

Assignment:
Reflection on the EU–ASEAN Trade Negotiation Simulation

Course # 54796
EU-ASEAN Trade Negotiation Simulation

Submitted by: Benny Hochster
Date: 22/12/2025

Reflection on the EU–ASEAN Trade Negotiation Simulation

This paper discusses my role (representing Germany) in the EU–ASEAN trade negotiation simulation we held on Dec 11th. It shows how Germany's initial positions shaped specific clauses in the agreement, how those positions evolved during the negotiations, and whether the final Working Paper (v2) can be considered a success from Germany's perspective. I will also attempt to reflect on the negotiation process itself.

Germany's Strategy and Initial Mindset

From the beginning of the simulation, Germany approached the negotiations with a pragmatic and economically focused mindset.

I was aware that Germany would likely be perceived as pushing for liberalization, and I therefore tried to frame the German position as practical and win-win rather than ideological. One challenge I faced early on was balancing Germany's strong economic logic with the political sensitivities raised by other delegations.

The following is a list of the clauses which came up during negotiations. These I considered important for Germany to modify.

Industrial Tariff Liberalization

Germany entered the negotiation strongly in favor of rapid tariff elimination for industrial goods. This reflects Germany's dependence on exports of manufactured products. I was concerned by language suggesting that tariff elimination could be conditional on environmental compliance. The Working Paper suggested a close connection between tariff liberalization and sustainability obligations:

"Tariff elimination shall be expedited for goods that meet mutually agreed environmental or low-carbon production criteria."

This raising concerns that environmental commitments could indirectly condition market access.

During the discussion, I initially underestimated how central this issue would be for Germany's overall position. As the debate went on, it became clear to me that conditionality was not a secondary issue but a potential deal-breaker. Germany therefore argued that sustainability should be addressed through cooperation and monitoring rather than through conditional tariff access.

In the final version this concern is clearly reflected, and the revised text does not include the problematic text, in return for Germany accepting longer transition periods for sensitive sectors, I secured predictability for industrial exporters. From Germany's standpoint, this represents a clear success.

Rules of Origin

Germany's starting position is shaped by its industrial structure. German manufacturing relies on complex cross-border supply chains. Naturally I found the following wording concerning:

"Goods shall only qualify as originating if they satisfy stringent local content thresholds and prescribed manufacturing or processing operations."

During the negotiation, I found it challenging to convince other delegations that strict rules of origin would also harm their own exporters. At several points, I explicitly asked what Germany and the EU would actually gain from additional bureaucracy. This helped shift the discussion from political signaling toward economic feasibility.

As a result, final version introduces differentiation by stating that

"rules of origin should be stricter on sensitive sectors... while not strict with regard to other less sensitive industries"

From Germany's perspective, this outcome is a partial success. Core industrial interests were protected, but Germany had to accept stricter rules in limited areas albeit areas relatively less crucial to us.

Services Liberalization

Germany strongly supported ambitious services liberalization. Although services account for a large share of Germany's economy, Germany views openness in services as a strength rather than a vulnerability.

However, I was concerned with the suggested wording, conditioning the commitments:

"Market access commitments shall be contingent upon compliance with agreed labor standards and service quality benchmarks."

During the discussions, I found it difficult to explain why Germany supported ambitious services provisions while still opposing certain forms of conditionality. This forced me to clarify Germany's position more carefully and emphasize predictability and national treatment.

In the final version, services commitments are framed more cautiously, with references to "progressive implementation" and respect for "regulatory autonomy. From Germany's point of view, this outcome is broadly positive.

Environment and Sustainability

Germany consistently supported strong environmental objectives but rejected sanction-based enforcement mechanisms. Germany was particularly concerned by the possibility that failure to comply with environmental commitments may result in the suspension of trade preferences.

I personally found this issue difficult to address, because rejecting sanctions could easily be

misinterpreted as opposition to environmental ambition. During the discussion, Germany therefore stressed that cooperation and monitoring can be more effective than punitive measures.

The final version reflects this approach by using a flexible clause:

"Environmental obligations shall be adapted to the capacities of ASEAN developing members."

From Germany's perspective, this is a **clear success**. Environmental objectives remain central, but the risk of trade paralysis through conditional entry into force is reduced.

Agriculture and Sensitive Sectors

Agriculture was not a core German interest, but it became clear during the simulation that it was a central political issue for other delegations. As a result, I could use this as "coin" to achieve agreement on issues important to Germany. In the original Paper, broad language allowed for the exclusion of "sensitive products" from tariff elimination.

Germany chose a pragmatic approach here. Rather than opposing protections outright, I supported safeguards and extended transition periods as a way to keep the agreement moving.

The final version allows transition periods of up to fifteen years for sensitive. From Germany's perspective, this outcome is acceptable and strategically useful, even if it does not produce direct economic gains.

Generally, this clause-by-clause evolution shows how I consistently tried to move the agreement away from conditionality and toward predictability.

Conclusion and Personal Reflection

Overall, Germany would assess the outcome of the simulation positively. Compared to the original Working Paper, the final version is more coherent and more closely aligned with economic realities. While Germany did not achieve all of its preferences in full, it succeeded in preventing outcomes that would have seriously undermined its core interests.

On a personal level, the simulation showed me how much EU trade negotiations depend on drafting, timing, and framing rather than purely on economic arguments. Representing Germany required constant adjustment between firmness and compromise. This experience helped me better understand the complexity of reaching a common EU position in trade negotiations.

What surprised me most during the simulation was how quickly draft language began to shape positions, even before broader agreement had been reached. This confirmed for me that in EU trade negotiations, wording is not a technical detail but a central strategic tool.