

NEGOTIATION STRATEGY, TACTICS AND COMMON REGULATIONS REGARDING EU EXTERIOR TRADE

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Abstract:

The negotiation strategy consists in the combination and directing certain trade tactics in order to achieve the established objectives. Protection measures allow to prevent or repair a critical situation caused by the shortage of some products or by fulfilling international commitments of member states of the Community, especially in the field of primary products trade.

Key words: *Negotiation strategy, negotiation tactics, protection measures, commercial tactics.*

JEL classification: *A,A1,A10*

EU Common Commercial Policy has begun to liberalize internal trade and integrate external commercial policies of EU member states, has promoted protectionism in its agricultural trade, liberalism in its commercial relations with third countries, based on a system of various customs preferences.

The negotiation strategy consists in the combination and directing certain trade tactics in order to achieve the established objectives. Strategy elements refer to the followed objectives, the ways to reach them, the means used for fulfilling the objectives.

The factors used for choosing the strategy refer to: the circumstance in which the negotiation takes place, possible actions of the partner, proper resources, market dependence.

The negotiation tactics is that part of science which includes the means, the methods and forms of commercial action used for fulfilling the objectives, being the flexible and dynamic element of treaties development, being able to adjust to new situations in various stages of negotiation, taking into consideration partners' actions as well.

The elements that tactics take into consideration are: the order the matters are going to be discussed, the subjects upon which pressure will be put, arguments inventory for every matter to be negotiated, the available time for argumentation and counter-argumentation.

In the negotiation process, profits balances leans towards the highly trained ones, any argument brought into the discussion have to be well grounded from the economic and logical point of view, the determining factor that requires selecting the commercial truths being the objective economic law of competition.

The common commercial policy is based on the provisions of the EEC Treaty, on the secondary legislation of multilateral and bilateral treaties concluded by the European Community, regarding the establishment of Customs Union and supporting unique internal market as well as commercial relations with third countries.

The commercial policy of the European Union has the following main objectives: promoting trade with other states and free trade, increasing communitarian companies competition force. The fulfillment of the first objective would have meant to entirely give-up commercial protectionism. This has not actually happened from objective reasons.

Trade creation effect occurs when the national production is replaced by imports from an union member state with lower costs.

Trade embezzlement effect occurs when imports from third countries are replaced by imports from a member state, its costs being higher.

Common commercial policy is a group of measures, tools, policies applied in EU external commercial field. Common commercial policy proposes to avoid the alteration of competition disregarding the territory of the importing country and create the conditions for the progressive and harmonized liberalization at world trade level, liberalization negotiations within GATT/ONC.

The common commercial policy for objectives fulfillment has the following tools: common customs tariff to third parties, import contingencies mechanism, taxes reimbursement or dumping, support harmonization given by state members to exporters to third countries.

By applying common customs tariff, a product from a third country is only taxed once, when entering the territory of one of EU member states. The customs tariff is the simplest means for revealing and measuring the commercial policy. The tariff is a fee applied when importing a good. Specific tariffs are put either under the form of a fixed sum per commodity imported unit, either under the form of a percentage from the commodity value. In both cases, customs tariff increase the commodity delivery price.

Customs tariffs are the oldest forms of commercial policy, being used as a source of budgetary incomes. Through customs taxes we can also achieve the protection of national economic fields.

In establishing the common customs tariff we have to consider GATT provisions. According to them, the customs tariff of a customs union cannot create additional protective incidences apart from the ones generated by previous tariffs of member states. The treaty also provided a simple rule: customs fees of the common customs tariff are established at the level of the arithmetic mean of customs fees applied in the four customs territories of the Community. The common customs tariff initially drawn-up was the result of a compromise between the countries that wanted exterior high protection and the ones choosing low protection. Protection differed depending on the category of the product: void or negligible for raw materials, moderated for semi-finished products and higher for finished ones. Being the result of an arithmetic mean, common customs tariff has a limited dispersion.

Commercial representation abroad allows a better knowledge of the partner countries market, information about the new business opportunities by gathering information about the evolutions in the legislative, commercial field, by contacting possible partners for the companies in their own country.

This information is sent to the exterior trade departments that shall submit them freely or as a favour to the companies with commercial interests in the area.

Fiscal facilities granted to exporters have the form of tax exemptions that have to be paid for the export activity, reducing the taxing basis or tax quota for export activities, or delaying payments of certain taxes due to the state.

After removing customs fees and most of quantitative restrictions and enforcing the common customs tariff, commodities moving has been slowed down due to non-tariff obstacles.

The Community has tried for a long time to cancel the barriers through harmonization, through a closeness of national regulations in a form established at EU level. Harmonization directives preparation and adoption were complicated. Many years have passed until the unification of technical properties for a certain product or group of products. Traders hesitated because they did not know which regulations to apply and consider when developing investments.

Once the free circulation was achieved, any product that complies with the legitimate exigencies can be sold in another member state under the same name – without alterations, or new trials of homologation.

VAT study in main states reveals a great convergence of application rules. The differences in the field of investment incomes fiscal policy continues to alter movements of capital between member states. Harmonization focused on the cancellation of double taxation and other fiscal disadvantages that exempted investments incomes at inter-communitarian level.

Almost every country has faced a certain slowing-down of exterior trade growth rhythms, confirmed also by the decrease of industrial production. Levels re-establishment was achieved with great difficulty and at different moments.

International capital flows corresponding to financial transactions were superior to financial flows related to international commodities trade. Trade world expansion took place on the background of production development in various rhythms. Almost permanently, the growth of exports volume was higher than the world commodities production growth. The traditional engine of the world trade expansion proved to be that production and manufactured commodities export growing in an annual environment of 7%.

The structure differences as well as commercial advantages have disadvantaged Romania in its trade with agro-alimentary products. This situation will grow until field policies will increase Romanian agricultural products competitiveness.

Social partners negotiate approvals that could lead to the modernization of labour organization for reaching a balance between labour flexibility, security, the average number of labour days, partial-time work system extension or part-time labour.

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