from the audience with constructive reactions and a lively debate.



Programme of the Conference on

Breaking Trade Barriers around the World: Special Focus on the World Dredging Markets



Introduction to the Conference Theme and Speakers:

- ▷ **Mr Paris Sansoglou**, EuDA Secretary General, *Conference Moderator*



Introduction to Trade Barriers:

- ▷ **Mrs Luisa Santos**, BUSINESSEUROPE Director Department for International Relations, *Overview of the Main Trade Barriers around the World*



Introduction to Measures to lift Trade Barriers

- ▷ **Mr Marco Dürkop**, European Commission DG TRADE Lead TTIP Negotiator for Services, *EU Trade Negotiations with Canada and USA*



Case for the Dredgers:

- ▷ **Mr Andrew Durant**, Managing Director, Samuels International Associates
Possible ways for European Dredgers to enter the US Market



Open Discussion.



Summary of the Conference's key messages:

- From the start of civilisation, **Trade** has been an engine for the development of human activities through the exchange of agricultural products, manufactured goods, specialised services, ... and knowledge. Over time, *Trade* has both evolved with and influenced human societies: *Trade* has become the cement of today's 'Global Civilisation'.
- Whereas transport is the main catalyst for *Trade*, **Seaborne Trade** is the main vector for **Globalisation**. In this globalised world, Europe's leading role and significant added value in supply chains are put under pressure.
- Besides its positive purposes, *Trade* has also developed an 'arsenal' of economic weapons which can be used to mount or dismount **Trade Barriers**, used for political purposes more and more often. The most damaging Trade Barriers for industry include regulatory or standards barriers as well as restrictions on Public Procurement (e.g. 'Buy American Act'). In a military analogy, the available counter-weaponry to Trade Barriers include:
 - ✓ **bilateral diplomatic actions** (response with '*light artillery*') can provide quick resolution;
 - ✓ **Trade Barriers regulations** (response with '*heavier artillery*') are used to force investigations of particular trade practices, however the process is slower;
 - ✓ the conclusion/signing of **Free Trade Agreements**, which compare to response with '*heavy artillery*' and can provide quick results;
 - ✓ **WTO dispute settlement**, which is the option of last resort and which compares to the activation of the '*nuclear option*'.
- Free Trade Agreements are ideal solutions for countries with long standing issues or problems, where Trade Barriers were the only available political instrument for economic development and pacification (e.g. Africa and the Mediterranean).
- **CETA**, the concluded Free Trade Agreement between EU and Canada opened the private and federally procured markets to European dredgers: in the words of the European Commission, "*this was the best result ever for an FTA*".
- **TTIP**, the Free Trade Agreement under negotiations between EU and US, ambitions to become the **Agreement of the 21st Century** to be used as model for all future Free Trade Agreements. TTIP is therefore innovative and includes regulatory cooperation and conformity.
- The decision to **open the US dredging markets**, or not, needs strong political commitment on both sides of the Atlantic but comes down to deciding to either *win together or lose together*. EU and US dredging are different industries and the 'turnip truck' dredging companies can learn and gain a lot from those companies that are defining world class dredging with state of the art equipment and vessels implementing milestone mega-projects worthy of the best US Sci-Fi movies.
- European Dredgers should make their case in the US as pressure keeps mounting on the US due to:
 - ✓ the new Post-Panamax standard;
 - ✓ the boom in shale oil gas;
 - ✓ the desire of the Obama administration for a legacy of long lasting trade infrastructures;
- While European Dredgers need unhindered access to markets worldwide, including in the US. The US needs the European Dredgers and needs to put an end to a 110 years long error: the **Dredging Act**.