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The European Union and Britain – stronger and more competitive together

The American Chamber of Commerce to the European Union (AmCham EU) speaks for American business operating in, and committed to, Europe. Our member companies have significant investments in the UK and in other EU countries, underpinning millions of local jobs and supporting jobs for the American people. Aggregate US investment in Europe totalled €1.7 trillion in 2010, and Britain alone accounts for some €500 billion of this US FDI.

The UK's active engagement in the EU generates real commercial advantages to our members. Much of US corporate investment in the UK is geared towards access to the European Union and its internal market. As UK Trade and Investment (UKTI) said in its 2012 Inward Investment report: *The UK is a proven gateway to the \$17 trillion EU market.* The UK sells 50% of its exports to other EU countries, and benefits immensely from doing so. In addition, the UK's membership of the EU has played a substantial role in helping it obtain the largest slice of inward investment to Europe - 20% of FDI in 2012, while only having 12% of the EU population. In times where attention is focused on fast-growing markets in the East, it is easy to forget how economically significant not only the UK, but the whole of the EU remains for US businesses: it may be surprising but US companies' aggregate investment is higher in a small EU country like Belgium than in China.

It is not for AmCham EU to take a position on the political issue regarding the UK's future role in the EU. However, AmCham EU members, just like many other stakeholders, have a profound interest in ensuring an informed and balanced debate over the coming months and years about this issue.

Given the critical importance of the transatlantic economic relationship, American companies with a presence in the UK and continental Europe strongly encourage the UK to continue to stay fully engaged with the European Union. Britain's consistent and committed advocacy of open markets, competition and the single market have been crucial to the creation of a more business-friendly Europe. Active UK engagement in these areas has promoted investments in the UK and in the EU more generally. It has made UK-based companies (including those of American parentage) more competitive than if Britain had not been there to advocate for EU policies that support the interests of European-based businesses and their consumers.

A comprehensive EU-US trade agreement is a concrete example of how EU trade policy can deliver tangible results. Such an agreement, which the British Prime Minister has played a leading role in advocating, represents a unique opportunity to increase substantially the economic benefits to citizens of the UK, the US and other European countries. We urge all the governments involved to focus their political efforts and energies on delivering such an agreement. The evidence for

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the significant growth and new jobs that the UK, EU and US could reap from a successful deal is overwhelming. However, as the British Prime Minister said, the UK on its own is unlikely to be able to negotiate this or any other bilateral trade agreement with the same weight as it can as part of the EU.

US companies committed to Europe have a strong stake in ensuring that Europe further increases its competitiveness in the face of the challenge to its prosperity from emerging markets, which is likely to intensify during the rest of this century.

We therefore strongly believe that we need urgently to remove the remaining barriers preventing Europe from fully realising the benefits of a single market of 500 million consumers. This means urgently initiating further work on creating a level playing field for doing business across Europe as easily as across the US. It means allowing the most efficient providers of services, of energy and communications to reach customers wherever they live in the EU, as well as encouraging workers' mobility in the EU. It also means undertaking renewed efforts to removing unbalanced and over-burdensome regulation where this stifles entrepreneurship and growth. It finally means also having the UK being a full part of that single market, and as a strong influence in pushing for the reforms needed to make Europe competitive and as a place for companies to do business. These are priorities if we are to ensure the continued prosperity of Europe's citizens and the health of its businesses, and one we all need to take very seriously in the face of global competition.

However, those reforms will be less likely to happen without continued strong British engagement in the EU. Without an engaged Britain, Europe will lose a committed advocate for the single market on which EU (and UK) prosperity depends. Without the UK's strong influence, other EU countries – a number of whom have traditionally embraced the single market project with a lot less enthusiasm than the UK – will have the opportunity to water down hard-won market freedoms of the last 20 years, and in doing so to dangerously undermine the central element of what the British Prime Minister states is his priority in Europe.

Everyone with a stake in Europe's (and the UK's) continued prosperity wants, as President Obama recently restated, a strong UK in a strong EU. Britain needs to continue to play a leading role in the EU together with its EU partners in pushing forward the policies that Europe needs to stay competitive. In these difficult economic times, an EU with the UK actively participating in shaping EU decision-making will be a better place for business, for growth, and for employment, to the benefit of the UK and the rest of Europe.

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AmCham EU speaks for American companies committed to Europe on trade, investment and competitiveness issues. It aims to ensure a growth-orientated business and investment climate in Europe. AmCham EU facilitates the resolution of transatlantic issues that impact business and plays a role in creating better understanding of EU and US positions on business matters. Aggregate US investment in Europe totalled €1.7 trillion in 2010 and directly supports more than 4.2 million jobs in Europe.

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