

Brussels, 7th March 2017

CLEPA: Trade restrictions impact jobs and wealth on both ends

In the context of potential trade restrictions on steel and aluminium imposed by the US, CLEPA, the European association of the automotive supplier industry supports the European Commission's continued commitment to fair and rules based international trade and cooperation with the US.

Sigrid de Vries, Secretary General of CLEPA comments: "The automotive industry organises a highly-integrated worldwide network of suppliers and customers resulting in highly efficient international value chains. Materials, components and vehicles cross multiple borders before they reach the customer. This underpins the competitiveness of the industry and its products, facilitates the creation of highly skilled jobs and ensures adequate prices.

Trade restrictions in any market impact negatively on international value chains, put jobs at risk and increase cost for customers and consumer, on both sides of the trade relationship. Specifically with regard to steel and aluminium, the introduction of tariffs as threatened by the US would prevent imports of specialised steel products which are critical to local manufacturing, not least in the automotive industry. Since there is no production capacity in the US to supply the need, damage to manufacturing would be inevitable, affecting European and US companies alike.

A fair and rules based international trading system is a key prerequisite for the organisation of international value chains with the World Trade Organization (WTO) as arbiter of conflict at its core. We fear, that the credibility of the WTO would suffer further damage should two of the largest markets in the world go down the route of trade restrictions and countermeasures.

The EU is the US's first trading partner in automotive component parts, whilst the US is EU's 2nd trading partner after China. EU-US total trade in automotive component parts stands at 10.4bn USD. These trade flows show the extent and importance of the EU-US relations and how much companies and economies are inextricably linked.

Automotive suppliers value the commitment to an international rules-based trading system and the rejection of protectionist measures as explained today by the Commissioner for international trade, Cecilia Malmström. We hope that these principles will guide the decision on further steps in response and prevent premature actions.”

CLEPA is the voice of the European automotive suppliers. Over 120 of the world's most prominent suppliers for car parts, systems and modules and 23 National trade associations and European sector associations are members of CLEPA, representing more than 3,000 companies, employing 5,000,000 employees and covering all products and services within the automotive supply chain. We invest over €20 billion yearly in R&I and provide solutions for safe, smart and sustainable mobility.

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