

EU trade policy needs to consider regional and local impact of trade liberalisation

How to mitigate the negative effects of globalisation on Europe's economy is at the heart of the [opinion](#) on the EU trade package drawn up by Micaela Fanelli (IT/PES), mayor of Riccia in the province of Campobasso. Local and regional representatives adopted the opinion during the plenary session of the European Committee of the Regions (CoR) on 23 March in Brussels.

International trade has fostered growth and promoted competitiveness both within and outside the EU. However, not everyone benefits to the same extent, putting some severe strain on some local economies and communities. To have local and regional authorities on board they must be included from the beginning. Territorial impact assessments can be a powerful tool in identifying and quantifying the possible impact of a given trade deal on European regions before the start of negotiations.

" The problems encountered with the CETA negotiations, where the Wallonian parliament raised severe concerns about the agreement, shows that more has to be done to ensure an adequate and timely involvement of regional and local authorities in the assessment of EU international trade deals, so that critical situations can be prevented and responsibilities shared better ", said CoR president **Karl-Heinz Lambertz**.

" EU Trade policy has to ensure that globalisation has positive economic, social, territorial and environmental effects for people and businesses in Europe and beyond. To reach this goal any further step in trade liberation should imply territorial impact assessments, which will facilitate more sound, informed, transparent and evidence-based decisions regarding the content of the deal. It will also enable a more tailor-made support for the concerned regions to anticipate and manage the impact ", said **Micaela Fanelli** (IT/PES), mayor of Riccia in the province of Campobasso.

The rapporteur underlines the key role of the [European Globalisation Adjustment Fund](#) (EGF) to support those bearing negative consequences of the opening to a global market but also reiterates the CoR's call to improve the way it operates. *" We need complement the EGF with a preventive arm, increase its budget to at least EUR 500 million per year, integrate it into the Multiannual Financial Framework (MFF) and allow more flexibility in order to respond to the specific needs of regions and territories. We also need to improve synergies with the European Structural and Investment Funds (ESIF) "*, said **Ms Fanelli**.

The rapporteur further welcomes the principle of EU-wide [screening for Foreign Direct Investment](#) (FDI) for reasons of security and public order, but calls for clearer criteria and more legal certainty when such screening is necessary at EU level. She also stresses that the planned [multilateral](#)

[investment court](#) (MIC) – to overcome the problems encountered with the current investor-to-state dispute settlement – should not bypass domestic legal systems or local government decisions defending the rights of private investors.

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