

## **Results of the public consultation on the future of EU-US trade and economic relations**

### **SUMMARY**

#### **I. Context**

At the 28 November 2011 EU-US Summit meeting, leaders directed the Transatlantic Economic Council (TEC) to establish a High-Level Working Group on Jobs and Growth (HLWG), led by US Trade Representative Ron Kirk and EU Trade Commissioner Karel De Gucht. The HLWG has been tasked to identify policies and measures to increase EU-US trade and investment to support mutually beneficial job creation, economic growth, and international competitiveness. Upon completing its analysis, the HLWG recommended in its Final Report to initiate the internal procedures necessary to start the negotiation of a comprehensive trade and investment agreement. In view of the possible launch of trade and investment negotiations, the European Commission's public consultation on the future of EU-US trade and economic relations has aimed at gathering detailed views from stakeholders as to how transatlantic economic relations could be enhanced further. This public consultation followed a first general public consultation conducted from February to April 2012. The results of both consultations fed into the Impact Assessment prepared by DG TRADE in consultation with other interested Directorates General. The Impact Assessment will help shape the position of the Commission with regards to a bilateral trade and investment initiative with the US.

#### **II. Respondents**

The European Commission received 114 contributions from businesses / business associations, trade unions / organisations representing trade unions, government institutions, non-governmental organisations and citizens on both sides of the Atlantic. Responses originated to a large extent in the EU, with a smaller number of responses coming from the US. These contributions covered a wide part of the economy. The sectors with the highest stakeholder input in the consultation were agriculture-related sectors; air transport services; chemicals, rubber and plastics (including pharmaceuticals); retail and wholesale trade, hotels, restaurants and real estate; textiles, clothing, leather and footwear; metals and metal products; transport equipment (excepting railways); and other machinery and equipment (domestic appliances, agriculture machinery). A smaller number of responses originated from sectors such as financial services; IT services; wood and paper; medical equipment or arms and ammunition. Moreover,

other sectors of the economy such as online gambling, ICT and advanced electronics and offset were also represented.

### **III. Thrust of replies**

As with the previous exercise<sup>1</sup>, the results of the public consultation showed that stakeholders are generally highly supportive of a transatlantic initiative that would boost trade and generate growth and jobs across the Atlantic. Regarding the form and content of a future transatlantic initiative, most stakeholders supported a comprehensive, ambitious and realistic agreement that would be negotiated under a single package. While slightly more than half of the respondents informed that tariff elimination would help their ability to export/ import and do business in the US, there has been wider, general agreement that the real potential for an EU-US agreement lies first of all in regulatory cooperation, both in goods and services.

For industrial goods, stakeholders pointed to regulatory barriers that arise predominantly from technical regulations, standards and conformity assessment procedures. For sanitary and phytosanitary obstacles, those stakeholders concerned by this area informed that regulatory obstacles arise first of all for processed products, followed by non-processed animal and plant products. The main reason identified is the divergence between EU and US federal standards (i.e. for all the product categories above) but also the divergence between state/ local standards within the US as well as with the setting up of import requirements (i.e. for processed products). In addition, close to half of the responding stakeholders were concerned by customs procedures and border enforcement. A similar number was concerned by the protection and enforcement of intellectual property rights (IPR) with some stakeholders requiring, in particular, protection for geographical indications or trademarks. At the same time, the usefulness of future cooperation in setting strong IPR enforcement in third countries was mentioned by stakeholders. For trade in services, the first concerns stakeholders had, mostly regarding access to the US market, were the discrimination against cross-border service provision and the ability to establish physical outlets and supply services through these outlets. Furthermore, some stakeholders mentioned obstacles to direct investments as well as public procurement as some of their key concerns. In the area of competition, stakeholders underlined that the EU could seek to increase convergence with the US for anti-trust, mergers and state aid. In this context, stakeholders mentioned that they would benefit, for instance, from an alignment of procedures for approval of mergers and anti-trust as well as the development of rules for state owned enterprises similar to EU state aid rules with a view to further setting a standard in this area worldwide. In addition, a part of the respondents also asked for further liberalisation and eventual abolition of ownership rules, which should

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<sup>1</sup> For a summary of the replies in the first public consultation, see [http://trade.ec.europa.eu/consultations/?consul\\_id=160](http://trade.ec.europa.eu/consultations/?consul_id=160)

happen for instance in sectors such as aviation or maritime transport. Finally, as a general trend, stakeholders indicated that regulatory barriers become apparent firstly, at the federal level, and secondly, at the states' level, with stakeholders placing special importance on both.

In addition, stakeholders provided their opinion on the social and environmental impacts of a future bilateral agreement. A significant number expected consumers to benefit from lower prices and a higher diversification of choice of products. Stakeholders furthermore believed that a future agreement would have a predominantly positive impact on the environment, which in turn would result from exchanging best practices, setting common production and certification standards, spurring innovation or coordinating common approaches on environmental regulations, bilaterally as well as multilaterally, in external forums and in relations to third countries. In addition, more than half of the stakeholders expected a positive impact on the level of employment, including an increase in wage levels as well as improvements of labour standards, in the EU and the US respectively. Only a small percentage of respondents feared that increased cooperation on trade and investment would have a negative impact on employment levels. On labour issues more broadly, stakeholders generally focused on the need for cooperation on labour and decent work standards, including international cooperation in relevant multilateral fora, as well as on facilitating the free movement of people largely through simplifying visa procedures. Finally, stakeholders underlined that EU standards on both the environment and labour should be closely preserved in an agreement with the US.

Last but not least, some stakeholders suggested that an EU-US agreement should offer the possibility to third countries to join in at a later stage. Besides attracting the interest of other developed and emerging economies, an EU-US agreement could ultimately push forward the multilateral agenda of the WTO and build momentum for negotiations under the Doha Development Round. Moreover, the EU and the US could work on common approaches towards trade and investment opportunities in important emerging economies.