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EU-US trade negotiations must tackle both tariff and non-tariff barriers

Orgalime – the European Technology Industries – welcomes the new momentum in EU-US trade relations. We believe the future EU-US trade negotiations should tackle not only tariff but also technical barriers to trade. It will be key to work towards technical cooperation that seeks to reduce as far as possible the current differences in regulations and technical standards between the two blocs.

An effective EU-US Free Trade Agreement – Orgalime recommendations

A free trade agreement (FTA) between the EU and the US would be an important step towards increasing transatlantic trade flows. The annual value of transatlantic trade for products manufactured by the European technology industries currently stands at 93 billion euro¹. To maximise the opportunities of increasing this, Orgalime believes a future EU-US FTA should address the following objectives:

- It should enhance market access for all industrial sectors represented by Orgalime, and industrial tariffs between the EU and the US should be eliminated as soon as possible.
- It should promote greater regulatory cooperation, which is essential to ensure smooth trading between the EU and the US. The reduction of non-tariff barriers is vital, especially for our industries' many small and medium-sized enterprises. In particular, we emphasise the need to refer to international technical standards (the International Organisation for Standardisation, the International Electrotechnical Commission and the International Telecommunication Union). Regulatory cooperation and harmonisation of standards would enable us to achieve the objective of 'one standard, one test, accepted everywhere'.
- Public procurement should also be covered by a future EU-US FTA.
- The EU and the US should cooperate and agree on maintaining the Dispute Settlement Body in the context of reforming the World Trade Organisation (WTO) system.

The new momentum in EU-US trade relations promises to create welcome opportunities for Europe's technology industries, However, quality rather than speed must be the driver of any future EU-US FTA.

¹ Source: Eurostat

Orgalime, the European Technology Industries, speaks for 45 trade federations representing the mechanical, electrical, electronic, metalworking & metal articles industries of 23 European countries. The industry employs nearly 11 million people in the EU and in 2017 accounted for some €2,000 billion of output. The industry represents over a quarter of the output of manufactured products and over a third of the manufactured exports of the European Union.