

Our position

Response to House of Lords call for evidence on UK-EU reset

AmCham EU speaks for American companies committed to Europe on trade, investment and competitiveness issues. It aims to ensure a growth-orientated business and investment climate in Europe. AmCham EU facilitates the resolution of transatlantic issues that impact business and plays a role in creating better understanding of EU and US positions on business matters. Aggregate US investment in Europe totalled more than €3.7 trillion in 2022, directly supports more than 4.9 million jobs in Europe, and generates billions of euros annually in income, trade and research and development.

EU-UK: a strategic economic and political relationship

The European Union is the United Kingdom's largest trading partner and closest neighbour. A constructive relationship is essential to achieving shared objectives of peace and prosperity.

The American Chamber of Commerce to the European Union (AmCham EU) welcomes the United Kingdom government's intention to improve relations with the European Union. American companies have invested [far more in Europe](#) than anywhere else outside of the US. The United Kingdom has traditionally been a major beneficiary of this investment into Europe.

The removal of barriers to trade via regulatory convergence has made doing business in Europe easier, but there is still work to be done to reduce administrative burdens.

Brexit caused disruption and resulted in extra bureaucracy and regulatory complexity. It is now time to assess the costs and benefits of the new modus operandi and to consider how common objectives between the United Kingdom and the European Union can be achieved based on shared values, especially in this time of geopolitical turbulence. There should be no 'red lines'.

An effective ecosystem for dialogue

For most businesses, it is vital to maintain a stable, predictable and functional regulatory framework. This comes with good due process in formulation, decision making, enforcement and review of regulations and trade agreements. It requires transparency, consultation with relevant experts and stakeholders and democratic oversight to ensure that changes meet real needs, provide identifiable benefits for society and do not create unnecessary problems and costs.

Rather than commenting on priorities or levels of ambition, AmCham EU members recommend establishing an effective ecosystem for dialogue between European Union and the United Kingdom's government bodies, businesses and civil society stakeholders.

Different sets of experts and stakeholders are needed to address a range of issues with a view to sensible recommendations and actions. We fully support regulatory cooperation in all areas covered by the European Union.

Regulatory cooperation and reduction of trade barriers

Regulatory divergence causes trade barriers and extra costs. An impact assessment is therefore needed to 1) weigh up the pros and cons of taking diverging paths and 2) to figure out how to minimise negatives for those working across borders, should this be the choice that is made. Ideally, both the European Union and the United Kingdom should contribute to and apply international standards wherever possible.

There are already a wide range of issues that need to be addressed to ensure smooth trade and regulatory cooperation between the European Union and the United Kingdom. Key areas of concern include Sanitary and Phytosanitary (SPS) provisions and controls, rules of origin, data adequacy, carbon border adjustment mechanisms, mutual recognition of professional qualifications, trade facilitation, artificial intelligence regulation and financial services.

For Sanitary and Phytosanitary (SPS) provisions and controls, for instance, reducing inspections could be beneficial, but Export Health Certificates remain a significant issue. A Swiss-style Veterinary

Agreement could help address this challenge. Additionally, issues persist with customs and rules of origin, particularly affecting carousel and triangular trade, which is critical for industries operating within just-in-time supply chains, such as seasonal product distribution.

We are glad to see that cross-border research has been reinvigorated through re-engagement in Horizon programmes and would commend re-engaging in the European Defence Fund as well. We also welcome efforts to re-invigorate cross border educational experiences.

A consistent approach at borders and ports is necessary to facilitate trade, as businesses have faced unpredictable requirements such as ingredient list requests at certain ports as well as documentation and formatting issues. The development of digital export health certificates and a single trade window is therefore needed to streamline import and export processes whilst reducing the overall administrative burden. In addition, the European Union and the United Kingdom should explore the possibility to conclude a safety and security agreement, primarily addressing streamlined processes for customs clearance and information sharing and reducing the administrative burden of moving goods from the UK into the EU or from the EU into Northern Ireland via Great Britain.

Europe as a whole needs to boost professional and economic growth not only to finance the pressing needs for security and sustainability today, but also to demonstrate the value of rules-based order and democracy.