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The
G7 Research Group
at the Munk School of Global Affairs at Trinity College in the University of Toronto
presents the

2017 Taormina G7 Final Compliance Report

27 May 2017 to 25 May 2018

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4 June 2018

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“We have meanwhile set up a process and there are also independent institutions monitoring which objectives of our G7 meetings we actually achieve. When it comes to these goals we have a compliance rate of about 80%, according to the University of Toronto. Germany, with its 87%, comes off pretty well. That means that next year too, under the Japanese G7 presidency, we are going to check where we stand in comparison to what we have discussed with each other now. So a lot of what we have resolved to do here together is something that we are going to have to work very hard at over the next few months. But I think that it has become apparent that we, as the G7, want to assume responsibility far beyond the prosperity in our own countries. That’s why today’s outreach meetings, that is the meetings with our guests, were also of great importance.”

Chancellor Angela Merkel, Schloss Elmau, 8 June 2015

G7 summits are a moment for people to judge whether aspirational intent is met by concrete commitments. The G7 Research Group provides a report card on the implementation of G7 and G20 commitments. It is a good moment for the public to interact with leaders and say, you took a leadership position on these issues – a year later, or three years later, what have you accomplished?

Achim Steiner, Administrator, United Nations Development Programme, in [G7 Canada: The 2018 Charlevoix Summit](#)

Thus, Canada receives a score of +1.

Analyst: Steven Camit with Pemasal Banigan

France: 0

France has partially complied with its commitment to keep its markets open and to fight protectionism, while standing firm against all unfair trade practices.

On 27 July 2017, French Minister of the Economy and Finance Bruno Le Maire announced that France would “temporarily” nationalize STX France’s Saint-Nazaire shipyard.⁶¹² STX France was previously co-owned by the government of France and its majority shareholder, the Korean conglomerate STX. When STX collapsed in 2016, its shares were put up for sale and two Italian investors — including state-owned shipbuilding company Fincantieri — reached an agreement in May 2017 to buy a two-thirds share of the company. Italian Minister of Economy Carlo Padoan and Italian Industry Minister Carlo Calenda criticized France’s decision to take a protectionist stance in order to prolong the negotiated deal on STX.⁶¹³

On 27 September 2017, the office of French President Emmanuel Macron announced a new deal in the STX shipyard case, in which Fincantieri would purchase a 50% stake in STX France.⁶¹⁴ The French government has maintained its involvement in the deal, arguing that the shipyard is a strategic military asset. France has agreed to “lend” Fincantieri a 1% stake for 12 years, allowing the Italian company majority control over the shipyard, but reserving the right to revoke this 1% stake at any time.⁶¹⁵

On 15 January 2018, Minister Le Maire delivered a New Year’s greeting where he outlined the state of the French economy and France’s economic goals for 2018, which included “protecting its strategic businesses including digital data storage and artificial intelligence.”⁶¹⁶ Le Maire stressed that France needed to respond to globalization, stating that he saw no contradiction in attempting to make France an open economy while working to prevent the country from being “pillaged”⁶¹⁷ by foreign interests.⁶¹⁸

On 16 February 2018, French Prime Minister Édouard Philippe presented an extension of the 2014 Montebourg decree, which sets conditions limiting foreign investment in key French “strategic

⁶¹² France nationalises shipyard to thwart Italian majority, angering Rome, Reuters (London) 27 July 2017. Access Date: 20 January 2018. <https://www.reuters.com/article/us-stx-m-a-fincantieri-france/france-nationalises-shipyard-to-thwart-italian-majority-angering-rome-idUSKBN1AC16H?feedType=RSS&feedName=innovationNews>.

⁶¹³ France nationalises shipyard to thwart Italian majority, angering Rome, Reuters (London) 27 July 2017. Access Date: 20 January 2018. <https://www.reuters.com/article/us-stx-m-a-fincantieri-france/france-nationalises-shipyard-to-thwart-italian-majority-angering-rome-idUSKBN1AC16H?feedType=RSS&feedName=innovationNews>.

⁶¹⁴ Italy's Fincantieri to take control of France's STX, ending shipyard row, Reuters (London) 27 September 2017. Access Date: 20 January 2018. <https://www.reuters.com/article/us-stx-m-a-fincantieri/italys-fincantieri-to-take-control-of-frances-stx-ending-shipyard-row-idUSKCN1C22NZ>.

⁶¹⁵ Italy's Fincantieri to take control of France's STX, ending shipyard row, Reuters (London) 27 September 2017. Access Date: 20 January 2018. <https://www.reuters.com/article/us-stx-m-a-fincantieri/italys-fincantieri-to-take-control-of-frances-stx-ending-shipyard-row-idUSKCN1C22NZ>.

⁶¹⁶ France's economy likely to exceed 1.7 pct forecast in 2018: minister, Xinhua News Agency (Paris) 15 January 2018. Access Date: 17 March 2018. http://www.xinhuanet.com/english/2018-01/16/c_136897942.htm.

⁶¹⁷ France’s Economy Picks Up Speed, Financial Tribune, 17 January 2018. Access Date: 17 March 2018. <https://financialtribune.com/articles/world-economy/80172/france-s-economy-picks-up-speed>.

⁶¹⁸ France’s Economy Picks Up Speed, Financial Tribune, 17 January 2018. Access Date: 17 March 2018. <https://financialtribune.com/articles/world-economy/80172/france-s-economy-picks-up-speed>.

sectors.”⁶¹⁹ Under the Montebourg decree, the definition of “strategic sectors”⁶²⁰ was expanded from the 2005 definition of national defense-related companies to the water, health, energy, transportation, and telecommunications sectors; the new PACTE law will add artificial intelligence, space technology, data storage, and semiconductors to the list.⁶²¹ The PACTE law, which will be introduced in April, will also make it easier for the government to create “golden shares”⁶²² in French companies, which will allow the state to have greater control over decisions to transfer intellectual property abroad.⁶²³

On 14 March 2018, Minister Le Maire announced that France would be taking Google and Apple to court over unfair trade practices involving contractual terms with developers and tech entrepreneurs.⁶²⁴ France is seeking EUR2 million from each firm as a sanction against “abusive commercial practices”⁶²⁵ that exploit French start-ups and app developers.⁶²⁶

On 20 April 2018, Minister Le Maire said at an International Monetary Fund meeting in Washington DC that France would not be drawn into a “vain and pointless”⁶²⁷ trade war with China, and would push for a permanent exemption against US steel tariffs.⁶²⁸

On 27 April 2018, Minister Le Maire said at a meeting of EU finance ministers in Sofia that France would support the United States’ desire for reforms in the World Trade Organization if the US agreed to permanently waive its steel tariffs.⁶²⁹

On 2 May 2018, President Macron met with Australian Prime Minister Malcolm Turnbull in Sydney and affirmed France’s support for an Australia-EU free trade deal, committing to start negotiations

⁶¹⁹ Le plan d'Édouard Philippe pour protéger le « made in France », Le Point (Paris) 16 February 2018. Access Date: 17 March 2018. http://www.lepoint.fr/politique/le-plan-d-edouard-philippe-pour-protoger-le-made-in-france-16-02-2018-2195461_20.php.

⁶²⁰
⁶²¹ Un nouvel arsenal de protection pour les entreprises « stratégiques », La Croix 18 February 2018. Access Date: 17 March 2018. <https://www.la-croix.com/Economie/France/nouvel-arsenal-protection-entreprises-strategiques-2018-02-18-1200914713>.

⁶²² French Prime Minister announces the extension and diversification of measures to control foreign investments in French companies, Lexology 27 February 2018. Access Date: 17 March 2018. <https://www.lexology.com/library/detail.aspx?g=5a2bc6c4-4213-4fc7-8723-b9c801db14cd>.

⁶²³ French Prime Minister announces the extension and diversification of measures to control foreign investments in French companies, Lexology 27 February 2018. Access Date: 17 March 2018. <https://www.lexology.com/library/detail.aspx?g=5a2bc6c4-4213-4fc7-8723-b9c801db14cd>.

⁶²⁴ France to sue Google, Apple over developer contracts: minister, Reuters (London) 14 March 2018. Access Date: 17 March 2018. <https://www.reuters.com/article/us-apple-google-france/france-to-sue-google-apple-over-developer-contracts-minister-idUSKCN1GQ0SP>.

⁶²⁵ France Targets Apple, Google for ‘Abusive Commercial Practices,’ Wall Street Journal (Paris) 14 March 2018. Access Date: 17 March 2018. <https://www.wsj.com/articles/france-targets-apple-google-for-abusive-commercial-practices-1521031428>.

⁶²⁶ France Targets Apple, Google for ‘Abusive Commercial Practices,’ Wall Street Journal (Paris) 14 March 2018. Access Date: 17 March 2018. <https://www.wsj.com/articles/france-targets-apple-google-for-abusive-commercial-practices-1521031428>.

⁶²⁷ France rejects 'vain and pointless' trade fight with China, The Local France (Paris) 21 April 2018. Access Date: 3 May 2018. <https://www.thelocal.fr/20180421/france-rejects-vain-and-pointless-trade-fight-with-china>.

⁶²⁸ France rejects 'vain and pointless' trade fight with China, The Local France (Paris) 21 April 2018. Access Date: 3 May 2018. <https://www.thelocal.fr/20180421/france-rejects-vain-and-pointless-trade-fight-with-china>.

⁶²⁹ France ready to review WTO rules if U.S. agree on tariff waiver, Reuters (London) 27 April 2018. Access Date: 3 May 2018. <https://uk.reuters.com/article/uk-eu-us-trade/france-ready-to-review-wto-rules-if-us-agree-on-tariff-waiver-idUKKBN1HY0PC>.

within a few weeks and framing the announcement as a rejection of rising protectionism in the US and China.⁶³⁰

Although France has been taking a strong stance against unfair trade practices, France has demonstrated a lack of commitment in both keeping markets open and fighting protectionism.

Thus, France receives a score of 0.

Analyst: Bruce Cinnamon

Germany: +1

Germany has fully complied with its commitments to keep its markets open and to fight protectionism, while standing firm against all unfair trade practices.

On 8 June 2017, the federal government of Germany adopted measures from a paper entitled “Economic Development in Africa: Challenges and Options.”⁶³¹ German Minister of Economic Affairs and Energy Brigitte Zypries said the measures reflected Germany’s commitment to “creating an economic partnership of equals between Germany and Africa.”⁶³² The measures consist of improved conditions for issuing Hermes guarantees for African countries, greater opportunities for African clients to access financing and the establishment of start-up funds.⁶³³ The measures also lay out plans for strengthening energy partnerships and dialogue.⁶³⁴

On 20 June 2017, Germany donated EUR 1 million to help developing and least-developed countries to strengthen their trade negotiating skills.⁶³⁵ The contribution went to the financing of training workshops for officials. Speaking on the donation, Germany’s Alternate Ambassador to the World Trade Organization (WTO) Walter Werner stated that Germany cooperates with developing and least-developing countries so that they may be better integrated into the international trade system and reap the gains of global trade.⁶³⁶

On 22 June 2017, Minister Zypries met with EU Trade Commissioner Cecilia Malmström to discuss trade policy. Minister Zypries noted that “The European Union must firmly stand together ... in

⁶³⁰ France warms to Australia-EU trade deal, news.com.au (Sydney) 2 May 2018. Access Date: 3 May 2018. <http://www.news.com.au/national/breaking-news/france-supports-australiaeu-trade-deal/news-story/28024897f11ecfb9a6cc12f239627aed>.

⁶³¹ Federal Ministry for Economic Affairs and Energy — Minister Zypries: Cabinet positions itself Pro Africa, Federal Ministry for Economic Affairs and Energy, 8 June 2017. Date of Access: 16 November 2017. <http://www.bmwi.de/Redaktion/EN/Pressemitteilungen/2017/20170607-zypries-kabinett-positioniert-sich-pro-afrika.html>.

⁶³² Federal Ministry for Economic Affairs and Energy — Minister Zypries: Cabinet positions itself Pro Africa, Federal Ministry for Economic Affairs and Energy, 8 June 2017. Date of Access: 16 November 2017. <http://www.bmwi.de/Redaktion/EN/Pressemitteilungen/2017/20170607-zypries-kabinett-positioniert-sich-pro-afrika.html>.

⁶³³ Federal Ministry for Economic Affairs and Energy — Minister Zypries: Cabinet positions itself Pro Africa, Federal Ministry for Economic Affairs and Energy, 8 June 2017. Date of Access: 16 November 2017. <http://www.bmwi.de/Redaktion/EN/Pressemitteilungen/2017/20170607-zypries-kabinett-positioniert-sich-pro-afrika.html>.

⁶³⁴ Minister Zypries: Cabinet positions itself Pro Africa, Federal Ministry for Economic Affairs and Energy (Berlin) 8 June 2017. Access Date: 16 November 2017. <http://www.bmwi.de/Redaktion/EN/Pressemitteilungen/2017/20170607-zypries-kabinett-positioniert-sich-pro-afrika.html>.

⁶³⁵ Germany donates EUR 1 million to help developing countries participate in trade talks, World Trade Organization, 20 June 2017. Date of Access: 18 November 2017. https://www.wto.org/english/news_e/pres17_e/pr795_e.htm

⁶³⁶ Germany donates EUR 1 million to help developing countries participate in trade talks, World Trade Organization, 20 June 2017. Date of Access: 18 November 2017. https://www.wto.org/english/news_e/pres17_e/pr795_e.htm.