



Fecc
EUROPEAN ASSOCIATION OF
CHEMICAL DISTRIBUTORS

EU Consultation: A renewed trade policy for a stronger Europe

European Association of Chemical Distributors (Fecc)
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Fecc acknowledges the consultation note proposed on [‘A renewed trade policy for a stronger Europe’](#) and the measures proposed to review EU’s trade and investment policy. In this context we would like to raise the following points on behalf of the European chemical distribution sector, above all on behalf of the many SMEs we represent:

- **Building more resilience –internal and external dimensions - How can trade policy help to improve the EU’s resilience and build a model of open strategic autonomy?**

An even level playing field is paramount for improving the EU’s resilience and for building a model of open strategic autonomy. The EU expects high-quality products from its local manufacturers and the same should be expected from all third countries that conduct trade with the EU.

Fecc calls for the Commission to enhance its monitoring efforts when it comes to EU sustainability requirements that may be proposed in this initiative. The consultation note's proposal to pursue a model of “Open Strategic Autonomy” will not work without comprehensive surveillance of third-country imports and only result in (1) the undermining of EU producers and service-providers, (2) the decrease of the EU market share and (3) unnecessary regulatory roadblocks due to internal bureaucratic delays.

- **Supporting socio-economic recovery and growth - 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?**

Fecc believes that a comprehensive trading system should stem from a well-functioning multifaceted approach that benefits both industrialized and developing countries. The EU needs to act as a constructive mediator in ensuring that the World Trade Organisation (WTO) gets the support it needs to properly perform its responsibility of ensuring that free trade and open markets are functioning. Furthermore, the WTO must ensure that its members adhere to rules and regulations that are agreed upon.

- **Supporting the green transition and making trade more sustainable and responsible - How can trade policy facilitate the transition to a greener, fairer and more responsible economy at home and abroad?**

The EU and other national governments are currently offering various regulatory and financial incentives for green initiatives, particularly for public stakeholders and start-ups. These include so-called 'emission allowances' under the EU Emissions Trading System (EU ETS) scheme. With the EU Green Deal being a game-changer, support from the community must include a wider part of the industry in order to ensure that these type of initiatives on integrating circular economy on trade also benefit. We believe that such incentivization is a more pragmatic approach that encourages companies to innovate, rather than the overlapping regulations in the European chemical wholesale sector that result in an uneven level playing field, most especially for SMEs.

Fecc acknowledges that this consultation note, along with the other EU trade policy review elements, signals a regulatory paradigm shift for the European Chemical industry. We see this as an opportunity to further promote the safe, sustainable and innovative distribution of chemicals and look forward to a continued dialogue with the Commission to establish a consistent, coherent regulatory framework without bureaucratic overload for companies, especially SMEs.