

**NEWS – ECIPE PRESS RELEASE – NEW POLICY BRIEF**

# **Trade and Competitiveness: Putting the Firm at the Centre of the Analysis**

*By **Lucian Cernat** and **Oscar Guinea**, Head of Unit at DG Trade<sup>1</sup> (European Commission) and Senior Economist at ECIPE, respectively*

**Brussels, 9 June 2023** - The European Commission published its communication for the long-term competitiveness of the EU. Trade and Open Strategic Autonomy were among the selected policy areas that will drive EU competitiveness in the future and trade with the rest of the world as a share of EU Gross Domestic Product was the selected indicator to measure progress.

Traditional analytical frameworks for trade and competitiveness are prone to focus policymakers' minds on trade as a zero-sum game. Indicators such as export market shares or comparative advantage focus primarily on export values. These indicators connect competitiveness with an old-fashioned notion of trade, in which success is measured only as a result of growing exports. The risk of this approach is that competitiveness is expressed as a race, with winners and losers, and a positive trade balance becomes the be-all and end-all of trade policy.

This Policy Brief proposes a new set of indicators. Using the Eurostat Trade by Enterprise Characteristics (TEC) database, this paper produces indicators that measure the number of exporters, non-EU suppliers, non-EU customers, and foreign companies. By putting the firm at the centre of the analysis, these indicators offer insights that complement policy-makers' views on trade and competitiveness.

---

<sup>1</sup> The views expressed herein are those of the author and do not represent an official position by the European Commission.

---

**Publication details:** [Trade and Competitiveness: Putting the Firm at the Centre of the Analysis](#), ECIPE Policy Brief No. 06/2023,

**Contact the corresponding author:** Oscar Guinea, [oscar.guinea@ecipe.org](mailto:oscar.guinea@ecipe.org)

**Media inquiries:** info@ecipe.org or +32 2 289 13 50