

EU-US trade agreement: more clarity for now, but strategic action is urgently needed

The trade agreement reached last night between the European Union and the United States offers a much-needed reprieve for European retailers and wholesalers. Yet this is -at best- damage control.

After weeks of escalating tensions and the looming threat of punitive 30% tariffs on EU imports, the European Commission has successfully averted serious harm. The announced 15% import tariffs on most goods provides a measure of planning security for businesses across the continent.

Retailers and wholesalers remain, however, highly concerned. These additional tariffs will essentially hit intermediate goods, with a knock-on impact on the price of final goods if businesses cannot absorb additional costs. If tensions flare again, countermeasures from the EU could follow, posing serious challenges for importers locked into long-term contracts.

Accelerating trade diversification is of the essence. It is urgent that the EU encourages further trade diversification, including through stronger economic ties with other global partners and the swift conclusion of new trade agreements.

Strengthening the EU's competitiveness and Single Market is a must. At the same time, a truly integrated Single Market, coupled with coordinated action to boost competitiveness, is essential. European retailers and wholesalers urge the Commission and Member States to prioritise these efforts to shield the EU against external shocks and support long-term global competitiveness.

Ensuring a level playing field with third-country traders is vital. The EU market is already flooded by billions of unsafe, non-compliant products from Asia. High US tariffs will accelerate this trend, creating massive market disruption and a risk for the future viability of many established retailers and wholesalers in the EU. EuroCommerce - the European association representing retailers and wholesalers - calls for a swift customs reform and strong, accelerated and coordinated enforcement of EU legislation at national and EU level on these third-country traders and marketplaces.

Christel Delberghe, Director General of EuroCommerce, commented: "A clear agreement provides much-needed predictability, but it must not breed complacency. The EU must remain vigilant, proactive, and ambitious in its trade and economic policies. Trade diversification and a stronger Single Market are no longer strategic options, they are necessities."

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