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## R E P O R T

of the Committee on External Economic Relations  
on EC/US economic and trade relations

Rapporteur: Mrs Karla PEIJS

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A Series: Reports - B Series: Motions for Resolutions, Oral Questions - C Series: Documents received from other Institutions (e.g. Consultations)

\* = Consultation procedure requiring a single reading

\*\*II = Cooperation procedure (second reading) which requires the votes of a majority of the current Members of Parliament for rejection or amendment

\*\*I = Cooperation procedure (first reading)

\*\*\* = Parliamentary assent which requires the votes of a majority of the current Members of Parliament

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At the sitting of 13 March 1991 the President of the European Parliament announced that he had forwarded the motion for a resolution by Mr Hindley on future trading and economic relations between the EC and the USA, pursuant to Rule 63 of the Rules of Procedure, to the Committee on External Economic relations as the committee responsible and to the Committee on Development and Cooperation for its opinion (B3-0042/91).

At its meeting of 30 April 1991 the committee decided to draw up a report and appointed Mrs Peijs rapporteur.

At its meeting of 23 April 1992, 15 June 1992, 25 June 1992 and 14 July 1992, the committee considered the draft report.

At the last meeting it adopted the resolution unanimously.

The following were present for the vote:

De Clercq, chairman; Cano Pinto, Stavrou, vice-chairmen; Peijs, rapporteur; Guillaume, Miranda de Lage, Mihr, Ortiz Climent (for Mr Suarez Gonzalez), Porto (for Mr Punset i Casals), Sonneveld (for Mr Lemmer), Titley (for Mr Hindley), Torrez Couto (for Mr Didó).

The Committee on Development and Cooperation decided on 21 May 1991 not to deliver an opinion.

The report was tabled on 20 July 1992.

The deadline for tabling amendments will appear on the draft agenda for the part-session at which the report is to be considered.

A  
MOTION FOR A RESOLUTION

on EC/US economic and trade relations

The European Parliament,

- having regard to the Declaration on EC/US relations of 23 november 1990,
  - having regard to the 1992 National Trade Estimate Report by the US trade representative
  - having regard to the 1992 Report by the EC Commission on United States trade and investment barriers,
  - having regard to the reports by the GATT Secretariat on EC and US trade policies in the framework of the trade policy review mechanism,
  - having regard to the main resolutions adopted on reciprocal EC/US economic relations <sup>1)</sup>,
  - having regard to the motion for a resolution by Mr Hindley on future trading and economic relations between the EC and the USA (B3-0042/91),
  - having regard to the report of the Committee on External Economic Relations and the opinion of the Committee on Development and Cooperation (A3-0259/92),
- A. recalling the common cultural, political and economic foundations of the European Community and the United States of America,
- B. whereas the global EC-US economic relationship is the most important economic link in the world, involving bilateral trade flows estimated at 163 billion ECUs (1991), as well as reciprocal investment stocks estimated at more than 400 billion USD (historical prices) <sup>2)</sup>,
- C. whereas the defence of the open multilateral trading system, as embodied in GATT rules, has been in the common interest of both parties, contributing to an unprecedented period of continuous expansion in trade, productivity and income,
- D. whereas, since 1989, the US has been running an increasing trade surplus with the Community, estimated at 20.7 billion ECU for 1991 (by far the largest surplus enjoyed by the US with a single trading partner),

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<sup>1)</sup> 13.12.1985 (OJ N. C 352, 31.12.1985);  
10.3.1988 (OJ n. C 94, 4.11.1988);  
17.6.1988 (OJ n. C 187, 18.7.1988);  
16.12.1988 (OJ n. C 12, 16.1.1989);  
14.4.1989 (OJ n. C 120, 10.5.1989);  
12.10.1989 (OJ n. C 291, 20.11.1989).

<sup>2)</sup> Source: Commission report on US trade and investment barriers  
Eurostat.

with regard to US policies,

1. Considers that economic relations between the EC and the US are of vital importance to both partners and are, globally considered, developing favourably, with outstanding problems limited to areas involving a fraction only of economic exchanges;
2. Is deeply concerned about the tendencies in the US towards including unilateral elements in trade law provisions; confirms therefore its opposition to unilateral interpretation of multilaterally-agreed rules, such as provided for by section 301 of the 1974 Trade Act (reinforced in 1988), authorizing unilateral action in areas covered by GATT without the prior authorization by the CONTRACTING PARTIES;
3. Notes that this tendency has been also apparent in the so-called "Super 301" and "Special 301" legislation, as well as in the "Telecommunications Trade Act" and the public procurement provisions of the 1988 Trade Act;
4. Considers also that extraterritorial application of US laws may have a very serious negative impact on trade and investment flows between the EC and the United States;
5. Notes that there is a growing protectionist tendency in US tax legislation, such as in the Tax Reform Act of 1986, section 482, or in the unitary taxation acts implemented by certain States; such measures exert negative effects on investment climate and are in conflict with the OECD "arm's length" principle;
6. Points to the GATT panel report on the US import embargo on tuna products as a first step towards a better definition of relations between trade and environmental policy; stresses that unilateral measures are by no means an acceptable substitute to multilateral negotiations leading to agreed international rules;
7. Notes that US measures which refer to national security considerations may be used as a protectionist barrier, lacking a clear definition of "national security" criteria; considers that this is particularly evident in public procurement policies (Buy American Restrictions) and foreign investment controls Exon-Florio amendment;
8. Notes that, in signing an agreement with Japan concerning automobile trade and production, the US, like the Community, is moving increasingly towards bilateral "managed trade";
9. Considers, that, in the context of the GATT Uruguay Round, the US waiver (derogations to GATT agreements which allow the USA to limit imports of certain agricultural products such as sugar and dairy products), can not be maintained;

With regard to EC policies

10. Acknowledges the difficulties experienced by the EC in working out a GATT proposal for trade in agricultural products; considers that CAP reform will have to take into account the conclusions of the GATT panel report on EC subsidies for oilseeds;

11. Understands initial US misgivings towards the EC single market, and in particular the fear of being excluded from access to markets previously open to US products;
12. Points to the overall integration in the context of the EC single market, of previously highly regulated and fragmented sectors (telecommunications, procurements, financial services) and maintains that US suppliers will, globally, benefit from these measures;
13. Points also to the fact that, in numerous sectors, the EC single market will be more integrated than the US internal market, and that EC exporters and investors will face in the US a wider range of diverging legislative measures and standards than the reverse case;
14. Recalls that the European Economic Community is open to trade and is the least protectionist trading body of all the GATT signatories;

furthermore:

15. Stresses, in this context, the importance of negotiations presently being conducted, both in GATT and the OECD, on central government responsibilities for State and local authorities; asks for a clear undertaking from the US regarding sub-federal implementation of disciplines agreed in GATT and OECD;
16. Considers that initiatives, both in the EC and the US, such as NAFTA or the plans for a free trade area between the EC and the Gulf Cooperation Council Countries, leading to proliferation of preferential agreements risk undermining the most-favoured nation principle in the multilateral open trading system;
17. Stresses therefore the need that customs unions and free trade areas entered into by the US and the EC fully comply with article XXIV of GATT;
18. Looks however with deep concern at the possibility of the emergence of a limited number of rival trading blocks in the world economy;
19. Believes that the United States and the European Economic Community have a part of responsibility towards countries whose people are suffering from famine and malnutrition and that they should take steps to provide multilateral aid;
20. Believes that steps should be taken to harmonize plant health measures to ensure that this area of legislation poses no obstacles to trade;
21. Remarks that the main problem issues in EC/US economic relations are at the present being discussed in the GATT Uruguay Round negotiations; that a successful outcome of the negotiations would eliminate the source of most frictions in transatlantic economic relations; that this would apply in particular to the agriculture, aircraft, services (in particular financial and transport), intellectual property, standards, plant health legislation, non-tariff barriers, procurement sectors;

22. Considers that an efficient system of dispute settlement within GATT is crucial both for the elimination of unilateral practices and the overall credibility of the GATT system;
23. Calls therefore for a speedy conclusion of the GATT Round, following a mutually acceptable compromise between the EC and the US;
24. Considers that the agreement on trade in large civil aircraft, currently being negotiated with the US falls within the terms of the Stuttgart declaration on agreements of significant importance, and asks Council to be consulted on the text before its conclusion;

with regard to bilateral dialogue

25. Welcomes the strengthening of EC/US dialogue following the Declaration of 23 November 1990 on EC/US relations and in particular the creation of an institutional framework for high-level meetings;
26. Is in favour of deepening the EC/US relationship by means of increasing contacts within specialized fora, such as the existing EC/US high technology group, the "task force" on biotechnology research, the working group on higher education and continuing training as well as other specialized groups; recognizes the need for better exchange of information between the standards and certification bodies;
27. Asks the Commission to evaluate the advisability and the opportunities of concluding a non-preferential trade and economic cooperation agreement between the EC and the US, which would complement existing agreements and put relations on a more structured basis;
28. Points to the important role of the EP/US Congress delegation in guaranteeing an adequate flow of information between the relevant legislative bodies;
29. Considers however that, in order to ensure the necessary degree of convergence in economic legislation (in particular in regulatory matters), it is necessary to improve contacts between organs and institutions involved in the legislative process, notably the EP, the US Congress, the EC Commission; that such a dialogue should also provide for adequate contacts at specialist committee level;
30. Remarks that consideration should be given to the possibility of organizing a trilateral dialogue (EC/US/Japan) on common economic interests;
31. Instructs its President to forward this resolution to the Commission, the Council, the governments of Member States and the United States Congress and Administration.

B.  
EXPLANATORY STATEMENT

A. GENERAL DATA

32. The US is the most important trading partner of the Community: its share in extra-EC Community imports, after hovering around 16% in the early eighties, rose to 18.6% in 1991, whereas the importance of the US market for EC exports has risen, over the 1980-1991 period, from 12.8% to 16.8% of total extra-EC exports.

The Community was the most important market for US exports (25% of total exports in 1990) and narrowly outstripped Canada and Japan as the principal supplier to the US in 1990 (EC: 18.5%; Canada: 18.1%; Japan: 18.0%).

33. The trade balance between the EC and the US has been characterized by continuous EC trade deficits from 1958 until 1983: the trend was reversed in the 1984-1988 period with considerable EC surpluses, but 1989, 1990 and 1991 have shown a steady increase in the EC trade deficit (1989: - 5.6 billion ECU; 1990: - 8.6), with data for 1991 confirming a sharp worsening of the EC trade balance (EC deficit : 20.7 billion ECU).
34. With regard to investments, both the EC and the US account for a considerable share of total foreign direct investment stocks on both sides of the Atlantic: the Community, in 1990, held 57% of foreign direct investment in the US (230 billion USD out of an estimated total of 403.7 billion) (UK: 108 billion; Netherlands: 64 billion; in comparison: Japan: 83 billion) and accounted for 41% of US direct investments abroad (estimated at 421.5 billion USD, book value; this figure has been revised, at market values, to 714 billion dollars).

B. PROBLEM AREAS IN ECONOMIC RELATIONS

1. US unilateralism in trade legislation

The US relies (since 1921) on legislation defining procedures for establishing "unfair trade" and taking retaliatory measures. The 1988 trade Act embodies a more active approach to international trade, in order to open up external markets for US products, and aims at reducing the Administration's discretionary powers to take unilateral retaliatory measures where "unfair trade" is established.

In particular, special "watch lists" of countries have to be established under certain sections of the Act (301, special 301, section 337, telecom and procurement provisions) in order to monitor developments and enter negotiations with the relevant countries identified as "unfair traders".

The EC objects to unilateral action taken under such provisions, and in fact considers that bilateral negotiations are rendered more difficult, if not impossible, by such a menacing legislative environment.



In the EC's view, the negotiation, in the Uruguay Round, of an efficient GATT dispute settlement mechanism, should be accompanied by removal of unilateral measures incompatible with GATT rules.

## 2. Other US legislative practices

The EC maintains that the extraterritorial reach of many existing or proposed US laws is unacceptable and constitutes an obstacle for trade and investment flows. This is true in particular for certain trade sanctions and embargoes, implemented with political or environmental objectives (e.g. the Cuban Assets Regulations, the Marine Mammal Protection act; equally the National Security provisions in procurement legislation and foreign investment control are considered to stretch the concept to unreasonable length.

More important, the EC considers that a serious problem it faces is the growing fragmentation of the US market, whether it be the "buy national" or "buy local" provisions at State level, or the regulatory activity by the States in standards, environmental protection or taxation: in fact it should be remembered that the Administration has not been able, in the Uruguay Round negotiations, to give a clear undertaking that the results would be binding at State level. The EC Commission estimates that, with regard to procurements, "there are at least 40 federal Buy America legal instruments, 37 Buy America instruments at State level, and many more at local government level". The price preference range is comprised between 6% and more than 50%.

Furthermore, a series of US tariff and tax measures (e.g. special tax on repair of ships abroad, customs user free, fuel efficiency tax, harbour management tax) contain, in the EC view, an element of discrimination.

## 3. Agriculture

The differences of position between the EC and the US with regard to subsidies (both domestic and export) and market access in the farm sector, (in particular in view of the conclusion of the Uruguay Round) have been discussed in this committee on several occasions. The definition of a compromise, acceptable both to the EC and the US, in particular on schedule, scale and distribution of the reductions in subsidies for the farm sector, as well as modalities for increasing market access, seem to form a necessary prerequisite for a successful conclusion of the Round itself.

A series of other problems are however open in the agricultural sector in particular concerning health and safety requirements; in fact, diverging standards, tolerance levels and specifications tend to cause recurrent frictions: this has been true, in particular, for the EC ban on growth hormones (affecting US meat exports), for fungicide residues in EC wine exports, for the evaluation of hygiene conditions in US slaughterhouses.

Practical solutions (more or less satisfactory) have been found in each case, through adequate bilateral contacts and discussions, but the need for a convergence of health and safety regulations, at the highest possible level of consumer safety, is a clear priority.

a) Interpretation of GATT article XXIV

Following the conclusion by the EC of the FTAs with the Mediterranean basin countries, and following the 1986 EC enlargement, this provision (aimed at protecting third countries's rights in case of creation or enlargement of customs unions and free-trade areas) was interpreted differently by the EC and the US, in particular with regard to compensation for third countries, the Mediterranean FTAs disagreement has been more or less defused (mainly by the EC's informal commitment not to reproduce this type of agreement in other regions of the world) but the 1986 enlargement compensation, offered transitorily by the EC to compensate for the loss of US exports of maize and sorgho to Spain and Portugal, has to be, in the US view, a permanent feature,

b) EC oilseeds regime

Following a request by the US in 1989 a GATT panel found that the EC oilseeds regime, and in particular the subsidies to producers and transformers constituted a "case of nullification or impairment of the benefits of the Agreement".

The Commission, therefore, in the context of the CAP reform, has proposed a set of measures aimed at bringing the oilseed regime in conformity with the GATT panel report. The US then sought to reconvene the panel which released on 16 March 1992 a follow-up report, stating that the EC still had not satisfied its GATT obligations. The US is preparing retaliation measures against EC exports.

4. Industrial sector

Traditionally, Transatlantic divergences tended to concentrate on the subsidization and/or protection of ailing sectors, such as steel, shipbuilding, textiles. While an interventionist strategy (i.e. subsidies) was more common in the EC, protection at the border (temporary surcharges, antidumping, countervailing duties for subsidies) was more common in the US.

While certain points of friction still remain (e.g. in shipbuilding, where negotiations on subsidies are under way in the OECD), interest was focused recently more on "high-tech" sectors, with electronics (in particular telecommunications equipment), aerospace, biochemistry being at the centre of considerable attention. The EC/US "High technology Group" serves as a forum for discussion of issues of mutual interest and for identifying areas of future cooperation.

5. Bilateral discussions on market access, in particular for telecommunication services and network equipment, have taken place since 1986. The US has requested that the EC enter negotiations on a bilateral telecom trade agreement, having identified the EC as a "priority country" under the 1988 Trade Act. The EC position is, however, that formal negotiations should take part in a multilateral context (i.e. the Uruguay Round).

The EC concerns are mainly centred on the procurement practices of the Bell Operating Companies and of AT & T; the Community requests from the US a

commitment for non-discriminatory EC access to the US network equipment market.

In February 1992, the US identified the EC for retaliatory trade measures - to be imposed by January 1993 -, if they feel discriminated by the EC utilities procurement directive scheduled to come into effect by that date, and pending the outcome of bilateral and multilateral negotiations.

6. The 1986 US/Japan agreement on semiconductors was considered unacceptable by the EC, and a GATT panel found in 1988 that the provisions aimed at monitoring semiconductor prices on third markets were incompatible with GATT rules.

The agreement has been revised since, but the Commission is still seeking clarification on certain provisions; the Community is also concerned that the industrial cooperation activities under the agreement might discriminate against European producers.

7. One of the most widely-publicized Transatlantic Trade disputes regards the amount and the legitimacy of public support for development of civil aircraft. Both the US and the EC have undertaken complex analyses of each other's system of support; there is however no agreement on the results, with estimates diverging wildly, and ranging into tens of billions USD.

Member State's support for the Airbus programme has been a specific target for US criticism: bilateral consultations have taken place, as well as formal negotiations with the parties to the GATT Code on trade in civil aircraft, with a view to clarify the levels of permitted support under the code. An agreement has been reached in bilateral contacts but multilateral negotiations with a view to revising the GATT Aircraft Code need to be pursued.

The exchange-rate guarantee system offered by Germany in order to facilitate the entry of Daimler-Benz in the Airbus economic grouping, by taking over MBB, has been criticised by the report of a GATT Panel set up at the request of the US. Although the final report has not formally been adopted, the German scheme has been modified.

## 8. Services

The EC broadcasting directive adopted on 3 October 1989 ("television without frontiers") requires Member States "whenever practicable and by appropriate means" to ensure that broadcasters reserve for European works a majority proportion of their transmission time.

In the US view, this disposition amounts to a "local content" requirement which is incompatible with GATT rules. Bilateral consultations have taken place, although the EC maintains that the matter is not covered by present GATT provisions.

The US trade representative decided, on 26 April 1991, to place the EC on a Priority "watch list" (under "Special 301"), considering that the directive restricts access in the EC of US audiovisual products. The decision to maintain the EC on the list was taken in April 1992.

9. The US monitored the single market legislation with extreme care, and reacted vigorously whenever it felt that its economic interests were at risk.

This applies in particular to the second EC banking directive, which regulates access to certain banking activities in the Community market, or the data protection directives, which would block data transfer to third countries which do not provide an appropriate level of protection.

Bilateral discussions on these subjects have provided an adequate level of exchange of information: the Uruguay Round negotiations, defining a set of multilaterally accepted rules in the services sector ("GATS"), should help in solving outstanding problems.

### C. EVALUATION

Most EC/US frictions in trade and investment matters stem not only from "normal" competition, but also from different institutional, legislative, regulatory, even cultural practices.

The most striking feature, in recent years, has been however that while the EC is rapidly moving towards unification of the market, through harmonization (or reciprocal recognition by the Member States) of legislative measures, industrial standards and certification procedures, the US market remains extraordinarily fragmented, for both the foreign exporter and the foreign investor.

With regard to industrial standards, exporters to the US market are faced with a multiplicity of standard-setting bodies (more than 600 organizations) and with the absence of any central standardizing body to provide the necessary information on existing standards (the equivalent of CEN and CENELEC in the EC).

The same situation applies in the financial services sector and in the public procurement sector: wide divergence between regulations in the US is accompanied by uncertainty as to whether the Federal authorities can ensure compliance with international agreements in matters of regulation.

By contrast, in the EC the single market directives have provided for a wide-ranging integration in those sectors, providing substantial benefits to foreign exporters and investors. This is particularly clear in financial services and public utilities procurement: it is, therefore, difficult to understand, why the US should consider retaliation by 1 January 1993 for the EC public utilities procurement directive; not only are these sectors not covered by the GATT government procurement code (negotiations are under way on these subjects in the Uruguay Round) but the USA are hardly in a position, due to the high barriers to access for foreign bidders included in the numerous Buy-American provisions, to protest against barriers by third countries.

The success in extending the GATT public procurement code to these sectors depends, however, on reaching a binding formula for compliance by sub-national authorities.

#### D. THE EC/US DIALOGUE

The declaration on EC/US relations, released on 23 November 1990, has strengthened the existing institutional framework for consultation. In particular, this includes :

- bi-annual consultations to be arranged in the United States and in Europe between, on the one side, the President of the European Council and the President of the Commission, and on the other side, the President of the United States;
- bi-annual consultations between the European Community Foreign Ministers, with the Commission, and the US Secretary of State, alternately on either side of the Atlantic;
- ad hoc consultations between the presidency Foreign Minister or the Troika and the US Secretary of State;
- bi-annual consultations between the Commission and the US Government at Cabinet level;
- briefings, as currently exist, by the presidency to US Representatives on European Political Cooperation (EPC) meetings at the Ministerial level.

Both sides are resolved to develop and deepen these procedures for consultation so as to reflect the evolution of the European Community and of its relationship with the United States.

They welcome the actions taken by the European Parliament and the Congress of the United States in order to improve their dialogue and thereby bring closer together the peoples on both sides of the Atlantic.

An informal sectoral cooperation has been in existence for a long period of time: already the December 1983 Ministerial meeting has set up the EC/US High Technology Group, which has proved a very useful channel for discussions, in an informal framework; numerous other working groups have been set up since, including the "Task force" on biotechnology research, the "Permanent technical working group" on environmental regulation in the field of biotechnology, the joint permanent "EC-US Task force" to initiate and review EC-US cooperation on Science and Technology and the working group on education and training.

Senior level contacts between the Commission and the US administration have begun also in various other sectors, on ad-hoc or regular basis.

Exchange programmes and academic contacts are financed by both sides, and business contacts (such as the EC/US Small Business Conferences) are also supported actively.

A number of agreements, arrangements, memorandums of understanding on specific subjects (mainly in the nuclear sector, but also on matters such as Mineral technology or R&D in the field of Renewable Energy Sources) have been concluded over the years; the question however can be raised whether EC-US cooperation should be but on a more systematic basis, in

particular by concluding a trade and economic cooperation agreement, which would provide the framework for reinforcing exchanges and cooperation.

At this stage, it is perhaps sufficient to ask the Commission to report back to the EP on the advisability of such an agreement; this issue will however have to be addressed in the near future, hopefully after a successful conclusion of the negotiations in the GATT Uruguay Round.

## Foreign trade of USA, 1989-1991

NIO USD

	Imports (fob)			Exports (fas)		
	1989	1990	1991	1989	1990	1991
Total	473,396	495,259	488,123	363,766	392,976	421,854
of which:						
EUR-12	85,282	91,966	86,496	86,690	98,096	103,217
Canada	88,210	91,372	91,141	78,266	82,967	85,146
Japan	93,586	89,656	91,583	44,584	48,584	48,146
Rest of						
OECD	20,806	21,627	20,546	22,594	23,801	24,364
Mexico	27,186	30,173	31,194	24,968	28,375	33,276
Far East (1)	96,001	98,809	102,949	57,025	60,474	67,242

Source: Monthly statistics of Foreign Trade, OECD

Production: European Parliament/Statistical Service

(1) excluding Japan

## Foreign trade of USA, 1989-1991

Total=100

	Imports (fob)			Exports (fas)		
	1989	1990	1991	1989	1990	1991
Total	100.0	100.0	100.0	100.0	100.0	100.0
of which:						
EUR-12	18.0	18.6	17.7	23.8	25.0	24.5
Canada	18.6	18.4	18.7	21.5	21.1	20.2
Japan	19.8	18.1	18.8	12.3	12.4	11.4
Rest of						
OECD	4.4	4.4	4.2	6.2	6.1	5.8
Mexico	5.7	6.1	6.4	6.9	7.2	7.9
Far East (1)	20.3	20.0	21.1	15.7	15.4	15.9

Production: European Parliament/Statistical Service

(1) excluding Japan

## Community trade with USA, 1981-1991

	MIO ECU		
	EC-imports (cif)	EC-exports (fob)	Balance
1981	54,656.6	38,590.2	-16,066.4
1982	59,343.1	44,490.4	-14,852.7
1983	58,654.4	52,201.6	-6,452.8
1984	67,112.0	73,701.2	6,589.2
1985	68,941.8	85,523.2	16,581.3
1986	56,643.0	75,151.1	18,508.1
1987	56,212.8	71,899.1	15,686.4
1988	66,349.3	71,808.6	3,459.3
1989	83,660.3	78,020.1	-5,640.2
1990	85,169.2	76,549.6	-8,619.6
1991	91,894.8	71,133.5	-20,761.3
1991: average 1981/82/83=100	159.7	157.7	

Source: FRIC-CRONOS, EUROSTAT

Production: European Parliament/Statistical Service



## Community trade with USA by Member States, 1991

	EC-imports (cif)		EC-exports (fob)	
	1,000 ECU	- % -	1,000 ECU	- % -
Total	91,712,032	100.0	71,225,028	100.0
of which:				
Belg.-Luxbg	6,080,254	6.6	3,575,336	5.0
Denmark	1,489,735	1.6	1,413,611	2.0
Fr Germany	19,262,082	21.0	20,343,180	28.6
Greece	747,373	0.8	400,583	0.6
Spain	5,766,911	6.3	2,375,507	3.3
France	16,661,323	18.2	11,133,234	15.6
Ireland	2,542,808	2.8	1,696,708	2.4
Italy	8,227,275	9.0	9,418,361	13.2
Netherlands	9,016,042	9.8	4,163,255	5.8
Portugal	715,159	0.8	500,039	0.7
Utd. Kingdom	21,203,070	23.1	16,205,214	22.8

Source: SIENA, EUROSTAT

Production: European Parliament/Statistical Service

## Community trade with USA by commodity classes, 1991

	EC-imports (cif)		EC-exports (fob)	
	1,000 ECU	- % -	1,000 ECU	- % -
Total	91,712,032	100.0	71,225,028	100.0
of which:				
SITC 0+1	4,188,622	4.6	3,934,396	5.5
SITC 2+4	5,602,722	6.1	861,137	1.2
SITC 3	3,669,944	4.0	2,598,761	3.6
SITC 5	9,217,172	10.1	7,480,212	10.5
SITC 7	44,411,834	48.4	31,404,037	44.1
SITC 6+8	18,345,490	20.0	21,479,621	30.2

Source: SIENA, EUROSTAT

Production: European Parliament/Statistical Service

Note: SITC 0+1: Food, beverages and tobacco

SITC 2+4: Raw materials

SITC 3 : Energy

SITC 5 : Chemicals

SITC 7 : Machinery and transport eq.

SITC 6+8: Other manufactured products

Table 4-EUR-3

## EUROPEAN COMMUNITY

## Geographical breakdown of Inward direct investment

		Unit: million ECU				
partner country	year	84	85	86	87	88
	USA	2919	1766	2484	2356	606
	JPN	390	646	445	1502	1461
	EFTA	1661	1666	3267	3543	8021
	other class 1	-285	-266	-149	2827	1846
	<b>Total class 1 (*)</b>	<b>4685</b>	<b>3812</b>	<b>6047</b>	<b>10228</b>	<b>12933</b>
	OPEC	168	420	-561	-191	898
	ACP not OPEC	139	60	42	77	1
	other class 2	1031	1266	1123	2112	171
	<b>Total class 2</b>	<b>1338</b>	<b>1736</b>	<b>604</b>	<b>2058</b>	<b>1071</b>
	COMECON	76	17	-49	14	1
	other class 3	2	20	1	4	1
	<b>Total class 3</b>	<b>78</b>	<b>37</b>	<b>-48</b>	<b>18</b>	<b>20</b>
	extra not allocated	76	52	237	273	253
	<b>Total World (*)</b>	<b>6177</b>	<b>5697</b>	<b>6840</b>	<b>12578</b>	<b>14278</b>

Source: EUROSTAT estimates

Notes: A positive figure indicates a net investment.  
 A negative figure indicates a net disinvestment.  
 Excluding reinvested profits.

(\*) Excluding Intra EUR 12 Investments

## EUROPEAN COMMUNITY

Table 4.EUR-1

Geographical breakdown of outward direct investment

		Unit: million ECU				
partner country	year	84	85	86	87	88
USA		-11650	-10063	-17662	-23901	-20074
JPN		-296	-36	-116	-18	-187
EFTA		-929	-760	9	-1826	-2306
other class 1		-1323	-796	-1866	-1673	-3433
Total class 1 (*)		-14198	-11656	-19634	-27418	-26001
OPEC		209	-34	-560	-54	-340
ACP not OPEC		-80	68	-83	-152	-259
other class 2		-3099	-3568	-1524	-2811	-2866
Total class 2		-2970	-3535	-2167	-3017	-3466
COMECON		1	-5	-13	-7	-73
other class 3		-51	-126	-146	-23	-99
Total class 3		-50	-131	-159	-30	-173
extra not allocated		-177	-27	-294	-316	-1971
Total World (*)		-17395	-15349	-22164	-30780	-30711

Source: EUROSTAT estimates

Notes: A positive figure indicates a net disinvestment.

A negative figure indicates a net investment.

Excluding reinvested profits.

(\*) Excluding Intra EUR 12 investments

en milliards d'euros

	1985	1986	1987	1988	1989
EUR 12: investissements effectués	15.1	21.9	30.6	31.6	32.9
investissements reçus	6.7	7.1	12.2	16.1	27.6
USA: investissements effectués	-1.2	8.8	8.6	2.0	8.6
investissements reçus	26.7	37.0	39.4	43.9	65.7
JAP: investissements effectués	8.6	14.7	16.0	28.9	40.1
investissements reçus	0.8	0.2	1.0	-0.4	-1.0

Note: un chiffre négatif indique un désinvestissement.

MOTION FOR A RESOLUTION

by Mr HINDLEY

pursuant to Rule 63 of the Rules of Procedure

on future trading and economic relations between the EC and the USA

The European Parliament,

- A. having regard to the situation in the Gulf and to US peacekeeping responsibilities in the region,
- B. having regard to the very close political, security and trading relations between the EC and the USA,
- C. having regard to the GATT Uruguay Round negotiations and the implications for the markets in agricultural commodities, textiles and services,
- D. having regard to the current state of the US economy, completion of the projected post-1992 internal market, the opening of Eastern European markets and the probable impact on world trade,
  - 1. Welcomes the attempts by the Council and Commission to adopt a 'Transatlantic Declaration' to be agreed jointly with the USA;
  - 2. Calls on the Commission not merely to devote particular attention in that process to matters of reciprocal access to markets and the means of accommodating respective interests as regards third country markets - as well as to development policy issues - but also, going still further, to give greater consideration to the social aspects of market structures and to frame the desired negotiating brief accordingly, after appropriate consultation with Parliament;
  - 3. Calls on the Council to give Parliament full details of the individual stages leading to conclusion of the negotiations before finalizing any terms of a negotiating brief.