

## The European Union's Position in International Trade

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### Abstract

In terms of trade, the European Union is at the fore. The European Union is now the biggest player in the global trade scene as a result of the opening up of the trade regime, and it is still a favorable location for business. Trade development is a chance for economic growth. Therefore, through expanding trade and investment opportunities with the rest of the world, the European Union's trade policy aims to promote growth and the creation of jobs. Together, Europe has the ability to create an open, fair, global economic system and ensure that the rules are upheld. The prosperity of the European Union's economic partners in both the developed and developing worlds is intimately connected to that of the European Union. Through trade agreements, the European Union controls its trading connections with other nations. They are made to improve commercial possibilities and lower trade obstacles. Along with the protection of European companies and consumers, the promotion of EU ideals and values is one of the most crucial components of the EU's trade policy. Sustainable development is crucial for trade policy because of this. More than just removing tariffs is involved in free and open commerce. It also includes the elimination of non-tariff restrictions like import permits, valuation guidelines for customs, pre-shipment inspections, or certification processes. Consumers benefit from lower prices and higher value thanks to trade without these frictions. Not only that, but trade agreements that channel foreign investment also significantly increase employment. The aim of the study is to determine the position of the European Union in international trade and what has been the evolution of this position in recent years.

**Keywords:** international trade, EU, position, evolution, development

### 1. Introduction

Trade plays an important role in development, although the relationship between trade and human development is not automatic. To be inclusive, trade must be situated within a framework of human development. It must be designed as a tool to expand people's skills and choices. Trade is a human activity that concerns us all and involves us every day. As such, the rules governing this activity concern and involve us all, even if not to the same extent.

International trade affects citizens in at least 2 ways. First of all, international trade diversifies the supply of goods and services available. This usually leads to lower product prices due to increased competition.

Second, having access to more affordable technology, more effective technology, and a larger market makes domestic businesses more competitive, which in turn promotes increasing investment rates, economic growth, and job creation. The latter is particularly

pertinent to EU people because export-related activities account for 20% of all jobs currently in the EU.

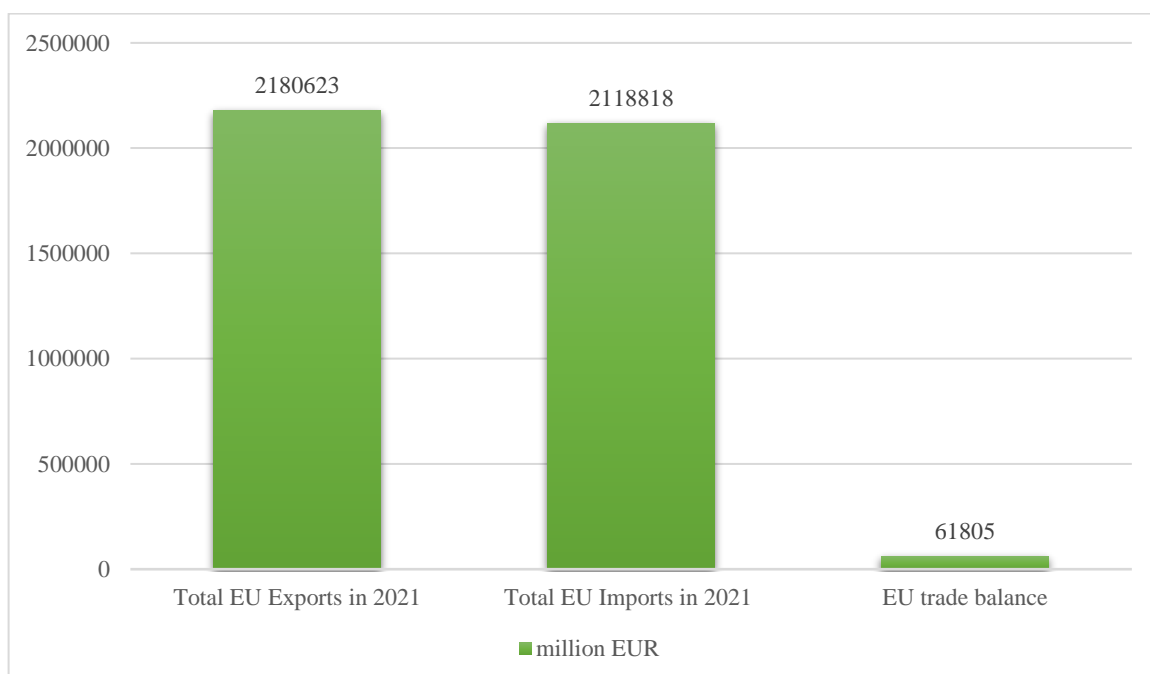
A wide variety of trading partners have been encouraged to forge connections as a result of the EU's generally open trade policy. Indeed, the EU is tightly integrated into the world market, and this trend may be anticipated to persist as modern innovations in transportation and communication encourage producers to interchange goods and services globally. An overview of trade developments in the EU is given in this article, together with information on the major trading partners, trends in imports and exports, and patterns of growth in the EU's position in global trade.

## 2. Methodology

The research is based on an analysis of the trends in the primary export and import indicators that the author developed using official data. The following research methodologies were employed in this study: the documentary method, the method for combining qualitative and quantitative data, the method for analysis and synthesis, the method for comparison, and the graphical method.

## 3. Results and discussion

Promoting international trade and investment with the rest of the world is viewed by EU policymakers as a crucial factor in economic growth and job creation. The current state of the EU's trade in products for 2021 is further suggested for analysis because the EU is one of the largest actors in international trade.



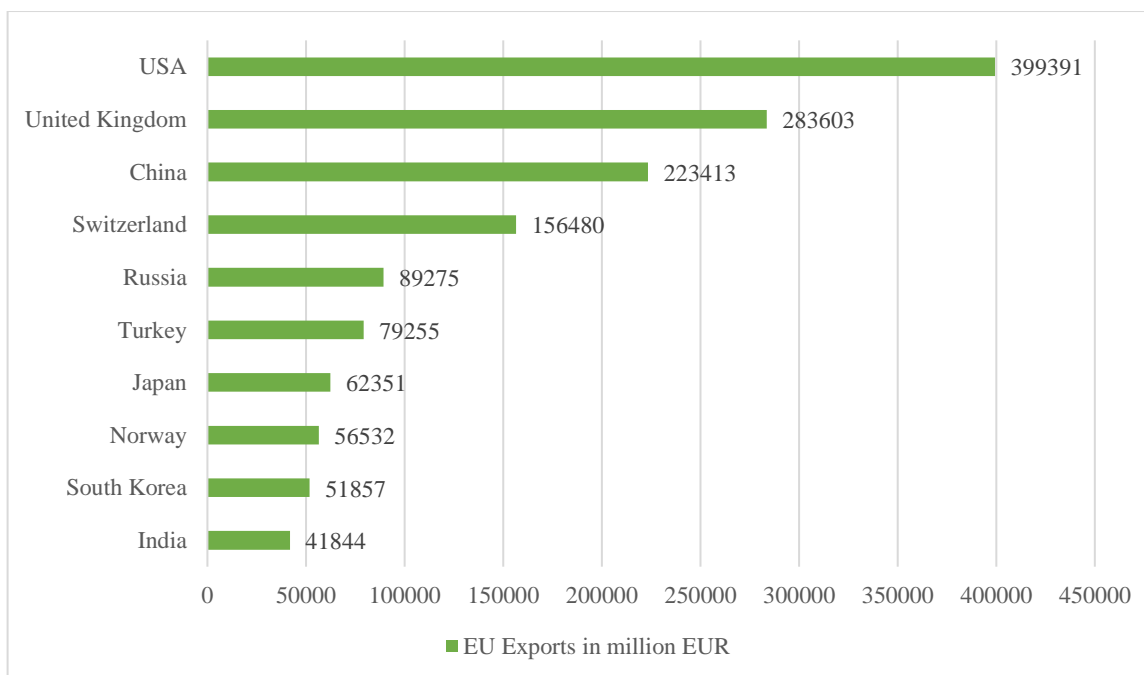
**Figure 1. The European Union trade in goods 2021, excluding intra-EU trade**

*Source: Developed by the author based on Eurostat data*

Based on Figure 1, we can see the results of the European Union in 2021. Respectively, the total value of exports excluding intra-EU trade amounted to 2180623

million euros. We also note that in 2021 the European Union imported goods in the amount of 21188818 million euros, thus obtaining a positive trade balance of 61805 million euros in 2021, which is appreciated positively.

Given the fact that international trade is so important, the main export partners of the European Union in 2021 are still being analyzed.

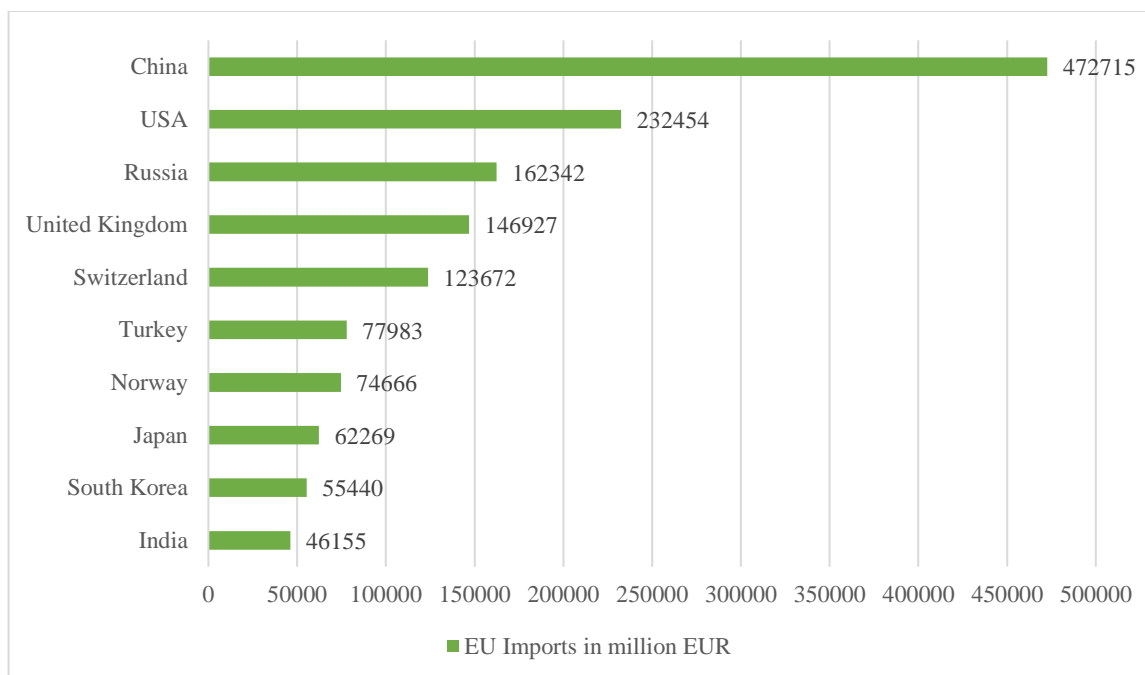


**Figure 2. The European Union's top 10 export partner countries in 2021**

*Source: Developed by the author based on Eurostat data*

Accordingly, we can see from the figure 2 that the EU's main export partner in 2021 is the USA, respectively the EU exported 399391 million euros worth of goods to the USA. In second place was the United Kingdom, in which the EU exported goods worth 283603 million euros in 2021. Next place was China, the value of European Union exports in 2021 amounted to 223413 million euros.

In the same vein, the main import partner countries of the European Union are proposed for analysis.



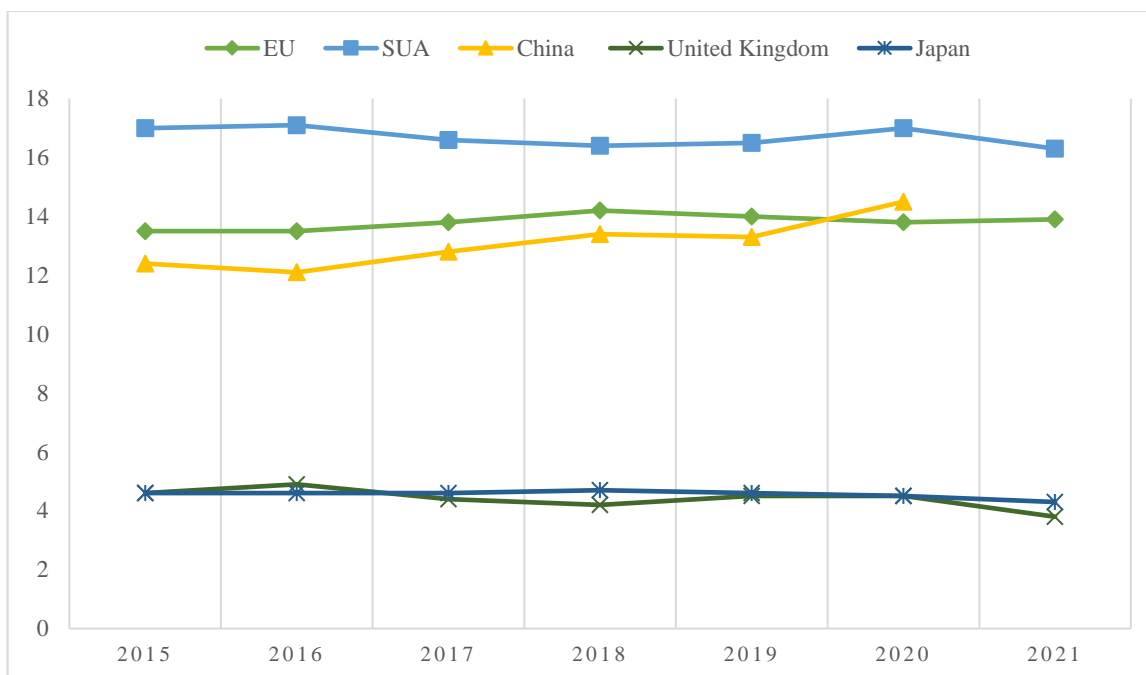
**Figure 3. The European Union's top 10 import partner countries in 2021**

*Source: Developed by the author based on Eurostat data*

Regarding the European Union's imports, we can see from Figure 3 that the main partner from which the EU imports goods is China, in 2021 the EU imported goods amounting to 472715 million euros, far exceeding the imports of 232454 million euros from US. Given the fact that in 2021 Russia was not classified as an aggressor, it ranked 3rd in the top of the European Union's partner countries for imports, respectively imports from Russia in 2021 amounted to 162342 million euros. The next was the United Kingdom with an import value of 146927 million euros in the same year.

Today, trade, along with other activities, has become truly global. This means that more and more countries with different levels of development are involved in world economic relations. This is changing the features of world trade and influencing an increasing number of people. The phenomenon of globalization has not been decided by one country or another, but is a consequence of technological advances, especially in the fields of communications and transport, which have led to a significant reduction in costs and the massive elimination of sheets from international trade. the decades following World War II. Globalization increases the level and dynamics of trade, capital, information flows, as well as the degree of mobility of individuals. Participation in world trade can generate wealth that will enable both the Member States of the European Union to ensure a better quality of life for their citizens and development opportunities for developing countries.

In a continuity of ideas, it is proposed to analyze the evolution of the European Union's position in world imports during the years 2015-2021.

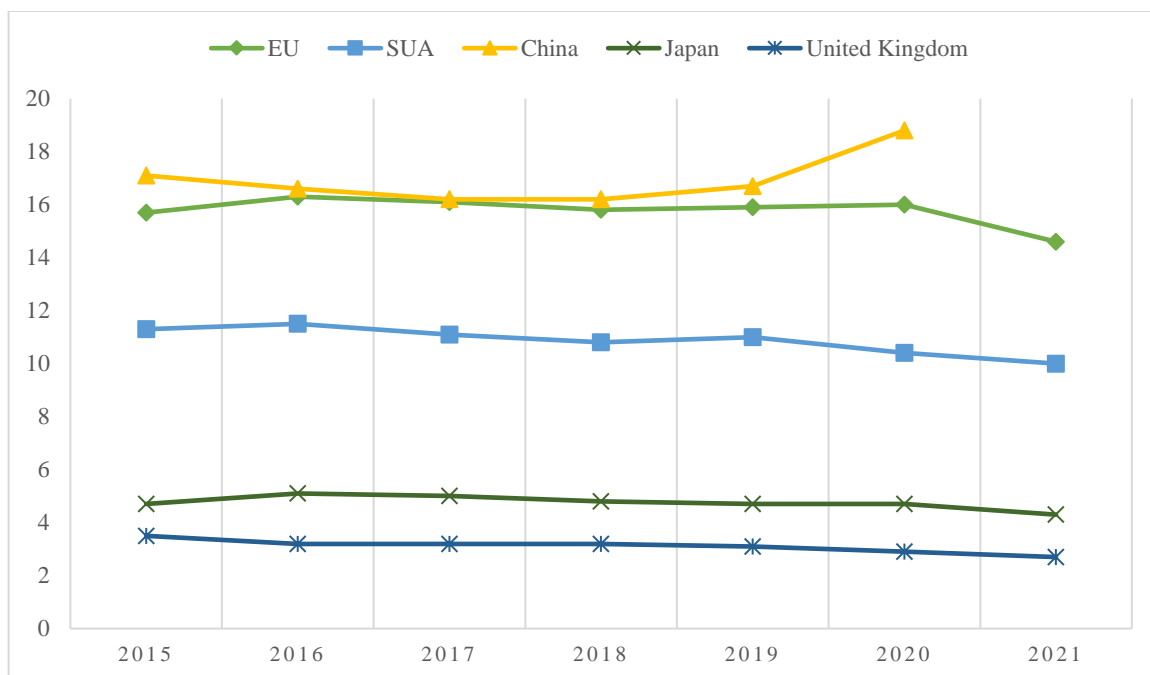


**Figure 4. Share of national imports in world imports during the years 2015-2021 (%)**

*Source: Developed by the author based on Eurostat data*

The information in Figure 4 shows the evolution of the share of imports of the top 5 countries in world imports. Respectively, the EU is in position 2, representing in 2021 about 13.9% of global imports. China surpassed the EU in 2020 in the share of global imports, then representing 14.5% of global imports, given that for 2021 there are still no data in this regard, we note that in 2020 it was ranked 2nd China in global imports. The main importer in the world is the USA, which is detached from both the EU and China, and in 2021 it represented 16.3% of global imports. Of course, the contribution of Japan and the United Kingdom to global imports, which imported 3.8% and 4.3% of global imports in 2021, is also worth mentioning.

Accordingly, the evolution of the European Union's position in world exports over the years 2015-2021 is also proposed for analysis.



**Figure 5. Share of national exports in world exports during the years 2015-2021 (%)**

*Source: Developed by the author based on Eurostat data*

In 2021, the EU was the second-largest exporter and importer of products in the world, with extra-EU trade accounting for 14,6% of worldwide exports and 13,9% of global imports. The EU is one of the leading actors in international trade. 2020 saw China export 18.8% more goods globally than the EU. In the World Trade Organization (WTO), where the rules of international trade are decided upon and upheld, the EU Member States share a single market, a single external border, and a single external trade policy, which is how the EU has achieved this position, at least in part, as opposed to having 27 national trade strategies. The USA ranked third in terms of overall international exports in 2021, accounting for 10% of all exports. Japan is now in fourth place, overtaking the United Kingdom. In 2021, it shipped around 4.3% of its total global exports, compared to 2.7% for Great Britain.

#### 4. Conclusions

The world's largest economy is that of the EU. With a GDP per capita of 25,000 EUR for its 440 million consumers, the EU remains the largest economy in the world, despite projections for slow growth.

- The largest commercial bloc in the world is the EU. The EU ranks first in both inbound and outbound foreign investments; it is the world's largest trader of manufactured goods and services. For 80 nations, the EU is their top commercial partner. For a little over 20 nations, the US is their main trading partner.

- Of all the developed nations, the EU is the most welcoming. With the exception of fuels, the EU imports more from developing nations than the combined imports of the USA, Canada, Japan, and China.

One of the most open economies in the world, the EU continues to be dedicated to free trade.

- Imported products into the EU often have relatively low applicable tariffs. Over 70%

of imports enter the EU with no or low tariffs.

- The markets for services in the EU are quite open, and our investment regulations may be the latest in the whole world.

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