# The Transatlantic Trade and Investment Partnership

## GETTING IT DONE RIGHT

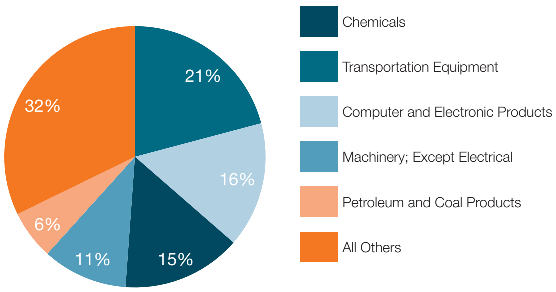
The United States and European Union already have the world's largest commercial relationship, accounting for one-third of the world's total goods and services trade and nearly half of global economic output. However, major opportunities for increased trade, investment and cooperation remain. As such, the proposed Transatlantic Trade and Investment Partnership (T-TIP) should be a comprehensive agreement that addresses a broad range of bilateral trade and investment issues.

The T-TIP seeks to open further the transatlantic market to additional trade in goods and services, strengthen investment, enhance intellectual property rights, address nontariff barriers and devise a framework to promote greater coherence in U.S. and EU regulations and standards. This agreement has the potential to boost economic growth and jobs significantly on both sides of the Atlantic. A trade-liberalizing T-TIP could demonstrate the strong leadership of the United States and European Union to the rest of the world, put both our economies in a stronger position in the global marketplace and provide an opportunity for the pair to work closely in setting high standards for third countries.

### The Largest Commercial Relationship in the World

- Transatlantic trade generates $5 trillion in total commercial sales each year.
- While U.S. and EU tariffs are low (averaging less than 2 percent), trading volumes between the two economies are so large that eliminating all tariffs would create substantial benefits for manufacturers, resulting in an estimated $10.5 billion in total duty savings.[1]
- The United States exported $242 billion worth of manufactured goods to the European Union in 2015, or 18 percent of all of its exports. The European Union was the United States' second-largest manufactured goods export market in 2015, after North America.
- The EU exported $389 billion in manufactured goods to the United States in 2015. The exports and imports are largely in similar categories, with chemicals, transportation equipment, computer products and machinery being the largest categories of both U.S. exports and imports.
- In addition, even a modest alignment of U.S. and EU regulatory standards and nontariff barriers could increase combined GDP by an estimated $106 billion.[2]

**U.S. Manufactured Goods Exports to the E.U. (2015)**

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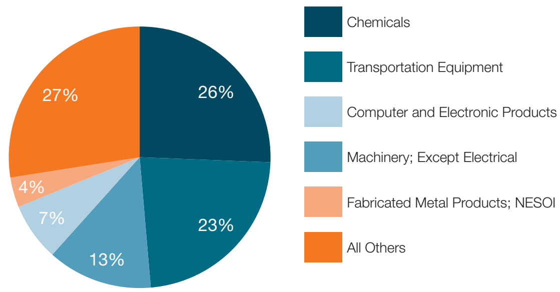


[1] Ken Monahan, "U.S. Exports Would Avoid $6 Billion a Year in Tariffs in a U.S.–EU Trade Deal," Bloomberg Government, Nov. 2, 2012.

[2] The Transatlantic Economy 2014: Annual Survey of Jobs, Trade and Investment between the United States and Europe, Daniel S. Hamilton and Joseph P. Quinlan, Center for Transatlantic Relations, Johns Hopkins University Paul H. Nitze School of Advanced International Studies. http://transatlanticrelations.org/sites/default/files/TE2014_executive_Summary_0.pdf.

## Getting It Right

The NAM recommends that T-TIP address effectively the many nontariff barriers to trade and investment, from duplicative and contradictory regulatory and sanitary and phytosanitary rules to differing standards, conformity assessment and certification procedures. Improving rules on trade facilitation, investment and intellectual property, among other core rules, are critical to lower the cost of transatlantic trade, create new commercial opportunities and codify improved commercial rules throughout the global trading system.

It is imperative that great care be taken to ensure that the ultimate outcomes of this agreement enhance competitiveness, economic growth and jobs. A successful U.S.–EU trade deal will remove unnecessary impediments to manufacturing growth and not create new ones. Regulatory outcomes, for example, must be designed to favor markets and adhere to sound principles of science, risk assessment and cost–benefit analysis.

More broadly, a growth-producing U.S.–EU agreement will enhance manufacturing competitiveness and commercial opportunities and not impose rules or seek to harmonize standards that would undermine the United States' dynamic labor market, strong intellectual property protections or other policies that promote innovation. Proposals to adopt burdensome noncommercial standards—from labor and privacy to environmental and nonriskbased regulations—would not only stall negotiations, but they would also undermine the ability to create the economic growth both our economies seek.

**The NAM supports the negotiation of an ambitious and comprehensive agreement that achieves the following objectives:**

- Eliminates all industrial goods tariffs immediately upon implementation
- Includes rules of origin that work for industry
- Raises the de minimis level for small shipments
- Eliminates existing unnecessary regulatory barriers to trade
- Improves regulatory transparency and reliance on sound science and risk assessment rules
- Establishes a process to address future regulatory divergences
- Addresses challenges in international standard-setting
- Provides strong protection and enforcement for intellectual property
- Improves protection and enforcement of trade secrets
- Protects the continued worldwide use of generic food names
- Enhances and expands cross-border, pro-growth investments through strong provisions on access, investment protection and enforcement through arbitration, without exclusions
- Further opens services trade that supports manufacturing
- Maintains open access for cross-border data flows
- Expands digital trade and e-commerce by addressing issues related to privacy, data protection and maintaining open access for cross-border data and information flows
- Provides effective dispute settlement mechanisms, including strong investor-state dispute settlement provisions
- Promotes coordination on common issues in third countries
- Encourages the development of efficient, cost-effective and secure supply chains that reflect modern business practices
- Facilitates businesses' ability to meet market demands and enhance rather than impede trade
- Promotes cooperation on border security, especially the facilitation of legitimate business travel and the consistent and intelligent monitoring of cargo facilities and ports

### Bottom Line:

The benefits of an ambitious, commercially meaningful and successful T-TIP agreement that eliminates transatlantic barriers and opens markets would be substantial for both of our economies, our manufacturers and our workers. The United States should proceed aggressively to achieve such an agreement.