A renewed trade policy for a stronger Europe

Opening Statement

The importance of the EU's trade policy for the European Chemical Industry can hardly be overestimated.

The chemical industry is one of the most globalized EU industrial sectors and highly dependent on open and fair trade. Over 25% of our annual production value of 565 billion Euro (2018) is exported to the world market, generating an annual trade surplus of roughly 45 billion Euro.

The rules-based system of the WTO has created a predictable and stable trading environment for our industry, enabling it to grow and invest globally. Chemical import duties are low between the participating countries in the so-called Chemical Tariff Harmonization Agreement (CTHA), a plurilateral deal and extended to key chemicals producing countries which acceded since to the WTO (like China, Russia, Saudi Arabia, …). However, other important countries such as India and Brazil are not part of the CTHA and apply higher tariffs. Further, attempts to obtain multilateral elimination of chemical import duties in the Doha Development Round have failed. Therefore, our sector remains in favour of open trade and the free flow of raw materials.

We note with concern that the multilateral system is falling short in liberalizing trade in goods and in setting new rules while the WTO Dispute Settlement System remains partly dysfunctional. The industry supports attempts to reform the WTO but relies increasingly on the bilateral track to trade liberalization. Unfortunately, a trade deal with our biggest trading partner, the US (20% of EU chemicals trade) has yet to be achieved and a deal with the UK is still uncertain.

In the past two decades a shift of chemical production has occurred to regions with high growth (Asia) or rich in raw materials (Middle East). In 2009, China became the world's largest chemicals producer for the first time, representing 23.6% of global chemical sales, followed by the EU, accounting for 23.4% of global sales. China has continued to gain market share since 2009 to the detriment of Europe. However, 2019 data shows that with 17%, the EU chemical industry ranks second in total sales, with the United States contributing 14%.

While worldwide competition has changed significantly over the last ten years, this has not resulted in a protectionist reaction by the European chemical industry. Especially when set off against a total EU chemicals import value of about 110 bn euro and the thousands of products covered by CN codes 28 – 39 the percentage of products/value covered by trade defence measures is very small. Cefic believes that the EU should remain open and avoid any protectionist sentiments. Also, with regards to investment screening the sector prefers to keep a liberal approach with limited governmental intervention, provided EU rules are respected. The EU needs to remain open to chemical foreign direct investment in a world where investment is increasingly flowing to other parts e.g. China, the Middle East and most recently to the USA, on the back of the shale gas boom.

EU trade policy therefore needs to be embedded in this broader context. The chemical industry is a solution provider for many of the goals included in the Green Deal. To make the transition to a low-carbon and circular economy the industry needs to remain competitive. The investments required to make the transition run into the hundreds of billions of Euros. In order to remain competitive, the sector does not seek protectionist measures, but a forward-looking industrial strategy that creates framework conditions for the industry to continue thriving in the EU, so that solutions to address the risks of climate change are developed and commercialized by and in the EU. Trade policy should underpin this by making sure access to third country markets for exports remains open and access to (renewable) energy and raw materials, including renewable feedstock, such as sugar and ethanol at competitive prices, is secured. Strategic autonomy in this context not only extends to diversified supply of active pharmaceutical ingredients, but also to raw materials for battery production in the EU.

Question 1: How can trade policy help to improve the EU's resilience and build a model of open strategic autonomy?

Trade policy must endeavor to support free and fair trade. A level playing field that allows European companies to thrive and compete globally is key. The EU should continue to promote trade openness and avoid protectionism, while becoming more strategic in its response to unfair behavior, such as distorted competition, unfair trading practices and unsubstantiated claims of threats to national security.

CEFIC believes that a renewed trade policy can contribute to achieve an open strategic autonomy by supporting the diversification of supply chains and remaining technology-neutral. By providing a stable, open, rules-based framework for private actors to exchange goods, technology and services worldwide, trade policy will support the optimal allocation of resources and the desired goal of achieving strategic autonomy. Maintaining the EU market open for imports will ensure that EU chemical business are able to source their raw materials from different suppliers, instead of becoming dependent on just a few. Moreover, it promotes access to new technologies. On the export side, opening new markets to EU chemical exports by reducing tariffs and non-tariff barriers will contribute to boosting the competitiveness of the EU industry. Trade liberalization should continue to be pursued, both at the multilateral and bilateral levels.

Efforts to improve Europe's economic resilience must be data-driven based on fact and risk-based analysis. It is first and foremost the obligation of companies to adapt their value chains to changing risks, not of governments. Governments have the opportunity to leverage economic recovery programs to promote greater investment in green technologies, circular economy investments and restoration of high skilled jobs across the value chain. Governments can encourage industrial growth in sectors critical to Europe's domestic security, including health and nutrition, by establishing a strong customer market and demand drivers (vs. inefficient and discriminatory trade barriers). Trade policy has a role to play in improving the effectiveness of international value chains: an example could be the international initiative on "trade in healthcare products".

In terms of trade defense, the EU should continue to defend its interests against unfair trade measures and violations of trade obligations adopted by other trade partners, through the existing instruments and through fair, legitimate WTO consistent procedures. However, when adopting compensatory measures, the EC should avoid imposing additional tariffs on imported feedstocks or inputs to the EU downstream industry, as this would offset any other initiative to boost the competitiveness of the sector. There should be a better balance between the different trade policy goals: the one of boosting the competitiveness of the EU industry and the one of defending the EU interests.

Trade policy is not only about tariffs and controls. Regulatory cooperation plays a vital role as well, and it can support resilience of the EU. This is especially important in the universe of new technologies arising, be it digital technologies or technologies for more sustainable production.

Question 2: What initiatives should the EU take – alone or with other trading partners - to support businesses, including SMEs, to assess risks as well as solidifying and diversifying supply chains?

EU trade policy should leverage all existing negotiations and bilateral dialogues with trade partners to encourage domestic reforms with the aim to promote (1) access to raw materials and necessary inputs, (2) access to customer markets, and (3) an open investment environment. These reforms should include, tariffs, regulatory requirements, energy, investment and other domestic policies that impact international trade. By promoting these reforms, and focusing on key trade partners, the EC will support supply chain diversification opportunities. For SMEs in particular, greater transparency on import requirements in key export markets and continued training opportunities will help SMEs to better assess supply chain risks.

A crucial factor to strengthen and diversifying supply chains should be the EU's Free Trade Agreements (FTAs) as they create numerous opportunities for European businesses. They help ensure access to high-quality intermediate goods and services supporting EU-based operations, while at the same time ensuring a level-playing field. To that extent, no effort should be spared to strengthen the enforcement of existing FTAs and to further expand the network of FTAs.

Furthermore, the EU should prioritize trade facilitation initiatives and regulatory cooperation as these would help further integrate SMEs on the international trade flows. On Trade Facilitation, the EU should continue to dedicate capacity building support to work with leading trade partners towards the implementation of the WTO Trade Facilitation Agreement (TFA), as this expedites the movement of goods across borders. As for regulatory requirements, the EU should engage with leading trade partners to promote Global Regulatory Principles, including consistent commitment to transparency and consultation that will give companies a seat at the table to provide expertise and engagement on an efficient, high-standard regulatory process. Addressing these challenges will better equip SMEs to access international markets and understand the regulatory requirements.

Question 3: How should the multilateral trade framework (WTO) be strengthened to ensure stability, predictability and a rules-based environment for fair and sustainable trade and investment?

As a trade intensive industry, the chemical sector has been a strong supporter of the multilateral rules-based trade system for decades. A strong WTO thrives on the commitments and devotion of its members. Ensuring a functional and reliable multilateral trading system enshrined in the WTO must become top priority again, especially in the context of the global economic crisis resulting from the Covid-19 pandemic.

Trade needs certain rules of the game with which all members must comply. Having a functional dispute settlement system (DSS) in place is crucial to ensure compliance with these rules and ultimately, the functioning of the multilateral system. In that sense, we welcome the Multi-Party Interim Appeal Arbitration Arrangement (MPIA) as a temporary solution for the collapse of the Appellate Body, but a structural solution remains necessary. Therefore, we call on the EC to take a more active leadership role in pushing for the reform of the WTO in general and its DSS in particular.

The initiatives taken under the so-called “joint statement initiatives”, such as e-commerce, domestic regulation in services, investment facilitation and rules to facilitate MSMEs are key for the future of the WTO offering a new and constructive framework to address these important issues. . We support these initiatives and believe that WTO members that are ready to commit should be allowed to move forward.

WTO members should also consider re-launching discussions on the most important emerging issues, such as trade and climate change, while respecting technology neutrality and non-discrimination. The EU should also consider opportunities to advance plurilateral agreements, including pushing for new WTO Members to become parties to the CTHA. Attention should be paid to negotiating principles, including the opportunities to promote benefits to the coalition of willing countries balanced against the challenge of “free riders”.

It is also important that the existing WTO rule book gets updated in order to better reflect the changing reality in global trade. For instance, the rules on subsidies and on export restrictions are incomplete, allowing governments to take advantage thereof to the detriment of global competition. In the area of subsidies in particular, we recognize the joint efforts by the EU, the US and Japan to develop proposals to address this issue. The European “Green deal” and the financial support foreseen in the Economic Recovery Plan for green and digital transformation might make further modifications necessary.

We also believe that the EU should put forward a proposal to establish a mechanism for civil society and industry to provide input into negotiations and ongoing committee work. These mechanisms could be modelled on good practices adopted by other organizations and processes (e.g. OECD and BIAC). Such mechanisms would enable the WTO’s monitoring and negotiating functions to avail themselves of the expertise and experience of civil society and industry – ensuring that WTO activities are fully connected to real-world trade experiences.

Finally, the learnings from the COVID crisis to address tangible barriers to trade, such as electronic documentation and “one-stop shops” or “singe windows”, ensured continuous access to the necessary medical devices and protection equipment during the pandemic. The adoption of these measures in the long-term, to support more broadly the economic recovery should be considered. In the same way, further streamlining the TFA commitments prioritizing the next implementation steps should also be considered. We also fully support the EU's proposal to the Ottawa Group to abolish tariffs for pharmaceutical and medical goods on a permanent basis as well as to eliminate all export restrictions of these goods.

Question 4: How can we use our broad network of existing FTAs or new FTAs to improve market access for EU exporters and investors, and promote international regulatory cooperation particularly in relation to digital and green technologies and standards in order to maximize their potential?

In absence of meaningful multilateral trade liberalization, existing and future FTAs are a cornerstone of EU trade policy in the new global environment. They must primarily focus on the elimination of tariffs and non-tariff barriers, regulatory cooperation and facilitate cross-border trade as much as possible (striving for the simplest customs procedures, rules of origin, digitalization of all required documentation, and making logistical systems as flexible as possible). FTAs should also protect mutual investment, as well as help shape a business environment conducive to trade and direct investment (especially in EU's direct neighborhood) via the promotion of the rule of law and a robust implementation of the Bali Trade Facilitation Agreement. Rules in FTAs must be manageable for all companies (for multinationals as well as for SMEs)
– e.g. the verification procedures for Rules of Origin (RoO) in the EU-Japan agreement results in low levels of utilization.

In future FTAs, regulatory cooperation should be closely interlinked with sustainability chapters, which shall refer to multilateral and plurilateral forums (e.g. ILO, UN Charter, GHS, OECD) in order to ensure compliance with human rights and social and environmental requirements. Parallel to the negotiation of new FTAs, focus on the effective implementation of the EU's broad network of FTAs should become a priority in the context of the Trade Policy Review. The EC has already stepped up its efforts in this direction, through instruments provided in FTAs (consultations and dispute settlement mechanisms), as well as through its Market Access Strategy, which is an established and successful framework of EU action to lift trade barriers imposed by our partners.

Unfortunately, there are still some shortcomings. The preference utilization rate (PUR) is a good indicator of the existing limitations, as it is generally lower for EU exports to partner countries. Comprehensive and easily accessible information that is presented in a way that makes it understandable to non-experts as well as simple and harmonized rules are essential to enable companies of all sizes to benefit more from EU FTAs.

Furthermore, the EU should make a better use of the Market Access Database (MADB) to show whether the tariff-rate will be reduced over the course of the coming years as a result of FTA schedules. Also, the MADB provides little information in relation to services, although transparency on regulatory requirements in third markets is key for facilitating trade in services. Moreover, the MADB should include a section dedicated to documenting progress in the area of regulatory cooperation.

Trade agreements should incorporate sectorial regulatory cooperation that tackles specific issues affecting a particular sector (as some of our trading partners already have, e.g. USCMA). The EC should also promote the inclusion of the Globally Harmonized System of Classification and Labelling of Chemicals (GHS) in the trade and sustainable development (TSD) chapters of EU trade agreements. This would help advance the process of promoting GHS classification globally.

Any FTA should be accompanied by an investment protection agreement which describes the available procedures in a transparent manner. The already included Investment Court System in several recently concluded FTA's is the right way forward in case investments require a dispute settlement.

Finally, in the geopolitical situation of Europe, the speed of building a network of partners matters without compromising on the content of the agreements. Therefore, we need quicker negotiation of FTAs which comply with the objectives of industry and quicker ratification processes. The splitting of FTAs (along the line of EU and Member States competences) is a helpful approach in this regard. Furthermore, it would be important not to overburn FTAs with non-trade issues.

Question 5: With which partners and regions should the EU prioritize its engagement? In particular, how can we strengthen our trade and investment relationships with the neighboring countries and Africa to our mutual benefit?

The U.S. and China will remain the EU's main trading partners and, therefore, a key priority in the EU's trade policy. At the same time, the EU's approach should be recalibrated in order to better reflect the developments in the relationship with both. As our partners become more assertive in the conduct of trade policy, so too must the EU do in order to be able to defend its interests. The EU is a trade powerhouse on its own and should assume more leadership in the creation of international rules and standards in the corresponding multilateral and plurilateral forums.

Concerning relations with the US, the EU and the US must reinforce the strategic partnership despite the existing grievances, including the lack of a negotiated solutions on several fronts between the two parties. Despite these challenges, we still believe that a positive agenda in the EU-US relationship must be pursued, building momentum in areas of common interest. The talks should focus on eliminating tariffs on industrial goods as well as enhancing regulatory cooperation.

Concerning relations with China, the EU must become more assertive. A more comprehensive EU approach is required to address concerns related to China, encompassing different policies and instruments. It is essential that the EU, Member States and European businesses work together towards common objectives to ensure that Europe gets the best out of its relationship with China. Securing a level playing field between China and the EU is of critical importance, together with mitigating the impact of China's government-induced market distortion. The EU's approach to China must keep pace with political developments in other countries, including the US. The new challenge is to find a functioning balanced approach between cooperation and systemic competition, as decoupling would bear heavy costs for everyone. Beyond the relationship with the US and China, the EU should continue to diversify its partnerships, by consolidating and improving the relationship with existing trade partners and neighboring region, as well as establishing relationships with new ones.

With regards to the United Kingdom, we support a comprehensive and ambitious agreement that should be adopted in time to allow for ratification and entry into force by 1 January 2021. This agreement should take into consideration the fact that the chemical industry is highly integrated between the EU and the UK. Thus, unless regulatory cooperation, tariff and quota free trade, flexible rules of origin, and accounting segregation are provided for, the EU chemical industry will face significant economic costs. We also consider that, given the profound changes that will occur in the way to do business between the EU and the UK, it is essential to continue to help and support companies preparing to face this challenge.

Finally, extending the EU's engagement with neighboring countries, including Africa should be on the future agenda. We believe that the EU should deepen its relations with Africa by implementing and strengthening existing Economic Partnership Agreements and ultimately replacing these in the longer term by an EU-Africa Free Trade Agreement. The aim should be to create an investment climate conducive to FDI and addressing joint challenges like climate and migration. The launch of an EU-Africa FTA, provides opportunities for the EU to enhance its cooperation with Africa, including on regulatory cooperation, within the international fora.

Question 6: How can trade policy support the European renewed industrial policy?

The renewed EU industrial policy must be well interlinked with the future trade policy. If we assume the renewed industrial policy focusses on restoring and safeguarding the position of the European industry without being protectionist, then a free trade policy, driven by mutual competitive rules and obligations, should be the flag covering all actions. Trade policy tuned with an industrial policy supports rebuilding a strong Europe. Both policies aiming at more "strategic autonomy" must clearly be oriented on remaining "open". We do not believe that infant industry protection works as a means for industrial policy.

A successful industrial policy takes into account all supporting conditions, such as but not limited to, sustainable and sufficiently available feedstocks (raw materials), (renewable) energy at acceptable world market prices and the availability of qualified labor.

In this context, Cefic welcomes the discussion initiated by the Commission's White Paper on levelling the playing field regarding market-distorting foreign subsidies as part of the Industrial Strategy. It is a good example of how trade and industrial policies are connected. Different instruments should be complementary and mutually reinforcing (e.g. balance between acquisition of EU companies and FDI screening).

Question 7: What more can be done to help SMEs benefit from the opportunities of international trade and investment? Where do they have specific needs or particular challenges that could be addressed by trade and investment policy measures and support?

SMEs are best served by smooth, simple and flexible rules of the trade game. If we want SMEs to benefit from international trade it is necessary that these rules are well understood, which can only be achieved by extensive communication and easy explanation by the EU and the Member States. The challenges are for regulators to continuously conduct thorough analyses in advance to determine how a regulation will impact business and trade in particular. The EU and agencies in the Member States must be available to support SMEs when export opportunities pop up. If Europe wants to be at the forefront of innovations, the only way forward is removing or reducing all trade and investment hampering legislation. We call for a scrutiny task force that reviews the large number of rules now preventing smooth exports by all businesses, in particular SMEs.

The EU should also work with stakeholder groups to do more trade policy promotion and engagement with SMEs on implementation. Access to information, opportunities to work with EU Member State commerce ministries and investment promotion agencies offer opportunities to engage SMEs directly and provide information on (1) new market opportunities; and (2) clarification of the new rules. These types of webinars and trade agenda promotions should be done in engagement with leading companies who can provide testimonials of the benefits of the deal, practical examples of operating in the partner country and demonstrate opportunities as part of the supply chain to MNCs. The upcoming Access2Markets platform will also be an important tool for SMEs to access trade-related information and increase their awareness of opportunities.

Question 8: How can trade policy facilitate the transition to a greener, fairer and more responsible economy at home and abroad? How can trade policy further promote the UN Sustainable Development Goals (SDGs)? How should implementation and enforcement support these objectives?

Trade in general and trade in chemicals in particular are vital for reaching the SDGs. Consequently, trade agreements and well-designed regulatory cooperation and sustainability chapters can support the SDGs even further.

The EU can also support efforts targeted at removing barriers to new environmental technologies and sustainable goods. For example, on waste management, the EU should prioritize removal of tariff and regulatory barriers to investment in these technologies as well as work with partner countries to promote building value chain approaches to waste management (from collection to innovative new products sourced with recycled products).

The EU can further promote removing regulatory barriers to approval of new innovative materials (for example recycled plastic, building materials, road asphalt, etc.) that can help to develop and promote these markets and more sustainable environmental practices.

We think that encouraging and supporting the SDGs will be more effective than threatening with enforcement actions. One way to support SDGs is to include a reference to UN GHS implementation in the TSD chapters and FTA's. Many medium and large-size enterprises are already living up to the agreed SDGs, as part of their corporate social responsibility. Helping to realize the SDGs is a business driver too.

Cefic is cautious about the unilateral implementation by the EU of trade restrictive measures such as a CBAM to achieve environmental goals. Risks of these instruments must be analyzed thoroughly, and international cooperation and support of transformation should be the preferred approach. At this stage, we urge the EC to make sure any design for such mechanism follows some key principles, such as: ensuring it is WTO-compliant (thereby does not result in disputes with trade partners), as little trade restrictive as possible (thereby minimizing any trade distortions), and meets the export interests of industry. Key goals should be avoidance of carbon leakage and securing competitiveness of EU industry.

Question 9: How can trade policy help to foster more responsible business conduct? What role should trade policy play in promoting transparent, responsible and sustainable supply chains?

Any action should be based on international standards and guidelines, for example the earlier mentioned reference to the inclusion of UN GHS in the EU FTAs and TSD chapters. EU action should be also accompanied by a comprehensive impact assessment to ensure that measures are proportionate. In this process it is important to ensure that the responsibilities of states and economic operators are not inverted. Flexibility should also be maintained to enable companies to devise solutions fit for their size, sector, part of the supply chain, operating markets and business model.

Question 10: How can digital trade rules benefit EU businesses, including SMEs? How could the digital transition, within the EU but also in developing country trade partners, be supported by trade policy, in particular when it comes to key digital technologies and major developments (e.g. block chain, artificial intelligence, big data flows)?

As international trade is of great importance for the chemical industry, so is the international flow of data, especially as digitalisation of the chemical industry progresses rapidly. Therefore, the plurilateral WTO negotiations on an e-commerce agreement should be supported actively by the EU, especially regarding provisions on cross-border data flows.

In addition, the digitalisation of customs and export control procedures in the EU needs to become a priority of the new Commission to reduce costs of doing trade and to improve efficacy and efficiency of processes at and behind the border. This could promote the EU's trade and industrial policy goals at the same time.

Question 11: What are the biggest barriers and opportunities for European businesses engaging in digital trade in third countries or for consumers when engaging in e-commerce? How important are the international transfers of data for EU business activity?

We believe that the biggest challenges for European businesses engaging with digital trade in third countries are linked to technology-nationalism, the existence of extraterritorial instruments such as sanctions and the technological decoupling of the world. If trading partners do not implement equal standards (analogue or digital) the chances for successful engagement in e-commerce will not materialize. The EU chemical industry looks with particular concern at the technological and global trade decoupling of the last years, which ultimately impacts the operations of European companies and its value chains. In this context, the EU's trade policy should follow an independent approach safeguarding the EU's critical interests and continue to promote global rules and standards.

Adoption of certain measures, such as digital taxation, may have trade dimensions and trigger trade-related consequences. At first sight such a tax is not of relevance to traditional manufacturing. However, over time the scope of the digital tax could include traditional manufacturing resulting from digitalization of manufacturing and the various digital business models. We have concerns if the Commission's Digital Services Tax (DST) would be at odds with international tax conventions. If introduced unilaterally in the EU, a DST would break with the international convention of taxing company profits not revenues. Changes to international tax rules are best agreed at international level to avoid possible double taxation and/or trade conflicts. The best way remains an OECD agreement on a global digital tax deal, rather than an EU tax or even worse taxes at Member State level.

Question 12: In addition to existing instruments, such as trade defense, how should the EU address coercive, distortive and unfair trading practices by third countries? Should existing instruments be further improved or additional instruments be considered?

Cefic believes that the EU should first analyse the results of recently adopted legislations like the FDI screening mechanism and trade defense instruments reforms, before taking any further actions.
Cefic also believes that the trade defense instruments available today serve the needs of the markets sufficiently, although continuous simplification of the procedures is recommended. For example, the investigation and procedures regarding anti-dumping complaints are still too long and time consuming for a complainant. The EC lacks sufficient insight in the markets at stake and has to rely upon unverifiable information provided by complainants. The same applies to anti-subsidy procedures and safeguarding procedures. The EU should strive for more reliable and up-to-date economic data in case complaints have to be investigated.

The EU should also engage with trade partners to ensure that trade remedy cases meet the appropriate economic and commercial parameters for a case (vs. political incentive); and that cases are handled fairly and aligned with international principles. The EU should defend the EU chemical industry against unfair or discriminatory utilization of trade remedies by third parties.

In terms of suspension of concessions to compensate for violations of international obligations, the EU should better calibrate its actions to avoid hurting the EU industry. More specifically, the EC should avoid imposing additional tariffs on imported goods that constitute feedstocks or inputs to the EU downstream industry, as this would offset any other initiative to boost the competitiveness of the sector. Overall, the EU should strive to achieve a better balance between the different trade policy goals: the one of boosting the competitiveness of the EU industry and the one of defending the EU interests. Otherwise, we risk having an incoherent Trade Policy, which does not achieve its goals.

Question 13: What other important topics not covered by the questions above should the Trade Policy Review address?

The innovative chemical industry has a significant interest in a strong intellectual property rights protection at the global, regional, and national level. Cefic therefore encourages the Commission to be a global standard setter in and promoter of all types of intellectual property protection instruments: patents, trademarks, copyrights, industrial designs, geographical indications, protection of submitted data for obtaining marketing authorization (regulatory data protection), plant breeders' rights (plant variety protection), trade secrets (confidential business information).

We note the politicization of export controls on dual use items. The US adopted measures of extraterritorial reach to ensure leadership in high-end products and technologies. Such measures have a global impact as companies rely on global trade and supply chains to be able to deliver new, innovative goods and technologies. China is currently working on the adoption of its export controls legislation, which may also contain elements of extraterritorial application. The more trade partners adopt policies with extraterritorial elements, the higher the risk of disruption in international supply chains. The EU should call trade partners to base their export controls legislation on internationally agreed texts and avoid establishing extraterritorial elements.

In these changing times, trade policy should be as inclusive and concrete as possible. The EU should consider more systemic engagement with a range of stakeholders. Additionally, the EU should ensure that trade policy is inclusive, particularly with trade partners to promote free and fair market access for all members of society, inclusive of race, gender and orientation.

Diverging chemicals legislation can be a key obstacle to international trade in chemical. Regulatory Cooperation is key for the chemical sector and we call upon the EU to step-up efforts in this area including by establishing a clear leadership and coordination for this objective among the different services of the EU Commission and further promoting Regulatory Cooperation through the EU External policy. We strive for a science - and risk-based approach for any trade policy, with rules and regulations to be tuned towards the likelihood of the appearance of those risks versus their societal impact.