



EU Statement
WTO Trade Policy Review of the United States
18-20 December 2012

I would first like to welcome the Delegation of the United States, led by our colleague Ambassador Punke. I would also like to thank the WTO Secretariat and the US Government for their reports which form the basis for our discussion today. Let me extend our appreciation to the Discussant, Permanent Representative Michael Stone (Hong Kong China), for getting us started today with his remarks.

As stressed by many speakers, the US trade and economic policies do have an important impact on most of the WTO members gathered today in this room and of course on the EU, the US being our first trade partner. The US has the capacity to influence the agenda on many global issues and challenges that are of crucial importance for the wellbeing of people around the world. With this specific influence of the United States comes a special responsibility – hence the importance we attach to this Trade Policy Review.

In this perspective the EU is pleased to note that in its Government report, the US shows clear and strong support to this organisation, its daily work and also its ambitions for the future of the multilateral trading system. This is very important as it goes without saying that the US will



– together with other Members of course – play a decisive role in the preparation of our next Ministerial Conference. At a time when our organisation is at a crossroad, this gives us the confidence that the US will once again be able to demonstrate positive leadership in 2013 and beyond.

As the US also highlighted in its report, the EU-US trade relation is the largest and most open economic relation in the world, providing for a high level of economic integration. Together, the European Union and the United States account for about half of the world GDP and about one third of total world trade. Transatlantic markets are deeply integrated through large flows of trade and investment.

Recognising this, a High-Level Working Group on Jobs and Growth was established at the EU-US summit in 2011. This High-Level Working Group is currently exploring how best to strengthen our transatlantic ties in a way that would not only enhance cooperation in relation to third countries but would also contribute to foster the role of the WTO multilateral system. The EU is indeed convinced that the current global economic challenges require multilateral cooperative solutions that the WTO should provide and the EU will continue working to that end also in the framework of its bilateral relation with the US.

As said earlier, this Trade Policy Review offers an opportunity to address certain important developments in the US trade policy since its last review so allow me, Mr Chair, to turn to a few specific trade policy measures that have been subject to the EU advanced written questions and that, for some of them, are not new.

The EU welcomes the EU-US mutual recognition of each others' trusted traders in the area of supply chain security, for both maritime and air transport. We hope that this success could pave the way for addressing our concerns on legislation imposing 100% scanning of cargoes as this has only been suspended temporarily.

In addition, the EU has recurrent and well known concerns in the sanitary and phytosanitary area, notably the US import restrictions for deboned EU beef and beef products on grounds of

BSE risk, which the US maintains since 1997. This measure is not in line with international standards set by the International Organization for Animal Health (OIE) nor is it substantiated by scientific reasons. The EU exporters also face barriers to exports for plant and plant products, some applications for which have been pending for more than 20 years!

On agricultural policy, we would like to register our concerns on instruments currently envisaged in the future Farm Bill, as they would seem to lead to an increase of U.S. trade-distorting support. In addition, we wish to warn against the use, and the establishment of new marketing orders which could create unnecessary additional delays and costs for imported products, notably by imposing testing on all consignments.

Moving on to public procurement, our concern with existing Buy American provisions is well known by now, but what worries us the most is that we observe a recurring tendency to include Buy American provisions in new or upcoming legislation despite G20 commitments to keep markets open. In some instances, these provisions are also replicated at State procurement level. These send negative signals to other trading nations and we have regrettably started to see Buy Local requirements being adopted by other countries. And this is something of a paradox, because in the current economic and financial downturn we fail to see how limiting competition could be in the interest of public customers, end-consumers or even shrinking public budgets.

To close, Mr Chairman, let me hope that the US will take up the feedback it will receive from its trading partners during this TPR exercise and feed it into future policy deliberations in Washington. I wish the US a fruitful TPR.

M. Angelos PANGRATIS

Ambassador of the EU to the WTO