

**PRESS RELEASE****“Protectionism hurts companies it is supposed to protect”, EUROCHAMBRES’ President warns**

EUROCHAMBRES’ President Pierre Simon spoke today in the session “Threats to multilateralism” at the 5<sup>th</sup> Congress of the World Chambers Federation in Istanbul, Turkey.

This was the opportunity to reiterate EUROCHAMBRES’ concern about the deadlock in WTO negotiations and the possible disintegration of a transparent multilateral trading system.

Mr Simon said: *“The proliferation of bilateral and/or regional Free Trade Agreements in many parts of the world risks creating a vicious competition which will only hurt many actors in the global economy, especially small and medium enterprises (SMEs).”*

Mr Simon also emphasized the costs of protectionism, which often damages the very companies that it is supposed to protect. *“A State, by taking measures intended to protect its national producers against foreign competition, deprives its companies of confrontation with the world market. But innovation and productivity are directly stimulated by competition. A protectionist State exposes itself to a sacrifice of its richness, and a deceleration of its economic growth,” he said.*

Negotiating “WTO+” agreements could be a way to suppress the protectionist threat: this would allow reincorporating the Singapore’ topics (public markets, competition, investment and transparency) – which are not part of the Doha Round anymore – within the bilateralism’s framework. Nevertheless, results companies can expect from these WTO+ agreements must be moderated: they would be incomparable to those a multilateral agreement could bring.

EUROCHAMBRES believes that the World Trade Organization (WTO) must continue to play a leading role in the development of the multilateral trade system, and urges negotiators from the 150 WTO member states to take advantage of even the smallest window of opportunity to try to reach an agreement. EUROCHAMBRES is optimistic that this is still possible.

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