

Press Release

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Consumer groups respond to EU trade strategy

The European Commission today <u>unveiled</u> its 'trade policy review'. The review – which defines the bloc's new trade strategy – contains good points for consumers while raising many questions.

Monique Goyens, Director General at BEUC, said:

"Trade policy may sound like an abstract thing that is far removed from our everyday lives as consumers. But it is not. It can define every aspect of our lives in positive and negative ways, which is why this self-assessment exercise by the EU is so important.

"If the EU is serious about aligning the topics of trade and environment, it should take the bull by the horns and scrutinise any trade interests that run against this ambition. This should begin by opening the WTO Pandora's box and reforming the organisation's archaic rules to make sure that consumer protection measures such as labelling or right to repair can no longer be perceived as barriers to trade. Meanwhile, the EU must also rigorously check that its trade proposals do not clash with its own efforts in other areas that affect people's lives, such as food safety, sustainable consumption, or access to medicines.

Positive outcomes of the EU's trade policy review

- The Commission intends to design its trade policy to support its environmental and sustainability policies such as the Green Deal and upcoming legislation on due diligence.
- The ambition to use trade deals as a tool to spur cooperation between those public authorities all over the world whose task it is to protect the public interest. This type of cooperation can be useful to tackle the global circulation of dangerous products, or to coordinate competition and build fairer consumer markets.
- To make the EU's internal and external policies more coherent. This will help ensure that future trade interests do not inadvertently clash with other EU plans to better protect consumers in areas such as food safety, sustainability, or the digital world.

What needs clarification or further work

- There is no mention of securing simple trade benefits for consumers such as reduced roaming fees.
- It is unclear how the EU intends to prevent trade rules impacting on either its own or its Member States' ability to regulate in a certain area. For instance, current World Trade Organization (WTO) rules are designed in a way that could lead to measures such as food labelling or right to repair being considered barriers to trade.



- The EU should specify how its international discussions on cooperation a positive development as such will be made transparent. For example, the EU has not yet published its proposal to the US on creating a 'Trade and Technology Council'.
- The EU wants to use trade policy as a tool to develop global digital rules. A careful approach is needed here. For example, this month German consumer group Verbraucherzentrale Bundesverband (vzbv) found1 that a clause only recently included by the EU itself in trade deals might stand in the way of the bloc's future ability to regulate artificial intelligence.
- Today's strategy proposes a new model for international data flows based on the EU's recent agreement with the UK. It is indispensable that the EU makes publicly available an iron-clad assessment of whether this model will preserve Europeans' data protection and privacy rights in case of a dispute with a trading partner.

[1] Full study: AI regulation in the European Union and trade law: How can accountability of AI and a high level of consumer protection prevail over a trade discipline on source code?

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