ICC Sweden and the EU

Increasing interactions for an EU that enables business to do business
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Foreword

The 2019 EU Elections is described by many as decisive of EU’s future, thus possibly the most important ever. As a well-functioning EU collaboration is of utmost importance for business, we have developed this report to be used by ourselves and by you, our members, to collectively promote a healthy and competitive EU. Together, we can work for an EU that promotes free trade, and that removes unnecessary rules – in short, an EU that enables business to do business.

The European elections will be held at the end of May 2019 and the make-up of the new European Parliament is likely to be marked by more fragmentation and more polarisation. Brexit and the rise of populist parties across the EU means that making deals and building a consensus will be more complicated in the new European Parliament. This will have implications as to how business engage and shape the policy agenda.

The traditional composition of significant Centre-Left and Centre-Right blocs working together to seek compromises and decide legislation out of public view is likely to be shaken up. Current polls and trends indicate that for the first time since direct elections to the European Parliament were held in 1979, the two largest groups (the Centre-Right European People’s Party and the Centre-Left Socialists & Democrats) will not be able to command a majority of seats in the European Parliament. Instead, we are likely to see a significant increase in support for populist and anti-European parties from across the EU Member States.

This reality will present business with opportunities as well as threats. It will also shape the way companies need to work and communicate to get their messages across and impact policy-making in Brussels as well as at the national level. Here ICC, as the collected voice of business, has a great responsibility.

Aimed towards our member companies and their employees, none the least members active in our shadow commissions, we hope that this report can function as a guide for how to work with policy issues in relation to the EU in the coming 5 years. Produced together with Glen Hodgson from Free Trade Europa, the report sets out to be an accessible source of information for companies on what implications the outcome of the elections could have on their business and a guide on how to engage in a constructive dialogue with the EU.

The uneven spread of the benefits of globalisation has caused concern and anger across Europe and is often used as a scapegoat for many of the problems - from climate change to austerity and immigration concerns - that Europe is currently facing. Together with partners, ICC needs to face this reality and address it. We also need to tell the story of what a world without globalisation would look like and the negative effects of increasing tariffs and other barriers to trade.

The fact that EU politics appears to many as too abstract and complex, makes the importance of presenting information in an easy and accessible way even clearer. To further help our members in explaining the EU, we have produced graphics to go along with the report. They have all been created by our Communications Manager, Kajsa Persson-Berg.

As an institution built on the values of peace, prosperity, democracy and opportunity through strong cross-border relations, EU in many ways aligns with ICC’s purposes. Making use of this, ICC can ensure an active business voice on topics such as intellectual property, digitalisation, corruption and sustainability. It can also work to prevent EU from becoming a “Fortress Europe”, and instead promoting an open multilateral trading system under the WTO.

Susanna Zeko
Secretary-General, ICC Sweden
The 2019 European Parliament Elections

In this section we look at the European Parliament as an institution, the background to the European Parliament elections, the time frame and what the results are likely to be.

The place of the European Parliament

The European Parliament is one of the three institutions of the European Union which are involved in law making. Today the European Parliament has co-legislative power with the Council of the EU, which is made up of representatives of the 28 EU Member States (27 after Brexit). The European Commission is the executive body of the EU and has the sole right to propose legislation. Since over 60% of national laws are decided in Brussels, the European Parliament is a very important institution which shapes the legislation which affects the daily lives of European citizens and businesses.

As an institution representing the citizens of Europe, the Parliament aims to form the democratic basis of the European Union. The European Parliament also co-decides the EU budget, along with the EU Member States. In addition, the European Parliament approves the composition of the European Commission and has the power to censure it. For example, in 1999 the European Commission stepped down before the Parliament forced it to resign. The European Parliament can also ask questions to the European Commission and set up temporary committees of inquiry into specific topics.

The EU decision-making process

Before the European Commission proposes a new law it must carry out an impact assessment to examine the potential economic, social and environmental consequences of the policy. The ideas are not formed in a vacuum and discussions take place with interested bodies and often public consultations will be held too.

Once a proposal is adopted, the European Parliament and the Council review it and propose amendments. This is called the “first reading”. If the Council and the Parliament cannot agree upon amendments, a “second reading” takes place. It is rare for a second reading not to be needed.

In the “second reading”, the European Parliament and Council can again propose amendments. The European Parliament also has the power to block the proposed legislation if it cannot agree with the Council.
If the two institutions agree on amendments, the proposed legislation can be adopted. If they cannot agree, a “conciliation committee” – made up of an equal number of MEPs and Council representatives - tries to find a solution. Both the Council and the Parliament can block the legislative proposal at this final reading.

It must be underlined that the further along the process a legislative proposal moves, the more difficult it is to amend. It is therefore important to shape policy and legislation in the early stages.
Context to the European Elections

The EU elections are approaching and will be held on 23-26 May 2019 across Europe. It is therefore important to begin by looking at the political background to the European elections since this sets out the framework for the rest of the report as well as making sense of, and framing, the proposed actions for ICC.

Polarisation and fragmentation

The 2019 European elections will be held in a climate of uncertainty, discontent and change. The reasons for this are complex and nuanced. All across the EU, citizens are making their voices heard about perceived inequalities, falling living standards and reduced opportunities. Ever since the Financial Crisis of 2008, the Euro Crisis of 2010 onwards and the Migration Crisis starting in 2013, voters have been turning to more extreme solutions to local, national and European problems. Yet even in countries that were not badly affected by these crises and where the economy is growing - like the Czech Republic - votes for populist parties are increasing. There is a definite wave of populism sweeping across Europe with more voters turning to parties on the extreme right and extreme left of the political spectrum.

Brexit – not just a UK phenomenon

An example of this manifesting itself was the UK referendum of June 2016 on leaving the EU. Fueled by discontent over education, housing and healthcare as well as immigration and austerity-inspired tougher living conditions - and false claims of a post-Brexit paradise - UK citizens voted to leave the EU. The Brexit vote in the UK unleashed deep-seated feelings across Europe on immigration, sovereignty and identity divorced from economic arguments about the benefits of the EU and multilateralism more broadly. The Brexit campaign also heralded the reality that facts and figures as well as the views of experts and elites carry less weight than emotional and personal/tailored messaging.

Similarly, we have seen the rise of populist parties across the EU from Poland and Hungary to Italy and Greece.

Central and Eastern Europe represents a hot bed of populist sentiment at the current time.

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1 The current 751 Members of the European Parliament (MEPs) - who are drawn from across all 28 EU Member States - will decrease to 705 after the 2019 elections due to the UK's planned departure from the EU. If a longer extension is given to the UK to decide how Brexit will take place, however - beyond 22 May and perhaps to the end of 2020 - then the UK will need to take part in the European elections.
Hungarian Prime Minister Viktor Orbán’s Fidesz\(^2\) party gained over 60% of the vote in the last round of national elections in Hungary while Jarosław Kaczyński’s Law and Justice\(^3\) secures almost 50% of the vote in Poland.

Southern Europe has long been associated with bureaucratic inefficiencies, corruption and austerity. Recently there has been a heightened feeling that elites have failed the general population and that the divide between the “haves” and the “have nots” was increasing. The electoral success of Podemos\(^4\) in Spain, Syriza\(^5\) in Greece and Lega Nord\(^6\)/Movimento 5 Stelle\(^7\) in Italy can bear witness to this.

Even in Western Europe the far-right politics of Marine Le Pen’s “Rassemblement National”\(^8\) and far-left ideas of Jean-Luc Mélenchon’s “La France insoumise”\(^9\) are increasingly popular in France. Coupled with a dive in popularity of President Macron following the “gilets jaunes” protests and his image of being out of touch and above the problems and daily struggles of ordinary Frenchmen, populism is increasing. At the heart of the EU, the far-right, anti-immigration Alternative für Deutschland (AfD) is gaining ground in Germany while the anti-Islam Geert Wilders and his Partij voor de Vrijheid (PVV) remain the second biggest in the Dutch Parliament.

Even in the Nordic states populist parties win around 20% of the votes available. Polls and studies show that 1 in 4 European voters today vote for populist parties\(^10\) and there is no sign of this trend decreasing over the near term. The casualties have been the mainstream parties of the left and right who have been losing voters and therefore political influence.

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2. **Fidesz** – Hungarian Civic Alliance is a Hungarian national-conservative, right-wing populist political party led by Viktor Orban. The party believe in state intervention, anti-immigration and social conservatism while restricting the media and civil society.

3. **Law and Justice** (Prawo i Sprawiedliwość - PiS - in Polish) is a national-conservative, Christian democratic political party in Poland led by Jaroslaw Kaczyński and founded in 2001 with his twin brother Lech. It has a similar outlook to Fidesz in Hungary but is anti-Russian.

4. **Podemos** is a political party in Spain founded in January 2014 by political scientist Pablo Iglesias in order to address problems of inequality, corruption, unemployment and economic malaise. The party has a left-wing, populist agenda.

5. **Syriza** (Coalition of the Radical Left) is a political party in Greece originally founded in 2004 as a coalition of left-wing and radical left parties. They contain Marxists but no longer want to leave the EU.

6. **Lega Nord** (Northern League in English) is an Italian right-wing, populist party. It is socially conservative and regionalist, promoting Northern Italy.

7. **Movimento 5 Stelle** (Five Star Movement in English) is a populist, anti-establishment, environmentalist political party in Italy. It is also anti-globalist, anti-immigration and Eurosceptic. The party was founded in 2009 by Beppe Grillo, a comedian and blogger, and Gianroberto Casaleggio, a web strategist.

8. **Rassemblement National** is the new name for the French National Front who are a right-wing, populist and nationalist political party in France. Marine Le Pen took over the party leadership from her father. The party is anti-EU and supports greater government intervention in the economy, protectionism, a zero tolerance approach to law and order, and significant cuts to immigration.

9. **La France insoumise** is a democratic and eco-socialist, left-wing populist political party in France, founded in 2016 by Jean-Luc Mélenchon a French MEP at the time.

10. Study led by Matthijs Rooduijn, a political sociologist at the University of Amsterdam, for “The Guardian” newspaper, [https://www.theguardian.com/world/ng-interactive/2018/nov/20/revealed-one-in-four-europeans-vote-po-pulist](https://www.theguardian.com/world/ng-interactive/2018/nov/20/revealed-one-in-four-europeans-vote-po-pulist)
The Centre-Left has suffered particularly badly. Politicians are increasingly seen as self-serving and ineffectual while trust in them stands at an all time low in the eyes of the electorate. The European elections will represent an important battleground between authoritarian, populist parties and those on the Centre-Right/Centre-Left favouring a more liberal democratic agenda.
What this means for the European Parliament and ICC engagement

The rise of populist parties from the political right and left is likely to result in them taking a larger share of the vote across Europe in May. This polarisation and fragmentation will mean that making deals will be more tricky and time-consuming. Even though the main Centre-Right and Centre-Left blocs will still remain large within the European Parliament, the cosy relationships of the past which saw legislation pass through the European Parliament following tweaks from the major political blocs has been brought to an end. This is because the Centre-Right European People’s Party and Centre-Left Socialists & Democrats will likely not have a majority of the 705 seats in the new European Parliament. Predictions state that the two groups will be around 50 seats short of an absolute majority. This will mean that they will not be able to pass legislation by deciding on positions and solutions between themselves in isolation. They will have to form coalitions, listen to voices from other parties and compromise in order to create and pass laws.

We are also likely to see more scepticism to legislation which opens borders, furthers competition and leads to freer trade. This is likely to manifest itself in a reluctance to spend the time, energy and commitment to reinvigorate the WTO. It may also mean a more sceptical approach to the cross-border flow of data, as well as demands for the localisation of technology and data when new legislation is drafted. This scepticism is also likely to lead to a resistance to global, market-driven policies and the rise of a strategy of picking winners in the digital as well as the off-line space. This may result in threats to the interoperability of technology.

Furthermore, globalisation is no longer seen as a natural given whereby the cross-border flow of goods, capital and people increases over time. Economic integration has slowed since the 2008 economic crisis: cross-border investments, trade, bank loans and supply chains have all been decreasing in relation to global GDP. Trade has fallen from 61% of global GDP in 2008 to 58% today while multinational companies make up 31% of global profits today, down from 31% in 2008. Foreign Direct Investment has also fallen from 3.5% global GDP in 2007 to 1.3% in 2018. There is a general backlash against globalisation which is used as a convenient whipping boy by politicians, NGOs and citizens.

This will be a challenge for ICC, but also an opportunity. There will be an increased need for ICC to state its case and explain the importance of global trade, removing barriers and lowering tariffs with the ultimate goal of trade facilitation. ICC is a natural spokesperson on these topics and along with partners will need to bang the drum and inform MEPs and their advisors on the implication of policies and legislation.

11 Source: IMF, OECD and The Economist.
ICC will also need to show that it has taken on board the lessons of the financial and immigration crises of recent years. ICC will need to demonstrate that its thoughts, ideas and proposals address common concerns and will benefit governments, businesses and citizens. There is currently still too much of a feeling of “business as usual” among mainstream political groups and established party elites. The European People's Party manifesto dates back to 2012 while support for the Centre-Left has shrunk massively in France and Germany. Still many party members and politicians feel that the move towards populism is merely a short term, temporary blip rather than a structural change in politics. Many citizens feel left behind, and worry about the state of healthcare, schooling and social services. Citizens feel that mainstream parties do not listen to them and do not represent their views and their needs. Traditional political parties are therefore struggling to remain relevant since they seem disconnected and unable to affect change when crises hit. ICC needs to be mindful of this and to adapt its messaging for the new reality to remain relevant and influential.

Moreover, coalition building will facilitate ICC’s work and allow for ICC to have a greater impact. That said, there will also be more need for cross-country information sharing (e.g. best practice, materials and key learnings) as well as closer orchestration of communications activities in order to maximize the effect of ICC. At the same time, ICC will need to focus on the right channels to reach target audiences and have an impact in influencing debates. This means social as well as traditional media, in addition to conferences, workshops and town hall events with MEPs and national politicians. The fact that the standing of, and trust in, politicians is at such a low level represents an opportunity for ICC. 47% of the general population say that they distrust government while only 1 in 5 of the population say that the system is working for them. Simultaneously, citizens are taking issues into their own hands and becoming more active outside the traditional electoral system. Individuals have lower confidence in societal institutions (49% of the general population say that they distrust them) but increased trust in their employer.

Election time frame

While the EU Parliament elections will be held on 23-26 May, there are a number of key dates that should be kept in mind.

Image 3: Timeline for the establishment of the new EU Parliament

The votes will be counted and results announced soon after the elections take place but MEPs will not take their seats until 2 July. The month of June will be taken up with MEPs forming political groups within the European Parliament. The rules state that groups need to have a common cause or ideology, need to contain at least 25 MEPs and these need to be drawn from at least a quarter of the EU Member States (therefore 7 countries). The incentive is that political groups receive guaranteed seats on committees and can access subsidies from the European Parliament budget. These are intended not only to cover the administrative and operational cost of a group’s staff but also the cost of political and information activities in connection with the European Union’s political activities.

Once political groups are known then they decide which MEPs will be allocated to different committees. Each of these committees should reflect the political balance of the European
Parliament as a whole. There are 20 of these standing committees and it is here that the majority of the European Parliament’s legislative work is done. Each MEP has a “lead committee” (usually linked to an interest or specialisation) and a “substitute committee”. Powerful and therefore popular committees include “Environment, Public Health and Food Safety”, “Industry, Research and Energy” and “Internal Market and Consumer Protection”. The “Constitutional Affairs” and “Petitions” committees do not have the same caché and do not give MEPs the same status.

Once the composition of the standing committees is known, each committee needs to elect a Chair, up to four Vice-Chairs and a committee co-ordinator. The chair and the vice-chairs have a role in planning the committee’s work and in brokering deals. The committee co-ordinators are the MEPs (one per political group) who have a strong role in shaping group policy on legislative dossiers and deciding which amendments to submit. This internal preparatory work will continue into July.

During week 29, the European Parliament will have its first opportunity to elect the European Commission President. The President will be drawn from the largest political group in the European Parliament and these candidates from the political groups have already been decided, with the exception of the Liberal group (ALDE). ALDE have decided to reject the approach of putting forward a lead candidate (Spitzenkandidat as it is known in Brussels) and instead put forward a “Team Europe” of seven including current leader of the ALDE group in the European Parliament and former Belgian Prime Minister Guy Verhofstadt as well as current EU Competition Commissioner Margrethe Vestager.

During week 30, MEPs will meet in their political groups for the first time. It is at this stage that the “rapporteurs” (individual MEPs who are given the responsibility of drafting a committee’s report on a political dossier) will be assigned to legislative dossiers.

From the last week in July, and then through the whole of August, the European Parliament shuts down for its summer holiday. Only in week 36 do MEPs reconvene in their respective committees and the work of the European Parliament can begin in earnest.

September and October will be taken up by the designated European Commissioners taking part in hearings before the European Parliament’s standing committees. It will be week 43 before the new European Commission should be in place.

**Likely outcomes of the European elections**

Sweden will get one extra MEP in the 2019 European elections (21 in total up from 20 MEPs previously) on account of the UK MEPs leaving the EU and a number of seats being allocated to countries who are currently underrepresented.
General landscape

Although no one has a crystal ball there are a number of scenarios that are looking likely. Firstly, we are liable to see the Centre-Right European People’s Party (EPP) remain the biggest single party in the European Parliament but the number of seats to drop by as many as 50. Today they hold almost 30% of the seats with 221 MEPs. Of this number of eventual EPP MEPs, 6-7 are likely to be Swedes. Similarly, the Centre Left Progressive Alliance of Socialists and Democrats (S&D) is likely to lose 60+ seats. Today they have 191 MEPs which is just over 25% of the seats. Again, of this number of eventual S&D MEPs, 6-7 are likely to be Swedes. Meanwhile, the Alliance of Liberals and Democrats for Europe (ALDE) are likely to maintain their share of the vote across Europe. This means around 70 seats and about
10% of the total MEPs. ALDE may be larger if they can strike a deal to include La République En Marche!, the party of French President Macron who are expected to secure 20-25 seats. Although their ideology would fit, there are personality and agenda issues which mean that having ALDE totally dedicated to promoting the Macron world view may be unacceptable to some.
The right-wing

Outside the main three parties, the Europe of Nations and Freedom (ENF) group are likely to become the fourth biggest group with around 60 seats. They may come very close to ALDE in terms of the number of seats they occupy in the European Parliament. They are made up of inter alia the French Rassemblement National, Italian Lega Nord, PVV in The Netherlands and Freiheitliche Partei Österreichs (FPÖ/Austrian Freedom Party). As of late, their nationalistic, populist and anti-immigrant ideology follows a global trend and has been striking a chord across Europe.

Similarly, the European Conservatives and Reformists (ECR) will gain a similar number of seats (around 60) and will share a similar line, espousing right wing policies. That said, they are likely to lose some seats due to the UK Conservatives exiting the European Parliament and therefore their group. Poland’s ruling Prawo i Sprawiedliwość (PiS/Law and Justice Party) will be the largest member here but Sverigedemokraterna are likely to take 5-6 seats and will have a say in setting the agenda.

Both the ENF and ECR groups operate on the right wing of the political spectrum. The ECR are sceptical to the EU whilst being pro-business and pro-trade. They also promote small government and national sovereignty as well as controlled immigration. The ENF are further to the right politically. They focus on sovereignty and national identity like the ECR, as well as take anti-migration, anti-euro and pro-Russia policy stances. There differences are mainly down to personalities and a reticence for certain national political parties to work together. That said, the formation of a single right-wing political group within the European Parliament should not be ruled out completely.

The anti-European Europe of Freedom and Direct Democracy (EFDD) grouping is expected to have around 15 seats after the elections. These are mainly expected to be made up of MEPs from the German Alternative für Deutschland (AfD) party. It is unclear where the Movimento 5 Stelle MEPs will sit. They are expected to win around 25 seats and used to sit with EFDD before a failed attempt to join ALDE.

The left-wing

Shifting to the other side of the political spectrum, the European United Left/Nordic Green Left (GUE/NGL) which is made up of communists and hard left parties from across Europe – including Sweden’s Vänsterpartiet – is projected to maintain a similar number of seats as today (50-55 seats). The environmentalists who make up the Greens/European Free Alliance are likely to lose votes as other parties absorb the majority of their political agenda. Around 40 seats are expected to be returned to this group.
Image 6: The likely composition of the new European Parliament

Likely Composition of the Next European Parliament

**EPP**
- Group of the European People’s Party (Christian Democrats)
  - 177
  - ↓ 42

**S&D**
- Group of the Progressive Alliance of Socialists and Democrats in the European Parliament
  - 132
  - ↓ 156

**ECR**
- European Conservatives and Reformists
  - 56
  - ↓ 17

**ALDE**
- Alliance of Liberals and Democrats for Europe
  - 72
  - ↑ 4

**La République en marche**
- 22
  - ↑ 22

**New Parties**
- 44
  - ↑ 44

**Five Star Movement’s Group**
- 25
  - ↑ 25

**GUE/NGL**
- European United Left/Nordic Green Left
  - 52
  - ↓ 11

**Greens/EFA**
- The Greens/European Free Alliance
  - 42
  - ↓ 10

**EFDD**
- Europe of freedom and direct democracy
  - 15
  - ↓ 27

**ENF**
- Europe of Nations and Freedom
  - 60
  - ↓ 25

**Non-attached Members (NI)**
- Members not belonging to any party
  - 8
  - ↓ 15

Source: Politico

www.icc.se

#ThisTimeImVoting
Implications of these likely outcomes for ICC

The lower representation of traditional political groupings and the increase in new parties and populist, right-wing ideas will have an impact on ICC. Fragmentation and polarisation will mean that ICC will have to work harder and interact with more groups in order to get its messages across and shape the policy and regulatory debate.

The new European Parliament is likely to have a right-wing feel to it. Despite the anti-immigration and populist rhetoric, there is a general acceptance that trade is important and that the EU should be an industrial leader in goods and services. This understanding should be exploited and ICC needs to focus on areas of common concern and engage in an open and collaborative way.

ICC may want to consider acting early in reaching out to MEPs from the different political groups and establishing a dialogue on free trade and the promotion of trade globally as well as within the EU. From this starting point anti-corruption, digital single market and services related topics can be added. This outreach could take the form of one-on-one briefings, workshops and the production of tailored documents and materials. This will also be an important phase in listening and therefore establishing a two-way conversation. Such a process would allow ICC to find out what MEPs need and what ICC can supply them with. All too often, this crucial stage is forgotten and organisations therefore fail to maximize their impact and effectiveness.

The promotion of trade will be a key topic during the life of the next European Parliament and there is a great deal of work to be done to inform and convince MEPs that free trade and the globalised trading system is the route to take and this should be reflected in their work on legislative dossiers. ICC could be this partner.
Implications for ICC

With the background to the European Parliament understood, and some of the likely scenarios discussed, we need to focus in more detail on what the implications of this are for ICC and what activities could it be taking?

What role could ICC and its members take ahead of the European Parliament elections?

ICC stands in a very strong position since it is sufficiently broad that it can be seen to represent the views of business globally and not be passed off as a specialist/niche lobby organisation. Its size and scope also means that ICC can speak with authority on a number of trade related issues and also engage MEPs and political group administrators at a much higher level. ICC name opens doors and is taken seriously. Rapporteurs, political group leaders and co-ordinators all respect the status of ICC and will be open to the “one stop shop” approach that the organisation can bring.

The broad ICC messages of peace, prosperity, democracy and opportunity through trade – as well as sustainability and environmental stewardship – will resonate with the European Parliament. Furthermore, the European Parliament sees its role not only in promoting democratic decision-making in Europe but also in supporting the fight for democracy and freedom of speech across the globe. ICC and the European Parliament share this global dimension.

It is also timely for ICC to pay the European Parliament respect as an institution. MEPs and the European Parliament as a whole wield significant power but this is often forgotten or ignored. With a new incoming European Parliament there is an opportunity for ICC to show respect for the work that the European Parliament does, as well as underline ICC’s commitment to work with the institution and MEPs to realise mutual goals. There is a great opportunity to underline this.

As projections show that the European Parliament will become more polarised – with populist both left- and right-wing parties gaining seats, the 2019 elections have been described as decisive of the future of EU. A well-functioning European collaboration is of high importance for the private sector in general, and absolutely vital for businesses in smaller economies such as Sweden. Therefore, it is very unsettling that the understanding for how collaborations such as the EU, with its openness for flows of goods, ideas and competence, contributes to societies, is remarkably low.

In order to help members promote strong commercial relations in the EU, ICC Sweden will
be posting a social media campaign in the month leading up to the elections. The campaign, which will play out mainly on Twitter, will discuss why EU is so important for business, what topics are discussed on the international arena, and how trade matters to both companies and individuals on an everyday basis. In the final chapters of this report, you will find more information about the campaign, as well as some ready-to-share content.

**What issues should ICC and its members focus on?**

In this section we look at what issues could be promoted and which tactics could be used to achieve this. Our starting point should be ICC’s main policy areas of CSR and Anti-Corruption, Digital Economy, Financial Services and Insurance, Trade and Investment, Commercial Law, IP, Competition, Marketing, Environment and Energy, Taxation, Arbitration and Trade Finance.

This gives us a very broad palette to work from and allows us to overlap with a number of issues that the European Parliament will be covering in 2019. This corresponding of focus is important and ICC needs to piggy-back the European Parliament’s agenda to shape policy as well as raise their profile. This will mean that ICC will need to have a proactive list of topics to focus on as well as be prepared to be reactive. ICC should have - and give - an opinion on issues as they arise.

Here are a list of some of the main current and future topics:

- **EU-Africa** – There is an increased focus on Africa and the relationship has been relaunched with new initiatives. Partnerships and trade are at the heart of this initiative. ICC has a significant role to play here in stating that a multilateral system under the WTO is the route to follow and that free trade helps the EU and Africa.

- **Trade Wars** – The European Parliament will be taking positions on these disputes, and particularly the role of China and the US. ICC can shape the debate as well as brief MEPs on the topics that they should be highlighting from a political, economic and legal angle as well as providing facts and figures on the issues associated with trade wars. Underlining the importance of the WTO and an open, multilateral trading system is central here.

- **Crime** – This topic is top of mind and the fact that crime defined broadly is increasingly going digital is a reality that MEPs need to grasp and reflect in their policy making. ICC should underline the importance of tackling cybercrime but ensure that it is not used as an artificial barrier to increasing trade and more specifically preventing cross border data flows.
• **Corruption** – Linked to the point above is the broader topic of corruption. This is a huge issue in Central and Eastern Europe and has replaced immigration as the biggest concern for citizens. ICC could underline the benefits of tackling corruption in the private and public sectors, as well as supply best practice examples and a modus operandi of what actions need to be taken. The European Parliament is very strong on these topics - from controlling how EU funds are spent, to rules on public procurement and financial markets - and an Intergroup on Integrity, Transparency, Corruption and Organised crime was established in the European Parliament in 2015.

• **Digital Single Market** – the goal is to enhance opportunities for citizens and businesses by reducing barriers to the introduction of a true European digital single market. The aim is also to establish the EU as a leading player within this sector globally. This covers everything from internet speed and access to battery technology, to 5G, the Internet of Things, data storage and infrastructure to cybercrime. ICC therefore needs to highlight the importance of globally consistent and market driven policies, technology neutrality and interoperability. Citizens need to control their personal data while security needs to be ensured too. Business expertise and knowledge is vital for data protection. Businesses are the innovators and producers of technology and digital infrastructure representing an invaluable pool of expertise for policymakers.

• **Services** – The previous attempt at an EU Services Directive was extremely watered down, but given the role of technology there is a need to look at the cross-border provision of services again. The internet is a great leveller that can drive economic development, increase innovation, create jobs and support SMEs. It can also help the developing world. ICC could make the case for this along with partners. This could include the importance of cross border data flows for internet-enabled services.

• **Climate change** – The EU’s Energy Union package contains a strong climate policy agenda. A number of dossiers will be examined under this umbrella with the treatment of single-use plastics,¹³ a strategy on microplastics and the new marine strategy being notable highlights where ICC could take a position. In addition, the Renewable Energy Directive will be amended to reach 2030 targets and post-2020 CO2 standards for cars and vans are also currently being discussed. Underlining the global approach needed and

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¹³ The European Parliament has approved a law to ban single-use plastic by 2021 in the EU. This is now with the Council for final adoption. Under the new law, the EU will require member States to achieve a 90 percent collection target for plastic bottles by 2029 and 77 percent by 2025. The law also requires plastic bottles to contain at least 30 percent recycled content by 2030 and 25 percent recycled content by 2025.
the commitment to the Sustainable Development Goals and using global resources wisely is important. The commitment should be to use technology to support sustainability and not use the climate as a reason to stop global trade.

- **Sustainability** – Linked to the point above, an EU Reflection Paper on a Sustainable Europe by 2030 has just been adopted. Many of the main themes which will dominate during the next European Parliament can be echoed by ICC: commitment to the Sustainable Development Goals, using limited resources well, utilising technology, the circular economy, a healthy natural environment, and a thriving, green and inclusive economy.

- **Artificial Intelligence (AI)** – An approach to AI will need to be developed and the societal impacts of this will be looked at in detail by the EU. ICC could underline the positive elements of AI as well as highlight the importance of ethics and the right framework.

- **Digitalisation** – Within this field, the main focus will be on data privacy and data protection. New rules on access to - and reuse of - data will be decided by the European Parliament and ICC could be framing and shaping this debate. The importance of the digital economy could be underlined along with the need for cross-border data flows and an end to the requirement for the localisation of data and technology.

- **Electric mobility** – Decarbonising the transport system and tackling air pollution remain key topics for the European Parliament. Electric cars and electric bikes are a significant part of this and legislation on alternative fuels infrastructure, emissions performance standards and clean vehicles will be analysed by the European Parliament.

- **Taxation** – Although tax is a national competence the EU does have an oversight role. The anti-tax avoidance Directive comes into law this year and the topic will be important for the next European Parliament. ICC’s view is that taxation should always be built on internationally established tax principles, based on the profit a company makes and where it makes such profit, neutral as to which sector a the tax-payer is active in. This contributes to building a coherent international regulatory framework for world business whilst also providing a foundation to accommodate continued evolution in new business models.
Set against all these policy areas ICC could underline its commitment to business being an enabler of peace, prosperity and opportunity for all. The future shape of the European Union and the need to remain open, transparent and business-friendly is a key part of this.

It would be very powerful for ICC to produce high-level messaging - as well as more detailed thoughts on key dossiers - that support the case for free trade/business-friendly policies in the new political, social and economic paradigm. ICC should also promote the WTO and multilateralism to ensure that the EU does not become a “Fortress Europe” but rather an open player in the global trading system. ICC should underline that this approach would be self-defeating.

In order for ICC’s messaging to have an impact there is a need to understand and align with the MEP - and their party’s - specific agenda. To succeed in making MEPs aware of the issues business wants to see raised, ICC will need to be informed about what topics different MEPs focus on, and adapt the presentation of facts, figures and solutions accordingly. Sending out information that seems unaccessible and too complicated creates risks that the chances of success and having an impact will be significantly reduced.

ICC also needs to consider producing messaging that is personal and also emotional. Raw facts and data alone will not be enough. This is particularly relevant since Europeans are still suffering from the aftermath of the financial crisis of the late 2000s. As stated earlier in this report, the continued march of globalisation can no longer be taken for granted. The uneven spread of the benefits of globalisation has caused concern and anger across Europe and is often used as a scapegoat for many of the problems - from climate change to austerity and immigration concerns - that Europe is currently facing. ICC and partners need to face this reality and address it. They also need to tell the story of what a world without globalisation would look like and the negative effects of increasing tariffs and other barriers to trade.

What alliances are needed for ICC and Sweden?

ICC will need to embark on coalition building in order to amplify its messages and increase its impact. It should be the issues that decide the coalitions that are formed and the commitment to open, global trade, and not one political group over another.

In an EU context, the natural allies for ICC will be the EPP and ALDE groups since they favour global trade, pro-business policies and a self-regulation first approach. They are also committed to the multilateral global trading system. Similarly, a large majority of S&D MEPs understand the need for rules-based global trade and ICC should engage them as a partner. With the S&D, more focus will need to be placed on the societal impact of global trade and providing for those members of society who are left behind.
ICC could also look to cultivate relationships with the right-wing ECR group. Despite being much maligned, they stand for common sense and a global rules-based trading system. They are both supportive of trade, sustainability, small, efficient government, a light touch regulatory approach and are against waste, corruption and excessive spending on big initiatives which deliver very little.

In short, ICC could spend the majority of its time cultivating relations with the EPP, ALDE, S&D and ECR groups. That is not to say that the others should be abandoned completely. On the contrary, given the freedom and flexibility that individual MEPs have - and their very different characters and specializations, which are very important - ICC could look to reach out on a case by case basis. The main issue is that time, resources and bandwidth are limited so ICC needs to focus its actions on the areas where it will have the most impact.

Structurally, ICC could be focusing its attention on a selection of key European Parliament Committees. Out of the 20 standing committees, the following will be the most important:

- International Trade (INTA)
- Economic and Monetary Affairs (ECON)
- Employment and Social Affairs (EMPL)
- Environment, Public Health and Food Safety (ENVI)
- Industry, Research and Energy (ITRE)
- Internal Market and Consumer Protection (IMCO)
- Transport and Tourism (TRAN)
- Civil Liberties, Justice and Home Affairs (LIBE)

**Swedish angle**

In Sweden, the national political party list system means that the link to a specific city or region is weaker, but the limited number of MEPs will mean that ICC can be quite targeted in its work. The best represented Swedish political parties - Moderaterna and Socialdemokraterna - are only likely to return 5-7 MEPs, so ICC could work with them from a national angle, explaining the impact and significance of proposals and policies on Sweden and Swedish society. This educational work would be very important. This would also complement the work of ICC at the international level, but also allow national case studies and argumentation to be brought to bear in order to have a stronger effect in Sweden. There could also be an opportunity for Swedish MEPs to lobby within their political groups and explain the “Swedish model” on policy issues, particularly around free trade, environmental stewardship, transparency, anti-corruption and social issues. They may be few in numbers, but Swedish MEPs can punch above their weight in terms of internal lobbying and agenda setting.
Allies for Swedish MEPs

MEPs from the big EU Member States will be particularly important for Sweden, in addition to their natural allies from the Nordics and Baltics who share a similar worldview on free trade, openness and anti-corruption as well as pro-WTO and business-friendly sentiment and the importance of environmental protection. In addition, Sweden and Swedish MEPs could work more closely with their counterparts from The Netherlands and Ireland since they are losing their natural ally the UK and the need to co-operate and push for policies and legislation that meets their common needs will be important.

Germany

When we speak about the big EU states, we mean France and Germany. In the case of Germany, the next European Commission President may well be Manfred Weber (there is growing feeling, however, that despite the due process he may be replaced by a higher profile figure like Michel Barnier, a former French Minister and European Commissioner who is currently the EU’s chief negotiator on Brexit), a Bavarian who is the candidate of the EPP. His ruling CDU/CSU party will be an important player in the EPP - which is set to be the largest group - as well as in the European Commission. Germany is still wedded to the Franco-German alliance as the motor for cooperation and progress in Europe. That said, Germany is starting to realise that it cannot rely on this relationship alone. An increasing number of politicians and spectators see this alliance as being limiting and a little outdated in the new European Union. Sweden could look to exploit policy similarities in order to have Germany support the Swedish position on more topics.

France

When it comes to France, Sweden does not have as strong a shared vision on the future of the EU or on its approach to business. This aside, President Macron’s vision of a centrist, liberal and modernised EU could be attractive for Sweden and provide some common ground between the two countries. It will therefore be interesting to see which political group MEPs from his En Marche! Party will align themselves with. There are similar beliefs in the importance of the European Single Market, but Macron and his party want to reshape it in more of a French vision. France has always been sceptical towards a true European single market in services too. The French touchpoints for cooperation and overlap are not as numerous as they are with Germany.

From a government perspective, Sweden has chosen to not establish permanent, long-term alliances with other countries. While this is a sound policy and it allows for flexibility and building different coalitions and alliances in different constellations, depending on the topic and therefore Sweden’s specific interests, there are limits to it. In short, there is sense in
getting structurally closer to France and Germany now that Sweden’s natural ally the UK is leaving the EU, while maintaining Sweden’s close links to its Nordic neighbours.

Ireland and The Netherlands

As stated earlier, Ireland and the Netherlands are also logical allies for Sweden. Both are export-focused countries who support free trade and see their country as a strong player in a multilateral trading system. In The Netherlands, the People’s Party for Freedom and Democracy (VVD), Christian Democratic Appeal (CDA), Democrats 66 and Dutch Labour Party (PvdA) all share similar views to Sweden and a working relationship with MEPs could be explored soon after the elections, and their support could be actively encouraged on key upcoming dossiers. Ireland is also a suitable partner since it is committed to global trade and the ruling liberal conservative Fine Gael party is not only pro-European and pro-business but is actively seeking alliances post-Brexit and wants to promote globalisation and a multilateral trading system.

There were thoughts that the parties of French President Macron and Dutch Prime Minister Rutte would lead a liberal, pro-EU coalition in the European Parliament. Despite their similar worldview, both leaders and their respective parties are suffering in opinion polls at home and both have a vision of leading, as opposed to working together.

Image 7: Parties with potential to become allies to Swedish MEPs due to their similar ideologies
Other bodies

ICC could also look at strengthening alliances with general trade bodies such as Business Europe, American Chamber of Commerce to the EU (AmCham EU), EuroCommerce, SME Europe, UEAPME (European Association of Craft, Small and Medium-Sized Enterprise) as well as specific bodies looking at data/digital single market (Digital Europe, European Tech Alliance, International Association of Privacy Professionals and EDiMA) and services (European Services Forum). On the corruption/good governance topics, the Organisation for Economic Cooperation and Development (OECD) and Transparency International would be natural allies. From a national perspective, the German Employers’ Federation (BDI) is increasingly vocal and powerful in Brussels. It also shares many of the views and ideas that ICC is promoting. This coalition-building work will allow ICC to amplify their messages, pool resources and increase their reach on issues and interests that align with those of other bodies.

In sum, ICC and Sweden could be reaching out to the EPP, ALDE, S&D and ECR groups in the main. They share similar views on multilateralism, free trade, services and data. The nature of the European Parliament - which is built on consensus, cutting deals and finding solutions - is an ideal setting for ICC. Having an impact will also require coordination among the national ICC offices across Europe. This will entail aligning messages, deciding on a position and leveraging contacts in country when necessary. Sharing best practice and what has worked well in other countries could also be interesting to know and would help the overall ICC outreach campaign. This will lead to more knowledge and more efficiency which ICC can benefit from.
Communicating for increased business engagement

Even though as much as 60 % of our national laws are decided at EU level, many feel disconnected from the political institution. Coming out of two world wars, EU was understandably built on the notion of detaching politics from emotions. EU was to be - and very much is - a bureaucratic institution with the goal to secure peace and prosperity among the citizens. Keeping this emotional detachment in mind and pairing it with the often large physical distance to the EU, it is no wonder that it can come across as an abstract and somewhat boring entity. It is not the greatest recipe for making people turn up *en masse* at the polling stations.

In order to get people to realize how the outcome of the election will impact their daily lives and businesses, and to make sure that they cast vote for an EU that promotes sound politics, we need to find better ways to connect the EU with the audience. This is the background to the Twitter campaign that we have created and are rolling out during the month leading up to the 2019 election.

Rhetorically there are a number of ways to do this, and we chose to combine tidbits of logical and rational facts with information that might speak more to the audience’s emotions. Making use of GIFs and infographics, the information that the campaign is built upon very much relates to how EU politics may play out in people’s everyday life. We also connect this information to pop cultural references, such as using the so-called Star Wars Day (May 4th) to post content presenting the free trade components that was needed to create the Star Wars movies.

Listed below is an excerpt of the Twitter campaign, which we welcome you to share in your network. Hashtags used are #ThisTimeImVoting, #EP2019, and #EUval2019 (Swedish hashtag). The ICC handles are @ICC_Sweden and @iccwbo (ICC Headquarters). Graphics free to share can be found on numerous image banks, for example Unsplash and Giphy.

In the next chapter we also share key messages relating EU discussions to private sector engagement.

<table>
<thead>
<tr>
<th>Date</th>
<th>Tweet</th>
<th>Graphic/Image</th>
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<tbody>
<tr>
<td>2 May</td>
<td>#EUElectionMonth is here! 60% of national laws stem from #EUPol, and among winds of populism &amp; protectionism it’s more important than ever for #biz to show that #ThisTimeImVoting. We’ll explain why in a series of tweets leading up to #ElectionDay</td>
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<td>Date</td>
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<td>3 May</td>
<td>#EUPol</td>
<td>Internet of Things (#IoT)📱💻🔌 will bring benefits for citizens, #biz and society that will strengthen the #GlobalEconomy🌏. This will require firm action from our #politicians #ThisTimeImVoting</td>
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<td>3 May</td>
<td>For #IoT to develop and meet its potential we need an #EU that maintains technology #neutrality and ensure interoperability. #ThisTimeImVoting</td>
<td>GIF</td>
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<tr>
<td>4 May</td>
<td>#MaytheFourth be with our members in showing how #TradeMatters for #biz, employees and for #society at large. On #ElectionDay, let’s show that we want @EUparliament to continue enabling #business to contribute to development! #ThisTimeImVoting #StarWarsDay</td>
<td>GIF</td>
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<tr>
<td>5 May</td>
<td>#EU and @iccwbo both believe in – and strive for – #peace, prosperity &amp; #opportunity for all. Cast your vote on May 26th and show what direction #EU should take 🏦/u1F1EA_u1F1FA #ThisTimeImVoting</td>
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<td>6 May</td>
<td>Ever wondered how much say @EUParliment has in your day-to-day life? A lot! This chart shows the how decisions are made within the #EU. Makes it clear that your vote in the #EUElection matters! #ThisTimeImVoting #EUval2019</td>
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<td>7 May</td>
<td>Harmonizing rules across borders, #EU makes it easier for #biz to #trade &amp; #invest. A proper #SingleMarket for #services will drive economic development 🏭 &amp; support #SMEs in Europe. #ThisTimeImVoting #EUval2019</td>
<td>GIF</td>
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<tr>
<td>8 May</td>
<td>Recent #EU debates on #taxation have taken a dangerous direction 🏭 from a globally agreed profit-based system to suggesting a revenue-based one. Such a change is a direct threat to #innovation. Read our latest #PolicyStatement here: <a href="https://iccwbo.org/media-wall/news-speeches/icc-issues-taxation-policy-statement-digitalised-economy/">https://iccwbo.org/media-wall/news-speeches/icc-issues-taxation-policy-statement-digitalised-economy/</a> #ThisTimeImVoting</td>
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<tr>
<td>8 May</td>
<td>For anyone unable to go to the polling station on May 26, advance voting opens today. From #Taxation &amp; #IP to #CircularEconomy - #EUPol touches upon every part of #biz. Make sure to lay down your vote on an @EUparliament that enables business to do business! #ThisTimeImVoting</td>
<td>GIF</td>
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<tr>
<td>9 May</td>
<td>#Biz doesn’t want a Fortress Europe – we want (&amp;need!) an #EU committed to open collaboration. #EUPol based on openness enables #biz of all sizes to participate on a global market – ensuring that people all over the world gain from new #innovations. #ThisTimeImVoting</td>
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<tr>
<td>9 May</td>
<td>Happy #EUDay! 🎉 Today we’re celebrating the 69th birthday of the world’s most successful #peace &amp; #integration project. On #ElectionDay – let’s vote to continue the trend. #ThisTimeImVoting #EuropeDay</td>
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<td>10 May</td>
<td>#Trade in services represents 75% of GDP in high income countries and is growing globally. This needs to be facilitated by #EU legislation and policy, not hindered. #ThisTimeImVoting #EUval2019 #EP2019</td>
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<tr>
<td>11 May</td>
<td>Using #SDGs to make #ClimateChange everyone’s #business, #EU should promote wise use of 🌍’s finite resources. It shouldn’t use climate change as a blanket reason to block ☑️ global trade. #FTAs, handled right, can be used for good: <a href="https://bit.ly/2LkkYL6">https://bit.ly/2LkkYL6</a> #ThisTimeImVoting</td>
<td>GIF</td>
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<tr>
<td>15 May</td>
<td>The growing need for #cybersecurity is a good example for why we need international collaboration. It should not be used as a reason to block cross-border flows. #ThisTimeImVoting</td>
<td>GIF</td>
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<td>17 May</td>
<td>It’s World Telecommunication &amp; #Information Society Day! #Biz is dependent on an open, secure and stable #Internet – are you voting for an @EUParliament that supports that? #ThisTimeImVoting #EUval2019 #EP2019</td>
<td>GIF</td>
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<tr>
<td>26 May</td>
<td>#ElectionDay is here! Today 🗳️ is voting in the #EUElections 🗳️ today we have the chance to show that we stand for #openness, #collaboration &amp; a strong ☑️ #ThisTimeImVoting #EP2019 #EUval2019</td>
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Key messages for the business sector

MESSAGING AROUND THE ICC RELATIONSHIP WITH THE EU

Overall message: ICC and European Union
ICC does not want the European Union to become a “Fortress Europe” and is committed to open collaboration.

• ICC wants the EU to remain an open player in the global trading system under the WTO and committed to multilateralism and global democracy.
• ICC will partner the EU in pursuing free trade and tackling climate change for the benefit of people, business and the planet.
• ICC shares the EU vision of securing peace, prosperity and opportunity for all.

Respect for the European Parliament
ICC respects the European Parliament in its role as a co-legislator and the mouthpiece of European citizens.

• ICC and the EP share the goals of increasing freedom, global democracy and environmental stewardship.
• Trade needs to work for people, businesses and the planet. The EP is a natural partner for the ICC on this mission.
• ICC and EP both believe in - and strive for – peace, prosperity and opportunity for all.

MESSAGING AROUND KEY POLICY AREAS

EU–Africa
As part of opening up markets and open up for the benefits of trade and investment, ICC supports the EU–Africa alliance and the EU’s renewed focus on its “twin continent”.

• ICC welcomes the shift from development aid to free and fair partnerships, as well as the goal of an eventual continent to continent free trade agreement. This alliance should be part of the rules-based multilateral trading system under the WTO.
• By 2015, 1 in 4 of the global population will live in Africa. ICC supports the focus on education, science, technology and developing skills. Increased trade, investment and jobs will cement peace and drive good governance.
• Trade and the digital economy will help economic development and job creation in Africa. Internet-enabled services are a great equalizer and the EU should facilitate this by allowing cross-border data flows.
Trade Wars
There are no winners in a trade war: globally we need to maintain an open, multilateral trading system based on WTO rules.

- We need an international level playing field and not local or regional blocs pitted against each other.
- A vicious circle of increasing tariffs and counter tariffs while erecting more barriers to trade will be self-defeating over the longer term. The economic growth, prosperity and job creation possibilities of all involved will be harmed.
- National markets should be open, accessible to all and reciprocal rules should apply.

Cybercrime and cyber security
The EU should address cybersecurity - since crime is increasingly going digital - while taking advantage of the opportunities created by the digital age.

- ICC agrees with the EU that cybercrime stops business from working, compromises services and undermines consumer confidence. The fact that 69% of EU companies have little or no understanding of cybercrime is of deep concern.
- While the establishment of the EU cybersecurity industrial, technology and research centre is welcomed, cybersecurity requires widely accepted, industry-led global standards.
- Cybersecurity should not be used as a reason to prevent cross-border flows of data or the growth of internet-enabled services. Doing so will merely block economic development, innovation and job creation.

Digital Single Market
A digital single market will drive economic development, facilitate job creation and support SMEs.

- Internet and internet-enabled companies need cross-border data flows to enjoy the benefits of the Digital Single Market.
- There is no need for data and technology to be located in any specific country.

5G
ICC welcomes the EU recommendations to ensure a high level of cybersecurity of 5G networks.

- Worldwide 5G revenues are estimated to be EUR 225bn in 2025. 5G networks and services are therefore a key asset and need protecting. ICC therefore applauds the current EU risk assessment process.
• Networks need to be secured against technical risks and the behaviour of suppliers and operators, but excluding companies for national security reasons should be proportionate and not done for political or commercial reasons.
• Rules and standards are needed on 5G but policies should be market driven and globally consistent.

**Internet of Things (IoT)**
The Internet of Things will bring benefits for citizens, businesses and society that will strengthen the global economy.

• For the Internet of Things to flourish we need a flexible, globally-consistent and market-driven policy approach. This should remove barriers and constraints to innovation.
• The market value of the Internet of Things will be over EUR 1 trillion in 2020. ICC supports the EU concept of working with all stakeholders on this topic and maintaining a human-centred approach. ICC also agrees that Public Private Partnerships are important and that a single market for the Internet of Things is essential.
• For the Internet of Things to develop and meet its potential the EU needs to maintain technology neutrality and ensure interoperability.

**Services**
A proper single market for services will drive economic development, facilitate job creation and support SMEs in Europe.

• Trade in services represents 75% of GDP in high income countries and is growing globally. This needs to be facilitated by EU legislation and policy, not hindered.
• The EU should not forget digital services here. Privacy and security needs to be respected while internet-enabled companies need cross-border data flows to enjoy the benefits of the single market.
• A proper EU single market for services should not be a closed-off bloc. It should be open, accessible to all and reciprocal rules should apply.

**Climate Change**
ICC shares the EU’s view that action on climate change is everyone’s business.

• ICC supports the EU commitment to addressing climate change and the 2030 binding targets which have been set. ICC welcomes EU legislative moves to put a price on carbon and reduce fossil fuel subsidies. ICC hopes this is soon mirrored globally. ICC also supports decarbonising the transport and energy sectors as well as combatting single-use plastics, microplastics and adopting a marine strategy.
• ICC believes in the role of technology in addressing climate change and that the circular economy works hand in hand with trade to create business opportunities.
• The EU should work under the framework of the UN’s Sustainable Development Goals and use the earth’s finite resources wisely. Similarly, the EU should not use climate change as a blanket reason to block global trade.

**Sustainability**

ICC shares the EU’s view that sustainability is vital to the future of our planet, our communities and our growth. Sustainability must be integrated into the DNA of every business.

• ICC welcomes the *EU Reflection Paper on a Sustainable Europe by 2030*. ICC agrees with the EU on the need for a thriving, green and inclusive economy. ICC will work with the EU institutions to achieve this.

• ICC believes in the role of technology in creating a sustainable future in Europe and globally. The circular economy creates business opportunities and instead of seeing “waste” we should see “resources”.

• The EU should work under the framework of the UN’s Sustainable Development Goals which echo the EU’s goals of a sustainable economy built on sustainable consumption and growth. This includes sustainable cities and communities powered by sustainable energy.

**Artificial Intelligence (AI)**

Artificial Intelligence (AI) will create benefits for citizens and the economy as a whole.

• ICC will work with the EU on the technology, ethical, legal and socio-economic aspects of AI. ICC agrees with the EU’s human-centric approach and that AI should be at the service of citizens and the economy.

• ICC welcomes the EU action plan on AI. ICC is following closely the work of the High Level Expert Group on AI and looks forward to the policy and investment recommendations in May 2019.

• The planned AI ethics guidelines will be an excellent framework to build trust and drive uptake of new technologies. However, we need to maintain a global approach and not see the EU work in isolation.

**Digitalisation**

Digitalisation will drive economic development, facilitate job creation and support development.

• There is no need for data and technology to be physically based in a specific location and the EU should uphold this position.

• Data privacy, data protection and security are key elements of digitalisation, as is the ability of citizens to control their personal data.
Digitalisation will help the developing world. The EU and ICC should ensure that the level playing field created by digitalisation is facilitated by allowing cross-border data flows.

**Electric mobility**

ICC shares the European Parliament goals of decarbonising the transport system and tackling air pollution.

- ICC supports EU research into, and legislation on, alternative fuel infrastructures, emissions performance standards and clean vehicle initiatives. ICC encourages the EU to follow international examples and developments too.
- ICC agrees with the EU on putting a price on carbon and cutting subsidies for fossil fuels.
- ICC welcomes the European Parliament’s voice in calling for more ambitious measures and more funding for electric mobility in the next EU budget (2021-27).

**Taxation**

Although a national competence, the EU has an important role to play in overseeing tax rules related to business and consumer policies.

- The EU approach to taxation should be that tax is levied on profits and not on revenues.
- Taxation policy and rules should always be built on internationally agreed-upon principles, based on the profit a company makes and where it makes such profit. To promote right-doing, tax administrations need to be transparent and easy to understand and comply with.
- Taxation needs to be sector-neutral as this ensures a coherent international regulatory framework, whilst also accommodating the evolution of new business models.

**Intellectual Property (IP)**

Innovation and collaboration are vital to meeting global challenges and IP will be a key factor in enabling this.

- ICC welcomes the EU public consultation on the protection and enforcement of IP in non-EU countries. The data-driven nature of the global economy has raised rights and responsibilities questions which need addressing at the global level.
- Achieving the UN Sustainable Development Goals will depend on sharing IP internationally. The Agreement on Trade-Related aspects of IP Rights (TRIPS) forms the best basis for a global approach to IP.