

Mr. Karel De Gucht
Member of the European Commission
Commissioner for Trade
European Commission
Rue de la Loi, 200
B - 1049 - Brussels

Ambassador Michael Froman
United States Trade Representative
Executive Office of the President
600 17th Street, N.W.
Washington, DC 20508
United States of America

Brussels, 11 February 2014

Subject: **TTIP talks must continue at high speed and with high ambition**

Dear Commissioner De Gucht,
Dear Ambassador Froman,

Ahead of the forthcoming stocktaking of the Transatlantic Trade and Investment Partnership (TTIP) negotiations between the EU and the United States, the European Services Forum¹ urges you to continue the negotiations at high speed and with high ambition.

European and American consumers and companies look to such an agreement to help take our economies out of crisis, by creating more growth and jobs. The EU and U.S. economies are already the world's biggest partners in terms of trade and investment, but we can do better to further integrate our markets and maintain our competitiveness. We all know that the road will be bumpy, that there will be political, economic, social, and environmental difficulties, which could derail the whole process. We therefore need you now to ensure that both parties will keep on the right track.

The European services industry strongly supports the negotiations towards an ambitious deal. Trade and investment by the services industry represents a very significant share of GDP and employment in our respective economies². Much of our respective services markets are already open to each other, but improvement in the remaining areas where barriers continue will greatly contribute to further growth and jobs.

European service companies established in the U.S. already employ millions of Americans, and American services companies in the EU employ millions of European workers. Studies clearly show that investment in a foreign market by multinational companies stimulate demand for services

¹ The European Services Forum (ESF) is a private sector trade association that represent the interests of the European services industry in International Trade Negotiations in Services & Investments. It comprises major European service companies and European service sector federations covering service sectors such as financial services, tourism, telecommunications, maritime transport, business and professional services, distribution, postal and express delivery, IT service (see full list of members on the web-site: www.esf.be)

² Services accounted for 35% (156.8 €bn) of all EU exports to the U.S., and for 42% (145.6 €bn) of all EU Import from the U.S. in 2012, which makes a total volume of 302.4 €bn. **In other words, EU-US trade in services is worth more than 1.1 Billion US\$ per day** (Source: Eurostat). If we take the admitted [share per economic activity of the FDI](#), EU services companies hold 832 €bn in the U.S., while U.S. companies hold 770 €bn in the EU.(Source Eurostat and [DG Trade](#))

produced by the parent company, back in the Europe or the United States. As a result, increases in the assets and sales of foreign affiliates of multinational companies are usually accompanied by increases in the same areas by the parent companies back home, which translate then into growth and jobs³. There is therefore no doubt that further integration of the transatlantic market will be a win-win for both parties.

Negotiations have only just started and we call upon you to maintain the scope of the agreement as widely as possible, with no carve-out of any issues or sectors, whether in terms of market access or regulatory coherence. The level of ambition must be as high as possible.

The services industries are interested in many chapters of the negotiations, including i) market access in services and investments, and in public procurement of all public entities, ii) regulatory cooperation in service sectors, in particular in financial services, inviting all regulators to work together towards more efficient, transparent and less costly rules, and iii) strong investment protection with state of the art investor to state dispute settlement.

As for the services negotiations in particular, better transparency and easier understanding of the commitments by companies point to negotiating with a negative list approach, aimed at removing the maximum existing obstacles and listing in the most substantive way possible residual restrictions that are still in place in both territories at all levels, so that business knows more precisely what is and is not permitted.

We remain committed to these important negotiations and will continue to provide you with business views and input.

Yours sincerely,



Sir Thomas Harris
ESF Chairman

³ From 1989 to 2004, a 10 % increase in a U.S. multinational's FDI was associated with a 2.6 % increase in its domestic U.S. investments; and a 10 % increase in the wages paid by foreign subsidiaries was associated with a 3.7 % increase in the wages and benefits paid to the parent company's American employees. Source: [*"The Idea-Based Economy and Trade" - Robert J. Shapiro – January 2014*](#)