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EC RELEASES REPORT ON U.S. TRADE AND INVESTMENT BARRIERS

Today the European Community issues its 1992 Report on United States Trade and Investment Barriers. The publication of this Report is a regular exercise, which serves as a working tool for the services of the EC Commission in that it helps to keep track of the obstacles that Community firms encounter on the United States market.

The United States, in its turn, engages in a similar activity with its annual publication of the National Trade Estimate Report on Foreign Trade Barriers. There is however one major difference between the US report and the Community report; under US trade legislation, the US report is a tool in the process which can ultimately lead to trade sanctions under "section 301" of the 1988 Trade Act and/or other unilateral action. This can be clearly contrary to General Agreement of Tariffs and Trade (GATT) rules. Nothing of this kind can take place as a result of the European Community report. The EC is committed to act through GATT-legal methods only.

Despite the fact that the actual number of obstacles identified has increased during the last year, trade over the Atlantic continues to be substantial. According to US Department of Commerce trade data, US imports from the EC totaled \$86.5 billion in 1991, which is 5.9 percent lower than in 1990, whereas US exports to the EC amounted to \$103.2 billion, which is 5.3 percent higher than in 1990. This left the United States with a trade surplus vis a vis the European Community of \$16.7 billion, which was \$10.5 billion more than the previous year.

There are two major methods to eliminate the barriers that have been identified in this Report. These are through negotiations in multilateral fora, such as GATT and OECD (Organization for Economic Cooperation and Development), or through bilateral dialogue. The multilateral method ensures the participation of a large number of partners, thus increasing transparency and stability of the market. Currently, this is pursued through the ongoing negotiations for the Uruguay Round. The fact that the Uruguay Round negotiations are still not terminated is one of the reasons why many of the obstacles enumerated in this year's report are the same as in last year's report.

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Many of the barriers to trade identified result from divergent economic regulations among the trading partners rather than from explicitly protectionist measures. Therefore, bilateral dialogue, whose importance remains unchallenged, continues simultaneously alongside multilateral negotiations. The 1990 Transatlantic Declaration in itself is a proof thereof. A purpose of this dialogue is to promote regulatory convergence and to obtain adaptations of regulations on both sides of the Atlantic, which are sufficient to prevent new barriers being created.

Further progress along these lines will depend on commitment, predictability and transparency from both sides of the Atlantic, both within the multilateral and within the bilateral framework.

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Note: copies of the EC Report on US Trade Barriers may be picked up at the Reception Desk of the EC Commission Delegation, 2100 M Street, NW, Suite 707, Washington, DC 20037