EU Trade Dependencies

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digital
market
support
transition
ecosystems
dependencies
EU Trade Dependencies

QII Limited dependency
Low/moderate extra-EU imports
High supplier concentration

QI High dependency
High extra-EU imports
High supplier concentration

QIII Low dependency
Low/moderate extra-EU imports
Low supplier concentration

QIV Limited dependency
High extra-EU imports
Low supplier concentration
EU Trade Dependencies

- QII Limited dependency
- QI High dependency
- QIII Low dependency
- QIV Limited dependency

% share extra-EU imports vs. HHI index
FIGURE 5: SHARE OF EU IMPORTS VALUE OF DEPENDENT PRODUCTS (Q1) IN 2020 BY COUNTRY

FIGURE 4: EU IMPORTS OF DEPENDENT PRODUCTS (Q1) IN 2020 BY ECONOMIC SECTOR

- Agricultural and Beverages: 31%
- Textiles, Plastics, and Wood: 24%
- Stone, Glass, and Metals: 6%
- Misc. manufactured articles: 4%
- Chemicals and Pharma: 3%
- Machinery and Vehicles: 7%
- Minerals and Fuels: 3%
- Other Countries: 5%
- Russia, 19%
- United States, 8%
- Canada, 2%
- Turkey, 1%
- South Korea, 1%
- Indonesia, 3%
- Others, 1%
What can we do?

Stockpiling

Produce domestically

Diversify our sources of imports
Final thoughts

1. Final goods versus intermediate goods.
2. Supply chains matter.
3. We need a surgical approach based on the most detailed information.
4. Dependencies are a problem for some specific products and sectors. But trade dependencies should not be used as a reason to justify so many other policy interventions and regulation.
5. Free Trade Agreements (Mercosur, Chile, Mexico, Australia, New Zealand) are valuable for its market access and a way to diversify its imports.
Thank you for your attention!

If you want to know more please visit: https://ecipe.org/publications/trade-dependency-in-the-brave-new-world-of-geopolitics/