



# International trade

## Introduction

Retailers and wholesalers are drivers of global trade and are inherently dependent on free global trade flows for goods and services. The EU is the world's biggest market and, while only representing some 5% of the world's population, the EU accounts for 16% of global trade flows. However, the global trade environment has changed substantially over recent years and protectionism, economic nationalism and the

threat of trade wars are becoming more prevalent both within and outside of the EU.

Our sector is aware of the key challenges that need to be addressed to ensure a smooth working of international trade. We have, therefore, set out the key elements that are needed to create a trading system that works for importers, exporters and customers.

## Key asks

### Open trade and open markets – Combatting protectionism

Focusing on the following aspects will help foster open trade and open markets, which require a set of predictable and enforceable trading rules.

1. Revitalise the multilateral trading system. The World Trade Organisation (WTO) is the ideal platform for simplifying and harmonising complex trading rules. The EU must actively engage in resolving the current challenges faced by the WTO, enhancing its decision-making processes, and ensuring the reliability of the WTO dispute settlement system.
2. Bilateral Free Trade Agreements (FTAs) facilitate trade efficiently. Thanks to FTAs, EU households save €60 billion per year in tariffs on imports. The success of the EU trade agenda should be built upon by:
  - Finalising open trade agreements, such as with Mercosur, India, Indonesia, Australia and Thailand.
  - Ensuring proper implementation and enforcement of existing FTAs and making information easily accessible for businesses.
  - Offering opportunities in the field of regulatory cooperation.

3. Reduce Market Access Barriers. The EU should further support EU businesses facing barriers in third countries caused by protectionist measures.
4. Regulatory cooperation must be promoted to address market access trade barriers and to safeguard investment protection.

### Customs – A modern system for the digital age

Customs is a true bottom line for retail and wholesale and managing customs-related processes has a direct impact on the success and profitability of businesses. To make sure that the reform of the Unions Customs Code will provide the desired outcomes, it is crucial that the reform delivers on the following points.

1. Reduce red tape by simplifying customs procedures through more effective, efficient, and harmonised controls. Ensure consistent interpretation, and application of rules at the operational



- level to avoid competitive disadvantages for companies trading in different Member States.
2. Provide the necessary predictability and legal certainty, based on fair, proportionate and efficient rules, that are effective for national authority controls.
  3. Be designed to work with existing commercial systems, instead of imposing legislative obligations in isolation that create substantial investment commitments.
  4. Create a level playing field, in both the application of law and in its enforceability, between EU and non-EU business, particularly with regards to non-EU based online sellers.
  5. Guarantee that rules are proportionate to the roles different economic operators play in the supply chain.
  6. Establish realistic timelines by using pilot schemes and other testbed facilities, to speed up the process and to allow early access to simplifications.
  7. Maintain an ongoing dialogue with the trade community when implementing the reform and during the entry into force of the new processes and procedures.

### **Sustainable Trade – For economic growth and development**

Retailers and wholesalers support trade that benefits everyone without harming humanity or nature. To foster a sustainable trade environment, that allows EU businesses to maintain their competitiveness and that encourages third countries to engage in trade with the EU, the following aspects are crucial:

1. Promote the EU's incentive-based approach when negotiating trade agreements, such as the Generalised System of Preference (GSP). This tool allows preferential access to the EU market and should benefit both parties. The GSP helps developing countries to foster sustainable development and to decrease poverty while enabling European importers to strengthen supply chains.

2. Ensure that free trade agreements include comprehensive chapters on trade and sustainable development, while keeping core trade topics central and not overshadowed by other issues. Non-trade concerns can often be more effectively addressed via appropriate institutions, such as the International Labour Organisation (ILO).
3. Encourage Member States and the European External Action Service (EEAS) to actively support third countries by informing their authorities and suppliers about EU standards, rules and requirements. To help EU importers and EU consumers to receive goods, meet EU CSR/RBC standards, reducing the burden of due diligence measures.
4. EU initiatives such as CBAM or the forced labour regulation, which are intended to make trade more sustainable, must not increase bureaucracy and costs for companies and should not antagonise our trading partners. Therefore, efficient implementation is key.

### **EU Trade Defence Instruments (TDIs) – More transparency and information**

For retailers and wholesalers, it is essential that importers, just like producers, have a strong role to play when EU Trade Defence Measures are applied.

1. TDI measures must be transparent for importers and provide reasonable notice periods. Retailers and wholesalers need sufficient time to adjust their supply chains and to deal with existing contracts before antidumping duties are imposed.
2. Provide resources to raise awareness about anti-dumping duties and anti-subsidy measures among importers. Overlooking such EU-imposed measures or having a supplier provide inaccurate origin information can be costly, with anti-dumping duties sometimes soaring to as high as 50% or even 70%.
3. Ensure that if importers can demonstrate compliance with all required measures, the option for remission or refund of customs duties is accessible to them.