Report: Protectionism on the Rise, EU Successful in Countering Barriers

European exporters reported a 10% increase in the number of trade barriers they encountered in 2016 alone. 372 such barriers were in place at the end of last year in over 50 trade destinations across the world. The 36 obstacles created in 2016 could affect EU exports that are currently worth around €27 billon.

According to the Report on Trade and Investment Barriers released today by the European Commission, thanks to its effective Market Access Strategy, the Commission succeeded last year in removing as many as 20 different obstacles hindering European exports.

Commenting on the report, EU Trade Commissioner Cecilia Malmström said: "We clearly see that the scourge of protectionism is on the rise. It affects European firms and their workers. It is worrying that G20 countries are maintaining the highest number of trade barriers. At the upcoming G20 summit in Hamburg, the EU will urge leaders to walk the talk and resist protectionism. Europe will not stand idly by and will not hesitate to use the tools at hand when countries don't play by the rules."

The Trade and Investment Barriers Reports are published annually since the beginning of the 2008 economic crisis. This year's edition is fully based on concrete complaints received by the Commission from European companies. They concern a wide range of products covering everything from agri-food to shipbuilding industries.

G20 members figure prominently among countries having created the highest number of import obstacles. Russia, Brazil, China and India top the list. Most of the new protectionist measures reported in 2016 appeared also in Russia and India, followed by Switzerland, China, Algeria and Egypt.

The Commission strongly defends European businesses against rising protectionist tendencies. Its efforts brought tangible results in 2016. The Commission managed to restore normal trading conditions in 20 various cases affecting EU exports worth €4.2 billion. South Korea, China, Israel and Ukraine top the list of countries where the EU succeeded in tackling barriers.

The EU food and drink, automotive and cosmetics sectors are those who benefited the most from the recent EU action. To give a few examples, following an EU intervention, China suspended labelling requirements that would otherwise affect the €680 million-worth EU cosmetics exports; Korea agreed to bring its rules for the size of car seats in line with international rules and Israel enabled companies from the whole of the EU to request market authorisation and export their pharmaceutical products.

All this was made possible thanks to the effective cooperation between the

Commission, EU Member States and European business representatives through the EU Market Access Strategy and improved relations with trading partners under the recent EU's trade agreements.

The Market Access Strategy is a pivotal part of the EU's efforts to create the best possible conditions for European firms to export around the world and to ensure an effective enforcement of international trade rules.

The measures targeted in the report do not cover the trade defence measures. Anti-dumping or anti-subsidy duties, imposed in line with WTO requirements, are tools that serve to restore fair trading conditions. They are used by the EU and many of its partners to ensure a level-playing field.

For More Information

<u>Commission report on trade and investment barriers</u>

<u>Market Access Strategy</u>

2016 success stories

<u>Trade barriers complaints register</u>

Factsheet