



ACCELERATING GROWTH AND VITALITY
IN THE EUROPEAN ECONOMY

AGENDA FOR ACTION 2014-2019

AMERICAN CHAMBER OF COMMERCE
TO THE EUROPEAN UNION



EXECUTIVE SUMMARY

Europe is slowly emerging from the most severe economic crisis in decades. As a result of concerted European action, many economic risks have been mitigated. But there is no room for complacency, as long-term challenges remain considerable.

Unemployment continues to be a persistent problem across the EU. Public debt levels are chronically high. Demands for health and social services are escalating and straining resources. A hesitant economic recovery and the changing global competitive environment pose challenges. The question remains whether Europe can appropriately respond to those challenges.

History suggests it can. Europe is built on strong foundations, and is home to many of the world's most respected companies, strong economic and cultural traditions and a highly educated workforce. Acting together, business leaders, policy-makers and EU citizens can create a new wave of productivity and prosperity.

Yet the EU faces some critical choices. Get them right, and Europe will continue to be a key player in shaping and building the global economy. Get them wrong, and Europe will lose the opportunity to capitalise on its talent, knowledge and traditions. If Europe falls behind in the global economic race, the social and political consequences will be profound.

The American Chamber of Commerce to the EU (AmCham EU) is the voice of American business in Europe. Aggregate US investment in Europe totalled €2 trillion in 2013 and directly supports more than 4.3 million jobs on the continent. We are committed to helping the EU become more competitive through bold policies that support an integrated and innovative Europe. With such policies in place the region can position itself to leverage new waves of future growth and secure its place on the global geo-economic map for the long term.

The goal is to move beyond crisis management, toward a more strategic and dynamic phase of growth. In the following pages we are proposing five action areas that we believe need to be addressed if the EU is to accomplish this. In each of the five action areas, we will be proposing specific recommendations that will be reviewed and updated annually as needed over the next five years.



AMCHAM EU'S FIVE KEY ACTION AREAS:

BUILD SKILLS FOR THE FUTURE ►

If Europe is to compete in an ever-changing global environment, policies need to be in place to ensure its citizens are well-equipped to meet the needs of the future marketplace. This will require investment in training and skills development at every stage of workers' lives to remain relevant to the needs of society and the economy.

DRIVE INTEGRATION TO CREATE AN ATTRACTIVE INTERNAL MARKET ►

Europe needs to complete the Single Market, particularly in the areas of services, the digital market, energy and transportation. Efforts also need to be made to improve harmonisation of policies and regulation. The objective should be to make Europe an attractive destination for investment and a hub of economic growth and innovation which contributes to global regulatory and industrial standards.

EMBRACE REVOLUTIONARY CHANGE FOR INDUSTRIAL LEADERSHIP ►

Europe has built a strong industrial foundation and now is the time to capitalise on its expertise across all sectors including pharmaceuticals, healthcare, energy, transport, aerospace, security, chemicals, biotech and digital technologies. The objective should be to establish policies to keep European industry at the cutting edge to ensure sustainable economic growth.

DEVELOP NEW MODELS OF INNOVATION AND ENTREPRENEURSHIP ►

Innovation and entrepreneurship have been hailed as great drivers of growth. The next generation of entrepreneurs need to be supported and encouraged through incentive programmes. At the same time, fresh models of partnership between governments, businesses and the wider civil society need to be developed and promoted. The objective should be to foster dynamic and flexible thinking to generate economic opportunities for the future.

LEAD BY EXAMPLE TOWARDS GLOBAL INTEGRATION ►

Europe needs to remain a global hub for trade, investment and ideas, while taking advantage of the global economic landscape more systematically. The objective should be to ensure that European industries can compete successfully in an increasingly integrated global economy. The Transatlantic Trade and Investment Partnership (TTIP) agreement offers the opportunity to enhance cooperation between the EU and the US and the possibility of establishing regulatory standards which will have a profound impact on the way business is conducted globally for decades to come.

THE EUROPEAN CONTEXT

AmCham EU is the voice of American business in Europe. American businesses have played a key role in the European success story.

Today, they represent the largest single block of foreign investors in the EU and an important engine for employment, innovation and competitiveness.

€2 trillion
US investments in
Europe in 2013

4.3 million jobs
in 2013

These companies have been contributing to Europe's advancement since the inception of the European idea, in areas ranging from manufacturing, to transportation, financial and IT services, chemicals and pharmaceuticals. What unites US business is a commitment to realising a strong and vital Europe and a belief that European markets offer significant opportunities for their business.

In its previous Agenda for Action published in 2010, AmCham EU laid out a number of action areas and identified what was needed to help Europe rebound from the economic crisis. This included: completing the Single Market; achieving a low carbon economy; promoting innovation; creating a hub of openness; and improving Europe's people power. We can see progress in many of these areas, but much more remains to be done.

SLOW RECOVERY... SOME SUCCESSES AND REMAINING CHALLENGES

Recovery from the global economic crisis has been slower in Europe than in the US. Rates of recovery have varied widely across the EU, with some Member States struggling to meet their debt obligations, particularly in the context of stagnant or falling GDP; while other Member States have been able to maintain positive growth in a challenging international environment. Addressing this crisis has highlighted institutional and organisational constraints of the EU. The most critical constraint remains the Eurozone composition, where some significant divisions over structural and governance issues remain. Reforms to the EU's institutional framework must take place in parallel with the wide range of policy decisions that will have to be taken over the next five years.



However, the challenges facing Europe should not detract from some notable points of progress:

- GDP has risen by 15 per cent since 2009;
- Companies continued to invest in the EU. FDI to the EU in 2012 totalled €2.3 trillion, while the total value of accumulated investments in the EU made by US companies stands at €1.9 trillion; and
- CO₂ emissions from fuel consumption fell across the EU 15 by nine per cent between 2003 and 2010, and 21 per cent on a 'per unit of GDP' basis. While the economic slowdown played a role in this decline, Europe continues to set the global pace in emissions reduction.

European Union: Key Stats

	2009	2013
GDP (€b)	11,754	13,488
GDP/Cap (€)	29,255	31,008
Employment	69%	68.5% ³
Unemployment	9.0%	11.1%
EU business investment (€b)	2,225	2,305
US accumulated FDI in EU (€b)	N/A	1,900
CO ₂ Emissions (EU 15) ² Per megatonne	3,282	2,972

Source: ECB, Eurostat, OECD, AmCham EU

The longer term strengths of the EU should also not be discounted:

- **Strong corporate base:** using market capitalisation as the criterion, 14 of the world's 50 largest companies and 33 of the world's 100 largest companies are from the EU⁴;

- **Innovation capability:** Europe remains a world leader in innovation using 'patents per capita filed' as the criterion; it boasts seven of the top 10 countries and 13 of the top 20 countries⁵;
- **Prosperity:** European households have €50 trillion in assets and 31 per cent of the world's total wealth⁶; and
- **Talent:** 28 per cent⁷ of Europe's working age population have undergone tertiary education.

The financial crisis and subsequent recession are slowly giving way to a gradual recovery, but there is a long way to go and significant political and governance challenges remain. Bold steps are needed to address these challenges and avoid the repetition of short-term political constraints getting in the way of effectively implementing sound recommendations.

Scorecard

This document offers ideas to enhance the attractiveness of Europe in the global economy. The overall goal is to accelerate growth and vitality of European business. A scorecard accompanies this Agenda for Action and will be annually updated to measure how well the EU is doing in addressing the five action areas. Each area is measured against five indicators combined into a composite score.

Three indicators are quantitative and pulled from secondary sources and two are qualitative and based on a survey of AmCham EU members. Methodology and more details on the scorecard can be found on the AmCham EU website: www.amchameu.eu.

¹ EU 27 unless otherwise stated

² 2003 and 2010 OECD Environment data

³ 2012 data

⁴ Bloomberg

⁵ OECD Patent Database, June 2012

⁶ Credit Suisse: Global Wealth Report 2012

⁷ OECD Key indicators on Education

I. BUILD SKILLS FOR THE FUTURE



If Europe is to compete in an ever-changing global environment, policies are needed to ensure its citizens are well-equipped with the education and skills required to meet the needs of the future marketplace.



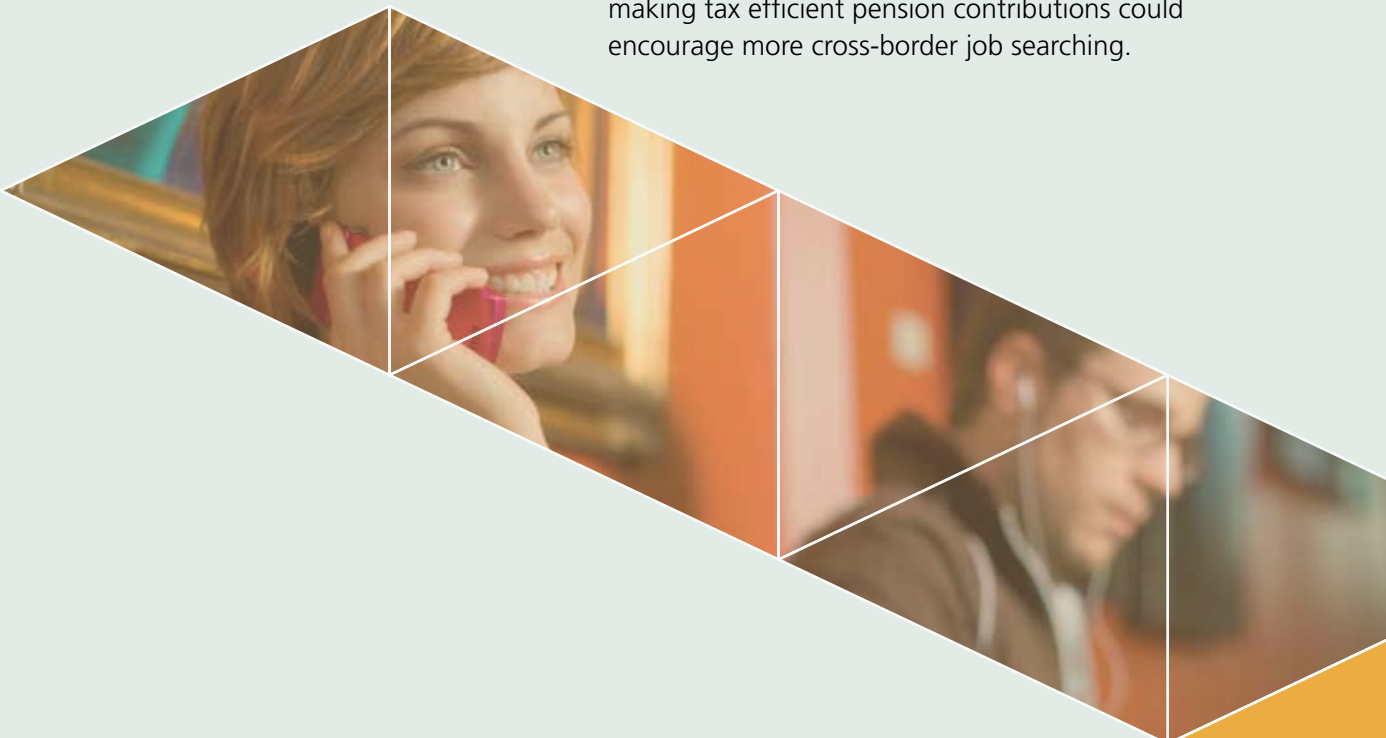
If Europe is to compete in an ever-changing global environment, policies are needed to ensure its citizens are well-equipped with the education and skills required to meet the needs of the future marketplace.

This requires investment to ensure that training and skills development are available at every stage of workers' lives to ensure that their capabilities remain relevant to the needs of society and the economy. Without investment in skills, the EU runs the risk of chronic unemployment potentially leading to an increase in social conflict and unrest.

INVEST IN JOBS FOR FUTURE GENERATIONS

Present levels of unemployment threaten to disenfranchise a whole generation. Of particular concern are the levels of youth unemployment which currently exceed 50 per cent in some Member States. The danger is these young people may never find gainful employment, nor develop the skills the job market requires of them. Evidence suggests that active labour market programmes have mixed results in creating sustainable employment and government budget constraints may preclude these policy approaches. The most sustainable solution must be to ensure that Europe regains its competitiveness in terms of both relative labour costs and workers' skills.

Enhancing worker mobility within the Single Market can help address the situation by making skilled workers available where they are needed most. While it is true that many people remain reluctant to move to other parts of the EU because of cultural or language barriers, removing obstacles and making it easier to relocate can make a difference. For younger employees, this would include allowing greater mutual recognition of skills and qualifications across borders. For older, more experienced employees, a more integrated social security system, allowing people to continue making tax efficient pension contributions could encourage more cross-border job searching.



I. BUILD SKILLS FOR THE FUTURE

CLOSE THE SKILLS GAP

A mismatch exists between the skills companies demand and the skills offered in the European labour market. Despite high unemployment, there are currently over two million unfilled positions in Europe, according to Eurostat. Encouraging a better flow of highly skilled labour to employment opportunities could help address the problem of unemployment as well as contribute more broadly to European economic growth and integration. For younger workers the right approach is to involve teachers, employers and students more effectively in partnership with businesses to determine which skills are in greatest demand. The goal should be for European students to be marketable when they leave school. Education and employment should not be seen as separate entities, but natural allies. It is notable that in other parts of the world countries have successfully started to map demand and supply of industry-specific skills by having business associations, educators and government work together to ensure alignment.

BUILD OPEN MARKETS FOR TALENT

Global markets require global talent. It is a challenge for corporations to close the skills gap by transferring their own executives or importing talent from other countries. There is a particular need to move managerial talent more quickly. A viable and flexible intra-corporate-transferee policy allowing qualified employees to work in the EU is badly needed. Additionally, initiatives such as the 'EU blue card', where highly-skilled workers are given a multi-year work permit applicable to the whole of Europe, should be expanded. Such policies have the potential to strengthen management effectiveness and enhance the competitiveness of Europe.



II. DRIVE INTEGRATION TO CREATE AN ATTRACTIVE INTERNAL MARKET



European policy-makers need to work to deepen and broaden the European Single Market. It is a key factor in attracting investment, encouraging growth, and creating jobs. The Single Market remains one of the EU's greatest achievements, but much work remains to be done.



European policy-makers need to work to deepen and broaden the European Single Market. It is a key factor in attracting investment, encouraging growth, and creating jobs. The Single Market remains one of the EU's greatest achievements, but much work remains to be done.

The Single Market needs to better reflect how businesses operate. Neither business nor consumers are concerned with artificial distinctions between service and manufacturing sectors. While making efforts to complete the Single Market and lower trade barriers would be a positive step (all such liberalisation is welcomed), it is just as critical to focus on what is necessary for business overall: cultivating a highly productive workforce, operating in a competitive market with well-coordinated regulations that provide a level playing field across Europe and ideally the world.

ENSURE EFFECTIVE REGULATION AND RULE-SETTING

Regulation is necessary to provide both a level playing field for business and to protect consumers. Business needs effective and consistent enforcement of regulation across the EU and the transparent assessment of the impact of regulatory measures once they are in place. Responsible, growth-friendly rules and standards which encourage innovation and the emergence of new goods and services are of paramount importance. Conflicting or duplicated rules and standards hinder business's ability to grow, and can disproportionately affect small and medium-sized enterprises (SMEs) which may lack the resources to adapt to numerous and variable regulatory regimes.

A rigorous cost benefit analysis and impact assessment should be part of any proposed directive or regulation. Too often regulations are proposed under the guise of health and safety, when in fact they do not address those issues. While there have been efforts to introduce competitiveness tests in recent years, these are often seen as perfunctory, or the results are not appropriately reflected in proposed legislation. A rigorous, quantitative and fact-based impact assessment has to be a central part of any plan for future legislation. Ongoing market surveillance and the active enforcement of EU legislation are also vital to ensuring that companies which do comply with regulations are not placed at a competitive disadvantage. Moreover, efforts towards a single certification scheme and harmonisation of national standards in favour of a single standard will actually open markets.



II. DRIVE INTEGRATION TO CREATE AN ATTRACTIVE INTERNAL MARKET

The increase use of EU Regulations rather than Directives would help as they preclude interpretation at the national level. Whenever possible, regulation needs to be modernised to reflect the current marketplace and to encourage the investments that Europe need. Regulation should aim to meet consumer needs, ensure consumer protection, reflect the modern marketplace and be applied in a competitive, technically neutral fashion. At the same time regulations must continue to spur economic growth and development.

DIVERSIFY AND INTEGRATE ENERGY SUPPLIES

Given the lack of a fully integrated market, energy costs in Europe remain high. The completion of a liberalised single energy market, as well as increased energy efficiency and diversified and secure energy supplies, are critical to the competitiveness of European industry.

The predominance of national infrastructures coupled with dependency on fossil fuel imports mean that electricity costs remain high. Energy firms within the EU have a critical role to play helping to advance the diversity and economic viability of a wide range of energy sources and how they are used. This includes efficient energy infrastructure programmes such as the 'Connecting Europe Facility' and other programmes such as smart electricity grids which monitor and turn lighting off when it's not needed. This saves money and benefits the environment. Similar issues around cost and lack of pan-European infrastructure exist within the EU gas market.

Europe's future energy mix should involve all energy sources, including nuclear and shale gas. Energy suppliers should all be allowed to compete and innovate on a level playing field. The EU must seek European and international cooperation and involve the business community in establishing a new European energy strategy for the future. A single energy market must be completed to increase energy efficiency and ensure a secure energy supply through external energy relations and indigenous production. A lack of infrastructure and poorly functioning markets are putting the survival of all energy intensive industries in Europe at risk. EU policy-makers should be catalysts to establish a strategic framework to create more effective European and international cooperation. Full implementation of the third EU Energy Package is also a key step in achieving a truly open, competitive and secure market, especially in the electricity sector. This would make Europe more competitive and attractive.



INTEGRATE AND INVEST IN INFRASTRUCTURE

Despite decades of integration, much of the EU's physical infrastructure remains fragmented and nationally focused. This is the case for electricity generation and distribution through to transportation. In contrast, the US has a more integrated infrastructure which gives it a continuing competitive advantage. For the EU there is the opportunity to gain significant efficiencies over the coming decade in co-ordinating infrastructure renewal projects to insure that economic efficiency, not national borders, is the driving factor guiding infrastructure investment.

Given that large scale infrastructure projects are costly, Member States should be encouraged to collaborate with the EU in all long-term infrastructure-planning processes. Additionally, all cross-border projects should be coordinated with the relevant jurisdictions to ensure maximum efficiencies.

BUILD THE BANKING UNION

The financial and credit crisis has illustrated the need for a robust, long-term strategy for an Economic and Monetary Union, and greater co-ordination of the banking, fiscal, economic and political pillars. This co-ordination includes not only financial services within the Eurozone, but close co-ordination between the Eurozone and financial services regulators. Such co-ordination will make an important contribution toward restoring investor confidence, long-term financial stability and greater confidence in the Eurozone. The credit crisis taught us that there is the need for a credible centralised banking supervision system that would enhance the stability of the Eurozone banking sector, which would promote the development of a European single market for financial services.

The creation of the European Supervisory Authority, responsible for determining the technical standards applicable in all 28 Member States, will preserve and strengthen the EU Single Market, while preserving the capacity of business operating in Europe to provide innovative and flexible financial services. With global financial regulation also being reformed, this is the ideal time to co-ordinate EU and broader global policies.



II. DRIVE INTEGRATION TO CREATE AN ATTRACTIVE INTERNAL MARKET

BUILD THE DIGITAL SINGLE MARKET

Europe has the highest broadband penetration and the most connected households of any continent in the world, with over 77 percent of homes having internet access⁸. Digital communications are deeply woven into the way we do business today. Demand has increased for better connectivity, online retail, mobile banking, and cloud computing.

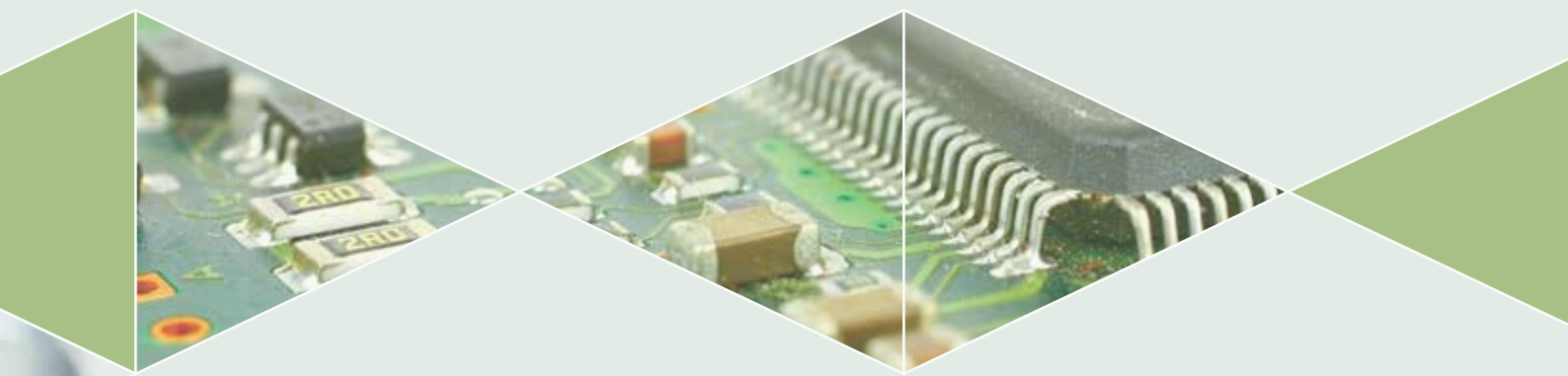
Despite this, European communication markets remain highly fragmented because of the myriad of European laws governing digital services. Remaining obstacles to the completion of a full digital single market need to be removed to create a more consistent regulatory environment. This, linked to a strong protection of intellectual property, will spur further innovation, encourage investment, and create greater digital opportunities which could ultimately revitalise the European economy. Similarly in the area of data protection, greater harmonisation in privacy laws will provide more certainty for business and encourage further investment.

Spectrum management should be seen as a priority because of the explosion in mobile broadband traffic. It offers the possibility to generate greater capacity and foster innovation. The allocation of radio spectrum and its harmonisation at the EU

level are essential. Operators cannot plan necessary and substantial investments without certainty of long-term spectrum rights. The right framework and policies will support a rapid adoption of the latest technologies and capabilities, creating jobs and enhancing productivity.

Finally, there is a need for a strategic vision on data protection. A balance needs to be struck between protecting data privacy and ensuring that the rules are flexible enough to encourage the development of innovative new products and services. Getting this right will drive new growth and better services for consumers and business alike.

⁸ ITU Facts and Figures 2013



III. EMBRACE REVOLUTIONARY CHANGE FOR INDUSTRIAL LEADERSHIP



The technology revolution is fundamentally changing the way we do business. The convergence of the global industrial system with the power of advanced computing and analytics is bringing about a new industrial transformation across a wide range of sectors which helps create new, innovative products and better, more efficient ways to produce traditional ones.



The technology revolution is fundamentally changing the way we do business. The convergence of the global industrial system with the power of advanced computing and analytics is bringing about a new industrial transformation across a wide range of sectors which helps create new, innovative products and better, more efficient ways to produce traditional ones.

The integration of IT systems in the manufacturing process and the advent of new technology are shifting value in manufacturing from being primarily a cost of production calculation, to one dependant on a wider range of factors. Now 'smart products' can track logistics, monitor and correct faults before they occur, and provide better security maintenance and stock control.

Europe's expertise in industries and nanotechnologies such as pharmaceuticals, healthcare, energy, transport, aerospace, security, fire protection, chemicals, biotech, ICT and manufacturing position the continent well to lead the way toward a new industrial revolution. Yet existing policy frameworks do not always reflect the advanced technologies of these industries. A co-ordinated regulatory approach, which safeguards intellectual capital, is key to allowing free trade to flourish in the longer term; companies must be able to recoup their substantial investments in research and development. The objective should be to enable economic activity which is both value adding and sustainable. Investing in the future requires a long-term view in combination with bold action. Innovation value chains span many years and therefore require strategic vision and the will to act quickly.



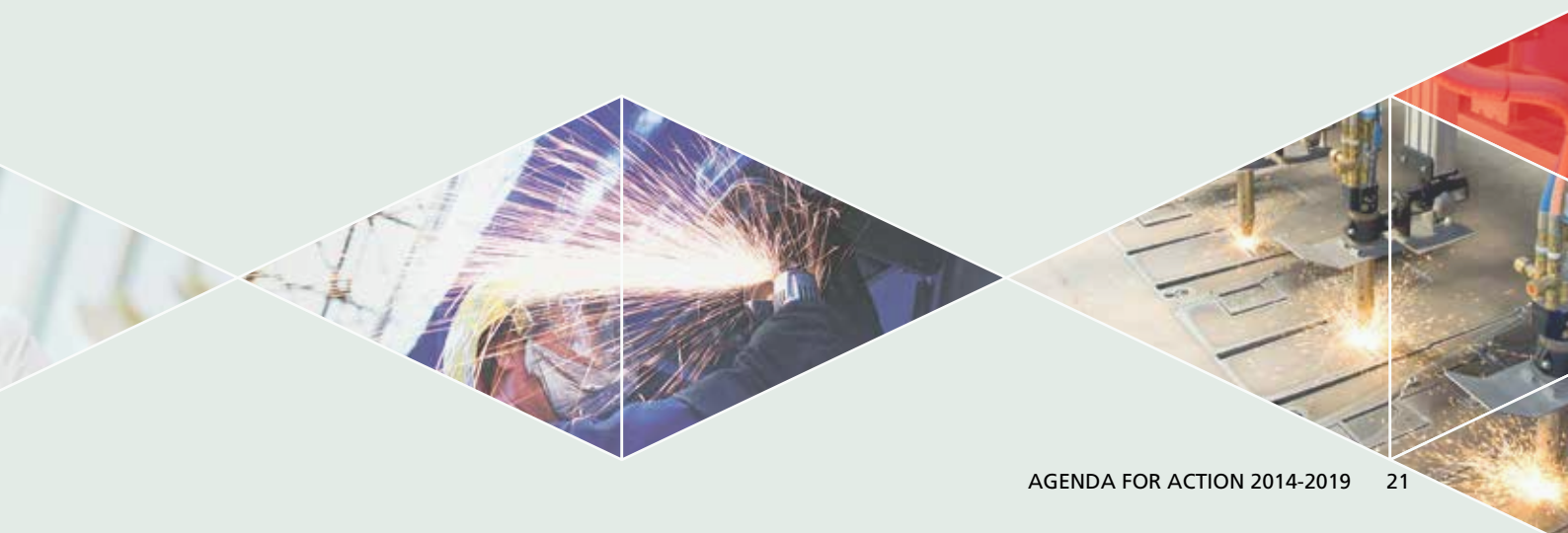
III. EMBRACE REVOLUTIONARY CHANGE FOR INDUSTRIAL LEADERSHIP

EMBRACE INNOVATION IN MANUFACTURING

Europeans have long been global leaders in design. Combining this design expertise with the region's competitive advantage in advanced manufacturing of high-tech products, Europe has an opportunity to be a global leader in the most creative and value-adding part of many future industries. It is critical to encourage innovation at all levels by creating the right environment where regulatory processes are seamless and regulatory approvals happen quickly and smoothly. A system that enables faster research and faster access to markets is needed to build on Europe's competitive edge. More innovation will create more jobs and increase productivity.

VALUE INTELLECTUAL PROPERTY

Intellectual property is a cornerstone of the EU economy and a key pillar of the knowledge-based society. It's what gives both companies and individuals alike the incentive to take risks and to invest time and resources in developing new products, manufacturing processes and technologies for the benefit of consumers. Weak intellectual property protection imperils this by reducing incentives to innovate and invest and may have a detrimental effect on jobs and competitiveness in Europe. It is more important than ever that the value of intellectual property is understood and protected. Europe needs an actionable policy framework as well as a cybersecurity system to protect intellectual property as well as sensitive information.



IV. DEVELOP NEW MODELS OF INNOVATION AND ENTREPRENEURSHIP



Europe needs to groom the next generation of entrepreneurs. For the EU to remain a competitive and innovative economy in a globalised world, it is crucial for European policy-makers to encourage entrepreneurship and innovation.



Europe needs to groom the next generation of entrepreneurs. For the EU to remain a competitive and innovative economy in a globalised world, it is crucial for European policy-makers to encourage entrepreneurship and innovation.

New companies are the key not only to future economic and social prosperity, but they are also key to meeting the challenges of high unemployment and offering solutions that provide better and more efficient services to consumers.

INCREASE START-UPS

Evidence suggests it's not regulation itself that stops entrepreneurs, but inconsistent regulation that is inconsistently applied. Policy-makers need to be aware of the many challenges to starting a business and the need for clear and reasonable regulation. Additionally, there is a need for better access to finance and an enabling ecosystem. Barriers to entrepreneurship need to be broken down and the cultural and fiscal environment needs to be more conducive to entrepreneurship. Finally, fresh models of partnerships between government, business and civil society should be developed.

IV. DEVELOP NEW MODELS OF INNOVATION AND ENTREPRENEURSHIP

EMBRACE PUBLIC ENTREPRENEURSHIP

Europe has the world's largest and most developed public sector services; it also has an aging population with well-developed expectations of what the state should provide. At the same time, across Europe the economic crisis has put pressure on tax revenues with some Member States having persistent budget deficits. There is, therefore, a clear imperative to deliver public sector services more efficiently and effectively.

Part of the answer to this challenge is to leverage new business models and technology trends. Future investments can only be justified if services can be offered to a wide range of people, which may entail cross-border offerings and services. For governments there are issues surrounding both job losses in the public sector, as well as lost tax revenue if these services are moved outside the country. Through services such as advanced analytics, it will be possible to deliver better services, at lower cost, by anticipating and meeting cyclical or emerging demands more effectively and efficiently.

In many countries, governments have already started to transform procurement and provision processes to meet these challenges. The shift to more public entrepreneurship implies using the machinery of government to stimulate economic growth and collaborate in new ways across and outside traditional public service boundaries to multiply the impact of governments' investments.

FOCUS ON THE 'INNOVATION IN HEALTH' OPPORTUNITY

Good healthcare is crucial to the prosperity of Europe's citizens. Providing comprehensive healthcare remains one of the principal achievements of many European governments. A well-functioning, efficient healthcare system maintains the productivity of a workforce and contributes significant investment to research and development as well as serving to create employment both directly and indirectly. But budget consolidation is raising questions over the viability of many ongoing health programs. The result is that good long-term healthcare could be jeopardised given the short term constraints brought about by the current economic climate.

These short term budget constraints mean it is very important to value innovation in the long run through the effective use of EU Cohesion and Horizon 2020 research funds and by implementing policies that overcome static thinking and promote efficiency. This requires smart regulations on pharmaceuticals, medical devices, biotechnologies and data privacy that are fit for their purpose and attract business operations in Europe. What's also needed is support for innovative partnerships between the public and private sectors such as the Innovative Medicines Initiative, a consumer approach to empower citizens to be innovators in their own health; the widespread use of ICT to improve healthcare access, quality and efficiency using Cohesion Policy to fund improvements to healthcare systems and better access to medicines through more flexible pricing policies such as differential pricing.



V. LEAD BY EXAMPLE TOWARDS GLOBAL INTEGRATION



Europe needs to remain a global hub for trade, investment and ideas, while taking advantage of the global economic landscape more systematically. The objective should be to ensure that European industries can compete successfully in an increasingly integrated global economy.



Europe needs to remain a global hub for trade, investment and ideas, while taking advantage of the global economic landscape more systematically. The objective should be to ensure that European industries can compete successfully in an increasingly integrated global economy.

An inward-looking Europe would not be a prosperous one. Where European businesses look to lead world markets, they often succeed. American firms are naturally big proponents of transatlantic trade and see it as helping both economies. The focus should not only be on tariffs, which have been progressively and successfully reduced through the World Trade Organisation (WTO), but on non-tariff barriers, regulations and standards. The aim should be to lead by example in making business easy and providing real gains for consumers.

SEIZE THE OPPORTUNITY OF THE TRANSATLANTIC TRADE AND INVESTMENT PARTNERSHIP (TTIP)

The transatlantic economy generates over four trillion euros in total commercial sales a year and employs up to 15 million workers on both sides of the Atlantic. Negotiations for TTIP bring opportunities to harness existing EU-US trading strength to the benefit of transatlantic employees, consumers, and the economy, and to pave the road to increased transatlantic and indeed global trade in the future.

Given the degree of existing integration between the two economies, the EU and US should strive for further regulatory convergence and, where possible, mutual recognition of regulations and standards. In addition, a framework for future regulatory cooperation should be established, where knowledge and expertise are shared during the early stages of the regulatory process, and greater cooperation on impact assessment is nurtured. Defining a common approach to a science-based risk assessment would provide clarity and confidence for both businesses and consumers in EU and US markets. The High Level Regulatory Cooperation Forum provides an appropriate framework for such cooperation, and should play an integral role in on-going transatlantic cooperation.



V. LEAD BY EXAMPLE IN THE PROCESS OF GLOBAL INTEGRATION

Beyond boosting transatlantic trade, setting trade facilitating standards, and influencing bilateral, multilateral and plurilateral trade agreements across the globe, the TTIP will bring long-term benefits to businesses of all sizes in the EU and US. Setting global trading benchmarks will allow EU and US businesses and their consumers to reap the benefits of modern day global value chains, whereby goods and services have value added at different stages in the supply chain in different geographical locations.

SOWING THE SEEDS OF EXPORT SUCCESS

If energy were excluded from EU trade figures, the EU would be running a trade surplus. But the picture is even more complex when studied more closely. Germany remains a powerful exporter, while the UK, France and Italy have recently been running trade deficits. In part this reflects the underlying competitiveness of the labour forces and companies within different Member States. But a differing strategy in pursuing exports might also help other areas of the world, such as North America, where highly developed EU goods and services are likely to find a more natural home than they would in developing nations which are still focused on capital goods.

Facilitating the movement of goods and services across borders will enable businesses of all sizes to export from the EU to a broader range of destinations. There are significant opportunities to do so, with initiatives on trade facilitation and trade in services in the World Trade Organisation and amongst some of its members. By leading the way to secure more modernized global customs procedures, European exports will benefit from a more streamlined, efficient and cost-effective means of accessing third country markets.



CONCLUSION

The EU can claim many successes since its founding. Ultimately, the European project has thrived and grown because it has successfully built and added to the prosperity of its citizens. Today Europe is emerging from the crisis and it is time to look ahead. Policy-makers, business and citizens should join forces to revitalise the idea of Europe building on the great achievements of the past while looking to the future.

There is no doubt that fiscal and macro-economic actions by EU policy makers taken in the last few years have prevented an economic catastrophe. However, new challenges have emerged as have new opportunities. What is needed is leadership and aspiration to seize the opportunities in interconnected and multipolar markets to improve the outcomes for the citizens of Europe.

Looking to the future, AmCham EU hopes that this Agenda for Action provides a succinct set of action areas. We believe that if the EU were to achieve these objectives, the result would be a more prosperous and successful Europe.

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 €2 trillion in 2013 and directly supports more than 4.3 million jobs in Europe.

AMCHAM EU

Avenue des Arts 53
1000 Brussels, Belgium

T: +32 (0)2 513 68 92

F: +32 (0)2 513 79 28

E: amchameu@amchameu.eu

www.amchameu.eu





