



October 2023

In preparation for the upcoming U.S.-EU Summit, BusinessEurope and the U.S. Chamber of Commerce call on our leaders to reaffirm the importance of robust transatlantic commercial ties as an essential element of our enduring partnership.

The health of the \$7.1 trillion EU-U.S. economic relationship is critical to millions of jobs and prosperity on both sides of the Atlantic. Successful cooperation between the U.S. and the EU is vital to tackle the geopolitical and economic challenges our nations face, enhance our competitiveness vis-à-vis the non-market practices of certain other economies, and increase economic growth on both sides of the Atlantic. Reaffirming our commitment to the rules-based trading system will deepen our shared prosperity.

We urge EU and U.S. leaders to use this timely summit to definitively reject protectionism and avoid discrimination; resolve outstanding disputes; commit to averting the emergence of new disputes; guard against regulatory overreach and avoid divergent regulatory approaches, especially with respect to emerging and innovative products, processes, and technologies. This will allow us to build consensus on measures to respond to shared geopolitical challenges, address climate change and digitalization of the global economy; and agree on commercially meaningful outcomes that bolster our shared prosperity.

### **Reject Protectionism and Avoid Discrimination**

Concerns about anemic economic growth and misinformed narratives about industrial decline are giving rise to increased protectionism. Regardless of the sector — whether digital, energy, manufacturing, or life sciences — these policies threaten to impede innovation, limit trade and investment, handicap our highly-skilled workforces, and stifle our shared prosperity. It is imperative that policies designed to boost competitiveness at home not exclude participation or place special burdens on competitive actors in each other's market.

### **Resolve Outstanding Disputes: Steel and Aluminum**

Both the European and North American economies are facing strong economic headwinds, including inflationary pressures that are eroding consumers' purchasing power. The EU and the U.S. should strive to tangibly improve the business environment, reduce trade frictions, and prevent new irritants from jeopardizing our relationship. We call on officials to reach a durable agreement to overcome the U.S. Section 232 tariffs on steel and aluminum, avoid the reimposition of the EU's retaliatory duties, and address the challenges of global excess capacity and carbon emissions in metals production.

## **Cooperate on Critical Minerals**

Global mining firms will have to increase production of critical minerals such as lithium, copper, nickel, cobalt, graphite, and rare earths by 500% over the next decade to provide the inputs needed for the energy transition. In many cases, however, the world is dependent on a single source for production or processing of these minerals. The U.S. and the EU should cooperate with third parties — particularly countries with significant reserves of these metal ores and minerals — to responsibly increase production and processing capacity, and to promote R&D of technologies needed to achieve that. The U.S. and EU must reduce strategic dependencies on single countries and ensure security and sustainability of inputs for value-added industry sectors and the jobs they support.

## **Avoid Regulatory Overreach**

Excessive regulation endangers the dynamism of our economies, often without achieving the intended objectives. Companies on both sides of the Atlantic believe regulation must be administrable, non-discriminatory, transparent, risk-based, evidence-based, no more trade restrictive than necessary, proportional to the desired objective, and consistent with international trade obligations. Policymakers must avoid measures that effectively preclude competition and stifle innovation by imposing costly — and in some cases likely unachievable — obligations on companies. We urge officials to utilize the U.S.-EU Trade and Technology Council to flag measures of potential concern, with an eye towards achieving the original TTC objective of resolving concerns before proposals lead to new trade disputes.

## **Stand Together on Global Issues**

The EU and U.S. must stand united in responding to issues of global concern such as sustainability, resilient supply chains, and public health. We must maintain our support for Ukraine and partner effectively to ensure its post-war recovery and modernization yield a vibrant, rules-based market economy. We must stand up for our values and security by defending against unfair and anticompetitive practices of non-market economies without choking off routine and low-risk commercial relations and undermining the rules-based trading system.

## **Deliver Commercially Meaningful Outcomes**

Even as we enjoy the world's largest commercial relationship, our shared prosperity and security demands that the U.S. and EU continue to eliminate barriers between us, work together to renew the rules-based trading system and negotiating agenda of the WTO, and promote trade, investment, and regulatory measures that foster competition, R&D collaboration, innovation, and growth.

The U.S.-EU Trade and Technology Council can be an essential platform to promote shared growth. The TTC has delivered when it mattered most — when America and

Europe first imposed coordinated sanctions on Russia in the wake of its expanded invasion of Ukraine — but we believe there is far more potential for further action. We applaud efforts in both the U.S. and the EU, for example, to drive toward greater energy security and a cleaner energy future. The EU-U.S. energy partnership is a model that can be emulated across new technologies and sectors.

We urge the EU and the U.S. to accelerate TTC talks with a view to achieving tangible outcomes ahead of next year's elections on key issues such as: AI, 6G, and other emerging technologies; eliminating technical barriers to trade, including those related to conformity assessments, and promoting mutual recognition agreements where appropriate; increasing trade in sustainable goods; and avoiding imposition on one another of unilateral measures ostensibly meant to tackle anti-competitive practices by non-market economies. When considering solutions between us, we urge policymakers to take into account the close integration of some neighbouring countries in transatlantic value chains.

Finally, to guarantee the lasting success of the TTC, we also call on officials to engage continuously with stakeholders to ensure practical and relevant outcomes, especially where there is transatlantic business consensus.

We remain committed to promoting ever strong transatlantic commercial ties and stand ready to work with policymakers to achieve our shared goals.