

Trade policy uncertainty: how tariffs, trade wars & protectionism hit European growth

With the looming threat of additional US tariffs over Greenland and EU discussions on retaliatory actions, new Eurochambres analysis underlines and quantifies the harmful effect of trade policy uncertainty on European investment.

The latest Eurochambres Chief Economists Group working paper is based on data from 24 European countries, spanning over the past 25 years. The results clearly show that:

- Trade policy uncertainty (i.e. tariffs, trade wars, and other forms of protectionism) *significantly harms European business investments*
- This negative effect is *systematically more damaging to export-oriented countries*
- The *effect grows over time*, suggesting that we cannot yet gauge the full consequences of current trade uncertainty

As Eurochambres President **Vladimír Dlouhý** emphasises, the turbulent international situation has specific and direct economic consequences *“We cannot ignore the real and measurable threat that trade wars and rising protectionism pose to European investment. And without investment, we cannot hope for the growth, job creation and competitiveness that Europe needs to prosper and maintain its socio-economic model.”*

Recent global trade developments clearly illustrate these effects. While the signing of the EU-Mercosur agreement last weekend raised hopes of more predictable international trading conditions, renewed tensions with the United States are once again undermining business confidence.

More favourable business conditions inside and outside the EU

President Dlouhý commented: *“Our businesses are caught between a rock and a hard place: on the one hand, export-oriented strategies are being undermined; on the other hand, growth within the EU has stagnated due to regulatory burdens and single market barriers.”*

European businesses need more favourable conditions, both within the EU and internationally. *“Eurochambres urges EU policy makers to address both sides of this equation, pursuing new trade agreements with like-minded partners in growth markets, while getting to grips with regulatory burdens and obstacles to doing business within the single market”*, President Vladimír Dlouhý concludes.

Explore the full Eurochambres Chief Economists Group working paper ‘The Impact of Trade Policy Uncertainty on Investment in the EU’ here: <https://bit.ly/TradePolicyUncertainty>

Further information: Mr Dominic Boucsein, Tel. +32 2 282 08 53, boucsein@eurochambres.eu

Press contact: Mr. Alexander Maurer, Tel. +32 2 282 08 55, maurer@eurochambres.eu

All the press releases can be downloaded here: [Press Releases - Eurochambres](#)