



Trade agreements as a means of  
reinforcing economic and political ties

Mercedes-Benz



Trade agreements can help to underpin the multilateral trading system. They are also an essential tool for reinforcing political and economic relationships among selected partners. Negotiations between selected countries can lead to specific and tailored agreements, reflecting the concrete interests of the negotiating parties. As a global company, Mercedes-Benz welcomes bilateral and regional trade agreements that are drafted on the basis of WTO rules.

The scope of trade agreements has been widened more and more in recent years. These days, negotiations are no longer focused exclusively on eliminating customs and removing non-tariff barriers to trade. They now cover many more areas of cooperation. Modern trade agreements include regulations on competition, the protection of foreign direct investments, raw materials, standards as well as requirements for the protection of the climate, the environment and workers' rights. These agreements provide the framework for achieving fundamental benefits for the partner countries including their companies, workers and consumers.

Trade agreements are essential for global companies like Mercedes-Benz in order to open the markets for investments and sales while also safeguarding business activities in the respective countries. The agreements also provide the participating economies with opportunities to attract direct foreign investments, create jobs, facilitate import and export transactions and establish standards for protecting the environment, workers and consumers.

Mercedes-Benz welcomes trade agreements that take account of current economic, technological and social developments – also in order to provide a sound basis for relationships between the European Union (EU) and key economic partners. That is another reason why we welcome the concluded negotiations between the EU and Mercado Común del Sur (Mercosur, South American Common Market), which can provide positive impetus for international economic networking. A swift entry into force is therefore desirable, also through the further trade policy effect for free trade negotiations with key partners such as India, other ASEAN countries and Australia.

- **EU negotiations must be expedited and concluded**

Negotiations on EU trade agreements are facing more and more challenges despite its successes. Some have even reached a dead end. For instance, the Canada-EU Trade Agreement (CETA) entered into force some years ago after lengthy negotiations but has yet to be ratified by some EU member countries.

The negotiations on the Transatlantic Trade and Investment Partnership (TTIP) between the US and EU were discontinued due to public and political concerns and are now being conducted on the basis of the Trade and Technology Council (TTC) with other priorities to coordinate approaches to global trade, economic and technology issues and to deepen transatlantic trade and economic relations.

While European efforts are only making slow progress, other nations have brought their own agreements to the political arena, such as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), the Regional Comprehensive Economic Partnership (RCEP) and the Indo-Pacific Economic Framework (IPEF).

It is for this reason that Mercedes-Benz is in favor of speedy negotiations and ratifications of EU trade agreements in order to enhance political and economic relationships with key partners and to stay competitive with the other relevant markets by creating a level playing field. In this context, particular emphasis is placed on the design and deepening of trade relations with the US.

- **Anchoring climate policy, human rights, workers' rights and consumer protection in trade agreements**

In accordance with its sustainability strategy, Mercedes-Benz firmly believes that the public concerns about climate policy, human rights and workers' rights, as well as consumer protection, should be accounted for in the agreements' wording. Then, agreements such as those between the EU and Canada (CETA) or with New Zealand can equally serve as a set of rules for corporate responsibility, protecting people and the environment, while providing a framework for economic growth. In this way, they help to promote fair competition for both sides. In these aspects, it is particularly important that the EU meets its negotiating partners on an equal footing and takes into account their specific political and economic starting point.