

EuroCommerce: don't disrupt trade across the Atlantic – or the Channel

EuroCommerce Director-General Christian Verschueren today warned of the severe consequences of any trade war arising from US President Donald Trump's announcement that he was minded to impose significant tariffs on steel and aluminium imports. Verschueren supported the EU standing firm against such measures, which would directly affect his members trading globally, and warned of the dangers to the world economy of a global trade war, which Trump's actions could easily spark:

"Seeking to protect national champions ends up making them less competitive and less open to innovation. It threatens many more jobs in the rest of the economy than it purports to protect. All forms of protectionism make everyone poorer, and ultimately is about stopping customers being able to choose and benefit from competition. President Trump is playing with fire, and should think hard about what his actions could unleash".

Verschueren pointed to the risk that the US closing its market to steel and aluminium imports will lower world prices and lead to products being diverted to other markets, causing a ripple effect across the world. This throws into contrast the US's protectionist action and the EU's forward looking trade agenda, with what will be a 500 million euro annual benefit to EU exporters already being seen from the recently-implemented Canada-EU trade agreement, and a major increase in the 86 billion euros of goods and services exports to Japan as a result of the EU-Japan free trade agreement.

Nearer to home, Verschueren also warned of the major disruption which would occur both to the UK and to a lesser, but still appreciable extent the rest of the EU, if the EU-UK negotiations on Brexit failed to achieve a positive outcome. Commenting on Prime Minister Theresa May's speech today, he warned that a hard Brexit would cause major disruption of highly integrated supply chains in food and other goods:

"I welcome the continued commitment in Mrs May's speech today to frictionless trade between the EU27 and the UK after Brexit. But having seen the Commission's draft withdrawal treaty, and heard the measured assessment of Michel Barnier, I honestly cannot see how to bridge the gap between the very hard red lines set out again by the UK and the basic principles of the Treaty to which the rest of the EU is committed. I very much hope that common sense will lead to a realistic outcome which does not threaten the free flow of goods and services across the Channel."

~ENDS~

Contact:

Kinga Timaru-Kast - +32 2 894 64 83 - timaru@eurocommerce.eu

Neil McMillan - +32 2 737 05 99 - mcmillan@eurocommerce.eu

www.eurocommerce.eu

.....
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 multinational retailers such as Carrefour, Ikea, Metro and Tesco, and many small family operations. 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.