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## RESPONSE TO THE EU COMMISSION (DG TRADE) PUBLIC CONSULTATION ON THE EU-US HIGH LEVEL WORKING GROUP ON JOBS AND GROWTH

*The Confederation of Finnish Industries EK is the voice of Finnish business. EK represents all sectors of business and all sizes of companies, over 70% of Finland's GDP and over 95% of Finland's exports.*

EK appreciates the opportunity to contribute to the consultation concerning policies and measures to increase EU-US trade and investment and the work of the EU-US High Level Working Group.

We strongly support further economic and political integration of the EU and the US and, in line with the long-standing objective of e.g. the Transatlantic Business Dialogue (TABD), the establishment of a barrier free transatlantic marketplace.

To achieve this we need to address goods tariffs and non-tariff barriers in areas including goods, services, investment, public procurement, regulation and IPR. Indeed, we would emphasize NTB removal and prevention, which supports also the broader-than-goods approach to covered areas.

In more detail but non-conclusively:

- While average tariffs between the EU and the US are already low, due to the volume and nature (intra-firm, intra-industry) of trade, tariff elimination alone could translate into sizeable economic gains - and would not likely lead to trade diversion.
- The key to unlocking the potential of the transatlantic relationship lies, however, in tackling persistent NTBs having their basis in e.g. customs procedures and regulatory restrictions behind borders, including standards, and arising often from different approaches to reaching shared objectives. Ways

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forward in this area include regulatory cooperation and recognition.

- Even when procurement markets are open to foreign providers, which openness in the US is far below sufficient levels, due to e.g. requirements to favour domestic products, technical requirements and standards may prevent foreign bidders from having true access to markets. This limits choice, raises public expenditure, diminishes and distorts competition and may slow innovation, in addition to being protectionist.
- Also in need of cooperation are e-commerce and computer and ICT services. Data must be allowed to flow freely and solutions must be found to issues such as e-signature, trust, privacy, data retention, protection, and localization. The principles developed under TEC for ICT services in 2011 must be implemented also bilaterally and EU-US cooperation should lay groundwork for an International Digital Economy Agreement.
- In the area of investment, EU and the US should build on the TEC investment principles adopted in 2012.
- While contentious, also movement of persons needs to be addressed, simplifying related administration and making it more predictable.

Transatlantic economic convergence is currently the work of the Transatlantic Economic Council that has not delivered as expected nor is its coverage sufficient. What is needed to increase trade and investment, economic growth, jobs, and global competitiveness for both partners, is a legally binding agreement that is ambitious and broad. We thus support the as early as possible launching of bilateral trade and investment negotiations between the EU and the US.

At the same time the work of TEC should not go wasted: regulatory cooperation principles developed under it could become binding commitments under the new agreement and TEC could continue as the forum for developing cooperation on issues where producing legally binding commitments could, at least initially, be too big a challenge. Challenges in pursuing an EU-US agreement include highly politicized issues or issues otherwise subject to continued disagreement (e.g. GMOs, geographical indications, security). Such issues cannot be ignored but neither can their existence prevent progress elsewhere. Thus a dual approach, facilitating rapid conclusion of a bilateral trade and investment agreement but also tackling more contentious issues, could prove useful.

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The momentum in the transatlantic relationship needs to be utilized, not only due to the current state of the economy, but to obtain longer term economic benefits both bilaterally and through cooperation in relation to third countries and to counterbalance the shift in economic weight globally. Indeed, EU-US joint efforts are needed to promote the rule of law and market liberalization worldwide.