Model EU

Council of the European Union

COUNCIL OF THE EUROPEAN UNION SIMULATION

"NEGOTIATION MANDATE FOR A FREE-TRADE AGREEMENT (FTA) WITH TRADELAND"
ROLE-PLAY SIMULATION[1]

The Council of the European Union is the institution representing the EU Member states at the ministerial level. Also known as the EU Council, this is where **national ministers from each EU country** meet to adopt laws and coordinate policies. The Council of the EU is an inter-governmental institution. The Council of the EU, together with the European Parliament, jointly form the legislative branch of the European Union and its budgetary authority. For the purpose of this exercise, the Council of the EU meets as the Foreign Affairs Council (Trade). The Foreign Affairs Council (Trade) is attended by the Trade Ministers of the 27 Member states, and, in addition, by the European Commissioner for Trade. The Council of the EU, meeting as the Foreign Affairs Council (Trade) had the authority to give the European Commission a negotiating directive (called a "mandate") to negotiate free trade agreements (FTA) with 3rd parties. The Council decides the terms and scope of this mandate, and their directives bind the European Commission as they go about negotiating with representatives of foreign countries. In this exercise, the Council is tasked with deciding the terms and scope of the mandate it will give the European Commission for negotiating an FTA with the fictional country of Tradeland.

Background Information on EU Trade Policy

The EU has set up a customs union and a common trade policy in the late 1950s. The European Commission negotiates trade agreements on behalf of the EU based on a mandate agreed upon by Member states (by qualified majority, except for issues related to services, commercial aspects of intellectual property, foreign direct investments, trade in cultural and audiovisual services, trade in social, education and health services). The European Commission reports back on trade negotiations regularly to the Council of the EU and the European Parliament. Draft trade agreements negotiated by the European Commission with third parties must be agreed upon by all Member states (unanimity), with the consent of the European Parliament. Member states can no longer conclude trade agreements on their own, since this is an exclusive competence of the EU.

[1] Please share these pages and the appropriate role instructions with the participants.

Over the years, the EU has become one of the world's largest trading blocs, representing a market of 446 million Europeans and 27 developed countries.

Selected Sources

European Commission. EU Trade Relations by country, https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/negotiations-and-agreements_en

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European Commission. EU-China Trade Relations, https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/china_en

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European Council. Council of the European Union. EU-ASEAN Trade, https://www.consilium.europa.eu/en/infographics/eu-asean-trade/

European Parliament. EU Trade Flows, https://www.europarl.europa.eu/thinktank/infographics/tradeflows/public/index.html

1. Information Material for Participants

On the following pages, you will find the private information sheets for the simulation's 28 roles.

1) Private Instructions for Austria
2) Private Instructions for Belgium
3) Private Instructions for Bulgaria
4) Private Instructions for Croatia
5) Private Instructions for Cyprus
6) Private Instructions for Czech Republic
7) Private Instructions for Denmark
8) Private Instructions for Estonia
9) Private Instructions for Finland
10) Private Instructions for France
11) Private Instructions for Germany
12) Private Instructions for Greece
13) Private Instructions for Hungary
14) Private Instructions for Ireland
15) Private Instructions for Latvia
16) Private Instructions for Lithuania
17) Private Instructions for Luxembourg
18) Private Instructions for Italy
19) Private Instructions for Malta
20) Private Instructions for Netherlands
21) Private Instructions for Poland
22) Private Instructions for Portugal
23) Private Instructions for Romania
24) Private Instructions for Spain
25) Private Instructions for Slovenia
26) Private Instructions for Slovakia
27) Private Instructions for Sweden
28) Private Instructions for European Commission President

<u>Instructions for the Austrian Trade Minister</u>

You are representing the government of Austria in the Council negotiations over the mandate to be given to the European Commission to sign a free trade agreement with Tradeland. Tradeland, an archipelago state in the mid-Pacific region, has one of the largest economies on the planet, closely ranking behind that of the EU.

This trade agreement, if successfully negotiated and implemented, would constitute one of the most significant developments in the history of the European Union so far as trade and economics are concerned. It is, therefore, to be anticipated that each member state will try to shape the agreement in ways promoting or preserving its own economic sectors.

You do not yet have a clear picture of what the other Member states think about the agreement. However, after being briefed on the situations by your ministry counselors, you understand that there are a number of different approaches, which can be categorized in the following groups:

The first group, which Austria belongs to, includes states believing that a free trade agreement with Tradeland will have an overall negative effect on their economy, harming more sectors or businesses than it would benefit. They think that the competition posed by Tradeland on an uneven playing field - in terms of social, fiscal and environmental norms – would disadvantage several of their economic sectors. These states, therefore, are reluctant to open these trade negotiations at all; they will likely seek to obtain gains on other policy areas in return for supporting the trade talks, while also seeking to limit the trade agreement's scope.

A second group is formed by countries with a strong trade surplus and largely export-driven economies. These states have strong, competitive companies which produce quality products and services that could increase market share in Tradeland. They believe that *laissez faire* policies spark innovation and prosperity and they are looking forward to increasing their operations in Tradeland's market.

A third group of states includes those that generally support the conclusion of a free trade agreement, yet seek to limit its scope to exclude specific sectors to protect their economic stakeholders, cultural diversity or culinary heritage.

A fourth group of states is in favor of more free trade, yet is concerned that an agreement with Tradeland could negatively impact well-embedded European ideals and practices, such as consumer rights, labor unions, welfare system, etc. This, given the fact that Tradeland's economy is far less regulated, and far more production-oriented than that of any European country. Similarly, states might raise objections regarding public health issues; specifically, these may target the genetically modified organisms (GMOs) that are unregulated in Tradeland. These states support the part of the agreement that refers to the free trade and the removal of tariffs, but they oppose harmonization of regulations between Tradeland and the EU.

Finally, a small group of countries seems to be neutral to a possible agreement. However, you can expect them to take advantage of the situation, seeking to be rewarded for their giving the green light for negotiations to begin. Such requests might include, for example, visa liberalization on Tradeland’s part; currently, Tradeland does not apply a uniform visa policy towards all EU Member states.

Taking these approaches into account you can expect that different states will advocate for different degrees of a free trade agreement and trade liberalization with Tradeland. Some other issues that may arise include:

1) Should the agreement be sweeping, or apply only to some economic activities (e.g. commodities, services, capital)?
2) What guarantees can EU members with export-driven economies give to members with less competitive economies, with regards to mitigating the potential negative effects of the trade agreement on the latter, particularly in the short term?
3) How will the agreement guarantee the protection of established civil and social rights, environmental and health standards in the European Union?
4) How to secure protection against powerful lobbies, which are quite established in Tradeland?

As the Austrian representative, you understand that an FTA with Tradeland is largely against your interests. You already have a working relationship with Tradeland across several sectors; an all-inclusive agreement negotiated by the European Union will cause more harm to Austria than benefit. Economists predict that an agreement will cause only a marginal increase in your GDP; this is not sufficient to compensate for its downsides. Particular concerns have been raised regarding the agricultural products market -one of the flagship sectors of the Austrian economy - which respects a large set of regulations under the Common Agricultural Policy. Tradeland’s enterprises might challenge Austrian and EU policies if they feel that regulations put them at a disadvantage. Several polls have shown that the Austrian people are against the agreement, believing that it will benefit big firms, whilst harming the interests of workers and consumers and downgrading your agricultural quality standards. You are also very concerned about the tourism industry – a major part of your economy; you envision Tradeland tourism companies putting local tourism companies out of business and showing little respect for the environmentally-friendly tourism you have developed. Finally, you perceive - as do other countries in your group - that the liberalization of digital services could lead to a frontal attack on the cultural uniqueness of your country and that of the European Union. Thus far, you have unofficially kept a hard line rejecting the notion of a trade agreement altogether; however, it will be difficult to continue to do so under pressure from other countries. Nonetheless, as different countries may desire different degrees of engagement and types of agreement, you should try to explore their interests and differences and attempt to make the best out of the situation.

Your main objectives are to:

- ➢ Make sure that any FTA with Tradeland will be minimal, applying to as few economic activities/sectors as possible;
- ➢ Secure explicit commitments that the key sectors of your industry will not be threatened by the agreement;

- Make sure that the Council's discussion focuses on the topics that are high on your agenda (as discussed above);
- Minimize any agreement's impact on the liberalization of digital services, at the very least by allowing for a long adjustment period;
- Secure specific guarantees, from the countries that are in favor of an all-inclusive agreement, that the EU will actively help Member states deal with negative effects attributed to the signing of the FTA with Tradeland'
- Ensure that any agreement will take into consideration the protection of civil and social; rights in the EU, as well as its current environmental and health standards;
- Make sure that the agreement includes specific measures for minimizing the influence that Tradeland's lobbies could develop in the future

<u>With these points in mind, you are going to negotiate - within the Council of the European Union – the mandate to be given to the European Commission for negotiating the FTA with Tradeland.</u> Given that the Commission cannot focus on all the aspects negotiated within the Council in this simulation, the Member states of the Council will only frame and forward three major interests that it requires the Commission negotiators to focus on in their negotiations with Tradeland. To clarify: the negotiation you are about to partake in is a European-internal negotiation; you are not negotiating with Tradeland. The outcome of your negotiation will delineate the mandate to be given to the European Commission negotiators, who will conduct an external negotiation with Tradeland on behalf of the EU. During the actual negotiations with Tradeland you will *not* have a representative at the negotiation table; the European Commission will be the party actually negotiating the deal. You (as the Council) will receive reports and updates as the negotiations progress, however, you will not be conducting them on your own. According to Article 207 paragraph 3 of the Treaty on the Functioning of the European Union,

> *The Commission shall conduct these negotiations in consultation with a special committee appointed by the Council to assist the Commission in this task and within the framework of such directives as the Council may issue to it. The Commission shall report regularly to the special committee and to the European Parliament on the progress of negotiations.*

If the Council does ultimately decide to grant the Commission a mandate to negotiate a trade agreement with Tradeland, you would expect this negotiation to be a lengthy, slow, process. Time is not an issue to you and there is certainly no need to speed things up. At the same time, you would also expect regular updates to be provided by the Commission, detailing any progress made in the negotiations with Tradeland. Such updates would reflect whether your interests are being served well. You should suggest that once the negotiations between the European Commission and Tradeland begin, the Council should receive progress briefing every month.

Instructions for the Belgian Trade Minister

You are representing the government of Belgium in the Council negotiations over the mandate to be given to the European Commission to sign a free trade agreement with Tradeland. Tradeland, an archipelago state in the mid-Pacific region, has one of the largest economies on the planet, closely ranking behind that of the EU.

This trade agreement, if successfully negotiated and implemented, would constitute one of the most significant developments in the history of the European Union so far as trade and economics are concerned. It is, therefore, to be anticipated that each member state will try to shape the agreement in ways promoting or preserving its own economic sectors.

You do not yet have a clear picture of what the other Member states think about the agreement. However, having been briefed on the situations by your ministry counselors, you understand there are several different approaches, and countries can be categorized in the following groups:

The first group of states, which is the one Belgium is also part of, is in favor of more free trade, yet is concerned that an agreement with Tradeland could negatively impact well-embedded European ideals and practices, such as consumer rights, labor unions, welfare system, etc. This, given the fact that Tradeland's economy is far less regulated, and far more production-oriented than that of any European country. Similarly, states might raise objections regarding public health issues; specifically, these may target the genetically modified organisms (GMOs) that are unregulated in Tradeland. These states support the part of the agreement that refers to the free trade and the removal of tariffs, but they oppose harmonization of regulations between Tradeland and the EU.

A second group is formed by countries with a strong trade surplus and largely export-driven economies. These states have strong, competitive companies which produce quality products and services that could increase market share in Tradeland. They believe that *laissez faire* policies spark innovation and prosperity and they are looking forward to increasing their operations in Tradeland's market.

A third group of states includes those believing that a free trade agreement with Tradeland will have an overall negative effect on their economy, harming more sectors or businesses than it would benefit. They think that the competition posed by Tradeland on an uneven playing field - in terms of social, fiscal and environmental norms – would disadvantage several of their economic sectors. These states, therefore, are reluctant to open these trade negotiations at all; they will likely seek to obtain gains on other policy areas in return for supporting the trade talks, while also seeking to limit the trade agreement's scope.

In addition, there is a group of states that includes those that generally support the conclusion of a free trade agreement, yet seek to limit its scope to exclude specific sectors to protect their economic stakeholders, cultural diversity or culinary heritage.

Finally, a smaller group of countries seems to be neutral to a possible agreement. However, you can expect them to take advantage of the situation, seeking to be rewarded for their giving the green light for negotiations to begin. Such requests might include, for example, visa liberalization

on Tradeland's part; currently, Tradeland does not apply a uniform visa policy towards all EU Member states.

All in all, it is expected that different states will advocate for different degrees of a free trade agreement and trade liberalization with Tradeland. On these subjects, some specific issues that might also come up are:

1) How should the agreement be: universal or apply only to some economic activities (e.g. commodities, services, capital)?
2) What guarantees are given from export-driven economies to less competitive economies when it comes to mitigating the potential negative effects on the latter in the short term?
3) How will the agreement guarantee the protection of established civil and social rights, environmental and health standards in the European Union?
4) How to secure protection against powerful lobbies, which are quite established in Tradeland?

As the Belgian representative you understand that overall, a FTA with Tradeland will have a positive impact on your economy. Your long history of free trade on which Belgium's wealth was built on and continues to thrive upon, makes you a strong supporter of this FTA, but with some concerns about food regulations (you are against GMOs and growth hormones in meat), the environment, consumer protection and labor rights. More specifically the agreement is expected to add a bit less than 0.5% to your annual GDP, and definitely increase FDI from Tradeland to Belgium. Tradeland is already the fifth largest trade partner for your country, so you can see many reasons to support the FTA between the EU and Tradeland. At the same time, you understand that in order to make the best out of the situation you have to provide protection to specific Belgian products that are currently under "protected designation of origin" status, based on EU regulation 2081/92, and following related regulations. In your case these would include, for instance, the famous Belgian beers. The protection of these products is of immense importance to you, as they constitute your comparative advantage against more industrialized countries, while contributing to your tourism sector. However, you are very much in favor of having Tradeland open their shipyards and shipping industry, as you house some of the largest shipyards in the world in Antwerp and Bruges- Zeebrugge and thus have a competitive advantage. You are also in favor of having Tradeland open its borders to a more liberal free trade of diamonds, as you house in Antwerp, the largest diamond trade market in the world. You realize that you will have to compromise on some of these sectors as only 3 interests can be forwarded to the Commission. However, you do need to keep in mind the focus on maintaining the environmental protection of the higher standards for your products as well as the high level of labor rights your workers enjoy, while promoting the opening of Tradeland's markets especially for these products.

Your main objectives are to:

- Make sure that an FTA with Tradeland will be targeted in a way that does not harm key national interests
- Ask for specific guarantees regarding products under “protected designation of origin” status
- Make a strong case against GMOs and secure their exclusion from the agreement
- Raise your concerns regarding established consumer and labor rights, and secure that they are adequately protected. Any agreement should take into serious consideration the civil and social rights in the EU, as well as the current environmental and health standards
- Secure explicit commitments that the key sectors of your industry will not be threatened by the agreement
- Make sure that the discussion focuses on the topics that are high on your agenda (as those discussed above)
- Make sure that the agreement includes specific measures for minimizing any potential influence that Tradeland’s lobbies could develop in the future

With these points in mind, you are going to negotiate - within the Council of the European Union – the mandate to be given to the European Commission for negotiating the FTA with Tradeland. Given that the Commission cannot focus on all the aspects negotiated within the Council in this simulation, the Member states of the Council will only frame and forward three major interests that it requires the Commission negotiators to focus on in their negotiations with Tradeland. To clarify: The negotiation you are about to partake in is a European-internal negotiation; you are not negotiating with Tradeland. The outcome of your negotiation will delineate the mandate to be given to the European Commission negotiators, who will conduct an external negotiation with Tradeland on behalf of the EU. During the actual negotiations with Tradeland you will not have a representative at the negotiation table as the European Commission will be the party negotiating the deal. You (as the Council) will receive reports and updates as the negotiations progress, however, you will not be conducting them on your own. According to Article 207 paragraph 3 of the Treaty on the Functioning of the European Union,

> *The Commission shall conduct these negotiations in consultation with a special committee appointed by the Council to assist the Commission in this task and within the framework of such directives as the Council may issue to it. The Commission shall report regularly to the special committee and to the European Parliament on the progress of negotiations.*

It is in your interest that a final agreement is signed as soon as possible. You should suggest that once the Council gives the European Commission the official permission to open negotiations with Tradeland based on the guidelines the Council agrees upon, this permission should be considered final and no revision of the process should be asked by the Member states in between. This would only cause delays and complications in the process.

Instructions for the Bulgarian Trade Minister

You are representing the government of Bulgaria in the Council negotiations over the mandate to be given to the European Commission to sign a free trade agreement with Tradeland. Tradeland, an archipelago state in the mid-Pacific region, has one of the largest economies on the planet, closely ranking behind that of the EU.

This trade agreement, if successfully negotiated and implemented, would constitute one of the most significant developments in the history of the European Union so far as trade and economics are concerned. It is, therefore, to be anticipated that each member state will try to shape the agreement in ways promoting or preserving its own economic sectors.

You do not yet have a clear picture of what the other Member states think about the agreement. However, having been briefed on the situations by your ministry counselors, you understand there are several different approaches, and countries can be categorized in the following groups:

The first group, which Bulgaria is a part of, consists of a small group of countries that seem to be neutral to a possible agreement. However, they are expected to take advantage of the situation and ask for compensation for giving the negotiations the green light to start. These issues might, for instance, include visa liberalization from Tradeland's part, which at the moment does not apply a uniform visa policy towards all EU Member states. The issue of visas is your most important goal that you want to bring up, as your country's citizens cannot travel to Tradeland without visas.

A second group is formed by countries with a strong trade surplus and largely export-driven economies. These states have strong, competitive companies which produce quality products and services that could increase market share in Tradeland. They believe that *laissez faire* policies spark innovation and prosperity and they are looking forward to increasing their operations in Tradeland's market.

A third group of states includes those that generally support the conclusion of a free trade agreement, yet seek to limit its scope to exclude specific sectors to protect their economic stakeholders, cultural diversity or culinary heritage.

A fourth group of states is in favor of more free trade, yet is concerned that an agreement with Tradeland could negatively impact well-embedded European ideals and practices, such as consumer rights, labor unions, welfare system, etc. This, given the fact that Tradeland's economy is far less regulated, and far more production-oriented, than that of any European country. Similarly, states might raise objections regarding public health issues; specifically, these may target the genetically modified organisms (GMOs) that are unregulated in Tradeland. These states support the part of the agreement that refers to the free trade and the removal of tariffs, but they oppose harmonization of regulations between Tradeland and the EU.

Finally, a group of countries believing that a free trade agreement with Tradeland will have an overall negative effect on their economy, harming more sectors or businesses than it would benefit. They think that the competition posed by Tradeland on an uneven playing field - in terms of social, fiscal and environmental norms – would disadvantage several of their economic sectors. These states, therefore, are reluctant to open these trade negotiations at all; they will likely seek to obtain gains on other policy areas in return for supporting the trade talks, while also seeking to limit the trade agreement's scope.

All in all, it is expected that different states will advocate for different degrees of a free trade agreement and trade liberalization with Tradeland. On these subjects, some specific issues that might also come up are:

1) How should the agreement be: universal or apply only to some economic activities (e.g. commodities, services, capital)?
2) What guarantees are given from export-driven economies to less competitive economies when it comes to mitigating the potential negative effects on the latter in the short term?
3) How will the agreement guarantee the protection of established civil and social rights, environmental and health standards in the European Union?
4) How to secure protection against powerful lobbies, which are quite established in Tradeland?

As Bulgaria, you know this FTA will not benefit your companies very much, if at all. You are concerned with the impact on SMEs, as well as on agriculture issues. You are neutral towards a FTA with Tradeland (maybe slightly against), but want instead a true common market within the EU. You think that the EU should focus even more on helping the poorer economies to catch up with the most developed economies of the EU, rather than putting their young economies at risk by signing a FTA with Tradeland. You are also well aware that some labor unions within your country are already worried that there will be job cuts in Bulgarian companies in order to make them even more competitive against the companies of Tradeland. Overall public support towards a FTA is neutral compared to the EU average. You do not want this trade deal to divide the EU too much, and you are willing to consider it, as long as there are clear safety nets included for the poorer economies of the EU Member states, like yours. This could come in the form of more structural funds or funds to increase the competitiveness of Bulgarian goods and services within the EU market. Time is also of importance – as your companies need time to be shielded from competition from Tradeland's companies, in order to grow and become globally competitive. With the correct incentives from the other EU Member states you are willing to agree with this FTA. One such incentive could be convincing the government of Tradeland to lift the visa requirements for your citizens going to travel to Tradeland.

Your main objectives are to:

- Make a strong point that EU integration is a priority over finding new trade partners, hence the discussion should also focus on how to help weaker European economies
- Secure specific guarantees that EU members with less-competitive economies will be protected against any negative impacts of the FTA

- Make sure that an adjustment period will be foreseen in order for your companies to adjust to the new reality
- Secure the lifting of visa requirements imposed by Tradeland towards any member-state
- Make sure that the discussion focuses on the topics that are high on your agenda (as those discussed above)
- Make sure that the agreement includes specific measures for minimizing any potential influence that Tradeland's lobbies could develop in the future

<u>With these points in mind, you are going to negotiate - within the Council of the European Union – the mandate to be given to the European Commission for negotiating the FTA with Tradeland.</u> Given that the Commission cannot focus on all the aspects negotiated within the Council in this simulation, the Member states of the Council will only frame and forward three major interests that it requires the Commission negotiators to focus on in their negotiations with Tradeland. To clarify: The negotiation you are about to partake in is a European-internal negotiation; you are not negotiating with Tradeland. The outcome of your negotiation will delineate the mandate to be given to the European Commission negotiators, who will conduct an external negotiation with Tradeland on behalf of the EU. During the actual negotiations with Tradeland you will not have a representative at the negotiation table as the European Commission will be the party negotiating the deal. You (as the Council) will receive reports and updates as the negotiations progress, however, you will not be conducting them on your own. According to Article 207 paragraph 3 of the Treaty on the Functioning of the European Union,

> *The Commission shall conduct these negotiations in consultation with a special committee appointed by the Council to assist the Commission in this task and within the framework of such directives as the Council may issue to it. The Commission shall report regularly to the special committee and to the European Parliament on the progress of negotiations.*

It is in your interest that a final agreement, if signed, will allow you to gain something your country needs (lifting visas, some incentives for shielding your companies from the negative effects of the FTA etc.). But, if the agreement is to go forward with these negotiations, you should suggest that once the Council gives the European Commission the official permission to open negotiations with Tradeland based on the guidelines the Council agrees upon, this permission should be reviewed every couple of months, to make sure the Commission is truly representing the mandate given to it by the Council of the EU.

Instructions for the Croatian Trade Minister

You are representing the government of Croatia in the Council negotiations over the mandate to be given to the European Commission to sign a free trade agreement with Tradeland. Tradeland, an archipelago state in the mid-Pacific region, has one of the largest economies on the planet, closely ranking behind that of the EU.

This trade agreement, if successfully negotiated and implemented, would constitute one of the most significant developments in the history of the European Union so far as trade and economics are concerned. It is, therefore, to be anticipated that each member state will try to shape the agreement in ways promoting or preserving its own economic sectors.

You do not yet have a clear picture of what the other Member states think about the agreement. However, having been briefed on the situations by your ministry counselors, you understand there are several different approaches, and countries can be categorized in the following groups:

The first group, the one Croatia is a part of, consists of a small group of countries that seem to be neutral to a possible agreement. However, they are expected to take advantage of the situation and ask compensation for giving the green light for the negotiations to start. These issues might, for instance, include visa liberalization from Tradeland's part, which at the moment does not apply a uniform visa policy towards all EU Member states. The issue of visas is your most important goal that you want to bring up, as your country's citizens cannot travel to Tradeland without visas.

A second group is formed by countries with a strong trade surplus and largely export-driven economies. These states have strong, competitive companies which produce quality products and services that could increase market share in Tradeland. They believe that *laissez faire* policies spark innovation and prosperity and they are looking forward to increasing their operations in Tradeland's market.

A third group of states includes those that generally support the conclusion of a free trade agreement, yet seek to limit its scope to exclude specific sectors to protect their economic stakeholders, cultural diversity or culinary heritage.

A fourth group of states is in favor of more free trade, yet is concerned that an agreement with Tradeland could negatively impact well-embedded European ideals and practices, such as consumer rights, labor unions, welfare system, etc. This, given the fact that Tradeland's economy is far less regulated, and far more production-oriented, than that of any European country. Similarly, states might raise objections regarding public health issues; specifically, these may target the genetically modified organisms (GMOs) that are unregulated in Tradeland. These states support the part of the agreement that refers to the free trade and the removal of tariffs, but they oppose harmonization of regulations between Tradeland and the EU.

Finally, there is a group of countries believing that a free trade agreement with Tradeland will have an overall negative effect on their economy, harming more sectors or businesses than it would benefit. They think that the competition posed by Tradeland on an uneven playing field - in terms of social, fiscal and environmental norms – would disadvantage several of their economic sectors. These states, therefore, are reluctant to open these trade negotiations at all; they will likely seek to obtain gains on other policy areas in return for supporting the trade talks, while also seeking to limit the trade agreement's scope.

All in all, it is expected that different states will advocate for different degrees of a free trade agreement and trade liberalization with Tradeland. On these subjects, some specific issues that might also come up are:

1) How should the agreement be: universal or apply only to some economic activities (e.g. commodities, services, capital)?
2) What guarantees are given from export-driven economies to less competitive economies when it comes to mitigating the potential negative effects on the latter in the short term?
3) How will the agreement guarantee the protection of established civil and social rights, environmental and health standards in the European Union?
4) How to secure protection against powerful lobbies, which are quite established in Tradeland?

As Croatia, you know this FTA will not benefit your companies very much, and it is expected that a signed agreement with Tradeland will only benefit a few sectors of the economy. You are more in favor of this FTA than some other countries from your group who also ask the lifting of visas from Tradeland towards their citizens. You are concerned with the impact on agriculture and environmental issues and you want to make sure that this FTA will have enough safety checks so that the environment will not be polluted even more (you are well aware that the environmental policies in your country and throughout the EU are significantly tougher than in Tradeland). You are neutral (maybe even slightly in favor) towards an FTA with Tradeland, but you want to first fully integrate within the EU common market. You think that the EU should focus even more on helping the poorer economies to catch up with the most developed economies of the EU, rather than putting their young economies at risk by signing a FTA with Tradeland. You are also well aware that some labor unions within your country are already worried that there will be job cuts in Croatian companies in order to make them even more competitive against the companies of Tradeland. Overall public support towards the FTA is neutral compared to the EU average. You do not want this trade deal to divide the EU too much, and you are willing to consider it, as long as there are clear safety nets included for the poorer economies of the EU Member states, like yours. This could come in the form of more structural funds or funds to increase the competitiveness of Croatian goods and services within the EU market. Time is also of importance – as your companies, especially the SMEs need time to be shielded from competition from Tradeland's companies, in order to grow and become globally competitive. With the correct incentives from the other EU Member states you are willing to agree with this FTA. One such incentive could be convincing the government of Tradeland to lift the visa requirements for your citizens going to travel to Tradeland.

Your main objectives are to:

- Vigorously argue that EU integration is a priority over finding new trade partners, hence the discussion should also focus on how to help weaker European economies
- Secure specific guarantees that EU members with less-competitive economies will be protected against any negative impacts of the FTA
- Any agreement should take into serious consideration the civil and social rights in the EU, as well as the current environmental and health standards
- Secure the lifting of visa requirements imposed by Tradeland towards any member-state
- Make sure that the discussion focuses on the topics that are high on your agenda (as those discussed above)
- Make sure that the agreement includes specific measures for minimizing any potential influence that Tradeland's lobbies could develop in the future

<u>With these points in mind, you are going to negotiate - within the Council of the European Union – the mandate to be given to the European Commission for negotiating the FTA with Tradeland.</u> Given that the Commission cannot focus on all the aspects negotiated within the Council in this simulation, the Member states of the Council will only frame and forward three major interests that it requires the Commission negotiators to focus on in their negotiations with Tradeland. To clarify: The negotiation you are about to partake in is a European-internal negotiation; you are not negotiating with Tradeland. The outcome of your negotiation will delineate the mandate to be given to the European Commission negotiators, who will conduct an external negotiation with Tradeland on behalf of the EU. During the actual negotiations with Tradeland you will not have a representative at the negotiation table as the European Commission will be the party negotiating the deal. You (as the Council) will receive reports and updates as the negotiations progress, however, you will not be conducting them on your own. According to Article 207 paragraph 3 of the Treaty on the Functioning of the European Union,

> *The Commission shall conduct these negotiations in consultation with a special committee appointed by the Council to assist the Commission in this task and within the framework of such directives as the Council may issue to it. The Commission shall report regularly to the special committee and to the European Parliament on the progress of negotiations.*

It is in your interest that a final agreement, if signed, will allow you to gain something your country needs (lifting visas, some incentives for shielding your companies from the negative effects of the FTA etc.). But, if the agreement is to go forward with these negotiations, you should suggest that once the Council gives the European Commission the official permission to open negotiations with Tradeland based on the guidelines the Council agrees upon, this permission should be reviewed every couple of months, to make sure the Commission is truly representing the mandate given to it by the Council of the EU.

Instructions for the Cypriot Trade Minister

You are representing the government of Cyprus in the Council negotiations over the mandate to be given to the European Commission to sign a free trade agreement with Tradeland. Tradeland, an archipelago state in the mid-Pacific region, has one of the largest economies on the planet, closely ranking behind that of the EU.

This trade agreement, if successfully negotiated and implemented, would constitute one of the most significant developments in the history of the European Union so far as trade and economics are concerned. It is, therefore, to be anticipated that each member state will try to shape the agreement in ways promoting or preserving its own economic sectors.

You do not yet have a clear picture of what the other Member states think about the agreement. However, having been briefed on the situations by your ministry counselors, you understand there are several different approaches, and countries can be categorized in the following groups:

The first group, which is the one Cyprus is also part of, consists of a small group of countries that seem to be neutral to a possible agreement. However, they are expected to take advantage of the situation and ask compensation for granting the negotiations a green light to begin. These issues might, for instance, include visa liberalization from Tradeland's part, which at the moment does not apply a uniform visa policy towards all EU Member states. The issue of visas is your most important goal that you want to bring up, as your country's citizens cannot travel to Tradeland without visas.

A second group is formed by countries with a strong trade surplus and largely export-driven economies. These states have strong, competitive companies which produce quality products and services that could increase market share in Tradeland. They believe that *laissez faire* policies spark innovation and prosperity and they are looking forward to increasing their operations in Tradeland's market.

A third group of states includes those that generally support the conclusion of a free trade agreement, yet seek to limit its scope to exclude specific sectors to protect their economic stakeholders, cultural diversity or culinary heritage.

A fourth group of states is in favor of more free trade, yet is concerned that an agreement with Tradeland could negatively impact well-embedded European ideals and practices, such as consumer rights, labor unions, welfare system, etc. This, given the fact that Tradeland's economy is far less regulated, and far more production-oriented, than that of any European country. Similarly, states might raise objections regarding public health issues; specifically, these may target the genetically modified organisms (GMOs) that are unregulated in Tradeland. These states support the part of the agreement that refers to the free trade and the removal of tariffs, but they oppose harmonization of regulations between Tradeland and the EU.

Finally, there is a group of countries believing that a free trade agreement with Tradeland will have an overall negative effect on their economy, harming more sectors or businesses than it would benefit. They think that the competition posed by Tradeland on an uneven playing field - in terms of social, fiscal and environmental norms – would disadvantage several of their economic sectors. These states, therefore, are reluctant to open these trade negotiations at all; they will likely seek to obtain gains on other policy areas in return for supporting the trade talks, while also seeking to limit the trade agreement's scope.

All in all, it is expected that different states will advocate for different degrees of a free trade agreement and trade liberalization with Tradeland. On these subjects, some specific issues that might also come up are:

1) How should the agreement be: universal or apply only to some economic activities (e.g. commodities, services, capital)?
2) What guarantees are given from export-driven economies to less competitive economies when it comes to mitigating the potential negative effects on the latter in the short term?
3) How will the agreement guarantee the protection of established civil and social rights, environmental and health standards in the European Union?
4) How to secure protection against powerful lobbies, which are quite established in Tradeland?

As Cyprus, you know this FTA will not benefit your companies very much and it is expected that a signed agreement with Tradeland will only benefit a handful of large firms in the shipping sector. You are concerned with the impact on SMEs, as well as on agriculture and environmental issues and you want to make sure that this FTA will have enough safety checks so that the environment will not be polluted even more (you are well aware that the environmental policies in your country and throughout the EU are significantly tougher than in Tradeland). You are neutral (maybe even slightly against) towards a FTA with Tradeland, but want instead a true common market within the EU. You are also well aware that some labor unions within your country are already worried that there will be job cuts in Cypriot companies in order to make them even more competitive against the companies of Tradeland. Overall public support towards the FTA is neutral compared to the EU average. You do not want this trade deal to divide the EU too much, and you are willing to consider it, as long as there are clear safety nets included for the small-scale economies in the EU, like yours. Time is also of importance – as your companies need time to be shielded from competition from Tradeland's companies, in order to grow and become globally competitive. With the correct incentives from the other EU Member states you are willing to agree with this FTA. One such incentive could be convincing the government of Tradeland to lift the visa requirements for your citizens going to travel to Tradeland.

Your main objectives are to:

- Make a strong point that EU integration is a priority over finding new trade partners, hence the discussion should also focus on how to help weaker European economies
- Secure specific guarantees that small states will be protected against any negative impacts of the FTA

- Make sure that an adjustment period will be foreseen in order for your companies to adjust to the new reality
- Secure that any agreement will take into serious consideration the civil and social rights in the EU, as well as the current environmental and health standard
- Secure the lifting of visa requirements imposed by Tradeland towards any member-state
- Make sure that the discussion focuses on the topics that are high on your agenda (as those discussed above)
- Make sure that the agreement includes specific measures for minimizing any potential influence that Tradeland's lobbies could develop in the future

<u>With these points in mind, you are going to negotiate - within the Council of the European Union – the mandate to be given to the European Commission for negotiating the FTA with Tradeland.</u> Given that the Commission cannot focus on all the aspects negotiated within the Council in this simulation, the Member states of the Council will only frame and forward three major interests that it requires the Commission negotiators to focus on in their negotiations with Tradeland. To clarify: The negotiation you are about to partake in is a European-internal negotiation; you are not negotiating with Tradeland. The outcome of your negotiation will delineate the mandate to be given to the European Commission negotiators, who will conduct an external negotiation with Tradeland on behalf of the EU. During the actual negotiations with Tradeland you will not have a representative at the negotiation table as the European Commission will be the party negotiating the deal. You (as the Council) will receive reports and updates as the negotiations progress, however, you will not be conducting them on your own. According to Article 207 paragraph 3 of the Treaty on the Functioning of the European Union,

> *The Commission shall conduct these negotiations in consultation with a special committee appointed by the Council to assist the Commission in this task and within the framework of such directives as the Council may issue to it. The Commission shall report regularly to the special committee and to the European Parliament on the progress of negotiations.*

It is in your interest that a final agreement, if signed, will allow you to gain something your country needs (lifting visas, some incentives for shielding your companies from the negative effects of the FTA, a deal about the shipping industry etc.). But, if the agreement is to go forward with these negotiations, you should suggest that once the Council gives the European Commission the official permission to open negotiations with Tradeland based on the guidelines the Council agrees upon, this permission should be reviewed every couple of months, to make sure the Commission is truly representing the mandate given to it by the Council of the EU.

Instructions for the Czech Trade Minister

You are representing the government of Czech Republic in the Council negotiations over the mandate to be given to the European Commission to sign a free trade agreement with Tradeland. Tradeland, an archipelago state in the mid-Pacific region, has one of the largest economies on the planet, closely ranking behind that of the EU.

This trade agreement, if successfully negotiated and implemented, would constitute one of the most significant developments in the history of the European Union so far as trade and economics are concerned. It is, therefore, to be anticipated that each member state will try to shape the agreement in ways promoting or preserving its own economic sectors.

You do not yet have a clear picture of what the other Member states think about the agreement. However, after being briefed on the situations by your ministry counselors, you understand that there are a number of different approaches, which can be categorized in the following groups:

The first group - which Czech Republic belongs to, includes states believing that a free trade agreement with Tradeland will have an overall negative effect on their economy, harming more sectors or businesses than it would benefit. They think that the competition posed by Tradeland on an uneven playing field - in terms of social, fiscal and environmental norms – would disadvantage several of their economic sectors. These states, therefore, are reluctant to open these trade negotiations at all; they will likely seek to obtain gains on other policy areas in return for supporting the trade talks, while also seeking to limit the trade agreement's scope.

A second group is formed by countries with a strong trade surplus and largely export-driven economies. These states have strong, competitive companies which produce quality products and services that could increase market share in Tradeland. They believe that *laissez faire* policies spark innovation and prosperity and they are looking forward to increasing their operations in Tradeland's market.

A third group of states includes those that generally support the conclusion of a free trade agreement, yet seek to limit its scope to exclude specific sectors to protect their economic stakeholders, cultural diversity or culinary heritage.

A fourth group of states is in favor of more free trade, yet is concerned that an agreement with Tradeland could negatively impact well-embedded European ideals and practices, such as consumer rights, labor unions, welfare system, etc. This, given the fact that Tradeland's economy is far less regulated, and far more production-oriented, than that of any European country. Similarly, states might raise objections regarding public health issues; specifically, these may target the genetically modified organisms (GMOs) that are unregulated in Tradeland. These states support the part of the agreement that refers to the free trade and the removal of tariffs, but they oppose harmonization of regulations between Tradeland and the EU.

Finally, a smaller group of countries seems to be neutral to a possible agreement. However, you can expect them to take advantage of the situation, seeking to be rewarded for their giving the green light for negotiations to begin. Such requests might include, for example, visa liberalization on Tradeland's part; currently, Tradeland does not apply a uniform visa policy towards all EU Member states.

All in all, it is expected that different states will advocate for different degrees of a free trade agreement and trade liberalization with Tradeland. On these subjects, some specific issues that might also come up are:

1) How should the agreement be: universal or apply only to some economic activities (e.g. commodities, services, capital)?
2) What guarantees are given from export-driven economies to less competitive economies when it comes to mitigating the potential negative effects on the latter in the short term?
3) How will the agreement guarantee the protection of established civil and social rights, environmental and health standards in the European Union?
4) How to secure protection against powerful lobbies, which are quite established in Tradeland?

As the Czech representative you understand that an FTA with Tradeland could be against some of your interests. You already have a working relationship with Tradeland that touches a number of different sectors, and an all-inclusive agreement negotiated by the European Union could well do more harm to the Czech Republic rather than benefit it. Economists predict that your GDP will only marginally increase (0.0%-0.1%) due to the side effects of an agreement, while, there are a lot of downsides as well. First, your government already has significant concerns on the loss of national sovereignty that being a member of the EU implies. An all-inclusive agreement with Tradeland would undermine the jurisdiction of Czech courts in disputes that refer to cross-border trading. However, you are all in favor of the large-scale commercial use of GMOs (as a matter of fact you are one of the strongest proponents of the use of GMOs within the EU). You are also not sure if local firms will be able to withstand the steep rise of competition, caused by an FTA between two of largest global economies. Finally, you perceive, in a similar fashion with other countries from your group, that the liberalization of digital services could lead to a frontal attack on the cultural exceptionality of your country, and of the European Union. Until now you have unofficially kept a moderately hard line questioning the focus of the deal altogether, but it might be difficult to continue doing so under the pressure of other countries. You want the FTA to be focused on issues of climate change, tax evasion, and ways to support start-ups and technological innovation. Nonetheless, as different countries may want different degrees/types of agreement, you should try to explore their differences and make the best out of the situation.

Your main objectives are to:

- Make sure that an FTA with Tradeland will be as minimal as possible, applying only to the activities/sectors that will favor your economy
- Secure explicit commitments that the key sectors of your industry will not be threatened by the agreement

- Make a strong case in favor of GMOs and secure GMOs inclusion in the final agreement
- Minimize agreement's impact on the liberalization of digital services, at the very least push for a long adjustment period
- Make sure that the discussion focuses on the topics that are high on your agenda (as those discussed above)
- Secure specific guarantees, especially from the countries that are in favor of an all-inclusive agreement, that the EU will actively help Member states deal with the negative effects attributed to the signing of the FTA with Tradeland
- Insist that any agreement will take into serious consideration the civil and social rights in the EU, as well as the current environmental and health standards
- Make sure that the agreement includes specific ways for minimizing any potential influence that Tradeland's lobbies could develop in the future

<u>With these points in mind, you are going to negotiate - within the Council of the European Union – the mandate to be given to the European Commission for negotiating the FTA with Tradeland.</u> Given that the Commission cannot focus on all the aspects negotiated within the Council in this simulation, the Member states of the Council will only frame and forward three major interests that it requires the Commission negotiators to focus on in their negotiations with Tradeland. To clarify: The negotiation you are about to partake in is a European-internal negotiation; you are not negotiating with Tradeland. The outcome of your negotiation will delineate the mandate to be given to the European Commission negotiators, who will conduct an external negotiation with Tradeland on behalf of the EU. During the actual negotiations with Tradeland you will not have a representative at the negotiation table as the European Commission will be the party negotiating the deal. You (as the Council) will receive reports and updates as the negotiations progress, however, you will not be conducting them on your own. According to Article 207 paragraph 3 of the Treaty on the Functioning of the European Union,

> *The Commission shall conduct these negotiations in consultation with a special committee appointed by the Council to assist the Commission in this task and within the framework of such directives as the Council may issue to it. The Commission shall report regularly to the special committee and to the European Parliament on the progress of negotiations.*

If the Commission does get the mandate to negotiate a trade agreement with Tradeland, then you would expect this to be a long and slow process. Time is not an issue to you and definitely there is no need to hurry things up. At the same time, you would also expect that regular updates are provided by the Commission, which would describe the process that far. That would give you an idea of how the negotiation is going and if your interests are served well. You should suggest that once the negotiation between the European Commission and Tradeland's delegation begin, there should be a bi-monthly progress briefing to the Council.

Instructions for the Danish Trade Minister

You are representing the government of Denmark in the Council negotiations over the mandate to be given to the European Commission to sign a free trade agreement with Tradeland. Tradeland, an archipelago state in the mid-Pacific region, has one of the largest economies on the planet, closely ranking behind that of the EU.

This trade agreement, if successfully negotiated and implemented, would constitute one of the most significant developments in the history of the European Union so far as trade and economics are concerned. It is, therefore, to be anticipated that each member state will try to shape the agreement in ways promoting or preserving its own economic sectors.

You do not yet have a clear picture of what the other Member states think about the agreement. However, having been briefed on the situations by your ministry counselors, you understand there are several different approaches, and countries can be categorized in the following groups:

The first group of states, which Denmark is a part of, is in favor of more free trade, yet is concerned that an agreement with Tradeland could negatively impact well-embedded European ideals and practices, such as consumer rights, labor unions, welfare system, etc. This, given the fact that Tradeland's economy is far less regulated, and far more production-oriented, than that of any European country. Similarly, states might raise objections regarding public health issues; specifically, these may target the genetically modified organisms (GMOs) that are unregulated in Tradeland. These states support the part of the agreement that refers to the free trade and the removal of tariffs, but they oppose harmonization of regulations between Tradeland and the EU.

A second group is formed by countries with a strong trade surplus and largely export-driven economies. These states have strong, competitive companies which produce quality products and services that could increase market share in Tradeland. They believe that *laissez faire* policies spark innovation and prosperity and they are looking forward to increasing their operations in Tradeland's market.

A third group of states includes those believing that a free trade agreement with Tradeland will have an overall negative effect on their economy, harming more sectors or businesses than it would benefit. They think that the competition posed by Tradeland on an uneven playing field - in terms of social, fiscal and environmental norms – would disadvantage several of their economic sectors. These states, therefore, are reluctant to open these trade negotiations at all; they will likely seek to obtain gains on other policy areas in return for supporting the trade talks, while also seeking to limit the trade agreement's scope.

In addition, there is a group of states that includes those that generally support the conclusion of a free trade agreement, yet seek to limit its scope to exclude specific sectors to protect their economic stakeholders, cultural diversity or culinary heritage.

Finally, a smaller group of countries seems to be neutral to a possible agreement. However, you can expect them to take advantage of the situation, seeking to be rewarded for their giving the green light for negotiations to begin. Such requests might include, for example, visa liberalization

on Tradeland's part; currently, Tradeland does not apply a uniform visa policy towards all EU Member states.

All in all, it is expected that different states will advocate for different degrees of a free trade agreement and trade liberalization with Tradeland. On these subjects, some specific issues that might also come up are:

1) How should the agreement be: universal or apply only to some economic activities (e.g. commodities, services, capital)?
2) What guarantees are given from export-driven economies to less competitive economies when it comes to mitigating the potential negative effects on the latter in the short term?
3) How will the agreement guarantee the protection of established civil and social rights, environmental and health standards in the European Union?
4) How to secure protection against powerful lobbies, which are quite established in Tradeland?

As Denmark, you know this FTA will benefit your companies very much, especially in the areas of agriculture, pharmaceutical, shipping companies and the green, environmentally friendly sectors of the economy. On the issue of agriculture, you want to protect your farmers but in the same time you have the ability to expand your agro-business industry to Tradeland. The big business lobby within your own country is strongly in favor of such an FTA with a long, stable ally like Tradeland. You are concerned with environmental issues and you want to make sure that this FTA will have enough safety checks so that the environment will not be polluted even more (you are well aware that the environmental policies in your country and throughout the EU are significantly tougher than in Tradeland). You want an overall FTA focus only on goods and services, but you are strongly against a harmonization of regulations (labor rights, consumer protection, environmental rules) which will lead towards the lowest common denominator promoted by Tradeland. You are against regulations which will weaken labor unions, the healthcare system, the educational system and the overall social safety nets promoted by your country's welfare system.

Your main objectives are to:

- Make sure that an FTA with Tradeland will be targeted in a way that does not harm key national interests
- Put an effort so that harmonization of regulations is excluded from the final agreement
- Raise your concerns regarding established consumer and labor rights, and secure that they are adequately protected. Any agreement will take into serious consideration the civil and social rights in the EU, as well as the current environmental and health standards
- Secure explicit commitments that the key sectors of your industry will not be threatened by the agreement
- Make sure that the discussion focuses on the topics that are high on your agenda (as those discussed above)
- Make sure that the agreement includes specific measures for minimizing any potential influence that Tradeland's lobbies could develop in the future

Based on these points you are going to negotiate within the Council of the European Union which mandate to give the European Commission. Given that the Commission cannot focus on all the aspects negotiated within the Council in this simulation, the Member states of the Council should only forward 3 interests to the Commission negotiators to focus on in the negotiations with Tradeland. The negotiation is about the mandate to be given to the European Commission to negotiate in the name of the EU with Tradeland. This is not a negotiation with Tradeland.

You already know that during the negotiations with Tradeland you will not have a representative at the negotiation table as the European Commission will be the party negotiating the deal. According to Article 207 paragraph 3 of the Treaty on the Functioning of the European Union,

> *The Commission shall conduct these negotiations in consultation with a special committee appointed by the Council to assist the Commission in this task and within the framework of such directives as the Council may issue to it. The Commission shall report regularly to the special committee and to the European Parliament on the progress of negotiations.*

It is in your interest that a final agreement is signed as soon as possible. You should suggest that once the Council gives the European Commission the official permission to open negotiations with Tradeland based on the guidelines the Council agrees upon, this permission should be considered final and no revision of the process should be asked by the Member states in between. This would only cause delays and complications in the process.

Instructions for the Estonian Trade Minister

You are representing the government of Estonia in the Council negotiations over the mandate to be given to the European Commission to sign a free trade agreement with Tradeland. Tradeland, an archipelago state in the mid-Pacific region, has one of the largest economies on the planet, closely ranking behind that of the EU.

This trade agreement, if successfully negotiated and implemented, would constitute one of the most significant developments in the history of the European Union so far as trade and economics are concerned. It is, therefore, to be anticipated that each member state will try to shape the agreement in ways promoting or preserving its own economic sectors.

You do not yet have a clear picture of what the other Member states think about the agreement. However, having been briefed on the situations by your ministry counselors, you understand there are several different approaches, and countries can be categorized in the following groups:

The first group, which is the one Estonia is also part of, is formed by countries with a strong trade surplus and largely export-driven economies. These states have strong, competitive companies which produce quality products and services that could increase market share in Tradeland. They believe that *laissez faire* policies spark innovation and prosperity and they are looking forward to increasing their operations in Tradeland's market.

A second group includes states believing that a free trade agreement with Tradeland will have an overall negative effect on their economy, harming more sectors or businesses than it would benefit. They think that the competition posed by Tradeland on an uneven playing field - in terms of social, fiscal and environmental norms – would disadvantage several of their economic sectors. These states, therefore, are reluctant to open these trade negotiations at all; they will likely seek to obtain gains on other policy areas in return for supporting the trade talks, while also seeking to limit the trade agreement's scope.

A third group of states includes those that generally support the conclusion of a free trade agreement, yet seek to limit its scope to exclude specific sectors to protect their economic stakeholders, cultural diversity or culinary heritage.

A fourth group of states is in favor of more free trade, yet is concerned that an agreement with Tradeland could negatively impact well-embedded European ideals and practices, such as consumer rights, labor unions, welfare system, etc. This, given the fact that Tradeland's economy is far less regulated, and far more production-oriented, than that of any European country. Similarly, states might raise objections regarding public health issues; specifically, these may target the genetically modified organisms (GMOs) that are unregulated in Tradeland. These states support the part of the agreement that refers to the free trade and the removal of tariffs, but they oppose harmonization of regulations between Tradeland and the EU.

Finally, a smaller group of countries seems to be neutral to a possible agreement. However, you can expect them to take advantage of the situation, seeking to be rewarded for their giving the green light for negotiations to begin. Such requests might include, for example, visa liberalization

on Tradeland's part; currently, Tradeland does not apply a uniform visa policy towards all EU Member states.

All in all, it is expected that different states will advocate for different degrees of a free trade agreement and trade liberalization with Tradeland. On these subjects, some specific issues that might also come up are:

1) How should the agreement be: universal or apply only to some economic activities (e.g. commodities, services, capital)?
2) What guarantees are given from export-driven economies to less competitive economies when it comes to mitigating the potential negative effects on the latter in the short term?
3) How will the agreement guarantee the protection of established civil and social rights, environmental and health standards in the European Union?
4) How to secure protection against powerful lobbies, which are quite established in Tradeland?

As Estonia, you know this FTA will benefit your companies very much, and it is expected that a signed agreement with Tradeland will benefit small, medium and large firms alike. You want an overall FTA which will not exclude too many areas that other EU Member states may fight to protect (e.g.: agriculture etc.). You are also very much in favor of opening up the energy market between Tradeland and the EU as your country wants to become less reliable on energy from Russia. Overall public support is higher compared to the EU average.

Your main objectives are to:

- Make sure that an FTA with Tradeland will be as inclusive as possible
- Make a strong case in favor of competition-driven growth, and refrain from making commitments to less competitive economies regarding mitigation of potential negative effects due to an FTA with Tradeland
- Insist that any agreement should guarantee the opening of the energy market
- Make sure that the discussion focuses on the topics that are high on your agenda (as those discussed above)
- Make sure that the power of Tradeland's lobbies will not be exaggerated by some Member states with the purpose of adding limitations to a final agreement

<u>With these points in mind, you are going to negotiate - within the Council of the European Union – the mandate to be given to the European Commission for negotiating the FTA with Tradeland.</u> Given that the Commission cannot focus on all the aspects negotiated within the Council in this simulation, the Member states of the Council will only frame and forward three major interests that it requires the Commission negotiators to focus on in their negotiations with Tradeland. To clarify: The negotiation you are about to partake in is a European-internal negotiation; you are not negotiating with Tradeland. The outcome of your negotiation will delineate the mandate to be given to the European Commission negotiators, who will conduct an external negotiation with Tradeland on behalf of the EU. During the actual negotiations with Tradeland you will not have a

representative at the negotiation table as the European Commission will be the party negotiating the deal. You (as the Council) will receive reports and updates as the negotiations progress, however, you will not be conducting them on your own. According to Article 207 paragraph 3 of the Treaty on the Functioning of the European Union,

> *The Commission shall conduct these negotiations in consultation with a special committee appointed by the Council to assist the Commission in this task and within the framework of such directives as the Council may issue to it. The Commission shall report regularly to the special committee and to the European Parliament on the progress of negotiations.*

It is in your interest that a final agreement is signed as soon as possible. You should suggest that once the Council gives the European Commission the official permission to open negotiations with Tradeland based on the guidelines the Council agrees upon, this permission should be considered final and no revision of the process should be asked by the Member states in between. This would only cause delays and complications in the process.

Instructions for the Finnish Trade

You are representing the government of Finland in the Council negotiations over the mandate to be given to the European Commission to sign a free trade agreement with Tradeland. Tradeland, an archipelago state in the mid-Pacific region, has one of the largest economies on the planet, closely ranking behind that of the EU.

This trade agreement, if successfully negotiated and implemented, would constitute one of the most significant developments in the history of the European Union so far as trade and economics are concerned. It is, therefore, to be anticipated that each member state will try to shape the agreement in ways promoting or preserving its own economic sectors.

You do not yet have a clear picture of what the other Member states think about the agreement. However, after being briefed on the situations by your ministry counselors, you understand that there are a number of different approaches, which can be categorized in the following groups:

The first group of states, which Finland is a part of, is in favor of more free trade, yet is concerned that an agreement with Tradeland could negatively impact well-embedded European ideals and practices, such as consumer rights, labor unions, welfare system, etc. This, given the fact that Tradeland's economy is far less regulated, and far more production-oriented, than that of any European country. Similarly, states might raise objections regarding public health issues; specifically, these may target the genetically modified organisms (GMOs) that are unregulated in Tradeland. These states support the part of the agreement that refers to the free trade and the removal of tariffs, but they oppose harmonization of regulations between Tradeland and the EU.

A second group is formed by countries with a strong trade surplus and largely export-driven economies. These states have strong, competitive companies which produce quality products and services that could increase market share in Tradeland. They believe that *laissez faire* policies spark innovation and prosperity and they are looking forward to increasing their operations in Tradeland's market.

A third group of states includes those believing that a free trade agreement with Tradeland will have an overall negative effect on their economy, harming more sectors or businesses than it would benefit. They think that the competition posed by Tradeland on an uneven playing field - in terms of social, fiscal and environmental norms – would disadvantage several of their economic sectors. These states, therefore, are reluctant to open these trade negotiations at all; they will likely seek to obtain gains on other policy areas in return for supporting the trade talks, while also seeking to limit the trade agreement's scope.

In addition, there is a group of states that includes those that generally support the conclusion of a free trade agreement, yet seek to limit its scope to exclude specific sectors to protect their economic stakeholders, cultural diversity or culinary heritage.

Finally, a smaller group of countries seems to be neutral to a possible agreement. However, you can expect them to take advantage of the situation, seeking to be rewarded for their giving the green light for negotiations to begin. Such requests might include, for example, visa liberalization on Tradeland's part; currently, Tradeland does not apply a uniform visa policy towards all EU Member states.

All in all, it is expected that different states will advocate for different degrees of a free trade agreement and trade liberalization with Tradeland. On these subjects, some specific issues that might also come up are:

1) How should the agreement be: universal or apply only to some economic activities (e.g. commodities, services, capital)?
2) What guarantees are given from export-driven economies to less competitive economies when it comes to mitigating the potential negative effects on the latter in the short term?
3) How will the agreement guarantee the protection of established civil and social rights, environmental and health standards in the European Union?
4) How to secure protection against powerful lobbies, which are quite established in Tradeland?

As Finland, you know this FTA will benefit your companies very much, especially in the areas of shipping and shipyard companies and the paper producing companies. The big business lobby within your own country is strongly in favor of such an FTA with a long, stable ally like Tradeland. You are relatively concerned with environmental issues and you want to make sure that this FTA will have enough safety checks so that the environment will not be polluted even more (you are well aware that the environmental policies in your country and throughout the EU are significantly tougher than in Tradeland). But the environmental concerns can be a bargaining chip as you are more concerned about the economic growth of your country. You want an overall FTA to focus only on goods and services, but you are strongly against a harmonization of regulations which will lead towards the lowest common denominator promoted by Tradeland. You are against regulations which will weaken labor unions, the healthcare system, the educational system and the overall social safety nets promoted by your country's welfare system.

Your main objectives are to:

- Make sure that an FTA with Tradeland will be targeted in a way that does not harm key national interests
- Put an effort so that harmonization of regulations is excluded from the final agreement
- Raise your concerns regarding established consumer and labor rights, and secure that they are adequately protected. Any agreement will take into serious consideration the civil and social rights in the EU, as well as the current environmental and health standards
- Secure explicit commitments that the key sectors of your industry will not be threatened by the agreement
- Make sure that the discussion focuses on the topics that are high on your agenda (as those discussed above)

- Make sure that the agreement includes specific measures for minimizing any potential influence that Tradeland's lobbies could develop in the future

With these points in mind, you are going to negotiate - within the Council of the European Union – the mandate to be given to the European Commission for negotiating the FTA with Tradeland. Given that the Commission cannot focus on all the aspects negotiated within the Council in this simulation, the Member states of the Council will only frame and forward three major interests that it requires the Commission negotiators to focus on in their negotiations with Tradeland. To clarify: The negotiation you are about to partake in is a European-internal negotiation; you are not negotiating with Tradeland. The outcome of your negotiation will delineate the mandate to be given to the European Commission negotiators, who will conduct an external negotiation with Tradeland on behalf of the EU. During the actual negotiations with Tradeland you will not have a representative at the negotiation table as the European Commission will be the party negotiating the deal. You (as the Council) will receive reports and updates as the negotiations progress, however, you will not be conducting them on your own. According to Article 207 paragraph 3 of the Treaty on the Functioning of the European Union,

> *The Commission shall conduct these negotiations in consultation with a special committee appointed by the Council to assist the Commission in this task and within the framework of such directives as the Council may issue to it. The Commission shall report regularly to the special committee and to the European Parliament on the progress of negotiations.*

It is in your interest that a final agreement is signed as soon as possible. You should suggest that once the Council gives the European Commission the official permission to open negotiations with Tradeland based on the guidelines the Council agrees upon, this permission should be considered final and no revision of the process should be asked by the Member states in between. This would only cause delays and complications in the process. You do want to emphasize you want national parliaments to be able to vote on this FTA Agreement, if it passes approval within the EU institutions, before it is put into place.

Instructions for the French Trade Minister

You are representing the government of France in the Council negotiations over the mandate to be given to the European Commission to sign a free trade agreement with Tradeland. Tradeland, an archipelago state in the mid-Pacific region, has one of the largest economies on the planet, closely ranking behind that of the EU.

This trade agreement, if successfully negotiated and implemented, would constitute one of the most significant developments in the history of the European Union so far as trade and economics are concerned. It is, therefore, to be anticipated that each member state will try to shape the agreement in ways promoting or preserving its own economic sectors.

You do not yet have a clear picture of what the other Member states think about the agreement. However, having been briefed on the situations by your ministry counselors, you understand there are several different approaches, and countries can be categorized in the following groups:

The first group - which France belongs to, includes states believing that a free trade agreement with Tradeland will have an overall negative effect on their economy, harming more sectors or businesses than it would benefit. They think that the competition posed by Tradeland on an uneven playing field - in terms of social, fiscal and environmental norms – would disadvantage several of their economic sectors. These states, therefore, are reluctant to open these trade negotiations at all; they will likely seek to obtain gains on other policy areas in return for supporting the trade talks, while also seeking to limit the trade agreement's scope.

A second group is formed by countries with a strong trade surplus and largely export-driven economies. These states have strong, competitive companies which produce quality products and services that could increase market share in Tradeland. They believe that *laissez faire* policies spark innovation and prosperity and they are looking forward to increasing their operations in Tradeland's market.

A third group of states includes those that generally support the conclusion of a free trade agreement, yet seek to limit its scope to exclude specific sectors to protect their economic stakeholders, cultural diversity or culinary heritage.

A fourth group of states is in favor of more free trade, yet is concerned that an agreement with Tradeland could negatively impact well-embedded European ideals and practices, such as consumer rights, labor unions, welfare system, etc. This, given the fact that Tradeland's economy is far less regulated, and far more production-oriented, than that of any European country. Similarly, states might raise objections regarding public health issues; specifically, these may target the genetically modified organisms (GMOs) that are unregulated in Tradeland. These states support the part of the agreement that refers to the free trade and the removal of tariffs, but they oppose harmonization of regulations between Tradeland and the EU.

Finally, a smaller group of countries seems to be neutral to a possible agreement. However, you can expect them to take advantage of the situation, seeking to be rewarded for their giving the green light for negotiations to begin. Such requests might include, for example, visa liberalization on Tradeland's part; currently, Tradeland does not apply a uniform visa policy towards all EU Member states.

All in all, it is expected that different states will advocate for different degrees of a free trade agreement and trade liberalization with Tradeland. On these subjects, some specific issues that might also come up are:

1) How should the agreement be: universal or apply only to some economic activities (e.g. commodities, services, capital)?
2) What guarantees are given from export-driven economies to less competitive economies when it comes to mitigating the potential negative effects on the latter in the short term?
3) How will the agreement guarantee the protection of established civil and social rights, environmental and health standards in the European Union?
4) How to secure protection against powerful lobbies, which are quite established in Tradeland?

As the French representative you understand that an FTA with Tradeland is largely against your interests. You already have a working relationship with Tradeland that touches a number of different sectors, and an all-inclusive agreement negotiated by the European Union will do more harm to France rather than benefit it. Economists predict that your GDP will only marginally increase due to the side effects of an agreement, however, there are a lot of downsides as well. Particular concerns have been raised on the agricultural and dairy products markets, two of the flagship sectors of the French economy, which currently respects a large set of regulations under the Common Agricultural Policy. Similar concerns have been voiced for your automobile industry, which might face tougher competition due to this agreement with Tradeland without strong prospects for more market access. Finally, you perceive, in a similar fashion with other countries from your group, that the liberalization of digital services could lead to a frontal attack on the cultural exceptionality of your country, and of the European Union. On top of all this as several polls have shown, the French people are against the agreement, as they believe that it will only benefit big firms, and will damage the interests of the workers and consumers. Until now you have unofficially kept a hard line denying the deal altogether, but it might be difficult to continue doing so under the pressure of other countries. Nonetheless, as different countries may want different degrees/types of agreement, you should try to explore their vis-à-vis differences and make the best out of the situation. You are very interested in the liberalization of public procurement policies within Tradeland, especially in the areas of infrastructure building (highways, high speed railways, and trains) where German companies are global leaders. Italy and Germany share similar interests in terms of public procurement liberalization for infrastructure building.

Your main objectives are to:

- Make sure that an FTA with Tradeland will be minimal, applying to as few economic activities/sectors as possible

- Secure explicit commitments that the key sectors of your industry will not be threatened by the agreement
- Make a strong case against de-regularization of agricultural and dairy products and secure their exclusion from the final agreement
- Guarantee protection of your automobile industry
- Insist that any agreement should guarantee the liberalization of public procurement policies within Tradeland
- Make sure that the discussion focuses on the topics that are high on your agenda (as those discussed above)
- Secure specific guarantees, especially from the countries that are in favor of an all-inclusive agreement, that the EU will actively help Member states deal with the negative effects attributed to the signing of the FTA with Tradeland
- Insist that any agreement will take into serious consideration the civil and social rights in the EU, as well as the current environmental and health standards
- Make sure that the agreement includes specific ways for minimizing any potential influence that Tradeland's lobbies could develop in the future

<u>With these points in mind, you are going to negotiate - within the Council of the European Union – the mandate to be given to the European Commission for negotiating the FTA with Tradeland.</u> Given that the Commission cannot focus on all the aspects negotiated within the Council in this simulation, the Member states of the Council will only frame and forward three major interests that it requires the Commission negotiators to focus on in their negotiations with Tradeland. To clarify: The negotiation you are about to partake in is a European-internal negotiation; you are not negotiating with Tradeland. The outcome of your negotiation will delineate the mandate to be given to the European Commission negotiators, who will conduct an external negotiation with Tradeland on behalf of the EU. During the actual negotiations with Tradeland you will not have a representative at the negotiation table as the European Commission will be the party negotiating the deal. You (as the Council) will receive reports and updates as the negotiations progress, however, you will not be conducting them on your own. According to Article 207 paragraph 3 of the Treaty on the Functioning of the European Union,

> *The Commission shall conduct these negotiations in consultation with a special committee appointed by the Council to assist the Commission in this task and within the framework of such directives as the Council may issue to it. The Commission shall report regularly to the special committee and to the European Parliament on the progress of negotiations.*

If the Commission does get the mandate to negotiate a trade agreement with Tradeland, then you would expect this to be a long and slow process. Time is not an issue to you and definitely there is no need to hurry things up. At the same time, you would also expect that regular updates are provided by the Commission, which would describe the process that far. That would give you an idea of how the negotiation is going and if your interests are served well. You should suggest that once the negotiation between the European Commission and Tradeland's delegation begin, there should be a bi-monthly progress briefing to the council.

Instructions for the German Trade Minister

You are representing the government of Germany in the Council negotiations over the mandate to be given to the European Commission to sign a free trade agreement with Tradeland. Tradeland, an archipelago state in the mid-Pacific region, has one of the largest economies on the planet, closely ranking behind that of the EU.

This trade agreement, if successfully negotiated and implemented, would constitute one of the most significant developments in the history of the European Union so far as trade and economics are concerned. It is, therefore, to be anticipated that each member state will try to shape the agreement in ways promoting or preserving its own economic sectors.

You do not yet have a clear picture of what the other Member states think about the agreement. However, after being briefed on the situations by your ministry counselors, you understand that there are a number of different approaches, which can be categorized in the following groups:

The first group, which is the one Germany is also part of, is formed by countries with a strong trade surplus and largely export-driven economies. These states have strong, competitive companies which produce quality products and services that could increase market share in Tradeland. They believe that *laissez faire* policies spark innovation and prosperity and they are looking forward to increasing their operations in Tradeland's market.

A second group includes states believing that a free trade agreement with Tradeland will have an overall negative effect on their economy, harming more sectors or businesses than it would benefit. They think that the competition posed by Tradeland on an uneven playing field - in terms of social, fiscal and environmental norms – would disadvantage several of their economic sectors. These states, therefore, are reluctant to open these trade negotiations at all; they will likely seek to obtain gains on other policy areas in return for supporting the trade talks, while also seeking to limit the trade agreement's scope.

A third group of states includes those that generally support the conclusion of a free trade agreement, yet seek to limit its scope to exclude specific sectors to protect their economic stakeholders, cultural diversity or culinary heritage.

A fourth group of states is in favor of more free trade, yet is concerned that an agreement with Tradeland could negatively impact well-embedded European ideals and practices, such as consumer rights, labor unions, welfare system, etc. This, given the fact that Tradeland's economy is far less regulated, and far more production-oriented,, that of any European country. Similarly, states might raise objections regarding public health issues; specifically, these may target the genetically modified organisms (GMOs) that are unregulated in Tradeland. These states support the part of the agreement that refers to the free trade and the removal of tariffs, but they oppose harmonization of regulations between Tradeland and the EU.

Finally, a smaller group of countries seems to be neutral to a possible agreement. However, you can expect them to take advantage of the situation, seeking to be rewarded for their giving the green light for negotiations to begin. Such requests might include, for example, visa liberalization on Tradeland's part; currently, Tradeland does not apply a uniform visa policy towards all EU

Member states.

All in all, it is expected that different states will advocate for different degrees of a free trade agreement and trade liberalization with Tradeland. On these subjects, some specific issues that might also come up are:

1) How should the agreement be: universal or apply only to some economic activities (e.g. commodities, services, capital)?
2) What guarantees are given from export-driven economies to less competitive economies when it comes to mitigating the potential negative effects on the latter in the short term?
3) How will the agreement guarantee the protection of established civil and social rights, environmental and health standards in the European Union?
4) How to secure protection against powerful lobbies, which are quite established in Tradeland?

As Germany, you know this FTA will benefit your companies very much, especially in the areas of car industry, airlines, and pharmaceutical companies. The big business lobby within your own country is strongly in favor of such an FTA with a long, stable ally like Tradeland. You are concerned with environmental issues and you want to make sure that this FTA will have enough safety checks so that the environment will not be polluted even more (you are well aware that the environmental policies in your country and through-out the EU are significantly tougher than in Tradeland). You want an overall FTA which will not exclude too many areas that other EU Member states may fight to protect (e.g.: agriculture etc.). Germany is very interested also in the liberalization of public procurement policies within Tradeland, especially in the areas of infrastructure building (highways, high speed railways and trains) where German companies are global leaders. Italy and France share similar interests in terms of public procurement liberalization for infrastructure building. You are also well aware that some labor unions within your country are already worried that there will be job cuts in Germany companies in order to make them even more competitive against the companies of Tradeland.

Your main objectives are to:

- Make sure that an FTA with Tradeland will be as inclusive as possible
- Make a strong case in favor of competition-driven growth, and refrain from making commitments to less competitive economies regarding mitigation of potential negative effects due to an FTA with Tradeland
- Insist that any agreement should guarantee the liberalization of public procurement policies within Tradeland
- Raise your concerns regarding established consumer and labor rights, and secure that they are adequately protected. At the same time make sure that such protection will not considerably limit the purpose and essence of the FTA.
- Make sure that the discussion focuses on the topics that are high on your agenda (as those discussed above)

- Make sure that the power of Tradeland's lobbies will not be exaggerated by some Member states with the purpose of adding limitations to a final agreement

<u>With these points in mind, you are going to negotiate - within the Council of the European Union – the mandate to be given to the European Commission for negotiating the FTA with Tradeland.</u> Given that the Commission cannot focus on all the aspects negotiated within the Council in this simulation, the Member states of the Council will only frame and forward three major interests that it requires the Commission negotiators to focus on in their negotiations with Tradeland. To clarify: The negotiation you are about to partake in is a European-internal negotiation; you are not negotiating with Tradeland. The outcome of your negotiation will delineate the mandate to be given to the European Commission negotiators, who will conduct an external negotiation with Tradeland on behalf of the EU. During the actual negotiations with Tradeland you will not have a representative at the negotiation table as the European Commission will be the party negotiating the deal. You (as the Council) will receive reports and updates as the negotiations progress, however, you will not be conducting them on your own. According to Article 207 paragraph 3 of the Treaty on the Functioning of the European Union,

> *The Commission shall conduct these negotiations in consultation with a special committee appointed by the Council to assist the Commission in this task and within the framework of such directives as the Council may issue to it. The Commission shall report regularly to the special committee and to the European Parliament on the progress of negotiations.*

It is in your interest for a final agreement to be signed as soon as possible. You should suggest that once the Council gives the European Commission the official permission to open negotiations with Tradeland based on the guidelines the Council agrees upon, this permission should be considered final and no revision of the process should be asked by the Member states in between. This would only cause delays and complications in the process.

<u>Instructions for the Greek Trade Minister</u>

You are representing the government of Greece in the Council negotiations over the mandate to be given to the European Commission to sign a free trade agreement with Tradeland. Tradeland, an archipelago state in the mid-Pacific region, has one of the largest economies on the planet, closely ranking behind that of the EU.

This trade agreement, if successfully negotiated and implemented, would constitute one of the most significant developments in the history of the European Union so far as trade and economics are concerned. It is, therefore, to be anticipated that each member state will try to shape the agreement in ways promoting or preserving its own economic sectors.

You do not yet have a clear picture of what the other Member states think about the agreement. However, after being briefed on the situations by your ministry counselors, you understand that there are a number of different approaches, which can be categorized in the following groups:

The first group, which is the one Greece is also part of, includes those which generally support the conclusion of a free trade agreement, yet seek to limit its scope to exclude specific sectors to protect their economic stakeholders, cultural diversity or culinary heritage.

A second group is formed by countries with a strong trade surplus and largely export-driven economies. These states have strong, competitive companies which produce quality products and services that could increase market share in Tradeland. They believe that *laissez faire* policies spark innovation and prosperity and they are looking forward to increasing their operations in Tradeland's market.

A third group of states includes those believing that a free trade agreement with Tradeland will have an overall negative effect on their economy, harming more sectors or businesses than it would benefit. They think that the competition posed by Tradeland on an uneven playing field - in terms of social, fiscal and environmental norms – would disadvantage several of their economic sectors. These states, therefore, are reluctant to open these trade negotiations at all; they will likely seek to obtain gains on other policy areas in return for supporting the trade talks, while also seeking to limit the trade agreement's scope.

In addition, there is a group of states which, although in favor of more free trade, is also concerned that an agreement with Tradeland could negatively impact well-embedded European ideals and practices, such as consumer rights, labor unions, welfare e system etc. This given the fact that Tradeland is a far less regulated, and far more production-oriented economy than that of any European country. Similarly, states might raise objections regarding public health issues; specifically, these may target the genetically modified organisms (GMOs) that are unregulated in Tradeland. These states support the part of the agreement that refers to the free trade and the removal of tariffs, but they oppose harmonization of regulations between Tradeland and the EU.

Finally, a smaller group of countries seems to be neutral to a possible agreement. However, you can expect them to take advantage of the situation, seeking to be rewarded for their giving the green light for negotiations to begin. Such requests might include, for example, visa liberalization

on Tradeland's part; currently, Tradeland does not apply a uniform visa policy towards all EU Member states.

All in all, it is expected that different states will advocate for different degrees of a free trade agreement and trade liberalization with Tradeland. On these subjects, some specific issues that might also come up are:

1) How should the agreement be: universal or apply only to some economic activities (e.g. commodities, services, capital)?
2) What guarantees are given from export-driven economies to less competitive economies when it comes to mitigating the potential negative effects on the latter in the short term?
3) How will the agreement guarantee the protection of established civil and social rights, environmental and health standards in the European Union?
4) How to secure protection against powerful lobbies, which are quite established in Tradeland?

As the Greek representative you understand that overall, an FTA with Tradeland will have a positive impact on your economy, which has been struggling to come out of the crisis for several years. More specifically, the agreement is expected to add a bit less than 0.5% to your annual GDP, and create thousands of new jobs in the private sector that would be highly beneficial for the Greek recovery, particularly through foreign direct investments. At the same time, you understand that in order to make the best out of the situation you have to provide protection to specific Greek products that are currently under "protected designation of origin" status, based on EU regulation 2081/92, and following related regulations. In your case these would include, for instance, the Greek Feta cheese (and several other cheese varieties), several varieties of olives and the world-famous mastiha products. The protection of these products is of immense importance to you as they constitute your comparative advantage against more industrialized countries, while they contribute to improved numbers in your tourism sector.

Your main objectives are to:

- Make sure that an FTA with Tradeland will be targeted in a way that does not harm key national interests
- Ask for specific guarantees regarding products under "protected designation of origin" status
- Secure explicit commitments that the key sectors of your industry will not be threatened by the agreement
- Make sure that the discussion focuses on the topics that are high on your agenda (as those discussed above)
- Make sure that the agreement includes specific measures for minimizing any potential influence that Tradeland's lobbies could develop in the future

<u>With these points in mind, you are going to negotiate - within the Council of the European Union – the mandate to be given to the European Commission for negotiating the FTA with Tradeland.</u>

Given that the Commission cannot focus on all the aspects negotiated within the Council in this simulation, the Member states of the Council will only frame and forward three major interests that it requires the Commission negotiators to focus on in their negotiations with Tradeland. To clarify: The negotiation you are about to partake in is a European-internal negotiation; you are not negotiating with Tradeland. The outcome of your negotiation will delineate the mandate to be given to the European Commission negotiators, who will conduct an external negotiation with Tradeland on behalf of the EU. During the actual negotiations with Tradeland you will not have a representative at the negotiation table as the European Commission will be the party negotiating the deal. You (as the Council) will receive reports and updates as the negotiations progress, however, you will not be conducting them on your own. According to Article 207 paragraph 3 of the Treaty on the Functioning of the European Union,

> *The Commission shall conduct these negotiations in consultation with a special committee appointed by the Council to assist the Commission in this task and within the framework of such directives as the Council may issue to it. The Commission shall report regularly to the special committee and to the European Parliament on the progress of negotiations.*

It is in your interest that a final agreement is signed as soon as possible, however, you would also expect that regular updates are provided by the Commission, which would describe the process that far. That would give you an idea of how the negotiation is going and if your interests are served well. You should suggest that once the negotiation between the European Commission and Tradeland's delegation begin, there should be a bi-annual progress briefing to the council. If the European Commission is doing its job well this would only cause minor delays to the process.

Instructions for the Hungarian Trade Minister

You are representing the government of Hungary in the Council negotiations over the mandate to be given to the European Commission to sign a free trade agreement with Tradeland. Tradeland, an archipelago state in the mid-Pacific region, has one of the largest economies on the planet, closely ranking behind that of the EU.

This trade agreement, if successfully negotiated and implemented, would constitute one of the most significant developments in the history of the European Union so far as trade and economics are concerned. It is, therefore, to be anticipated that each member state will try to shape the agreement in ways promoting or preserving its own economic sectors.

You do not yet have a clear picture of what the other Member states think about the agreement. However, having been briefed on the situations by your ministry counselors, you understand there are several different approaches, and countries can be categorized in the following groups:

The first group - which Hungary belongs to, includes states believing that a free trade agreement with Tradeland will have an overall negative effect on their economy, harming more sectors or businesses than it would benefit. They think that the competition posed by Tradeland on an uneven playing field - in terms of social, fiscal and environmental norms – would disadvantage several of their economic sectors. These states, therefore, are reluctant to open these trade negotiations at all; they will likely seek to obtain gains on other policy areas in return for supporting the trade talks, while also seeking to limit the trade agreement's scope.

A second group is formed by countries with a strong trade surplus and largely export-driven economies. These states have strong, competitive companies which produce quality products and services that could increase market share in Tradeland. They believe that *laissez faire* policies spark innovation and prosperity and they are looking forward to increasing their operations in Tradeland's market.

A third group of states includes those that generally support the conclusion of a free trade agreement, yet seek to limit its scope to exclude specific sectors to protect their economic stakeholders, cultural diversity or culinary heritage.

A fourth group of states is in favor of more free trade, yet is concerned that an agreement with Tradeland could negatively impact well-embedded European ideals and practices, such as consumer rights, labor unions, welfare system, etc. This, given the fact that Tradeland's economy is far less regulated, and far more production-oriented, than that of any European country. Similarly, states might raise objections regarding public health issues; specifically, these may target the genetically modified organisms (GMOs) that are unregulated in Tradeland. These states support the part of the agreement that refers to the free trade and the removal of tariffs, but they oppose harmonization of regulations between Tradeland and the EU.

Finally, a smaller group of countries seems to be neutral to a possible agreement. However, you can expect them to take advantage of the situation, seeking to be rewarded for their giving the green light for negotiations to begin. Such requests might include, for example, visa liberalization

on Tradeland's part; currently, Tradeland does not apply a uniform visa policy towards all EU Member states.

All in all, it is expected that different states will advocate for different degrees of a free trade agreement and trade liberalization with Tradeland. On these subjects, some specific issues that might also come up are:

1) How should the agreement be: universal or apply only to some economic activities (e.g. commodities, services, capital)?
2) What guarantees are given from export-driven economies to less competitive economies when it comes to mitigating the potential negative effects on the latter in the short term?
3) How will the agreement guarantee the protection of established civil and social rights, environmental and health standards in the European Union?
4) How to secure protection against powerful lobbies, which are quite established in Tradeland?

As the Hungarian representative you understand that an FTA with Tradeland is largely against your interests. You already have a working relationship with Tradeland on a number of different sectors, and an all-inclusive agreement negotiated by the European Union will do more harm to Hungary rather than benefit it. Economists predict that your GDP will only marginally increase (0.0%-0.1%) due to the side effects of an agreement, while, there are a lot of downsides as well. An all-inclusive agreement with Tradeland would undermine the jurisdiction of Hungarian courts in disputes that refer to cross-border trading. Furthermore, other areas of national sovereignty could be affected, such as Hungary's long-standing position against GMOs. Finally, you are also not sure if local firms will be able to withstand the heightened competition caused by the trade union of the two largest global economies. Finally, you perceive, in a similar fashion with other countries from your group, that the liberalization of digital services could lead to a frontal attack on the cultural exceptionality of your country, and of the European Union. Until now you have unofficially kept a hard line denying the deal altogether, but it might be difficult to continue doing so under the pressure of other countries. Nonetheless, as different countries may want different degrees/types of agreement, you should try to explore their vis-à-vis differences and make the best out of the situation.

Your main objectives are to:

- Make sure that an FTA with Tradeland will be minimal, applying to as few economic activities/sectors as possible
- Secure explicit commitments that the key sectors of your industry will not be threatened by the agreement
- Make a strong case against GMOs and secure their exclusion from the agreement
- Explain your reservations regarding national sovereignty and secure commitments that the role of national courts will not be weakened
- Minimize agreement's impact on the liberalization of digital services, at the very least push for a long adjustment period

- Secure specific guarantees, especially from the countries that are in favor of an all-inclusive agreement, that the EU will actively help Member states deal with the negative effects attributed to the signing of the FTA with Tradeland
- Insist that any agreement will take into serious consideration the civil and social rights in the EU, as well as the current environmental and health standards
- Make sure that the agreement includes specific measures for minimizing any potential influence that Tradeland's lobbies could develop in the future

With these points in mind, you are going to negotiate - within the Council of the European Union – the mandate to be given to the European Commission for negotiating the FTA with Tradeland. Given that the Commission cannot focus on all the aspects negotiated within the Council in this simulation, the Member states of the Council will only frame and forward three major interests that it requires the Commission negotiators to focus on in their negotiations with Tradeland. To clarify: The negotiation you are about to partake in is a European-internal negotiation; you are not negotiating with Tradeland. The outcome of your negotiation will delineate the mandate to be given to the European Commission negotiators, who will conduct an external negotiation with Tradeland on behalf of the EU. During the actual negotiations with Tradeland you will not have a representative at the negotiation table as the European Commission will be the party negotiating the deal. You (as the Council) will receive reports and updates as the negotiations progress, however, you will not be conducting them on your own. According to Article 207 paragraph 3 of the Treaty on the Functioning of the European Union,

> *The Commission shall conduct these negotiations in consultation with a special committee appointed by the Council to assist the Commission in this task and within the framework of such directives as the Council may issue to it. The Commission shall report regularly to the special committee and to the European Parliament on the progress of negotiations.*

If the Commission does get the mandate to negotiate a trade agreement with Tradeland, then you would expect this to be a long and slow process. Time is not an issue to you and definitely there is no need to hurry things up. At the same time, you would also expect that regular updates are provided by the Commission, which would describe the process that far. That would give you an idea of how the negotiation is going and if your interests are served well. You should suggest that once the negotiation between the European Commission and Tradeland's delegation begin, there should be a bi-monthly progress briefing to the council.

Instructions for the Irish Trade Minister

You are representing the government of Ireland in the Council negotiations over the mandate to be given to the European Commission to sign a free trade agreement with Tradeland. Tradeland, an archipelago state in the mid-Pacific region, has one of the largest economies on the planet, closely ranking behind that of the EU.

This trade agreement, if successfully negotiated and implemented, would constitute one of the most significant developments in the history of the European Union so far as trade and economics are concerned. It is, therefore, to be anticipated that each member state will try to shape the agreement in ways promoting or preserving its own economic sectors.

You do not yet have a clear picture of what the other Member states think about the agreement. However, after being briefed on the situations by your ministry counselors, you understand that there are a number of different approaches, which can be categorized in the following groups:

The first group, which is the one Ireland is also part of, is formed by countries with a strong trade surplus and largely export-driven economies. These states have strong, competitive companies which produce quality products and services that could increase market share in Tradeland. They believe that *laissez faire* policies spark innovation and prosperity and they are looking forward to increasing their operations in Tradeland's market.

A second group includes states believing that a free trade agreement with Tradeland will have an overall negative effect on their economy, harming more sectors or businesses than it would benefit. They think that the competition posed by Tradeland on an uneven playing field - in terms of social, fiscal and environmental norms – would disadvantage several of their economic sectors. These states, therefore, are reluctant to open these trade negotiations at all; they will likely seek to obtain gains on other policy areas in return for supporting the trade talks, while also seeking to limit the trade agreement's scope.

A third group of states includes those that generally support the conclusion of a free trade agreement, yet seek to limit its scope to exclude specific sectors to protect their economic stakeholders, cultural diversity or culinary heritage.

A fourth group of states is in favor of more free trade, yet is concerned that an agreement with Tradeland could negatively impact well-embedded European ideals and practices, such as consumer rights, labor unions, welfare system, etc. This, given the fact that Tradeland's economy is far less regulated, and far more production-oriented, than that of any European country. Similarly, states might raise objections regarding public health issues; specifically, these may target the genetically modified organisms (GMOs) that are unregulated in Tradeland. These states support the part of the agreement that refers to the free trade and the removal of tariffs, but they oppose harmonization of regulations between Tradeland and the EU.

Finally, a smaller group of countries seems to be neutral to a possible agreement. However, you can expect them to take advantage of the situation, seeking to be rewarded for their giving the green light for negotiations to begin. Such requests might include, for example, visa liberalization

on Tradeland's part; currently, Tradeland does not apply a uniform visa policy towards all EU Member states.

All in all, it is expected that different states will advocate for different degrees of a free trade agreement and trade liberalization with Tradeland. On these subjects, some specific issues that might also come up are:

1) How should the agreement be: universal or apply only to some economic activities (e.g. commodities, services, capital)?
2) What guarantees are given from export-driven economies to less competitive economies when it comes to mitigating the potential negative effects on the latter in the short term?
3) How will the agreement guarantee the protection of established civil and social rights, environmental and health standards in the European Union?
4) How to secure protection against powerful lobbies, which are quite established in Tradeland?

As Ireland, you know this FTA will benefit your local economy very much by allowing more of Tradeland's tech/IT companies to set their EU headquarters in Ireland. The big business lobby within your own country is strongly in favor of such an FTA with a long, stable ally like Tradeland, arguing that Ireland stands to benefit twice as much as the rest of the EU from such a FTA. You want an overall FTA which will not exclude too many areas that other EU Member states may fight to protect (e.g.: agriculture etc.). You are also well aware that some labor unions within your country are already worried that there will be job cuts in Irish companies in order to make them even more competitive against the companies of Tradeland.

Your main objectives are to:

- Make sure that an FTA with Tradeland will be as inclusive as possible
- Make a strong case in favor of competition-driven growth, and refrain from making commitments to less competitive economies regarding mitigation of potential negative effects due to an FTA with Tradeland
- Raise your concerns regarding established consumer and labor rights, and secure that they are adequately protected. At the same time make sure that such protection will not considerably limit the purpose and essence of the FTA.
- Make sure that the discussion focuses on the topics that are high on your agenda (as those discussed above)
- Make sure that the power of Tradeland's lobbies will not be exaggerated by some Member states with the purpose of adding limitations to a final agreement

<u>With these points in mind, you are going to negotiate - within the Council of the European Union – the mandate to be given to the European Commission for negotiating the FTA with Tradeland.</u> Given that the Commission cannot focus on all the aspects negotiated within the Council in this simulation, the Member states of the Council will only frame and forward three major interests that it requires the Commission negotiators to focus on in their negotiations with Tradeland. To

clarify: The negotiation you are about to partake in is a European-internal negotiation; you are not negotiating with Tradeland. The outcome of your negotiation will delineate the mandate to be given to the European Commission negotiators, who will conduct an external negotiation with Tradeland on behalf of the EU. During the actual negotiations with Tradeland you will not have a representative at the negotiation table as the European Commission will be the party negotiating the deal. You (as the Council) will receive reports and updates as the negotiations progress, however, you will not be conducting them on your own. According to Article 207 paragraph 3 of the Treaty on the Functioning of the European Union,

> *The Commission shall conduct these negotiations in consultation with a special committee appointed by the Council to assist the Commission in this task and within the framework of such directives as the Council may issue to it. The Commission shall report regularly to the special committee and to the European Parliament on the progress of negotiations.*

It is in your interest that a final agreement is signed as soon as possible. You should suggest that once the Council gives the European Commission the official permission to open negotiations with Tradeland based on the guidelines the Council agrees upon, this permission should be considered final and no revision of the process should be asked by the Member states in between. This would only cause delays and complications in the process.

Instructions for the Italian Trade Minister

You are representing the government of Italy in the Council negotiations over the mandate to be given to the European Commission to sign a free trade agreement with Tradeland. Tradeland, an archipelago state in the mid-Pacific region, has one of the largest economies on the planet, closely ranking behind that of the EU.

This trade agreement, if successfully negotiated and implemented, would constitute one of the most significant developments in the history of the European Union so far as trade and economics are concerned. It is, therefore, to be anticipated that each member state will try to shape the agreement in ways promoting or preserving its own economic sectors.

You do not yet have a clear picture of what the other Member states think about the agreement. However, after being briefed on the situations by your ministry counselors, you understand that there are a number of different approaches, which can be categorized in the following groups:

The first group, which is the one Italy is also part of, is formed by countries with a strong trade surplus and largely export-driven economies. These states have strong, competitive companies which produce quality products and services that could increase market share in Tradeland. They believe that *laissez faire* policies spark innovation and prosperity and they are looking forward to increasing their operations in Tradeland's market.

A second group includes states believing that a free trade agreement with Tradeland will have an overall negative effect on their economy, harming more sectors or businesses than it would benefit. They think that the competition posed by Tradeland on an uneven playing field - in terms of social, fiscal and environmental norms – would disadvantage several of their economic sectors. These states, therefore, are reluctant to open these trade negotiations at all; they will likely seek to obtain gains on other policy areas in return for supporting the trade talks, while also seeking to limit the trade agreement's scope.

A third group of states includes those that generally support the conclusion of a free trade agreement, yet seek to limit its scope to exclude specific sectors to protect their economic stakeholders, cultural diversity or culinary heritage.

A fourth group of states is in favor of more free trade, yet is concerned that an agreement with Tradeland could negatively impact well-embedded European ideals and practices, such as consumer rights, labor unions, welfare system, etc. This, given the fact that Tradeland's economy is far less regulated, and far more production-oriented, than that of any European country. Similarly, states might raise objections regarding public health issues; specifically, these may target the genetically modified organisms (GMOs) that are unregulated in Tradeland. These states support the part of the agreement that refers to the free trade and the removal of tariffs, but they oppose harmonization of regulations between Tradeland and the EU.

Finally, a smaller group of countries seems to be neutral to a possible agreement. However, you can expect them to take advantage of the situation, seeking to be rewarded for their giving the green light for negotiations to begin. Such requests might include, for example, visa liberalization

on Tradeland's part; currently, Tradeland does not apply a uniform visa policy towards all EU Member states.

All in all, it is expected that different states will advocate for different degrees of a free trade agreement and trade liberalization with Tradeland. On these subjects, some specific issues that might also come up are:

1) How should the agreement be: universal or apply only to some economic activities (e.g. commodities, services, capital)?
2) What guarantees are given from export-driven economies to less competitive economies when it comes to mitigating the potential negative effects on the latter in the short term?
3) How will the agreement guarantee the protection of established civil and social rights, environmental and health standards in the European Union?
4) How to secure protection against powerful lobbies, which are quite established in Tradeland?

As Italy, you know this FTA will benefit your companies very much, and it is expected that a signed agreement with Tradeland will benefit small, medium and large firms alike. You want an overall FTA which will not exclude too many areas that other EU Member states may fight to protect (e.g.: agriculture etc.). Italy is very interested also in the liberalization of public procurement policies within Tradeland, especially in the areas of infrastructure building (highways, high speed railways and trains) where Italian companies are global leaders. Germany and France share similar interests in terms of public procurement liberalization for infrastructure building. You are also well aware that some labor unions within your country are already worried that there will be job cuts in Italian companies in order to make them even more competitive against the companies of Tradeland, however, overall public support is only marginally higher compared to the EU average.

Your main objectives are to:

- Make sure that an FTA with Tradeland will be as inclusive as possible
- Make a strong case in favor of competition-driven growth, and refrain from making commitments to less competitive economies regarding mitigation of potential negative effects due to an FTA with Tradeland
- Insist that any agreement should guarantee the liberalization of public procurement policies within Tradeland
- Raise your concerns regarding established consumer and labor rights, and secure that they are adequately protected. At the same time make sure that such protection will not considerably limit the purpose and essence of the FTA.
- Make sure that the discussion focuses on the topics that are high on your agenda (as those discussed above)
- Make sure that the power of Tradeland's lobbies will not be exaggerated by some Member states with the purpose of adding limitations to a final agreement

With these points in mind, you are going to negotiate - within the Council of the European Union – the mandate to be given to the European Commission for negotiating the FTA with Tradeland. Given that the Commission cannot focus on all the aspects negotiated within the Council in this simulation, the Member states of the Council will only frame and forward three major interests that it requires the Commission negotiators to focus on in their negotiations with Tradeland. To clarify: The negotiation you are about to partake in is a European-internal negotiation; you are not negotiating with Tradeland. The outcome of your negotiation will delineate the mandate to be given to the European Commission negotiators, who will conduct an external negotiation with Tradeland on behalf of the EU. During the actual negotiations with Tradeland you will not have a representative at the negotiation table as the European Commission will be the party negotiating the deal. You (as the Council) will receive reports and updates as the negotiations progress, however, you will not be conducting them on your own. According to Article 207 paragraph 3 of the Treaty on the Functioning of the European Union,

> *The Commission shall conduct these negotiations in consultation with a special committee appointed by the Council to assist the Commission in this task and within the framework of such directives as the Council may issue to it. The Commission shall report regularly to the special committee and to the European Parliament on the progress of negotiations.*

It is in your interest that a final agreement is signed as soon as possible. You should suggest that once the Council gives the European Commission the official permission to open negotiations with Tradeland based on the guidelines the Council agrees upon, this permission should be considered final and no revision of the process should be asked by the Member states in between. This would only cause delays and complications in the process.

<u>Instructions for the Latvian Trade Minister</u>

You are representing the government of Latvia in the Council negotiations over the mandate to be given to the European Commission to sign a free trade agreement with Tradeland. Tradeland, an archipelago state in the mid-Pacific region, has one of the largest economies on the planet, closely ranking behind that of the EU.

This trade agreement, if successfully negotiated and implemented, would constitute one of the most significant developments in the history of the European Union so far as trade and economics are concerned. It is, therefore, to be anticipated that each member state will try to shape the agreement in ways promoting or preserving its own economic sectors.

You do not yet have a clear picture of what the other Member states think about the agreement. However, having been briefed on the situations by your ministry counselors, you understand there are several different approaches, and countries can be categorized in the following groups:

The first group, which is the one Latvia is also part of, is formed by countries with a strong trade surplus and largely export-driven economies. These states have strong, competitive companies which produce quality products and services that could increase market share in Tradeland. They believe that *laissez faire* policies spark innovation and prosperity and they are looking forward to increasing their operations in Tradeland's market.

A second group includes states believing that a free trade agreement with Tradeland will have an overall negative effect on their economy, harming more sectors or businesses than it would benefit. They think that the competition posed by Tradeland on an uneven playing field - in terms of social, fiscal and environmental norms – would disadvantage several of their economic sectors. These states, therefore, are reluctant to open these trade negotiations at all; they will likely seek to obtain gains on other policy areas in return for supporting the trade talks, while also seeking to limit the trade agreement's scope.

A third group of states includes those that generally support the conclusion of a free trade agreement, yet seek to limit its scope to exclude specific sectors to protect their economic stakeholders, cultural diversity or culinary heritage.

A fourth group of states is in favor of more free trade, yet is concerned that an agreement with Tradeland could negatively impact well-embedded European ideals and practices, such as consumer rights, labor unions, welfare system, etc. This, given the fact that Tradeland's economy is far less regulated, and far more production-oriented, than that of any European country. Similarly, states might raise objections regarding public health issues; specifically, these may target the genetically modified organisms (GMOs) that are unregulated in Tradeland. These states support the part of the agreement that refers to the free trade and the removal of tariffs, but they oppose harmonization of regulations between Tradeland and the EU.

Finally, a smaller group of countries seems to be neutral to a possible agreement. However, you can expect them to take advantage of the situation, seeking to be rewarded for their giving the green light for negotiations to begin. Such requests might include, for example, visa liberalization

on Tradeland's part; currently, Tradeland does not apply a uniform visa policy towards all EU Member states.

All in all, it is expected that different states will advocate for different degrees of a free trade agreement and trade liberalization with Tradeland. On these subjects, some specific issues that might also come up are:

1) How should the agreement be: universal or apply only to some economic activities (e.g. commodities, services, capital)?
2) What guarantees are given from export-driven economies to less competitive economies when it comes to mitigating the potential negative effects on the latter in the short term?
3) How will the agreement guarantee the protection of established civil and social rights, environmental and health standards in the European Union?
4) How to secure protection against powerful lobbies, which are quite established in Tradeland?

As Latvia, you know this FTA will benefit your companies very much, and it is expected that a signed agreement with Tradeland will benefit small, medium and large firms alike. You want an overall FTA which will not exclude too many areas that other EU Member states may fight to protect (e.g.: agriculture etc., as agriculture is your main export to Tradeland and you want this sector to increase after a FTA is agreed on). You are also very much in favor of opening up the energy market between Tradeland and the EU as your country wants to become less reliant on energy from Russia. Overall public support is higher compared to the EU average.

Your main objectives are to:

- Make sure that an FTA with Tradeland will be as inclusive as possible
- Make a strong case in favor of competition-driven growth, and refrain from making commitments to less competitive economies regarding mitigation of potential negative effects due to an FTA with Tradeland
- Insist that any agreement should guarantee the opening of the energy market
- Make sure that the discussion focuses on the topics that are high on your agenda (as those discussed above)
- Make sure that the power of Tradeland's lobbies will not be exaggerated by some Member states with the purpose of adding limitations to a final agreement

<u>With these points in mind, you are going to negotiate - within the Council of the European Union – the mandate to be given to the European Commission for negotiating the FTA with Tradeland.</u> Given that the Commission cannot focus on all the aspects negotiated within the Council in this simulation, the Member states of the Council will only frame and forward three major interests that it requires the Commission negotiators to focus on in their negotiations with Tradeland. To clarify: The negotiation you are about to partake in is a European-internal negotiation; you are not negotiating with Tradeland. The outcome of your negotiation will delineate the mandate to be given to the European Commission negotiators, who will conduct an external negotiation with

Tradeland on behalf of the EU. During the actual negotiations with Tradeland you will not have a representative at the negotiation table as the European Commission will be the party negotiating the deal. You (as the Council) will receive reports and updates as the negotiations progress, however, you will not be conducting them on your own. According to Article 207 paragraph 3 of the Treaty on the Functioning of the European Union,

> *The Commission shall conduct these negotiations in consultation with a special committee appointed by the Council to assist the Commission in this task and within the framework of such directives as the Council may issue to it. The Commission shall report regularly to the special committee and to the European Parliament on the progress of negotiations.*

It is in your interest that a final agreement is signed as soon as possible. You should suggest that once the Council gives the European Commission the official permission to open negotiations with Tradeland based on the guidelines the Council agrees upon, this permission should be considered final and no revision of the process should be asked by the Member states in between. This would only cause delays and complications in the process.

<u>Instructions for the Lithuanian Trade Minister</u>

You are representing the government of Lithuania in the Council negotiations over the mandate to be given to the European Commission to sign a free trade agreement with Tradeland. Tradeland, an archipelago state in the mid-Pacific region, has one of the largest economies on the planet, closely ranking behind that of the EU.

This trade agreement, if successfully negotiated and implemented, would constitute one of the most significant developments in the history of the European Union so far as trade and economics are concerned. It is, therefore, to be anticipated that each member state will try to shape the agreement in ways promoting or preserving its own economic sectors.

You do not yet have a clear picture of what the other Member states think about the agreement. However, having been briefed on the situations by your ministry counselors, you understand there are several different approaches, and countries can be categorized in the following groups:

The first group, which is the one Lithuania is also part of, is formed by countries with a strong trade surplus and largely export-driven economies. These states have strong, competitive companies which produce quality products and services that could increase market share in Tradeland. They believe that *laissez faire* policies spark innovation and prosperity and they are looking forward to increasing their operations in Tradeland's market.

A second group includes states believing that a free trade agreement with Tradeland will have an overall negative effect on their economy, harming more sectors or businesses than it would benefit. They think that the competition posed by Tradeland on an uneven playing field - in terms of social, fiscal and environmental norms – would disadvantage several of their economic sectors. These states, therefore, are reluctant to open these trade negotiations at all; they will likely seek to obtain gains on other policy areas in return for supporting the trade talks, while also seeking to limit the trade agreement's scope.

A third group of states includes those that generally support the conclusion of a free trade agreement, yet seek to limit its scope to exclude specific sectors to protect their economic stakeholders, cultural diversity or culinary heritage.

A fourth group of states is in favor of more free trade, yet is concerned that an agreement with Tradeland could negatively impact well-embedded European ideals and practices, such as consumer rights, labor unions, welfare system, etc. This, given the fact that Tradeland's economy is far less regulated, and far more production-oriented, than that of any European country. Similarly, states might raise objections regarding public health issues; specifically, these may target the genetically modified organisms (GMOs) that are unregulated in Tradeland. These states support the part of the agreement that refers to the free trade and the removal of tariffs, but they oppose harmonization of regulations between Tradeland and the EU.

Finally, a smaller group of countries seems to be neutral to a possible agreement. However, you can expect them to take advantage of the situation, seeking to be rewarded for their giving the green light for negotiations to begin. Such requests might include, for example, visa liberalization

on Tradeland's part; currently, Tradeland does not apply a uniform visa policy towards all EU Member states.

All in all, it is expected that different states will advocate for different degrees of a free trade agreement and trade liberalization with Tradeland. On these subjects, some specific issues that might also come up are:

1) How should the agreement be: universal or apply only to some economic activities (e.g. commodities, services, capital)?
2) What guarantees are given from export-driven economies to less competitive economies when it comes to mitigating the potential negative effects on the latter in the short term?
3) How will the agreement guarantee the protection of established civil and social rights, environmental and health standards in the European Union?
4) How to secure protection against powerful lobbies, which are quite established in Tradeland?

As Lithuania, you know this FTA will benefit your companies very much, and it is expected that a signed agreement with Tradeland will benefit small, medium and large firms alike. You want an overall FTA which will not exclude too many areas that other EU Member states may fight to protect (e.g.: agriculture etc., as agriculture is your main export to Tradeland and you want this sector to increase after a FTA is agreed on). You are also very much in favor of opening up the energy market between Tradeland and the EU as your country wants to become less reliant on energy from Russia. Overall public support is only marginally lower compared to the EU average. You are concerned with economic growth, profit and job creation. Concerns about consumer protection, environmental rules, and labor rights are not high on your agenda.

Your main objectives are to:

- Make sure that an FTA with Tradeland will be as inclusive as possible
- Make a strong case in favor of competition-driven growth, and refrain from making commitments to less competitive economies regarding mitigation of potential negative effects due to an FTA with Tradeland
- Insist that any agreement should guarantee the opening of the energy market
- Make sure that the discussion focuses on the topics that are high on your agenda (as those discussed above)
- Make sure that the power of Tradeland's lobbies will not be exaggerated by some Member states with the purpose of adding limitations to a final agreement

<u>With these points in mind, you are going to negotiate - within the Council of the European Union – the mandate to be given to the European Commission for negotiating the FTA with Tradeland.</u> Given that the Commission cannot focus on all the aspects negotiated within the Council in this simulation, the Member states of the Council will only frame and forward three major interests that it requires the Commission negotiators to focus on in their negotiations with Tradeland. To clarify: The negotiation you are about to partake in is a European-internal negotiation; you are not negotiating with Tradeland. The outcome of your negotiation will delineate the mandate to be given to the European Commission negotiators, who will conduct an external negotiation with

Tradeland on behalf of the EU. During the actual negotiations with Tradeland you will not have a representative at the negotiation table as the European Commission will be the party negotiating the deal. You (as the Council) will receive reports and updates as the negotiations progress, however, you will not be conducting them on your own. According to Article 207 paragraph 3 of the Treaty on the Functioning of the European Union,

> *The Commission shall conduct these negotiations in consultation with a special committee appointed by the Council to assist the Commission in this task and within the framework of such directives as the Council may issue to it. The Commission shall report regularly to the special committee and to the European Parliament on the progress of negotiations.*

It is in your interest that a final agreement is signed as soon as possible. You should suggest that once the Council gives the European Commission the official permission to open negotiations with Tradeland based on the guidelines the Council agrees upon, this permission should be considered final and no revision of the process should be asked by the Member states in between. This would only cause delays and complications in the process.

<u>Instructions for the Luxembourgish Trade Minister</u>

You are representing the government of Luxembourg in the Council negotiations over the mandate to be given to the European Commission to sign a free trade agreement with Tradeland. Tradeland, an archipelago state in the mid-Pacific region, has one of the largest economies on the planet, closely ranking behind that of the EU.

This trade agreement, if successfully negotiated and implemented, would constitute one of the most significant developments in the history of the European Union so far as trade and economics are concerned. It is, therefore, to be anticipated that each member state will try to shape the agreement in ways promoting or preserving its own economic sectors.

You do not yet have a clear picture of what the other Member states think about the agreement. However, having been briefed on the situations by your ministry counselors, you understand there are several different approaches, and countries can be categorized in the following groups:

The first group of states, which Luxemburg is a part of, favors more free trade, yet is concerned that an agreement with Tradeland could negatively impact well-embedded European ideals and practices, such as consumer rights, labor unions, welfare system, etc. This, given the fact that Tradeland's economy is far less regulated, and far more production-oriented, than that of any European country. Similarly, states might raise objections regarding public health issues; specifically, these may target the genetically modified organisms (GMOs) that are unregulated in Tradeland. These states support the part of the agreement that refers to the free trade and the removal of tariffs, but they oppose harmonization of regulations between Tradeland and the EU.

A second group is formed by countries with a strong trade surplus and largely export-driven economies. These states have strong, competitive companies which produce quality products and services that could increase market share in Tradeland. They believe that *laissez faire* policies spark innovation and prosperity and they are looking forward to increasing their operations in Tradeland's market.

A third group of states includes those believing that a free trade agreement with Tradeland will have an overall negative effect on their economy, harming more sectors or businesses than it would benefit. They think that the competition posed by Tradeland on an uneven playing field - in terms of social, fiscal and environmental norms – would disadvantage several of their economic sectors. These states, therefore, are reluctant to open these trade negotiations at all; they will likely seek to obtain gains on other policy areas in return for supporting the trade talks, while also seeking to limit the trade agreement's scope.

In addition, there is a group of states that includes those that generally support the conclusion of a free trade agreement, yet seek to limit its scope to exclude specific sectors to protect their economic stakeholders, cultural diversity or culinary heritage.

Finally, a smaller group of countries seems to be neutral to a possible agreement. However, you can expect them to take advantage of the situation, seeking to be rewarded for their giving the green light for negotiations to begin. Such requests might include, for example, visa liberalization on Tradeland's part; currently, Tradeland does not apply a uniform visa policy towards all EU Member states.

All in all, it is expected that different states will advocate for different degrees of a free trade agreement and trade liberalization with Tradeland. On these subjects, some specific issues that might also come up are:

1) How should the agreement be: universal or apply only to some economic activities (e.g. commodities, services, capital)?
2) What guarantees are given from export-driven economies to less competitive economies when it comes to mitigating the potential negative effects on the latter in the short term?
3) How will the agreement guarantee the protection of established civil and social rights, environmental and health standards in the European Union?
4) How to secure protection against powerful lobbies, which are quite established in Tradeland?

As Luxembourg, you know this FTA will benefit your companies very much, especially in the areas of steel industry, chemical industry, and services (banking and finances). The big business lobby within your own country is strongly in favor of such an FTA with a long, stable ally like Tradeland, but 40% of the public opinion is against. You are in favor of the FTA, but against lowering the European Union standards regarding consumer protection, environmental rules, and labor rights. You want more jobs and profit for your companies, but not at the expense of these regulations. You want an overall FTA focus especially on services, but you are strongly against a harmonization of regulations which will lead towards the lowest common denominator promoted by Tradeland.

Your main objectives are to:

- Make sure that an FTA with Tradeland will be targeted in a way that does not harm key national interests
- Put an effort so that harmonization of regulations is excluded from the final agreement
- Raise your concerns regarding established consumer and labor rights, and secure that they are adequately protected. Any agreement will take into serious consideration the civil and social rights in the EU, as well as the current environmental and health standards
- Secure explicit commitments that the key sectors of your industry will not be threatened by the agreement
- Make sure that the discussion focuses on the topics that are high on your agenda (as those discussed above)
- Make sure that the agreement includes specific measures for minimizing any potential influence that Tradeland's lobbies could develop in the future

<u>With these points in mind, you are going to negotiate - within the Council of the European Union – the mandate to be given to the European Commission for negotiating the FTA with Tradeland.</u>

Given that the Commission cannot focus on all the aspects negotiated within the Council in this simulation, the Member states of the Council will only frame and forward three major interests that it requires the Commission negotiators to focus on in their negotiations with Tradeland. To clarify: The negotiation you are about to partake in is a European-internal negotiation; you are not negotiating with Tradeland. The outcome of your negotiation will delineate the mandate to be given to the European Commission negotiators, who will conduct an external negotiation with Tradeland on behalf of the EU. During the actual negotiations with Tradeland you will not have a representative at the negotiation table as the European Commission will be the party negotiating the deal. You (as the Council) will receive reports and updates as the negotiations progress, however, you will not be conducting them on your own. According to Article 207 paragraph 3 of the Treaty on the Functioning of the European Union,

> *The Commission shall conduct these negotiations in consultation with a special committee appointed by the Council to assist the Commission in this task and within the framework of such directives as the Council may issue to it. The Commission shall report regularly to the special committee and to the European Parliament on the progress of negotiations.*

It is in your interest that a final agreement is signed. You should suggest that once the Council gives the European Commission the official permission to open negotiations with Tradeland based on the guidelines the Council agrees upon, this permission should be verified every few months depending on the transparency allowed by the EU institutions to the negotiations. You do want to emphasize you want national parliaments to be able to vote on this FTA Agreement, if it passes approval within the EU institutions, before it is put into place.

Instructions for the Maltese Trade Minister

You are representing the government of Malta in the Council negotiations over the mandate to be given to the European Commission to sign a free trade agreement with Tradeland. Tradeland, an archipelago state in the mid-Pacific region, has one of the largest economies on the planet, closely ranking behind that of the EU.

This trade agreement, if successfully negotiated and implemented, would constitute one of the most significant developments in the history of the European Union so far as trade and economics are concerned. It is, therefore, to be anticipated that each member state will try to shape the agreement in ways promoting or preserving its own economic sectors.

You do not yet have a clear picture of what the other Member states think about the agreement. However, having been briefed on the situations by your ministry counselors, you understand there are several different approaches, and countries can be categorized in the following groups:

The first group - which Malta belongs to - includes states believing that a free trade agreement with Tradeland will have an overall negative effect on their economy, harming more sectors or businesses than it would benefit. They think that the competition posed by Tradeland on an uneven playing field - in terms of social, fiscal and environmental norms – would disadvantage several of their economic sectors. These states, therefore, are reluctant to open these trade negotiations at all; they will likely seek to obtain gains on other policy areas in return for supporting the trade talks, while also seeking to limit the trade agreement's scope.

A second group is formed by countries with a strong trade surplus and largely export-driven economies. These states have strong, competitive companies which produce quality products and services that could increase market share in Tradeland. They believe that *laissez faire* policies spark innovation and prosperity and they are looking forward to increasing their operations in Tradeland's market.

A third group of states includes those that generally support the conclusion of a free trade agreement, yet seek to limit its scope to exclude specific sectors to protect their economic stakeholders, cultural diversity or culinary heritage.

A fourth group of states is in favor of more free trade, yet is concerned that an agreement with Tradeland could negatively impact well-embedded European ideals and practices, such as consumer rights, labor unions, welfare system, etc. This, given the fact that Tradeland's economy is far less regulated, and far more production-oriented, than that of any European country. Similarly, states might raise objections regarding public health issues; specifically, these may target the genetically modified organisms (GMOs) that are unregulated in Tradeland. These states support the part of the agreement that refers to the free trade and the removal of tariffs, but they oppose harmonization of regulations between Tradeland and the EU.

Finally, a smaller group of countries seems to be neutral to a possible agreement. However, you can expect them to take advantage of the situation, seeking to be rewarded for their giving the green light for negotiations to begin. Such requests might include, for example, visa liberalization

on Tradeland’s part; currently, Tradeland does not apply a uniform visa policy towards all EU Member states.

All in all, it is expected that different states will advocate for different degrees of a free trade agreement and trade liberalization with Tradeland. On these subjects, some specific issues that might also come up are:

1) How should the agreement be: universal or apply only to some economic activities (e.g. commodities, services, capital)?
2) What guarantees are given from export-driven economies to less competitive economies when it comes to mitigating the potential negative effects on the latter in the short term?
3) How will the agreement guarantee the protection of established civil and social rights, environmental and health standards in the European Union?
4) How to secure protection against powerful lobbies, which are quite established in Tradeland?

As the Maltese representative you understand that an FTA with Tradeland is largely against your interests. You do not have a working relationship with Tradeland, and an all-inclusive agreement negotiated by the European Union will do more harm to Malta rather than benefit it, as it will allow cheap Tradeland products into your market, without having the companies which could sell to Tradeland. Economists predict that your GDP will actually decrease by 0.3% and investments into Malta will decrease by 0.7%. First, your government already has significant concerns on the loss of national sovereignty that being a member of the EU implies. An all-inclusive agreement with Tradeland would undermine the jurisdiction of Maltese courts in disputes that refer to cross-border trading. Furthermore, other areas of national sovereignty would be affected, such as Malta's long-standing position against GMOs. Finally, you are certain that local firms will not be able to withstand the steep rise of competition, cause by the trade union of the two largest economies globally and their profits will decrease significantly (e.g: if now your companies can sell products and services to other EU Member states, you expect that after the FTA with Tradeland, your companies will be replaced by Tradeland's companies selling the same products and services). Finally, you perceive, in a similar fashion with other countries from your group, that the liberalization of digital services could lead to a frontal attack on the cultural exceptionality of your country, and of the European Union. Until now you have unofficially kept a hard line denying the deal altogether, but it might be difficult to continue doing so under the pressure of other countries. Nonetheless, as different countries may want different degrees/types of agreement, you should try to explore their vis-à-vis differences and make the best out of the situation.

Your main objectives are to:

- Make sure that an FTA with Tradeland will be minimal, applying to as few economic activities/sectors as possible
- Secure explicit commitments that the key sectors of your industry will not be threatened by the agreement
- Make a strong case against GMOs and secure their exclusion from the agreement

- Explain your reservations regarding national sovereignty and secure commitments that the role of national courts will not be weakened
- Minimize agreement's impact on the liberalization of digital services, at the very least push for a long adjustment period
- Secure specific guarantees, especially from the countries that are in favor of an all-inclusive agreement, that the EU will actively help Member states deal with the negative effects attributed to the signing of the FTA with Tradeland
- Insist that any agreement will take into serious consideration the civil and social rights in the EU, as well as the current environmental and health standards
- Make sure that the agreement includes specific measures for minimizing any potential influence that Tradeland's lobbies could develop in the future

<u>With these points in mind, you are going to negotiate - within the Council of the European Union – the mandate to be given to the European Commission for negotiating the FTA with Tradeland.</u> Given that the Commission cannot focus on all the aspects negotiated within the Council in this simulation, the Member states of the Council will only frame and forward three major interests that it requires the Commission negotiators to focus on in their negotiations with Tradeland. To clarify: The negotiation you are about to partake in is a European-internal negotiation; you are not negotiating with Tradeland. The outcome of your negotiation will delineate the mandate to be given to the European Commission negotiators, who will conduct an external negotiation with Tradeland on behalf of the EU. During the actual negotiations with Tradeland you will not have a representative at the negotiation table as the European Commission will be the party negotiating the deal. You (as the Council) will receive reports and updates as the negotiations progress, however, you will not be conducting them on your own. According to Article 207 paragraph 3 of the Treaty on the Functioning of the European Union,

> *The Commission shall conduct these negotiations in consultation with a special committee appointed by the Council to assist the Commission in this task and within the framework of such directives as the Council may issue to it. The Commission shall report regularly to the special committee and to the European Parliament on the progress of negotiations.*

If the Commission does get the mandate to negotiate a trade agreement with Tradeland, then you would expect this to be a long and slow process. Time is not an issue to you and definitely there is no need to hurry things up. At the same time, you would also expect that regular updates are provided by the Commission, which would describe the process that far. That would give you an idea of how the negotiation is going and if your interests are served well. You should suggest that once the negotiation between the European Commission and Tradeland's delegation begin, there should be a bi-monthly progress briefing to the Council.

Instructions for the Dutch Trade Minister

You are representing the government of Netherlands in the Council negotiations over the mandate to be given to the European Commission to sign a free trade agreement with Tradeland. Tradeland, an archipelago state in the mid-Pacific region, has one of the largest economies on the planet, closely ranking behind that of the EU.

This trade agreement, if successfully negotiated and implemented, would constitute one of the most significant developments in the history of the European Union so far as trade and economics are concerned. It is, therefore, to be anticipated that each member state will try to shape the agreement in ways promoting or preserving its own economic sectors.

You do not yet have a clear picture of what the other Member states think about the agreement. However, having been briefed on the situations by your ministry counselors, you understand there are several different approaches, and countries can be categorized in the following groups:

The first group, which the Netherlands is a part of, includes those which generally support the conclusion of a free trade agreement, yet seek to limit its scope to exclude specific sectors to protect their economic stakeholders, cultural diversity or culinary heritage.

A second group is formed by countries with a strong trade surplus and largely export-driven economies. These states have strong, competitive companies which produce quality products and services that could increase market share in Tradeland. They believe that *laissez faire* policies spark innovation and prosperity and they are looking forward to increasing their operations in Tradeland's market.

A third group of states includes those believing that a free trade agreement with Tradeland will have an overall negative effect on their economy, harming more sectors or businesses than it would benefit. They think that the competition posed by Tradeland on an uneven playing field - in terms of social, fiscal and environmental norms – would disadvantage several of their economic sectors. These states, therefore, are reluctant to open these trade negotiations at all; they will likely seek to obtain gains on other policy areas in return for supporting the trade talks, while also seeking to limit the trade agreement's scope.

In addition, there is a group of states which, although in favor of more free trade, is also concerned that an agreement with Tradeland could negatively impact well-embedded European ideals and practices, such as consumer rights, labor unions, welfare system, etc. This, given the fact that Tradeland's economy is far less regulated, and far more production-oriented, than that of any European country. Similarly, states might raise objections regarding public health issues; specifically, these may target the genetically modified organisms (GMOs) that are unregulated in Tradeland. These states support the part of the agreement that refers to the free trade and the removal of tariffs, but they oppose harmonization of regulations between Tradeland and the EU.

Finally, a smaller group of countries seems to be neutral to a possible agreement. However, you can expect them to take advantage of the situation, seeking to be rewarded for their giving the green light for negotiations to begin. Such requests might include, for example, visa liberalization on Tradeland's part; currently, Tradeland does not apply a uniform visa policy towards all EU Member states.

All in all, it is expected that different states will advocate for different degrees of a free trade agreement and trade liberalization with Tradeland. On these subjects, some specific issues that might also come up are:

1) How should the agreement be: universal or apply only to some economic activities (e.g. commodities, services, capital)?
2) What guarantees are given from export-driven economies to less competitive economies when it comes to mitigating the potential negative effects on the latter in the short term?
3) How will the agreement guarantee the protection of established civil and social rights, environmental and health standards in the European Union?
4) How to secure protection against powerful lobbies, which are quite established in Tradeland?

As the Dutch representative you understand that overall, a FTA with Tradeland will have a positive impact on your economy. Your long history of free trade, which the Netherlands was built and continues to thrive upon, makes you a strong supporter of this FTA, but with some concerns about food regulations and the environment. More specifically the agreement is expected to add a bit less than 0.5% to your annual GDP, and definitely increase FDI from Tradeland to the Netherlands. More than 2/3 of Dutch economists predict a positive impact on the Dutch economy if such a FDI is signed with Tradeland. At the same time, you understand that in order to make the best out of the situation you have to provide protection to specific Dutch products that are currently under "protected designation of origin" status, based on EU regulation 2081/92, and following related regulations. In your case these would include, for instance, the famous Dutch cheese products. The protection of these products is of immense importance to you, as they constitute your comparative advantage against more industrialized countries, while they contribute to improved numbers in your tourism sector. However, you are very much in favor of having Tradeland open their dairy market to your very competitive companies in the milk, cheese, and animal herding sectors of the economy. You also want to promote the opening of adjacent sectors such as the agricultural-related industries, oil, banking, and the airline industry. You realize that you will have to compromise on some of these sectors as only 3 interests can be forwarded to the Commission. However, you do need to keep in mind the focus on maintaining the protection of the higher quality of your agricultural products while promoting the opening of Tradeland's markets especially for these products.

Your main objectives are to:

- Make sure that an FTA with Tradeland will be targeted, in a way that does not harm key national interests
- Ask for specific guarantees regarding products under "protected designation of origin" status
- Make sure that dairy as well as agricultural products are not excluded by the agreement

- ➢ Make sure that industrial sectors where you have a comparative advantage will not be excluded by the agreement
- ➢ Secure explicit commitments that the key sectors of your industry will not be threatened by the agreement
- ➢ Make sure that the discussion focuses on the topics that are high on your agenda (as those discussed above)
- ➢ Make sure that the agreement includes specific measures for minimizing any potential influence that Tradeland's lobbies could develop in the future

<u>With these points in mind, you are going to negotiate - within the Council of the European Union – the mandate to be given to the European Commission for negotiating the FTA with Tradeland.</u> Given that the Commission cannot focus on all the aspects negotiated within the Council in this simulation, the Member states of the Council will only frame and forward three major interests that it requires the Commission negotiators to focus on in their negotiations with Tradeland. To clarify: The negotiation you are about to partake in is a European-internal negotiation; you are not negotiating with Tradeland. The outcome of your negotiation will delineate the mandate to be given to the European Commission negotiators, who will conduct an external negotiation with Tradeland on behalf of the EU. During the actual negotiations with Tradeland you will not have a representative at the negotiation table as the European Commission will be the party negotiating the deal. You (as the Council) will receive reports and updates as the negotiations progress, however, you will not be conducting them on your own. According to Article 207 paragraph 3 of the Treaty on the Functioning of the European Union,

> *The Commission shall conduct these negotiations in consultation with a special committee appointed by the Council to assist the Commission in this task and within the framework of such directives as the Council may issue to it. The Commission shall report regularly to the special committee and to the European Parliament on the progress of negotiations.*

It is in your interest that a final agreement is signed as soon as possible, however, you would also expect that regular updates are provided by the Commission, which would describe the process that far. That would give you an idea of how the negotiation is going and if your interests are served well. You should suggest that once the negotiation between the European Commission and Tradeland's delegation begin, there should be a bi-annual progress briefing to the Council. If the European Commission is doing its job properly, this would only cause minor delays to the process.

<u>Instructions for the Polish Trade Minister</u>

You are representing the government of Poland in the Council negotiations over the mandate to be given to the European Commission to sign a free trade agreement with Tradeland. Tradeland, an archipelago state in the mid-Pacific region, has one of the largest economies on the planet, closely ranking behind that of the EU.

This trade agreement, if successfully negotiated and implemented, would constitute one of the most significant developments in the history of the European Union so far as trade and economics are concerned. It is, therefore, to be anticipated that each member state will try to shape the agreement in ways promoting or preserving its own economic sectors.

You do not yet have a clear picture of what the other Member states think about the agreement. However, having been briefed on the situations by your ministry counselors, you understand there are several different approaches, and countries can be categorized in the following groups:

The first group, which Poland is a part of, includes those which generally support the conclusion of a free trade agreement, yet seek to limit its scope to exclude specific sectors to protect their economic stakeholders, cultural diversity or culinary heritage.

A second group is formed by countries with a strong trade surplus and largely export-driven economies. These states have strong, competitive companies which produce quality products and services that could increase market share in Tradeland. They believe that *laissez faire* policies spark innovation and prosperity and they are looking forward to increasing their operations in Tradeland's market.

A third group of states includes those believing that a free trade agreement with Tradeland will have an overall negative effect on their economy, harming more sectors or businesses than it would benefit. They think that the competition posed by Tradeland on an uneven playing field - in terms of social, fiscal and environmental norms – would disadvantage several of their economic sectors. These states, therefore, are reluctant to open these trade negotiations at all; they will likely seek to obtain gains on other policy areas in return for supporting the trade talks, while also seeking to limit the trade agreement's scope.

In addition, there is a group of states which, although in favor of more free trade, is also concerned that an agreement with Tradeland could negatively impact well-embedded European ideals and practices, such as consumer rights, labor unions, welfare e system etc. This given the fact that Tradeland is a far less regulated, and far more production-oriented economy than that of any European country. Similarly, states might raise objections regarding public health issues; specifically, these may target the genetically modified organisms (GMOs) that are unregulated in Tradeland. These states support the part of the agreement that refers to the free trade and the removal of tariffs, but they oppose harmonization of regulations between Tradeland and the EU.

Finally, a smaller group of countries seems to be neutral to a possible agreement. However, you can expect them to take advantage of the situation, seeking to be rewarded for their giving the green light for negotiations to begin. Such requests might include, for example, visa liberalization

on Tradeland's part; currently, Tradeland does not apply a uniform visa policy towards all EU Member states.

All in all, it is expected that different states will advocate for different degrees of a free trade agreement and trade liberalization with Tradeland. On these subjects, some specific issues that might also come up are:

1) How should the agreement be: universal or apply only to some economic activities (e.g. commodities, services, capital)?
2) What guarantees are given from export-driven economies to less competitive economies when it comes to mitigating the potential negative effects on the latter in the short term?
3) How will the agreement guarantee the protection of established civil and social rights, environmental and health standards in the European Union?
4) How to secure protection against powerful lobbies, which are quite established in Tradeland?

As the Polish representative you understand that overall, a FTA with Tradeland will have a positive impact on your economy. Your long history of free trade, which Poland was built and continues to thrive upon, makes you a strong supporter of this FTA, with some concerns about food regulations and the environment. More specifically the agreement is expected to add a bit less than 0.5% to your annual GDP, and definitely increase FDI from Tradeland to Poland. As a relatively new member of the EU but with a large economy you are very eager to attract foreign direct investment from Tradeland. You also expect your diaspora which lives in Tradeland to be able to invest in your country. You are very interested in the ability to sell easier heavy machinery, electronics and cars, which represents the leading exports from your country. You are also concerned about protecting your farmers and thus want to make sure that the environmental regulations are respected in any FTA and that GMOs will not invade the agricultural market of your country. You realize that you will have to compromise on some of these sectors as only 3 interests can be forwarded to the Commission. However, you do need to keep in mind the focus on maintaining the protection of the higher quality of your agricultural products while promoting the opening of Tradeland's markets especially for these products.

Your main objectives are to:

- Make sure that an FTA with Tradeland will be targeted in a way that does not harm key national interests
- Make a strong case against GMOs and secure their exclusion from the agreement
- Guarantee that an agreement will take into serious consideration the civil and social rights in the EU, as well as the current environmental and health standards
- Secure explicit commitments that the key sectors of your industry will not be threatened by the agreement
- Make sure that the discussion focuses on the topics that are high on your agenda (as those discussed above)
- Make sure that the agreement includes specific measures for minimizing any potential influence that Tradeland's lobbies could develop in the future

<u>With these points in mind, you are going to negotiate - within the Council of the European Union – the mandate to be given to the European Commission for negotiating the FTA with Tradeland.</u> Given that the Commission cannot focus on all the aspects negotiated within the Council in this simulation, the Member states of the Council will only frame and forward three major interests that it requires the Commission negotiators to focus on in their negotiations with Tradeland. To clarify: The negotiation you are about to partake in is a European-internal negotiation; you are not negotiating with Tradeland. The outcome of your negotiation will delineate the mandate to be given to the European Commission negotiators, who will conduct an external negotiation with Tradeland on behalf of the EU. During the actual negotiations with Tradeland you will not have a representative at the negotiation table as the European Commission will be the party negotiating the deal. You (as the Council) will receive reports and updates as the negotiations progress, however, you will not be conducting them on your own. According to Article 207 paragraph 3 of the Treaty on the Functioning of the European Union,

> *The Commission shall conduct these negotiations in consultation with a special committee appointed by the Council to assist the Commission in this task and within the framework of such directives as the Council may issue to it. The Commission shall report regularly to the special committee and to the European Parliament on the progress of negotiations.*

It is in your interest that a final agreement is signed as soon as possible, however, you would also expect that regular updates are provided by the Commission, which would describe the process that far. That would give you an idea of how the negotiation is going and if your interests are served well. You should suggest that once the negotiation between the European Commission and Tradeland's delegation begin, there should be a bi-annual progress briefing to the Council. If the European Commission is doing its job properly this should only cause minor delays to the process.

Instructions for the Portuguese Trade Minister

You are representing the government of Portugal in the Council negotiations over the mandate to be given to the European Commission to sign a free trade agreement with Tradeland. Tradeland, an archipelago state in the mid-Pacific region, has one of the largest economies on the planet, closely ranking behind that of the EU.

This trade agreement, if successfully negotiated and implemented, would constitute one of the most significant developments in the history of the European Union so far as trade and economics are concerned. It is, therefore, to be anticipated that each member state will try to shape the agreement in ways promoting or preserving its own economic sectors.

You do not yet have a clear picture of what the other Member states think about the agreement. However, having been briefed on the situations by your ministry counselors, you understand there are several different approaches, and countries can be categorized in the following groups:

The first group, which Portugal belongs to, includes those which generally support the conclusion of a free trade agreement, yet seek to limit its scope to exclude specific sectors to protect their economic stakeholders, cultural diversity or culinary heritage.

A second group is formed by countries with a strong trade surplus and largely export-driven economies. These states have strong, competitive companies which produce quality products and services that could increase market share in Tradeland. They believe that *laissez faire* policies spark innovation and prosperity and they are looking forward to increasing their operations in Tradeland's market.

A third group of states includes those believing that a free trade agreement with Tradeland will have an overall negative effect on their economy, harming more sectors or businesses than it would benefit. They think that the competition posed by Tradeland on an uneven playing field - in terms of social, fiscal and environmental norms – would disadvantage several of their economic sectors. These states, therefore, are reluctant to open these trade negotiations at all; they will likely seek to obtain gains on other policy areas in return for supporting the trade talks, while also seeking to limit the trade agreement's scope.

In addition, there is a group of states which, although in favor of more free trade, is also concerned that an agreement with Tradeland could negatively impact well-embedded European ideals and practices, such as consumer rights, labor unions, welfare e system etc. This given the fact that Tradeland is a far less regulated, and far more production-oriented economy than that of any European country. Similarly, states might raise objections regarding public health issues; specifically, these may target the genetically modified organisms (GMOs) that are unregulated in Tradeland. These states support the part of the agreement that refers to the free trade and the removal of tariffs, but they oppose harmonization of regulations between Tradeland and the EU.

Finally, a smaller group of countries seems to be neutral to a possible agreement. However, you can expect them to take advantage of the situation, seeking to be rewarded for their giving the green light for negotiations to begin. Such requests might include, for example, visa liberalization on Tradeland's part; currently, Tradeland does not apply a uniform visa policy towards all EU Member states.

All in all, it is expected that different states will advocate for different degrees of a free trade agreement and trade liberalization with Tradeland. On these subjects, some specific issues that might also come up are:

1) How should the agreement be: universal or apply only to some economic activities (e.g. commodities, services, capital)?
2) What guarantees are given from export-driven economies to less competitive economies when it comes to mitigating the potential negative effects on the latter in the short term?
3) How will the agreement guarantee the protection of established civil and social rights, environmental and health standards in the European Union?
4) How to secure protection against powerful lobbies, which are quite established in Tradeland?

As the Portuguese representative you understand that overall, a FTA with Tradeland will have a positive impact on your economy, which has been struggling to come out of the crisis for several years. More specifically the agreement is expected to add a bit less than 0.5% to your annual GDP, and definitely increase FDI from Tradeland to Portugal. At the same time, you understand that in order to make the best out of the situation you have to provide protection to specific Portuguese products that are currently under "protected designation of origin" status, based on EU regulation 2081/92, and following related regulations. In your case these would include, for instance, the famous Porto wine (and several other wine varieties), several varieties of olives and cheese products. The protection of these products is of immense importance to you, as they constitute your comparative advantage against more industrialized countries, while they contribute to improved numbers in your tourism sector.

Your main objectives are to:

- Make sure that an FTA with Tradeland will be targeted in a way that does not harm key national interests
- Ask for specific guarantees regarding products under "protected designation of origin" status
- Secure explicit commitments that the key sectors of your industry will not be threatened by the agreement
- Make sure that the discussion focuses on the topics that are high on your agenda (as those discussed above)
- Make sure that the agreement includes specific measures for minimizing any potential influence that Tradeland's lobbies could develop in the future

<u>With these points in mind, you are going to negotiate - within the Council of the European Union – the mandate to be given to the European Commission for negotiating the FTA with Tradeland.</u> Given that the Commission cannot focus on all the aspects negotiated within the Council in this

simulation, the Member states of the Council will only frame and forward three major interests that it requires the Commission negotiators to focus on in their negotiations with Tradeland. To clarify: The negotiation you are about to partake in is a European-internal negotiation; you are not negotiating with Tradeland. The outcome of your negotiation will delineate the mandate to be given to the European Commission negotiators, who will conduct an external negotiation with Tradeland on behalf of the EU. During the actual negotiations with Tradeland you will not have a representative at the negotiation table as the European Commission will be the party negotiating the deal. You (as the Council) will receive reports and updates as the negotiations progress, however, you will not be conducting them on your own. According to Article 207 paragraph 3 of the Treaty on the Functioning of the European Union,

> *The Commission shall conduct these negotiations in consultation with a special committee appointed by the Council to assist the Commission in this task and within the framework of such directives as the Council may issue to it. The Commission shall report regularly to the special committee and to the European Parliament on the progress of negotiations.*

It is in your interest that a final agreement is signed as soon as possible, however, you would also expect that regular updates are provided by the Commission, which would describe the process that far. That would give you an idea of how the negotiation is going and if your interests are served well. You should suggest that once the negotiation between the European Commission and Tradeland's delegation begin, there should be a bi-annual progress briefing to the council. If the European Commission does its job properly this should only cause minor delays to the process.

<u>**Instructions for the Romanian Trade Minister**</u>

You are representing the government of Romania in the Council negotiations over the mandate to be given to the European Commission to sign a free trade agreement with Tradeland. Tradeland, an archipelago state in the mid-Pacific region, has one of the largest economies on the planet, closely ranking behind that of the EU.

This trade agreement, if successfully negotiated and implemented, would constitute one of the most significant developments in the history of the European Union so far as trade and economics are concerned. It is, therefore, to be anticipated that each member state will try to shape the agreement in ways promoting or preserving its own economic sectors.

You do not yet have a clear picture of what the other Member states think about the agreement. However, having been briefed on the situations by your ministry counselors, you understand there are several different approaches, and countries can be categorized in the following groups:

The first group, which is the one Romania is also part of, consists of a small group of countries that seem to be neutral to a possible agreement. However, they are expected to take advantage of the situation, asking compensation for giving the green light for the negotiations to start. These issues might, for instance, include visa liberalization from Tradeland's part, which at the moment does not apply a uniform visa policy towards all EU Member states. <u>The issue of visas is your most important goal that you want to bring up, as your country's citizens cannot travel to Tradeland without visas.</u>

A second group is formed by countries with a strong trade surplus and largely export-driven economies. These states have strong, competitive companies which produce quality products and services that could increase market share in Tradeland. They believe that *laissez faire* policies spark innovation and prosperity and they are looking forward to increasing their operations in Tradeland's market.

A third group of states includes those that generally support the conclusion of a free trade agreement, yet seek to limit its scope to exclude specific sectors to protect their economic stakeholders, cultural diversity or culinary heritage.

A fourth group of states is in favor of more free trade, yet is concerned that an agreement with Tradeland could negatively impact well-embedded European ideals and practices, such as consumer rights, labor unions, welfare system, etc. This, given the fact that Tradeland's economy is far less regulated, and far more production-oriented, than that of any European country. Similarly, states might raise objections regarding public health issues; specifically, these may target the genetically modified organisms (GMOs) that are unregulated in Tradeland. These states support the part of the agreement that refers to the free trade and the removal of tariffs, but they oppose harmonization of regulations between Tradeland and the EU.

Finally, a group of countries believe that a free trade agreement with Tradeland will have an overall negative effect on their economy, harming more sectors or businesses than it would benefit. They think that the competition posed by Tradeland on an uneven playing field - in terms of social, fiscal and environmental norms – would disadvantage several of their economic sectors.

These states, therefore, are reluctant to open these trade negotiations at all; they will likely seek to obtain gains on other policy areas in return for supporting the trade talks, while also seeking to limit the trade agreement's scope.

All in all, it is expected that different states will advocate for different degrees of a free trade agreement and trade liberalization with Tradeland. On these subjects, some specific issues that might also come up are:

1) How should the agreement be: universal or apply only to some economic activities (e.g. commodities, services, capital)?
2) What guarantees are given from export-driven economies to less competitive economies when it comes to mitigating the potential negative effects on the latter in the short term?
3) How will the agreement guarantee the protection of established civil and social rights, environmental and health standards in the European Union?
4) How to secure protection against powerful lobbies, which are quite established in Tradeland?

As Romania, you know this FTA will not benefit your companies very much, and it is expected that a signed agreement with Tradeland will only benefit a handful of large firms in the IT sector. You are concerned with the impact on SMEs, as well as on agriculture and environmental issues and you want to make sure that this FTA will have enough safety checks so that the environment will not be polluted even more (you are well aware that the environmental policies in your country and throughout the EU are significantly tougher than in Tradeland). You are neutral (maybe even slightly against) towards a FTA with Tradeland, but want instead a true common market within the EU. You think that the EU should focus even more on helping the poorer economies to catch up with the most developed economies of the EU, rather than putting their young economies at risk by signing a FTA with Tradeland. You are also well aware that some labor unions within your country are already worried that there will be job cuts in Romanian companies, in order to make them even more competitive against the companies of Tradeland. Overall public support towards the FTA is neutral compared to the EU average. You do not want this trade deal to divide the EU too much, and you are willing to consider it, as long as there are clear safety nets included for the poorer economies of the EU Member states, like yours. This could come in the form of more structural funds or funds to increase the competitiveness of Romanian goods and services within the EU market. Time is also of importance – as your companies need time to be shielded from competition from Tradeland's companies, in order to grow and become globally competitive. With the correct incentives from the other EU Member states you are willing to agree with this FTA. One such incentive could be convincing the government of Tradeland to lift the visa requirements for your citizens going to travel to Tradeland. Your main objectives are to:

- Make a strong point that EU integration is a priority over finding new trade partners, hence the discussion should also focus on how to help weaker European economies
- Secure specific guarantees that EU members with less-competitive economies will be protected against any negative impacts of the FTA
- Secure that an agreement will take into serious consideration the civil and social rights in the EU, as well as the current environmental and health standards

- Make sure that an adjustment period will be foreseen in order for your companies to adjust to the new reality
- Secure the lifting of visa requirements imposed by Tradeland towards any member-state
- Make sure that the discussion focuses on the topics that are high on your agenda (as those discussed above)
- Make sure that the agreement includes specific measures for minimizing any potential influence that Tradeland's lobbies could develop in the future

<u>With these points in mind, you are going to negotiate - within the Council of the European Union – the mandate to be given to the European Commission for negotiating the FTA with Tradeland.</u> Given that the Commission cannot focus on all the aspects negotiated within the Council in this simulation, the Member states of the Council will only frame and forward three major interests that it requires the Commission negotiators to focus on in their negotiations with Tradeland. To clarify: The negotiation you are about to partake in is a European-internal negotiation; you are not negotiating with Tradeland. The outcome of your negotiation will delineate the mandate to be given to the European Commission negotiators, who will conduct an external negotiation with Tradeland on behalf of the EU. During the actual negotiations with Tradeland you will not have a representative at the negotiation table as the European Commission will be the party negotiating the deal. You (as the Council) will receive reports and updates as the negotiations progress, however, you will not be conducting them on your own. According to Article 207 paragraph 3 of the Treaty on the Functioning of the European Union,

> *The Commission shall conduct these negotiations in consultation with a special committee appointed by the Council to assist the Commission in this task and within the framework of such directives as the Council may issue to it. The Commission shall report regularly to the special committee and to the European Parliament on the progress of negotiations.*

It is in your interest that a final agreement, if signed, will allow you to gain something your country needs (lifting visas, some incentives for shielding your companies from the negative effects of the FTA etc.). But, if the agreement is to go forward with these negotiations, you should suggest that once the Council gives the European Commission the official permission to open negotiations with Tradeland based on the guidelines the Council agrees upon, this permission should be reviewed every couple of months, to make sure the Commission is truly representing the mandate given to it by the Council of the EU.

Instructions for the Slovak Trade Minister

You are representing the government of Slovakia in the Council negotiations over the mandate to be given to the European Commission to sign a free trade agreement with Tradeland. Tradeland, an archipelago state in the mid-Pacific region, has one of the largest economies on the planet, closely ranking behind that of the EU.

This trade agreement, if successfully negotiated and implemented, would constitute one of the most significant developments in the history of the European Union so far as trade and economics are concerned. It is, therefore, to be anticipated that each member state will try to shape the agreement in ways promoting or preserving its own economic sectors.

You do not yet have a clear picture of what the other Member states think about the agreement. However, having been briefed on the situations by your ministry counselors, you understand there are several different approaches, and countries can be categorized in the following groups:

The first group - which Slovakia belongs to, includes states believing that a free trade agreement with Tradeland will have an overall negative effect on their economy, harming more sectors or businesses than it would benefit. They think that the competition posed by Tradeland on an uneven playing field - in terms of social, fiscal and environmental norms – would disadvantage several of their economic sectors. These states, therefore, are reluctant to open these trade negotiations at all; they will likely seek to obtain gains on other policy areas in return for supporting the trade talks, while also seeking to limit the trade agreement's scope.

A second group is formed by countries with a strong trade surplus and largely export-driven economies. These states have strong, competitive companies which produce quality products and services that could increase market share in Tradeland. They believe that *laissez faire* policies spark innovation and prosperity and they are looking forward to increasing their operations in Tradeland's market.

A third group of states includes those that generally support the conclusion of a free trade agreement, yet seek to limit its scope to exclude specific sectors to protect their economic stakeholders, cultural diversity or culinary heritage.

A fourth group of states is in favor of more free trade, yet is concerned that an agreement with Tradeland could negatively impact well-embedded European ideals and practices, such as consumer rights, labor unions, welfare system, etc. This, given the fact that Tradeland's economy is far less regulated, and far more production-oriented, than that of any European country. Similarly, states might raise objections regarding public health issues; specifically, these may target the genetically modified organisms (GMOs) that are unregulated in Tradeland. These states support the part of the agreement that refers to the free trade and the removal of tariffs, but they oppose harmonization of regulations between Tradeland and the EU.

Finally, a smaller group of countries seems to be neutral to a possible agreement. However, you can expect them to take advantage of the situation, seeking to be rewarded for their giving the green light for negotiations to begin. Such requests might include, for example, visa liberalization

on Tradeland's part; currently, Tradeland does not apply a uniform visa policy towards all EU Member states.

All in all, it is expected that different states will advocate for different degrees of a free trade agreement and trade liberalization with Tradeland. On these subjects, some specific issues that might also come up are:

1) How should the agreement be: universal or apply only to some economic activities (e.g. commodities, services, capital)?
2) What guarantees are given from export-driven economies to less competitive economies when it comes to mitigating the potential negative effects on the latter in the short term?
3) How will the agreement guarantee the protection of established civil and social rights, environmental and health standards in the European Union?
4) How to secure protection against powerful lobbies, which are quite established in Tradeland?

As the Slovak representative you understand that an FTA with Tradeland is largely against the economic interests of your country. You already have a working relationship with Tradeland that touches a number of different sectors, and an all-inclusive agreement negotiated by the European Union could well do more harm to Slovakia rather than benefit it. Economists predict that your GDP will only marginally increase (0.0%-0.1%) due to the side effects of an agreement, while there are a lot of downsides as well. First, your government already has significant concerns on the loss of national sovereignty that being a member of the EU implies. An all-inclusive agreement with Tradeland would undermine the jurisdiction of Slovak courts in disputes that refer to cross-border trading opening your country to lawsuits from Tradeland. Finally, you are certain that your local firms (especially the small and medium sized enterprises – SMEs) will not be able to withstand the steep rise of competition, caused by an FTA between the two largest economies globally. Until now you have unofficially kept a hard line questioning the focus of the deal altogether, but it might be difficult to continue doing so under the pressure of other countries. You want the FTA to be focused on issues of agricultural and food quality insurance. You also want to make sure that GMOs will not be part of the deal, as your country is very much against the use of GMOs in Europe. You are very skeptical about the ability of Tradeland states to implement the rules and requirements of the FTA with respect to agricultural and pharmaceutical products and thus fear for the health and well-being of your citizens. Finally, you perceive, in a similar fashion with other countries from your group, that the liberalization of digital services could lead to a frontal attack on the cultural exceptionality of your country, and of the European Union. Nonetheless, as different countries may want different degrees/types of agreement, you should try to explore their vis-à-vis differences and make the best out of the situation.

Your main objectives are to:

- Make sure that an FTA with Tradeland will be minimal, applying to as few economic activities/sectors as possible
- Secure explicit commitments that the key sectors of your industry will not be threatened by the agreement

- Make a strong case against GMOs and secure their exclusion from the agreement
- Explain your reservations regarding national sovereignty and secure commitments that the role of national courts will not be weakened
- Minimize agreement's impact on the liberalization of digital services, at the very least push for a long adjustment period
- Secure specific guarantees, especially from the countries that are in favor of an all-inclusive agreement, that the EU will actively help Member states deal with the negative effects attributed to the signing of the FTA with Tradeland
- Insist that any agreement will take into serious consideration the civil and social rights in the EU, as well as the current environmental and health standards
- Make sure that the agreement includes specific measures for minimizing any potential influence that Tradeland's lobbies could develop in the future

<u>With these points in mind, you are going to negotiate - within the Council of the European Union – the mandate to be given to the European Commission for negotiating the FTA with Tradeland.</u> Given that the Commission cannot focus on all the aspects negotiated within the Council in this simulation, the Member states of the Council will only frame and forward three major interests that it requires the Commission negotiators to focus on in their negotiations with Tradeland. To clarify: The negotiation you are about to partake in is a European-internal negotiation; you are not negotiating with Tradeland. The outcome of your negotiation will delineate the mandate to be given to the European Commission negotiators, who will conduct an external negotiation with Tradeland on behalf of the EU. During the actual negotiations with Tradeland you will not have a representative at the negotiation table as the European Commission will be the party negotiating the deal. You (as the Council) will receive reports and updates as the negotiations progress, however, you will not be conducting them on your own. According to Article 207 paragraph 3 of the Treaty on the Functioning of the European Union,

> *The Commission shall conduct these negotiations in consultation with a special committee appointed by the Council to assist the Commission in this task and within the framework of such directives as the Council may issue to it. The Commission shall report regularly to the special committee and to the European Parliament on the progress of negotiations.*

If the Commission does get the mandate to negotiate a trade agreement with Tradeland, then you would expect this to be a long and slow process. Time is not an issue to you and definitely there is no need to hurry things up. At the same time, you would also expect that regular updates are provided by the Commission, which would describe the process that far. That would give you an idea of how the negotiation is going and if your interests are served well. You should suggest that once the negotiation between the European Commission and Tradeland's delegation begin, there should be a bi-monthly progress briefing to the Council.

Instructions for the Slovenian Trade Minister

You are representing the government of Slovenia in the Council negotiations over the mandate to be given to the European Commission to sign a free trade agreement with Tradeland. Tradeland, an archipelago state in the mid-Pacific region, has one of the largest economies on the planet, closely ranking behind that of the EU.

This trade agreement, if successfully negotiated and implemented, would constitute one of the most significant developments in the history of the European Union so far as trade and economics are concerned. It is, therefore, to be anticipated that each member state will try to shape the agreement in ways promoting or preserving its own economic sectors.

You do not yet have a clear picture of what the other Member states think about the agreement. However, having been briefed on the situations by your ministry counselors, you understand there are several different approaches, and countries can be categorized in the following groups:

The first group, which Slovenia belongs to, includes states believing that a free trade agreement with Tradeland will have an overall negative effect on their economy, harming more sectors or businesses than it would benefit. They think that the competition posed by Tradeland on an uneven playing field - in terms of social, fiscal and environmental norms – would disadvantage several of their economic sectors. These states, therefore, are reluctant to open these trade negotiations at all; they will likely seek to obtain gains on other policy areas in return for supporting the trade talks, while also seeking to limit the trade agreement's scope.

A second group is formed by countries with a strong trade surplus and largely export-driven economies. These states have strong, competitive companies which produce quality products and services that could increase market share in Tradeland. They believe that *laissez faire* policies spark innovation and prosperity and they are looking forward to increasing their operations in Tradeland's market.

A third group of states includes those that generally support the conclusion of a free trade agreement, yet seek to limit its scope to exclude specific sectors to protect their economic stakeholders, cultural diversity or culinary heritage.

A fourth group of states is in favor of more free trade, yet is concerned that an agreement with Tradeland could negatively impact well-embedded European ideals and practices, such as consumer rights, labor unions, welfare system, etc. This, given the fact that Tradeland's economy is far less regulated, and far more production-oriented, than that of any European country. Similarly, states might raise objections regarding public health issues; specifically, these may target the genetically modified organisms (GMOs) that are unregulated in Tradeland. These states support the part of the agreement that refers to the free trade and the removal of tariffs, but they oppose harmonization of regulations between Tradeland and the EU.

Finally, a smaller group of countries seems to be neutral to a possible agreement. However, you can expect them to take advantage of the situation, seeking to be rewarded for their giving the green light for negotiations to begin. Such requests might include, for example, visa liberalization on Tradeland's part; currently, Tradeland does not apply a uniform visa policy towards all EU Member states.

All in all, it is expected that different states will advocate for different degrees of a free trade agreement and trade liberalization with Tradeland. On these subjects, some specific issues that might also come up are:

1) How should the agreement be: universal or apply only to some economic activities (e.g. commodities, services, capital)?
2) What guarantees are given from export-driven economies to less competitive economies when it comes to mitigating the potential negative effects on the latter in the short term?
3) How will the agreement guarantee the protection of established civil and social rights, environmental and health standards in the European Union?
4) How to secure protection against powerful lobbies, which are quite established in Tradeland?

As the Slovenian representative you understand that an FTA with Tradeland is largely against your interests. You already have a working relationship with Tradeland that touches a number of different sectors, and an all-inclusive agreement negotiated by the European Union will do more harm to Slovenia rather than benefit it. Economists predict that your GDP will only marginally increase due to the side effects of an agreement, however, there are a lot of downsides as well. Particular concerns have been raised on the agricultural products market, one of the flagships of the Slovenian economy, which currently respects a large set of regulations under the Common Agricultural Policy. As a European leader promoting organic agriculture, Slovenia is strongly against GMOs and you are worried by the pressure for GMOs to be liberalized as part of this FTA. You also do not want growth hormones for animals and cloned animals to be allowed for human consumption within your country and the EU. Similar concerns have been voiced that Tradeland enterprises could challenge Slovenian and EU policies if they feel that regulations put them at a disadvantage and thus you are strongly against investor-state dispute settlement schemes in which the companies hold the upper hand. On top of all this, as several polls have shown, the Slovenian people are against the agreement, as they believe that it will only benefit big economies of the EU, and will damage the interests of the smaller economies like Slovenia. You are particularly concerned about the negative impact of this FTA on your pharmaceutical, motor vehicles, and agricultural sectors. Finally, you perceive, in a similar fashion with other countries from your group, that the liberalization of digital services could lead to a frontal attack on the cultural exceptionality of your country, and of the European Union. Until now you have unofficially kept a hard line denying the deal altogether, but it might be difficult to continue doing so under the pressure of other countries. Nonetheless, as different countries may want different degrees/types of agreement, you should try to explore their vis-à-vis differences and make the best out of the situation. Your main objectives are to:

- Make sure that an FTA with Tradeland will be minimal, applying to as few economic activities/sectors as possible
- Secure explicit commitments that the key sectors of your industry will not be threatened by the agreement
- Make a strong case against de-regularization of agricultural products and secure their exclusion from the final agreement
- Make a strong case against GMOs and secure their exclusion from the agreement
- Minimize agreement’s impact on the liberalization of digital services, at the very least push for a long adjustment period

- Secure specific guarantees, especially from the countries that are in favor of an all-inclusive agreement, that the EU will actively help Member states deal with the negative effects attributed to the signing of the FTA with Tradeland
- Insist that any agreement will take into serious consideration the civil and social rights in the EU, as well as the current environmental and health standards
- Make sure that the agreement includes specific measures for minimizing any potential influence that Tradeland's lobbies could develop in the future

<u>With these points in mind, you are going to negotiate - within the Council of the European Union – the mandate to be given to the European Commission for negotiating the FTA with Tradeland.</u> Given that the Commission cannot focus on all the aspects negotiated within the Council in this simulation, the Member states of the Council will only frame and forward three major interests that it requires the Commission negotiators to focus on in their negotiations with Tradeland. To clarify: The negotiation you are about to partake in is a European-internal negotiation; you are not negotiating with Tradeland. The outcome of your negotiation will delineate the mandate to be given to the European Commission negotiators, who will conduct an external negotiation with Tradeland on behalf of the EU. During the actual negotiations with Tradeland you will not have a representative at the negotiation table as the European Commission will be the party negotiating the deal. You (as the Council) will receive reports and updates as the negotiations progress, however, you will not be conducting them on your own. According to Article 207 paragraph 3 of the Treaty on the Functioning of the European Union,

> *The Commission shall conduct these negotiations in consultation with a special committee appointed by the Council to assist the Commission in this task and within the framework of such directives as the Council may issue to it. The Commission shall report regularly to the special committee and to the European Parliament on the progress of negotiations.*

If the Commission does get the mandate to negotiate a trade agreement with Tradeland, then you would expect this to be a long and slow process. Time is not an issue to you and definitely there is no need to hurry things up. At the same time, you would also expect that regular updates are provided by the Commission, which would describe the process that far. That would give you an idea of how the negotiation is going and if your interests are served well. You should suggest that once the negotiation between the European Commission and Tradeland's delegation begin, there should be a bi-monthly progress briefing to the council.

<u>**Instructions for the Spanish Trade Minister**</u>

You are representing the government of Spain in the Council negotiations over the mandate to be given to the European Commission to sign a free trade agreement with Tradeland. Tradeland, an archipelago state in the mid-Pacific region, has one of the largest economies on the planet, closely ranking behind that of the EU.

This trade agreement, if successfully negotiated and implemented, would constitute one of the most significant developments in the history of the European Union so far as trade and economics are concerned. It is, therefore, to be anticipated that each member state will try to shape the agreement in ways promoting or preserving its own economic sectors.

You do not yet have a clear picture of what the other Member states think about the agreement. However, having been briefed on the situations by your ministry counselors, you understand there are several different approaches, and countries can be categorized in the following groups:

The first group, which is the one Spain is also part of, is formed by countries with a strong trade surplus and largely export-driven economies. These states have strong, competitive companies which produce quality products and services that could increase market share in Tradeland. They believe that *laissez faire* policies spark innovation and prosperity and they are looking forward to increasing their operations in Tradeland's market.

A second group includes states believing that a free trade agreement with Tradeland will have an overall negative effect on their economy, harming more sectors or businesses than it would benefit. They think that the competition posed by Tradeland on an uneven playing field - in terms of social, fiscal and environmental norms – would disadvantage several of their economic sectors. These states, therefore, are reluctant to open these trade negotiations at all; they will likely seek to obtain gains on other policy areas in return for supporting the trade talks, while also seeking to limit the trade agreement's scope.

A third group of states includes those that generally support the conclusion of a free trade agreement, yet seek to limit its scope to exclude specific sectors to protect their economic stakeholders, cultural diversity or culinary heritage.

A fourth group of states is in favor of more free trade, yet is concerned that an agreement with Tradeland could negatively impact well-embedded European ideals and practices, such as consumer rights, labor unions, welfare system, etc. This, given the fact that Tradeland's economy is far less regulated, and far more production-oriented, than that of any European country. Similarly, states might raise objections regarding public health issues; specifically, these may target the genetically modified organisms (GMOs) that are unregulated in Tradeland. These states support the part of the agreement that refers to the free trade and the removal of tariffs, but they oppose harmonization of regulations between Tradeland and the EU.

Finally, a smaller group of countries seems to be neutral to a possible agreement. However, you can expect them to take advantage of the situation, seeking to be rewarded for their giving the green light for negotiations to begin. Such requests might include, for example, visa liberalization on Tradeland's part; currently, Tradeland does not apply a uniform visa policy towards all EU Member states.

All in all, it is expected that different states will advocate for different degrees of a free trade agreement and trade liberalization with Tradeland. On these subjects, some specific issues that might also come up are:

1) How should the agreement be: universal or apply only to some economic activities (e.g. commodities, services, capital)?
2) What guarantees are given from export-driven economies to less competitive economies when it comes to mitigating the potential negative effects on the latter in the short term?
3) How will the agreement guarantee the protection of established civil and social rights, environmental and health standards in the European Union?
4) How to secure protection against powerful lobbies, which are quite established in Tradeland?

As Spain, you know this FTA will benefit your companies very much, especially in the areas of renewable energy (solar and wind), building high-speed rail infrastructure (an area heavily explored by Tradeland) and cell phone providers where your companies are global leaders. You are slightly sympathetic to the calls from Spanish farmers to protect them from the cheaper and less regulated agricultural products of Tradeland. The big business lobby within your own country is strongly in favor of such an FTA with a long, stable ally like Tradeland. Overall, you want an overall FTA which will not exclude too many areas that other EU Member states may fight to protect (e.g.: agriculture etc.). You are also well aware that some labor unions within your country are already worried that there will be job cuts in Spanish companies in order to make them even more competitive against the companies of Tradeland. Your main objectives are to:

- Make sure that an FTA with Tradeland will be as inclusive as possible
- Make a strong case in favor of competition-driven growth, and refrain from making commitments to less competitive economies regarding mitigation of potential negative effects due to an FTA with Tradeland
- Raise your concerns regarding established consumer and labor rights, and secure that they are adequately protected. At the same time make sure that such protection will not considerably limit the purpose and essence of the FTA.
- Make sure that the discussion focuses on the topics that are high on your agenda (as those discussed above)
- Make sure that the power of Tradeland's lobbies will not be exaggerated by some Member states with the purpose of adding limitations to a final agreement

<u>With these points in mind, you are going to negotiate - within the Council of the European Union – the mandate to be given to the European Commission for negotiating the FTA with Tradeland.</u> Given that the Commission cannot focus on all the aspects negotiated within the Council in this simulation, the Member states of the Council will only frame and forward three major interests that it requires the Commission negotiators to focus on in their negotiations with Tradeland. To clarify: The negotiation you are about to partake in is a European-internal negotiation; you are not negotiating with Tradeland. The outcome of your negotiation will delineate the mandate to be given to the European Commission negotiators, who will conduct an external negotiation with Tradeland on behalf of the EU. During the actual negotiations with Tradeland you will not have a representative at the negotiation table as the European Commission will be the party negotiating the deal. You (as the Council) will receive reports and updates as the negotiations progress,

however, you will not be conducting them on your own. According to Article 207 paragraph 3 of the Treaty on the Functioning of the European Union,

> *The Commission shall conduct these negotiations in consultation with a special committee appointed by the Council to assist the Commission in this task and within the framework of such directives as the Council may issue to it. The Commission shall report regularly to the special committee and to the European Parliament on the progress of negotiations.*

It is in your interest that a final agreement is signed as soon as possible. You should suggest that once the Council gives the European Commission the official permission to open negotiations with Tradeland based on the guidelines the Council agrees upon, this permission should be considered final and no revision of the process should be asked by the Member states in between. This would only cause delays and complications in the process.

<u>Instructions for the Swedish Trade Minister</u>

You are representing the government of Sweden in the Council negotiations over the mandate to be given to the European Commission to sign a free trade agreement with Tradeland. Tradeland, an archipelago state in the mid-Pacific region, has one of the largest economies on the planet, closely ranking behind that of the EU.

This trade agreement, if successfully negotiated and implemented, would constitute one of the most significant developments in the history of the European Union so far as trade and economics are concerned. It is, therefore, to be anticipated that each member state will try to shape the agreement in ways promoting or preserving its own economic sectors.

You do not yet have a clear picture of what the other Member states think about the agreement. However, after being briefed on the situations by your ministry counselors, you understand that there are a number of different approaches, which can be categorized in the following groups:

The first group of states, which Sweden is a part of, is in favor of more free trade, yet is concerned that an agreement with Tradeland could negatively impact well-embedded European ideals and practices, such as consumer rights, labor unions, welfare system, etc. This, given the fact that Tradeland's economy is far less regulated, and far more production-oriented, than that of any European country. Similarly, states might raise objections regarding public health issues; specifically, these may target the genetically modified organisms (GMOs) that are unregulated in Tradeland. These states support the part of the agreement that refers to the free trade and the removal of tariffs, but they oppose harmonization of regulations between Tradeland and the EU.

A second group is formed by countries with a strong trade surplus and largely export-driven economies. These states have strong, competitive companies which produce quality products and services that could increase market share in Tradeland. They believe that *laissez faire* policies spark innovation and prosperity and they are looking forward to increasing their operations in Tradeland's market.

A third group of states includes those believing that a free trade agreement with Tradeland will have an overall negative effect on their economy, harming more sectors or businesses than it would benefit. They think that the competition posed by Tradeland on an uneven playing field - in terms of social, fiscal and environmental norms – would disadvantage several of their economic sectors. These states, therefore, are reluctant to open these trade negotiations at all; they will likely seek to obtain gains on other policy areas in return for supporting the trade talks, while also seeking to limit the trade agreement's scope.

In addition, there is a group of states that includes those that generally support the conclusion of a free trade agreement, yet seek to limit its scope to exclude specific sectors to protect their economic stakeholders, cultural diversity or culinary heritage.

Finally, a smaller group of countries seems to be neutral to a possible agreement. However, you can expect them to take advantage of the situation, seeking to be rewarded for their giving the green light for negotiations to begin. Such requests might include, for example, visa liberalization on Tradeland's part; currently, Tradeland does not apply a uniform visa policy towards all EU Member states.

All in all, it is expected that different states will advocate for different degrees of a free trade agreement and trade liberalization with Tradeland. On these subjects, some specific issues that might also come up are:

1) How should the agreement be: universal or apply only to some economic activities (e.g. commodities, services, capital)?
2) What guarantees are given from export-driven economies to less competitive economies when it comes to mitigating the potential negative effects on the latter in the short term?
3) How will the agreement guarantee the protection of established civil and social rights, environmental and health standards in the European Union?
4) How to secure protection against powerful lobbies, which are quite established in Tradeland?

As Sweden, you know this FTA will benefit your companies very much, especially in the areas of pharmaceuticals, electronics, and the green, environmentally friendly sectors of the economy. The big business lobby within your own country is strongly in favor of such an FTA with a long, stable ally like Tradeland. You are concerned with environmental issues and you want to make sure that this FTA will have enough safety checks so that the environment will not be polluted even more (you are well aware that the environmental policies in your country and throughout the EU are significantly tougher than in Tradeland). You want an overall FTA to focus only on goods and services, but you are strongly against a harmonization of regulations which will lead towards the lowest common denominator promoted by Tradeland. You are against regulations which will weaken labor unions, the healthcare system, consumer rights, the educational system and the overall social safety nets promoted by your country's welfare system.

Your main objectives are to:

- Make sure that an FTA with Tradeland will be targeted in a way that does not harm key national interests
- Put an effort so that harmonization of regulations is excluded from the final agreement
- Raise your concerns regarding established consumer and labor rights, and secure that they are adequately protected. Any agreement should take into serious consideration the civil and social rights in the EU, as well as the current environmental and health standards
- Secure explicit commitments that the key sectors of your industry will not be threatened by the agreement
- Make sure that the discussion focuses on the topics that are high on your agenda (as those discussed above)
- Make sure that the agreement includes specific measures for minimizing any potential influence that Tradeland's lobbies could develop in the future

<u>With these points in mind, you are going to negotiate - within the Council of the European Union – the mandate to be given to the European Commission for negotiating the FTA with Tradeland.</u> Given that the Commission cannot focus on all the aspects negotiated within the Council in this simulation, the Member states of the Council will only frame and forward three major interests that it requires the Commission negotiators to focus on in their negotiations with Tradeland. To clarify: The negotiation you are about to partake in is a European-internal negotiation; you are not negotiating with Tradeland. The outcome of your negotiation will delineate the mandate to be given to the European Commission negotiators, who will conduct an external negotiation with

Tradeland on behalf of the EU. During the actual negotiations with Tradeland you will not have a representative at the negotiation table as the European Commission will be the party negotiating the deal. You (as the Council) will receive reports and updates as the negotiations progress, however, you will not be conducting them on your own. According to Article 207 paragraph 3 of the Treaty on the Functioning of the European Union,

> *The Commission shall conduct these negotiations in consultation with a special committee appointed by the Council to assist the Commission in this task and within the framework of such directives as the Council may issue to it. The Commission shall report regularly to the special committee and to the European Parliament on the progress of negotiations.*

It is in your interest that a final agreement is signed as soon as possible. You should suggest that once the Council gives the European Commission the official permission to open negotiations with Tradeland based on the guidelines the Council agrees upon, this permission should be considered final and no revision of the process should be asked by the Member states in between. This would only cause delays and complications in the process. You do want to emphasize you want national parliaments to be able to vote on this FTA Agreement, if it passes approval within the EU institutions, before it is put into place.

Instructions for the European Commissioner for Trade

You are the European Commissioner for Trade, representing the European Commission in the Council of the EU negotiations over the mandate to be given to the European Commission to sign a free trade agreement with Tradeland. Tradeland, an archipelago state in the mid-Pacific region, has one of the largest economies on the planet, closely ranking behind that of the EU.

This trade agreement, if successfully negotiated and implemented, would constitute one of the most significant developments in the history of the European Union so far as trade and economics are concerned. It is, therefore, to be anticipated that each member state will try to shape the agreement in ways promoting or preserving its own economic sectors.

You do not yet have a clear picture of what the other Member states think about the agreement. However, having been briefed on the situations by your ministry counselors, you understand there are several different approaches, and countries can be categorized in the following groups:

The first group includes states believing that a free trade agreement with Tradeland will have an overall negative effect on their economy, harming more sectors or businesses than it would benefit. They think that the competition posed by Tradeland on an uneven playing field - in terms of social, fiscal and environmental norms – would disadvantage several of their economic sectors. These states, therefore, are reluctant to open these trade negotiations at all; they will likely seek to obtain gains on other policy areas in return for supporting the trade talks, while also seeking to limit the trade agreement's scope.

A second group is formed by countries with a strong trade surplus and largely export-driven economies. These states have strong, competitive companies which produce quality products and services that could increase market share in Tradeland. They believe that *laissez faire* policies spark innovation and prosperity and they are looking forward to increasing their operations in Tradeland's market.

A third group of states includes those that generally support the conclusion of a free trade agreement, yet seek to limit its scope to exclude specific sectors to protect their economic stakeholders, cultural diversity or culinary heritage.

A fourth group of states is in favor of more free trade, yet is concerned that an agreement with Tradeland could negatively impact well-embedded European ideals and practices, such as consumer rights, labor unions, welfare system, etc. This, given the fact that Tradeland's economy is far less regulated, and far more production-oriented, than that of any European country. Similarly, states might raise objections regarding public health issues; specifically, these may target the genetically modified organisms (GMOs) that are unregulated in Tradeland. These states support the part of the agreement that refers to the free trade and the removal of tariffs, but they oppose harmonization of regulations between Tradeland and the EU.

Finally, a smaller group of countries seems to be neutral to a possible agreement. However, you can expect them to take advantage of the situation, seeking to be rewarded for their giving the green light for negotiations to begin. Such requests might include, for example, visa liberalization on Tradeland's part; currently, Tradeland does not apply a uniform visa policy towards all EU Member states.

All in all, it is expected that different states will advocate for different degrees of a free trade agreement and trade liberalization with Tradeland. On these subjects, some specific issues that might also come up are:

1) How should the agreement be: universal or apply only to some economic activities (e.g. commodities, services, capital)?
2) What guarantees are given from export-driven economies to less competitive economies when it comes to mitigating the potential negative effects on the latter in the short term?
3) How will the agreement guarantee the protection of established civil and social rights, environmental and health standards in the European Union?
4) How to secure protection against powerful lobbies, which are quite established in Tradeland?

Your role as the EU Commissioner for Trade is to protect the interests of the European Union as a whole, while making sure that the voices of the Member states are heard and their interests respected within the larger framework of the EU. You will work closely with the Minister of Trade from the Member state holding the rotating Presidency of the Council of the EU, who chairs the meeting, to facilitate discussions so that a commonly agreed solution is found. You should promote an EU approach rather than individual Member states' approaches to this FTA opportunity. You have a specific interest to sign an all-encompassing FTA with Tradeland as you expect this FTA to re-ignite the economic growth across the entire EU. Secondly, you are very much in favor of promoting deals regarding green economy and energy with Tradeland. Your goal is to get a clear mandate supported by all the Member states of the Council of the EU. You also want to get the freedom to not have the entire negotiation with Tradeland micro-managed by requests and oversight from the Member states. You expect the negotiation mandate to leave some room of maneuver to your negotiators.

Your main objectives are to:

- Facilitate the discussion
- Guarantee that the dialogue is productive
- Support the signing of an all-inclusive FTA with Tradeland
- Make sure that the Commission gets a clear and definite mandate

<u>Based on these points you are going to negotiate within the Council of the European Union which mandate will be given to the European Commission.</u> Given that the Commission cannot focus on all the aspects negotiated within the Council in this simulation, the Member states of the Council will only frame and forward three major interests that it requires the Commission negotiators to focus on in their negotiations with Tradeland. To clarify: The negotiation you are about to partake in is a European-internal negotiation; you are not negotiating with Tradeland. The outcome of your negotiation will delineate the mandate to be given to the European Commission negotiators, who will conduct an external negotiation with Tradeland on behalf of the EU. During the actual

negotiations with Tradeland Member states will not have a representative at the negotiation table as the European Commission will be the party negotiating the deal. The Council will receive reports and updates as the negotiations progress, however, it will not be conducting them on its own. According to Article 207 paragraph 3 of the Treaty on the Functioning of the European Union,

> *The Commission shall conduct these negotiations in consultation with a special committee appointed by the Council to assist the Commission in this task and within the framework of such directives as the Council may issue to it. The Commission shall report regularly to the special committee and to the European Parliament on the progress of negotiations.*

It is in your interest that a final agreement is signed as soon as possible. You should suggest that once the Council gives the European Commission the official permission to open negotiations with Tradeland based on the guidelines the Council agrees upon, this permission should be considered final and no revision of the process should be asked by the Member states in between. You also believe that national parliaments do not need to be consulted or vote on the final version of the FTA with Tradeland after it will be signed. Approval within the European institutions is enough, in your opinion. This would only cause delays and complications in the process.