

Global Economic Survey 2019: Protectionism continues to impact growth prospects for the global economy

The 2019 edition of the Global Economic Survey – carried out among participants of the Global Chamber Platform (GCP) – analysed growth perspectives and challenges for the global economy in 2019, the ongoing trade tensions, climate change, financial services, and avenues to address the skills mismatch.

According to this year's global economic survey the GCP are cautious about growth prospects for 2019, with growth expectations being adjusted slightly downwards for some world regions. **Protectionism** and the **lack of sufficient market access** is seen as most important challenge to upholding global growth this year, as trade restrictive measures continue to be on rise across several world regions and the G20 economies in particular. Protectionism and lack of market access are followed by **political instability** as the second most important challenge for the global economy this year, where factors such as political tensions and uncertainties related to Brexit continue to cast a shadow over growth prospect. On third place the GCP placed income disparity. Risks stemming from sovereign debts surged to fourth place in this year's global economic survey at a time when **sovereign debt** is projected to reach an all-time high this year, as estimated by the Organisation for Economic Co-operation and Development (OECD).

EUROCHAMBRES' President and Chairman of the GCP, Christoph Leidl, said, "In a time when trade tensions and global challenges are mounting, it is more pressing than ever for the international community to find a common solution together and not separately! Policy makers need to take the voice of the business community seriously and uphold the functionality and predictability that our international trading system provides, as otherwise we stand to lose the positive growth momentum across the globe. This is why involving global organizations and platforms such as the GCP are essential to align public policies with the interest of businesses. The opportunities to create a sustainable and open business environment with our partners are still there– we must only be willing to seize them."

The GCP also favoured a holistic World Trade Organization (WTO) reform to combat protectionism, with shortened timeframes for dispute settlement and Appellate Body reform, as well as increased transparency and better compliance with notification requirement as key priorities. The GCP equally showed strong support for more involvement of intermediary organizations representing Small and medium-sized enterprises (SMEs) at the multilateral level and call for a better inclusion of SMEs in the negotiation agenda of the WTO.

Moreover, as climate change becomes increasingly relevant across the global economy and to many businesses, the GCP saw new business opportunities arising particularly in the fields of renewable energy production and digital technologies focusing on environmental practices. Furthermore, the GCP have unanimously ascribed a positive impact to circular economy – a critical concept for a sustainable economic future.

Additionally, and in order to make the future labour force fit for an evolving global economy, the GCP gave a clear signal that digital literacy and skills courses should become part of the education agenda. The survey equally showed that policy makers still need to respond to that need, as most members supporting this initiative also stated that this measure had not been implemented in their region yet. An exchange in best practices between regions, as well as vocational and educational training are powerful tools towards closing the skills gap favoured by the GCP.

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EUROCHAMBRES – The Association of European Chambers of Commerce and Industry represents over 20 million enterprises in Europe – 98% of which are SMEs – through members in 44 countries and a European network of 1700 regional and local Chambers.

About the GCP

The Global Economic Survey 2019 was conducted in April - June 2019 among Members of the Global Chamber Platform, bringing together the 16-major national and trans-national Chamber organisations from the four corners of the globe, representing 100 million companies with 1 billion employees.

The answers for the GCP should be considered as an important indicator for the position of the business community on global key challenges before the G20 Leaders' Summit in Japan, which could be a powerful forum to try ease economic tensions.

***More information on the Global Chamber Platform: www.globalchamberplatform.org**

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