

Comments

Association of German Banks

Public Consultation on EU-US High Level Working Group on Jobs and Growth

20 April 2012

Sent by e-mail to trade-eu-us-consult@ec.europa.eu

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Ladies and gentlemen,

The Association of German Banks represents the interests of the privately owned banks in Germany in the field of banking and economic policy.

We are writing this comment letter to express our support for opening negotiations on a comprehensive EU-US agreement to further liberalise transatlantic trade and investment.

As the WTO Doha Round shows no signs of nearing conclusion, and other plurilateral initiatives like the recent services talks between some WTO members still have to prove their value, such a transatlantic agreement seems the most effective means to further deepen what is already one of the world's most fruitful economic partnerships. A comprehensive agreement would also generate a sufficient balance of benefits across sectors and serve, at least, to equalise the deepening of market access which the EU and the US, respectively, have provided to certain third countries during recent years and are about to provide to other third countries through bilateral agreements.

A more piece-meal approach to transatlantic liberalisation would deliver much less progress and, if pushed more dynamically than the Transatlantic Economic Council has been able to deliver so far, may fall foul of WTO rules requiring comprehensive agreements covering substantially all trade for bilateral liberalisation.

As regards financial services, banking and securities markets in both the US and the EU have been subject to enhanced regulation as a result of the financial crises since 2007. This ongoing regulatory process in itself is, however, no argument against liberalisation. On the contrary, a liberalisation agreement could help avoid fragmentation of financial markets due to insufficiently coordinated regulation with its protectionist or extraterritorial side-effects.

In this regard, the Association of German Banks highly values the ongoing financial market policy cooperation between the US and the EU which has been covered separately, and quite successfully, by the US-EU Financial Markets Regulatory Dialogue (FMRD). Any negotiations on a transatlantic agreement should, in the field of financial services, include the parties to the FMRD and look into ways of binding and deepening financial market access through such an agreement, including addressing relevant regulatory issues where appropriate.

Methodically, negotiations on financial and other services could be based on the four GATS modes of delivery. As the US tries to negotiate services in the Trans-Pacific Partnership with a negative list approach, this, rather than the less stringent GATS approach, should be the standard for EU-US talks as well. This would allow most minor barriers to trade and investment to be dismantled upon entry into an agreement and focus political capital on trimming the exceptions in substance and over time.

The Association of German Banks would be willing to further contribute to the terms and objectives of negotiations on a transatlantic agreement as soon as such negotiations are agreed to in principle.