

## DECLARATION OF EUROPEAN CHAMBERS OF COMMERCE AND INDUSTRY ON INTERNATIONAL TRADE

### The European way to free, fair and inclusive trade

The world trading order – and with it European trade policy - are under the heaviest strain in recent history. Global trade is slowing, protectionist tendencies are growing and populist movements are threatening the future of the rules-based multilateral trading system. In addition, doubts grow over the EU's future trading relations with important commercial partners on either side of the Atlantic.

In this climate, the European Chambers of Commerce & Industry call on Europe's leaders to send a strong signal that the EU stands for progressive and forward-looking trade relations with its partners. The European Parliament and national assemblies have a unique chance to do so by **ratifying the Comprehensive Economic and Trade Agreement (CETA) with Canada**. CETA is the most progressive trade agreement ever negotiated by both parties and is an example of how likeminded partners can come together to shape globalisation for the benefit of all.

At the same time, the complications surrounding CETA have showcased that the effectiveness of a common commercial policy is at stake. With the 60<sup>th</sup> anniversary of the Treaty of Rome approaching – which granted the EU the competence over international trade policy – we have to continue our efforts to ensure a functional relationship between the EU institutions and member states to make sure that Europe speaks with one voice and maintains its leading position in world trade.

It is therefore important that the **European Court of Justice (ECJ), in its upcoming Singapore ruling, delineates clearly the boundaries between exclusive and mixed competence for international trade** in order to avoid conflicts of competence between EU institutions and member states during the adoption of future trade agreements with Vietnam, Japan or other partners.

Chambers cannot stress enough the importance of a predictable legal framework for international trade to the European business community. We thus call on member states to make every effort not to play out national disputes on the back of our common trade agenda.

The EU is the world's largest trading bloc. It is in our utmost interest to project the strength of the single market on the global stage. 30 million jobs have been created in the EU through exports, 6 million in small and medium sized enterprises (SMEs) alone. With 90% of global growth set to emanate from outside Europe in the coming years, this trend is bound to increase.

In order to capitalise on these opportunities, EU trade policy must remain effective, transparent and inclusive by ensuring greater coherence with key EU objectives such as climate change, competitiveness and social inclusion. We must also work with our partners to uphold and strengthen the multilateral rules based system, achieve legal certainty and coherence of trade rules and protect European firms and citizens from the consequences of unfair trade.

To this end, it is important to revive long-stalled negotiations with EU partners in key emerging markets. Chambers equally look forward to the ongoing and forthcoming modernisation of a range of EU trade agreements, as well as the start of landmark negotiations with several close EU partners and allies. Given the current vacuum in Asia left by the impasse of the Trans Pacific Partnership, and the encouraging political momentum in Latin America and Mexico, the EU should resolutely pursue stronger economic ties with these regions.

During these processes, we must demonstrate clearly the “European way” to shape globalisation and lead by example in order to adapt to a shifting geopolitical landscape, as well as to evolving expectations of businesses and citizens. For SMEs, it is especially important to put the “think small first” principle at the heart of EU trade policy making. Ambitious SME chapters in all agreements alone are not enough – simple rules of origins in particular need to be a benchmark, since overly-complicated requirements impede SMEs from making use of them.

As a successful trade policy ultimately depends on its successful implementation, Chambers call on the EU heads of state, as well the European Commission and the European Parliament, to establish an EU wide political target of a **75% preference utilisation rate** for all existing and future EU trade agreements **by 2020**.

Chambers of Commerce & Industry are the oldest and largest business network in the world. And just as our businesses need the support of their Chambers more than ever, so do Europe’s political leaders in these times of uncertainty. That is why the European Chamber network reiterates its commitment to free, fair and inclusive trade, embedded in a strong rules based international trading system. We look to the EU institutions and member states to show a similar commitment at this crucial juncture in the international trade agenda.



Dr Richard Weber  
Chairman of EUROCHAMBRES

