

Stockholm, 5 November 2020

ICC Sweden's Comments on the Second Draft of the ICC Submission to the EU Trade Policy Consultation

We welcome this opportunity to share our comments on the second draft of the ICC submission to the EU Trade Policy Consultations. It is a well composed second draft that in a clear and concise language defines what the global business community wants to see from a revised EU trade policy. We especially welcome the substantial additions that have been made based on the initial comments of ICC Sweden along with ICC Denmark, ICC Finland, and ICC Ireland on matters such as the circular economy, the need to promote fundamental European values, and that the EU should not only fight protectionism, but take a clear stance for openness. Below you will find some additional comments on the specificities of the second draft, as well as an iteration of comments made on the initial draft that we feel have not been adequately reflected or are still lacking.

- A general concern in our previous comments, that has become even more pronounced in this version, is the heavy focus on Covid-19. While we acknowledge the long-term impact of the pandemic on the global economy and international trade, we feel that too heavy a focus on Covid-19 will overshadow other important policy areas. Especially, the addition of the paragraphs about international travel and the promotion of the AOKPass feels out of place and is not directly related to the EU trade policy overview. This is an important issue but would be better promoted elsewhere. The submission ought to focus on trade itself and what the business community wants long-term from the EU when it comes to trade policy.
- We note the decision to not explicitly address current issues relating to Brexit and the US-China trade relation and the potential impacts on the EU. While we still maintain that a strategic document such as the EU trade policy needs to address and make a reference to these issues, we understand the choice not to highlight this from an ICC perspective.
- In para 2 of the Executive Summary, we feel that it is a somewhat problematic approach to acknowledge that "Covid 19 has impinged on trade – in some cases, quite rightly" without exemplifying in what ways trade was legitimately restricted. Our base position should be that trade restrictions are not legitimate. We propose a full stop after "Covid-19 has impinged on trade" and that the entire subordinate clause is deleted.
- We welcome the wording of para 3 of the Executive Summary, which is very much in line with the comments we previously made on the importance of the EU promoting its values. We note, however, the choice not to list democracy as one of these values. If not enumerating democracy, we believe that at least respect for human rights should be added. Given ICC's work with the UNGP etc. this would be in line with our general priorities.

- We welcome the addition of a para on the e-commerce negotiations, but think that more emphasis could be placed on cross-border data flows, not least considering that the EU position on this issue is a big obstacle that hinders progress to be made in the negotiations.
- In para 2 of “Using trade to help solve common challenges” we are quite concerned with the defensive positioning relating to trade and climate. It is noted that “the fact is that trade impacts the climate”, which is of course correct, as do all human activities. Yet, we believe that the ICC position should rather be that trade is an essential part of addressing not only climate change, but all sustainability challenges both in relation to the economic, environmental, and social dimensions of sustainability. By creating wealth, welfare, and jobs, trade allows for more green investments, while trade also facilitates the spread of innovations and new green technologies globally. Thus, trade is not only impacting the climate, but an essential part of the solution to the challenges we are facing.
- We welcome the rephrasing of the para on a European CBAM. In contrast with the initial wording of the para, the current version better reflects the concerns relating to such a mechanism and the fact that ICC has no agreed position on this issue.
- ICC should stress the importance of supporting functioning multilateral collaborations. To further show the commitment to a functioning multilateral trade system, it should be in the EU’s interest to highlight and support examples of collaborations that are working, such as the WCO, which has done a tremendous job collecting information on new trade barriers/border measures implemented during the pandemic.
- Relating to the Commission’s mention of international regulatory cooperation for new and green technologies, we believe that it is central that ICC stresses the importance of any green technology development being led by businesses. The Commission needs to be sensitive to the reality of business, otherwise the EU risks overregulating climate action – resulting in isolation of European companies unable to compete outside the Union and reducing the incentive for other companies to invest in sustainability solutions.
- We believe a reference should be made to the need to remove subsidies on coal and oil in order to further the sustainability agenda. This is a very concrete example how trade policy can enable sustainable outcomes of trade.
- A general concern of ours is that issues relating to digitalization are still very much absent from the draft. The addition of the para on the e-commerce negotiation, as mentioned above, is very welcome, but does not cover the developments in the digital field. There is a lot going on in this area, not least in the EU relating to digital services, data protection, and AI, that will have an enormous impact on trade globally. Sophie Peresson, Charly Gordon and the Innovation for All team could provide valuable additions in this area. To echo some of the comments concerning digitalization made in our initial input:

- digitalization has increased the need for a stable and reliable IP legislative framework in order to encourage investment and ensuring that companies continue to invest in innovation, growth and preparing to face global challenges,
- the EU should make sure that the Digital Services Act results in a harmonized regulatory framework that ensures a level playing field by effectively preventing the presence of illegal content on the European market,
- the regulation in place for supporting digital documentation needs to be significantly strengthened at the EU level and the EU trade policy must make obtaining an entirely paper-free system for cross-border trade documentation a priority,
- we should raise concrete examples how to digitalize trade, e.g. such as how blockchain technology can boost trade finance,
- to achieve high standards of integrity, while at the same time enabling businesses to continue using data to innovate, data protection rules need to be further harmonised and oriented towards supporting digital and technological development.

Best regards,



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ICC Sweden