



# **>>> SHAPING THE FUTURE OF THE TRANSATLANTIC ECONOMIC PARTNERSHIP NOW**

Discussion paper by the CDU/CSU Parliamentary Group  
Decision of May 8th, 2012

on the occasion of the conference of the  
transatlantic economic Partnership  
May 9th, 2012

Transatlantic relations are one of the key pillars of German foreign policy. In addition to shared cultural and societal values and common security policy it is the economic links between the European and American economic areas - above all through trade and reciprocal direct investment by businesses - which shape Germany's and Europe's partnership with the United States of America. Our aim is to consistently further develop the transatlantic economic partnership.

### **The transatlantic economic area**

With just ten percent of the world population, the USA and the Member States of the European Union generate more than 50% of global GDP. In 2010, total revenues for both economic areas amounted to five trillion US dollars. Germany is the most important trading partner for the USA within the European Union. In turn, the USA is the most significant trading partner for Germany outside of the European Union. The direct investments made from the EU are similarly significant, accounting for more than 60% of all direct investments made from abroad in the USA. Around 50% of foreign direct investments flowing into the EU come from the USA. This is reflected in the fact that American businesses provide jobs for around 600,000 employees in Germany; the number of jobs provided by German companies in the US is even higher, at around 650,000.

### **Steps towards institutionalisation**

At the initiative of Federal Chancellor Dr. Angela Merkel, in 2007 the Transatlantic Economic Council ("TEC") was created under the German EU Council Presidency. This institution is dedicated above all to dismantling non-tariff trade barriers and establishing common regulations and standards and thus serves to deepen transatlantic cooperation further. Under the umbrella of the TEC, a High Level Working Group on Jobs and Growth was set up in November 2011. By the end of 2012, the Working Group will identify steps through which cooperation in the fields of trade and investment can be strengthened above all in areas where trade promotes growth and jobs. Deliberations on a free trade agreement between the EU and the USA are being driven forward.

### **Cooperation as a strategic necessity**

One conclusion we have to draw from the global economic and financial market crisis and the sovereign debt crisis in parts of the EU is that the American partners and EU Member States must now join forces to further improve the established structures for transatlantic economic integration which function well. These structures guarantee a reliable basis for our prosperity which, however, is certainly not to be taken for granted. A transatlantic free trade area and a future harmonised economic area would provide growth impetus and serve to create even closer ties between Europe and its North American partners.

### **Including new players – shaping the international economic order**

We want to shape the international economic order on the basis of the consensus on free competition in free markets and provide stimulus for growth. In Asia in particular, new economic agenda-setting powers are gaining strength. The USA is now only expected to be the world's strongest economy until around 2050. We want to ensure that new

players are included in the consensus so that standards which today are still shaped by our economies will not be set by others in a matter of just a few years. To this end, we need clear signals and bold steps towards a transatlantic free trade area. Germany should make responsible use of its position as the leading economy in Europe.

The CDU/CSU Parliamentary Group in the German Bundestag therefore demands from the Federal Government:

1. providing greater support for the work of the Transatlantic Economic Council ("TEC"), including the High Level Working Group on Jobs and Growth, in achieving its goals with all suitable political means;
2. pursuing a comprehensive approach in negotiations on a free trade agreement between the EU and the USA, which in addition to dismantling customs duties and non-tariff trade barriers also encompasses, inter alia, the liberalisation of services and the protection of intellectual property;
3. in the high level meetings between Germany and the USA and between the EU and the USA working to ensure that a joint recommendation for a transatlantic free trade area is made;
4. working to ensure that the EU Council Presidency puts the issue "transatlantic free trade area" on the agenda at the next EU meeting of trade and foreign ministers with the aim of achieving a recommendation to start negotiations with the USA;
5. endeavouring to ensure that the EU conducts negotiations on a free trade area with high priority and, with the aim of negotiations lasting no longer than 24 months, brings them to a positive conclusion, in other words: not with an open outcome;
6. advocating a free trade area which basically can be open to third countries as well.