

Mr. Phil Hogan, Trade Commissioner
Mrs. Jutta Urpilainen, Commissioner for International Partnerships
Mr. Paolo Gentiloni, Commissioner for Economy
Mr. Thierry Breton, Commissioner for Internal Market
European Commission
Rue de la Loi 200
B-1049 Brussels

Brussels, 15 April 2020

Subject: EUROCHAMBRES Position on policy actions needed to tackle the international economic and trade ramifications of the Corona-crisis

Dear Commissioners,

The COVID-19 pandemic poses enormous challenges for our globally highly interconnected European economies. As a global pandemic, it will also require global solutions to fully tackle the problem. While it is of course imperative for all governments to care for their people in the way they can, the temptation to become more protectionist is misplaced. Additional customs duties, taxes and unjustified non-tariff trade barriers are hampering the urgently needed exchange of goods and services to combat the corona pandemic, and the efforts to keep our economies afloat in this crisis. The medical and pharmaceutical sector, which is crucial for combating the pandemic, is particularly dependent on keeping global supply chains undisturbed.

With an expected global trade decline that will be more severe than the one witnessed during the 2008 financial crisis, we urge the EU to take prompt action to safeguard global trade in goods and services, maintain global supply chains, as well as export markets and import supplies. At the same time, transparent, non-discriminatory and proportionate emergency measures that are limited in time seem more than justified in light of the scale of the health crisis.

Equally, as the world's largest humanitarian aid donor, the EU, along with its Member States and the private sector, should also enact a coordinated crisis response to help regions and countries most in need, particularly in Africa.

Looking ahead, the EU and its member states should increase their strategic supply chain security, so as to foster European resilience, including more independence in the crucial area of public health. In this sense, the EU should actively advance EU production and surge capacities for medical emergency equipment and products. In light of the above, EUROCHAMBRES recommends the following short and medium-term measures:

- Call for a G20 crisis moratorium on new tariffs, restrictions in public procurement and unjustified non-tariff barriers.
- Call on countries to join the expansion of the ITA agreement, as well as the WTO Pharmaceutical Zero-for-Zero initiative and explore the preparedness to extend both instruments to cover all pharmaceutical and medical goods and devices, including unjustified non-tariff barriers. The EU should thereby duly take into account the needs of least developed countries (LDC's) as well as the sustainability goals.
- Ensure that the movement of goods and services within the EU is not restricted and adhere to EU green lane border crossing guidelines for goods and specified key personnel.

- Keep international traffic routes operable and affordable. Current capacity problems and rapidly rising prices in air, maritime, road and railway transport may hinder and even impede resuming European export activities.
- Keep export controls for protective equipment to a minimum and temporary and ensure that such controls do not take place within the European Single Market as per Commission guidelines.
- Keep EU neighbouring countries, including EFTA, the UK, accession countries and associate partnership countries, including the Eastern Partnership and Southern Mediterranean countries, as closely involved as possible in all Corona-related activities. An exclusion of the Western Balkans from the EU's export restriction requirements for PPE should also be assessed.
- Enable full electronical data exchange between companies and customs authorities for import and export clearance.
- Instruct customs authorities to apply a tolerant approach towards possible crisis related non-compliance with procedural deadlines by companies and SMEs in particular.
- Intensify the digitisation of customs procedures that have so far remained non-digitalised, and promote contacts and data exchange among customs authorities, and wherever possible execute joint inspections to reduce the time of border crossings.
- Ensure the continuation of an effective protection of the EU economy against unfair trading practices of third countries and enhance quality controls of imports.
- Advance the WTO Appellate Body interim solution by forming a "coalition of the willing".
- Advance WTO e-commerce talks to regulate digital trade globally and in a non-discriminatory manner, and help ensure coordinated, multilateral procedures for the movement of people within a professional context, once the health situation allows to do so.
- Support investment promotion as well as the swift introduction of investment screening mechanisms in all EU-Member States in line with EU guidelines.
- Closely monitor new Corona-related trade barriers, especially those of relevance for small and medium sized enterprises (SMEs).
- Facilitate assisting SME's with temporary export credits.
- Assess the consequences of unilaterally removing tariffs on pharmaceutical and medical goods.
- Assess necessity for more autonomous and independent European strategic capabilities and production of medical emergency equipment and products.

Please rest assured of the full availability and support of the European Chamber network to assist you further.

Yours sincerely,



Christoph Leitl
President EUROCHAMBRES



Arnaldo Abruzzini
CEO EUROCHAMBRES

CC: Trade Ministers of the 27 EU-Member States