

# **Trade and Commercial Interactions in the Atlantic Basin: Present and Future Issues**

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*Editors*



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## Preface

We are pleased to present the book *Trade and Commercial Interactions in the Atlantic Basin: Present and Future Issues*, a collaboration among the institutions of the Jean Monnet Network on Atlantic Studies and the second text of this kind, resulting from the Network's research efforts.

The Jean Monnet Network on Atlantic Studies is an initiative across the four Atlantic continents by ten leading centres—many with Jean Monnet professorships and in countries identified by the EU as key strategic partners—aimed at the interdisciplinary exploration of three major Atlantic themes of particular relevance to the EU: energy, commercial interactions and challenges to human security.

The objective of the project is to create and develop a pan-Atlantic research network, to contribute to an emerging epistemic community on 'New Atlantic Studies', and to offer strategic perspectives for the design of energy, trade and security policies in the Atlantic world. The Jean Monnet Project is also supported and co-funded by the Erasmus+ Programme of the European Union.

The institutions involved in the Network or consortium are each vibrant centres of EU-related studies in their respective regions. Most have collaborated—recently as part of the FP 7 project "Atlantic Future"—on themes related to Atlantic issues and the role of the EU as a conspicuous actor in this space.

Fundação Getulio Vargas, through its International Intelligence Unit, FGV IIU, based in Rio de Janeiro, leads the consortium whose members are:

- Fundação Getulio Vargas, International Intelligence Unit – FGV IIU, Brazil
- Johns Hopkins University, School of Advanced International Studies - SAIS (Center for Transatlantic Relations, CTR), United States
- University of Pretoria, South Africa

- Universidade Nova de Lisboa, Instituto Português de Relações Internacionais - IPRI, Portugal
- CIDE, Mexico
- Roskilde University, Denmark
- Orkestra - Basque Institute for Competitiveness, University of Deusto, Spain
- CIDOB, Barcelona, Spain
- Universidad Autónoma de Madrid, Spain
- OCP Policy Centre (OCP Foundation), Morocco

The Center for Transatlantic Relations of Johns Hopkins University SAIS led the first year's agenda on energy, focusing on the nexus between energy and transportation. On July 20-21, 2017, the Network's first research conference (Energy and Transportation in the Atlantic Basin) took place at the Paul H. Nitze School of Advanced International Studies – SAIS, John Hopkins University, in Washington, D.C. Together with work leading up to and following it, the conference catalysed the research and insights that have produced the first book.

At the headquarters of Fundação Getúlio Vargas, in Rio de Janeiro, the second conference took place during March 21–23, 2018, dealing with trade and commercial issues. The main contributions and discussions, including a final Round Table with trade experts from different backgrounds, and the closing speech by the EU Ambassador to Brazil, are the content of this second book.

As usual, the Project members wish to show their appreciation to the European Commission, that provided the funds which made this research and the related book publication possible. Though especially grateful to the team at the leading institution, in Rio, the Network partners have also participated, in a way or other, in the preparations and efforts that allowed the conference and the book come true.

It is our hope that the present work will continue to successfully propel this Jean Monnet Project, increasing its visibility and widespread impact. The next and final annual cycle will deal with defence and security aspects of relevance for the region.

The Network continues to pursue its goals to be a go-to resource on the contemporary role of the EU in the wider Atlantic space, advancing

the comparative knowledge of integration processes in Europe and other Atlantic regions.

*Renato G. Flôres Jr.*

*FGV IU*

*in the name of all members of the Jean Monnet Atlantic Network*





## Contributors

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**Macarena Larrea Basterra**, Professor, Orkestra, University of Deusto, Bilbao, holds a PhD from the University of the Basque Country, with a thesis on cost aspects of electricity production. Her research is centred on energy and climate issues. She has participated in projects on future challenges for energy policies, especially in the area of electricity, the energy taxation system and the reform of electricity in Spain. She was awarded a Professional Qualification grant in the areas of European Matters and Inter-regional Cooperation from the Basque Country General Secretariat of External Action.

**Renato Baumann** is Deputy-Secretary, International Affairs, Ministry of Planning, Brazil, and Professor, Department of Economics, Universidade de Brasília. He holds a DPhil in Economics, Oxford University, and previously served as Director, UN/ECLAC Office in Brazil, 1995-2010; and Director, International Affairs, IPEA, 2011-2015.

**Rim Berahab** joined the OCP Policy Centre, a think tank based in Rabat, as a researcher in 2014. She works on issues related to international trade and regional integration in Africa. Her research focusses also on energy, economic growth and gender inequalities. Rim was a visitor at the IMF Research Department, in 2017. She holds an engineering degree from the National Institute for Statistics and Applied Economics, Morocco.

**Daniele Bianchi** is Advisor-Senior Legal Expert at the EC, Brussels, Contracting Professor of Food Law at Sorbonne University in Paris, lecturer in

Tours and Pisa Universities, as well as author of several books and articles on agricultural and food law.

**Carlos Mariani Bittencourt** is Chairman of the Board of Participações Industriais do Nordeste (PIN) and the Petrochemical PIN, as well as Vice-President of the Federação das Industrias do Estado do Rio de Janeiro. He was President of the Board of Directors of the Brazilian Chemical Industry Association, is Co-President of the Mercosul-EU Business Forum, Co-Chair of the Brazil-Japan Notables (Wise Men) Group and member of the Brazilian Business Coalition. He holds a degree in Engineering, Economic Engineering and Industrial Administration from the (nowadays) Federal University of Rio de Janeiro.

**João Cravinho**, EU Ambassador to the Federal Republic of Brazil, holds a PhD from the University of Oxford, with a Bachelor's and Master's degree from the LSE, London. He was Professor of International Relations at the University of Coimbra, Guest Professor at ISCTE and at the Law School, Universidade Nova de Lisboa. Between March 2005 and June 2011 was Secretary of State for Foreign Affairs and Co-operation in the Portuguese Government.

**Roberto Fendt** is Executive Secretary of the Brazil-China Business Council. He was professor of economics at the Foundation for Economic Research at USP and Professor and Deputy Director at the Brazilian Institute of Economics at FGV. He was Director of CACEX and Secretary of the Ministry of Finance, directed the Centre for Foreign Trade Studies Foundation and, later, the Brazilian Centre for International Relations. He holds a Master and PhD in Economics from the University of Chicago, United States.

**Renato Flôres** is Professor at the Graduate School of Economics and Director of the International Intelligence Unit, both at FGV, Rio de Janeiro, as well as co-ordinator of the Jean Monnet Project on Atlantic Studies. He was President of the Steering Committee of programme PEP (Poverty and Economic Policy), and President of the Brazilian chapter of the European Community Studies Association. He held top positions in the Brazilian government, at the federal (Ministry of Planning) and state (Rio de Janeiro) levels.

**Daniel S. Hamilton** is the Austrian Marshall Plan Foundation Professor and Senior Fellow at the Foreign Policy Institute of Johns Hopkins University's School of Advanced International Studies, where he co-leads the School's program on "The United States, Europe, and World Order." He

also serves as Director of the Atlantic Basin Initiative, a group of eminent persons and research institutions examining connections among the four Atlantic continents. He is an award-winning author on the transatlantic economy. He served as U.S. Deputy Assistant Secretary of State and Associate Director of the Policy Planning Staff for two U.S. Secretaries of State.

**Kirstyn Inglis** is Visiting Professor at the Institute for International Relations, USP, São Paulo. She first qualified as a Solicitor and practiced in Scotland, London and Brussels, before joining Ghent University in 1998, from where she holds a PhD in EU external relations law, focus on food and environmental law. She has worked in development assistance and academic projects in Turkey, Central and Eastern Europe, for scientific communities seeking to participate in EU projects and for the European Academies Science Advisory Council.

**Valdemar Carneiro Leão** (Ambassador, CEBRI, Brazil), a career diplomat, was Brazil's ambassador to China until 2015. A specialist in trade issues, he was Deputy Secretary for Economic Affairs of the Ministry for Foreign Affairs; Brazilian Sherpa at the G20 and Head of Delegation at several bilateral and multilateral economic meetings, including the WTO, OECD and BRICS.

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**Frank Mattheis** is Senior Researcher at the Centre for the Study of Governance Innovation at the University of Pretoria, South Africa and currently visiting researcher at the Institut d'Etudes Européennes at the Université Libre de Bruxelles, Belgium.

**Kimberly A. Nolan García** is currently at FLACSO Mexico. At CIDE, Mexico, she was assistant professor of International Relations. She is the author of more than 20 academic articles and policy papers on the linkage of labour rights guarantees to trade agreements and provides policy recommendations on the design of labour clauses for the ILO, the European Commission, and the Mexican Senate.

**Eloy Álvarez Pelegrý** is a member of the Spanish Royal Academy of Engineering. He was the Director of the Energy Chair at Orkestra, the Basque Institute of Competitiveness. He holds a bachelor's Degree in Econom-

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**Lorena Ruano**'s research has focused on European integration and relations between Europe and Latin America. She has been Professor at CIDE, Mexico City, since 2003, and formerly Chair of its Department of International Studies. She graduated from El Colegio de México and has a D.Phil. from Oxford University, UK. She was Jean Monnet Fellow at the Robert Schuman Centre, Florence, and, in 2007, was awarded a Jean Monnet Chair. She was the scientific coordinator of CIDE's participation in the Atlantic Future Project, and also a Senior Associate Analyst at the EU Institute for Security Studies in Paris.

# Introduction

The Jean Monnet Network on Atlantic Studies, conceived under the auspices of the EU, tries to position the Atlantic community within the fast-evolving international scenario. It pursues innovative ways to strengthen partnerships across both margins of the Atlantic, always bearing in mind the constructive role that the EU can play in the transatlantic space.

After having exploited the fundamental theme of energy, out of which a successful publication has already been produced,<sup>1</sup> the Network dedicated the whole next year to the encompassing area of trade and related commercial exchanges.

The qualification ‘encompassing’ is important because developments inside and among the major centres of power, together with ever renewed advances in technology, logistics and regulations as well, are transforming the patterns and issues relevant in the trade narrative.

The papers in this book reflect this transition period; they were presented and discussed during the second project seminar, which took place from March 21 to 23, at the FGV headquarters, in Rio de Janeiro.

The first chapter by Eloy Álvarez Pelegrý and Macarena Larrea, active contributors to the Project, establishes a bridge between the two themes, discussing LNG trade in the Atlantic Basin. It is followed by a solid and classic piece by Rim Berahab, on the constraints and opportunities for the integration of West African states, evaluated through an augmented gravity model.

The always important idea of trade integration is then the subject of a sequence of four papers. It is important to notice how emphasis has shifted from standard, cookbook proposals of integration to a diversity of views and considerations that treat with much more care the difficult process leading to a trade and economic union.

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1. *Energy and Transportation in the Atlantic Basin*, P. Isbell and E. Álvarez Pelegrý, eds., Washington, DC: Center for Transatlantic Relations; distributed and available through Brookings Institution Press.

Frank Mattheis opens the sequence with a sober analysis of inter-regionalism in the South Atlantic. The EU–Latin America trade relations are then taken by Lorena Ruano, while Kimberly Nolan Garcia and Mark Aspinwall deal with modern questions associated to trade agreements. The former addresses the diffusion of fundamental rights through the EU trade policy, and the latter analyses the fascinating and unfortunately sometimes overlooked public attitudes to regional integration in the Atlantic Latin America.

Two additional papers tackle specific areas still close to the trade issue. The key question of nutritional information in the EU relations, by Daniele Bianchi, and that of EU values in EU external relations, by Kirstyn Inglis. Both give a special focus to Brazil, after introducing the broad questions.

A set of three less standard contributions end the volume; the transcripts of two live discussions part of the Rio meeting, and the closing speech of the March 22 sessions day, delivered by the EU Ambassador to Brazil.

Ambassador Valdemar Carneiro Leão, a senior diplomat specialised in international trade, who served as Brazilian Ambassador in China, introduced this major and unavoidable country into the context of the seminar. The other transcript reproduces a Round Table that concluded the meeting, in which an informal and lively debate on The Future Prospects and Shape of Trade Agreements in the Atlantic Region raised a series of issues that remain both unsolved and relevant.

Both transcripts, together with the bonus chapter, with the very full text of the speech by His Excellency João Cravinho, serve as a valuable record of the views and expectations at the time. Their contrast with the nowadays realities gives additional food for thought on the fast dynamics and changes governing the themes discussed in this second year of the Jean Monnet Project.

We firmly believe that all these contributions, in their diversity and open approach to the galaxy of trade problems, offer an attractive glimpse on the never-ending possibilities and maybe unanticipated evolutions of the trade and commercial relations within the Atlantic region.

*Renato G. Flôres Jr.*

*Francine T. Martin*