

Removing trade barriers vital for economic recovery

On today's EU Trade Policy Day, EuroCommerce Director-General Christian Verschueren commented :

"The COVID pandemic has hit the European and global economy hard. With some signs of Europe starting to see a slow return to normal life, the focus must now be on definitively beating the virus and building economic recovery. Some countries have reacted to the COVID crisis by erecting new barriers when all the experience shows that keeping trade open, whether within the EU single market or globally, is the best way to drive growth – and closing it down in a negative cycle of 'beggar-my-neighbour' is a guaranteed path to slowing recovery."

The [International Monetary Fund has recently shown](#) that trade has already shown its ability to be an engine for economic recovery. Global trade volumes are expected to go up by 8.4% in 2021 and by further 6.5% in 2022. It is imperative that these encouraging figures will not be choked off by protectionist steps theoretically intended to support the economy but will serve the protection of a few sectors at the cost of the rest of the economy and consumers. Planned trade policy measures such as the carbon border adjustment mechanism or the anti-coercion instrument will need to be designed carefully to avoid acting as a brake on recovery and a trigger for protectionism more widely.

But the picture is far from rosy: importers and exporters are experiencing massive problems and increased costs by over three times - caused by a shortage of shipping containers and a drastic reduction in shipping capacity since the beginning of the pandemic. This is continuing despite global trade picking up. Importers and exporters are finding that booked shipments are often simply being ignored or very long waiting times to get a slot on a ship. We support our colleagues at CLECAT and other trade associations to ask the European Commission to look carefully at these developments and to ensure that these imbalances are addressed. The present system is imposing unreasonable costs on traders and consumers, and disrupting supply chains, with everyone having to wait longer for products coming by sea.

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EuroCommerce is the principal European organisation representing the retail and wholesale sector. It embraces national associations in 31 countries and 5.4 million companies, both leading global players such as Carrefour, Ikea, Metro and Tesco, and many small businesses. Retail and wholesale provide a link between producers and 500 million European consumers over a billion times a day. It generates 1 in 7 jobs, providing a varied career for 29 million Europeans, many of them young people. It also supports millions of further jobs throughout the supply chain, from small local suppliers to international businesses. EuroCommerce is the recognised European social partner for the retail and wholesale sector.