

Comments by Denmark on the EU public consultation on the EU-US High-Level Working Group on Jobs and Growth

Denmark welcomes the establishment of the EU-US High-Level Working Group (the Working Group) on Jobs and Growth under the umbrella of the Transatlantic Economic Council at the latest EU-US Summit on 28 November 2011. Trade and investment relations with the US are of strategic importance to the EU and to Denmark and will continue being a cornerstone in our trading profile.

With the objective to strengthen jobs and growth on both sides of the Atlantic combined with the impasse in the DDA negotiations in the WTO, the effort to explore all possibilities for further intensifying transatlantic economic relations is both timely and relevant. Evidently, an ambitious and comprehensive agreement will lead to the biggest economic gain for both parties. At the same time, achieving results in the short run is important for growth and jobs. A negotiating approach should therefore be ambitious and realistic, allowing for concrete results to unfold.

We would also like to stress that any new agreement between the EU and US of a more comprehensive nature should not put into question the overall priority attached to strengthening the multilateral trading system.

We look forward to receiving the recommendations from the Working Group on how to move forward.

Specific Danish priorities in upcoming trade negotiations with the US

Below please find enclosed Danish comments on the content presently being dealt with by the five sub-groups of the Working Group. The list is not exhaustive, and the Danish Government reserves the right to make further comments in the future. However, Denmark has interests within all the areas covered by the sub-groups.

1. Conventional market barriers within industrial goods and agriculture

The US is our fifth biggest export market in **goods** and the largest non-EU market. Already under the existing trade conditions, the possible economic potential in the trade with goods between Denmark and the US is considerable. We see a full elimination of existing tariff as the best way to increase competition and thereby productivity.

The relevant EU-US **rules of origin** should be as simple, predictable, and legally certain as possible.

2. Services and investment, incl. market access and rules

The US is the biggest Danish export market in **services**. Presently around 14 per cent of Danish exports in services are directed towards the US. The economic gain from a liberalization of the service sector is also considered significant. We recommend inclusion of services in order to ensure national treatment and full market access in all services modes.

To this end, we also support closer cooperation in the field of **mutual recognition of professional qualifications**. Today different U.S. states have separate recognition systems and rules, and there is a lack of a central professional recognition authority. This is a major obstacle for European companies and individuals operating in the US, as well as for the transatlantic cooperation between authorities. The dialogue should therefore lead to a simplification of the rules regarding free movement of professionals within regulated professions in U.S. and the EU and a more harmonized approach to the recognition of professional qualifications within the US.

In general, we consider **investment relations** with the US less problematic. We welcome the work of the TEC on investment and find that we should continue to identify areas of common interest towards third countries.

3. Regulation and standardisation (NTBs)

We support efforts on both sides to reduce **non-tariff barriers (NTBs)**, with due respect of the specificities of the political system on both sides. NTBs such as product and services standards and certification requirements have for many years created significant barriers to trade between Europe and the US. Given the genuinely high level of integration of the US and European markets, a potential way of increasing trade lies in regulatory cooperation aimed at mutual recognition, regulatory convergence and/or the adoption of international standards.

The lack of **recognition of international standards** developed by ISO and IEC in the US poses a significant TBT for European companies. Frequently, standards developed by private and national organisations are recognised and required on the US market, even though similar product and services standards have been developed and agreed upon by international standardisation organisations such as The International Standardisation Organization (ISO) and The International Electro-technical Commission (IEC). As a consequence; when ISO and IEC standards are not recognised in the US, European companies have a competitive disadvantage as these international agreed upon standards are accepted and (most often) required in Europe.

The US market is one of the major markets for Danish shipping. **Maritime transport** is often referred to as the backbone of globalization, facilitating trade by the movement of cargo from one part of the world to another. The dialogue should make sure that the efficiency of the

transport chain between the EU and the US is maintained and possibly improved. Due to the nature of the shipping industry it is **paramount that international rules and standards are applied**. However, recent examples of noncompliance with international legislation and unilateral measures can be found in drafted state legislation, particularly relating to environmental regulations. As regards contractual standards, the US approach in implementing the Rotterdam Rules should be welcomed.

Cooperation on **efficient customs and port handling of goods** also entails great potentials. Concrete steps to achieve mutual recognition of trusted shipper programs as well as harmonizing safety and customs standards across the Atlantic would be of key importance to efficient and increased commerce between the EU and the US.

Specifically with regard to food, agriculture, and fishery products, there are significant challenges for developing transatlantic trade that relate to technical barriers and differing standards (**SPS**). Any effort to enhance cooperation and trade in this domain should build on and re-affirm the mutual commitment to maintaining a strong dialogue and development of equivalence in standards and inspection requirements.

Welfare technology is an important sector for the EU. However, exports of pharmaceuticals, medical equipment and technology to the US are associated with very costly approvals by the Food and Drug Administration. We suggest addressing this issue in the dialogue.

Large potential for increased growth in trade of consumer products across the Atlantic are naturally connected to **e-commerce**. However, major obstacles for cross border e-commerce between the EU and the US still exist. Consumers today are experiencing a range of problems, e.g. in regards to the geographical segmentation of the retail market for digital commodities (movies, music, etc.), tariffs and burdensome customs procedures on retail goods purchased online, lack of common standards and lack of clarity in regards to consumer protection. The dialogue should therefore explore possibilities for removing obstacles for e-commerce between the EU and the US.

Special challenges lies in the field of **telecommunication and roaming**, as both EU- and US-citizens experience problems with high roaming charges when travelling between the two regions. The problem has in recent years been addressed internally in the EU where a new regulation will enter into force by July 2012, and in a recent Council Recommendation of the OECD, both EU member states and the US have agreed to take the necessary steps to ensure effective competition, consumer awareness and protection, and a fair price level in international mobile roaming services. The dialogue should address this issue and explore how closer cooperation between the EU and the US could lead to lower charges for international roaming thus benefiting all travellers in the regions, regardless of the purpose of their travel being business or leisure.

4. Public Procurement and IPR

We would welcome a further opening up of the **public procurement** market in the US. This should also address the “Buy American Act” and the US procedures for foreign companies registering for public tenders in the Central Contractor Register (CCR) in order to bid on public contracts.

Many European companies still experience differences between the EU and US **IPR** regulation, which is an obstacle for export to the US. The potential for further harmonization of the IPR regulations across the Atlantic should therefore be explored.

5. Other areas, including customs procedures and sustainable development.

We would welcome that an alignment of **customs operations**, the way that customs clearance procedures function both for goods as well as for passenger, are included in negotiations in order for the companies to streamline operations and requirements to suppliers.

The Danish government strongly believes in the **liberalization of trade in environmental goods and services**. We should aim to include this area in future cooperation as well as addressing it in multilateral fora like the WTO.

Given the priority that Denmark attaches to **sustainable development** in general, we propose that labour standards as well as CSR will be addressed.