



EU-US Trade and Technology Council (TTC)

Consultation Response from the American Chamber of Commerce Ireland (AmCham) to the Department of Enterprise, Trade & Employment on the EU-US Trade and Technology Council.

October 2022



The American Chamber of Commerce Ireland The Voice of US-Ireland Business

The American Chamber of Commerce Ireland (AmCham) is the collective voice of US companies in Ireland and the leading international business organisation supporting the Transatlantic business relationship. Our members are the Irish operations of all the major US companies in every sector present here, Irish companies with operations in the United States and organisations with close linkages to US-Ireland trade and Investment.



AmCham welcomes the opportunity to respond to the EU-US Trade and Technology Council's (TCC) Joint Statement and acknowledges its thoroughness.

AmCham appreciates the TCC's condemnation of the Russian invasion of Ukraine, and its positioning of the working group conclusions within the context of the ongoing war. AmCham continues to condemn Russia's invasion of Ukraine in the strongest possible terms. The ongoing invasion of Ukraine violates international law and endangers peace and security across the region. It poses a clear threat to fundamental values of human dignity, democracy, rule of law and solidarity. AmCham commends the EU, the US, and many other partners for their swift reactions. The severity of the situation continues to require unity and solidarity across the Atlantic and with the international community.

Working Group 1: Technology Standards

- Digitalisation supports industry and society in adapting to external shocks more quickly than would be possible in traditional environments. As AmCham outlined in its paper on digitalisation, governments have a role to play in modelling, facilitating, and regulating digitalisation.¹ Ensuring digitalisation is advanced and regulated in a manner which does not hinder trade and investment in products and services of emerging technologies will be vital in avoiding unnecessary barriers.
- AmCham welcomes the establishment of a dedicated subgroup on Artificial Intelligence (AI), given the opportunities which exist in relation to AI for Ireland, Europe and in the context of the transatlantic relationship.
- AmCham highlighted the opportunities related to AI in its recent submission to the Department of Enterprise, Trade & Employment on the preparation of the White Paper on Enterprise, noting that any enterprise strategy must foster collaboration and cross-sector impact, with a focus on fields including AI, alongside quantum computing, augmented reality, data analytics, and robotics.
- AmCham supports the TTC's risk-based approach to AI, and stresses the importance of aligning efforts focusing on the adoption of internationally recognised standards to implement trustworthy AI systems.

Working Group 2: Climate and Clean Tech

• AmCham agrees with Working Group 2's conclusion that the "potential of green public procurement is still largely untapped" and supports the view that the public sector can

¹ <u>Digitalisation - how Ireland can accelerate</u>



be a "trailblazer in the wide deployment of technologies that can help reduce CO2 emissions."

- AmCham believes that the promotion of the circular economy should be at the heart of all policy decisions affecting all sectors of the economy.
- In relation to sustainability, a pro-investment environment must be created and fostered, for instance, by removing policy barriers that hinder energy corporate power purchase agreements.
- AmCham supports efforts to leverage the potential of emerging technologies such as blockchain, AI/machine learning, and the 'internet of things' (IOT) to measure and utilise lifecycle GHG assessments. As AmCham outlined in its position paper entitled *Digitalisation – How Ireland can accelerate*, the key enabling digital technologies to drive a move to a truly sustainable economy are AI, IOT, 5G and mobile devices, advanced analytics, blockchain and hybrid multi cloud.²
- Expanding EV charging infrastructure is essential and AmCham welcomes the inclusion of this point in Work Group 2's conclusions.
- The decarbonisation of the economy is dependent on the rapid scaling up of energy from renewable sources. Given the importance of climate action at global level, it is important that a linked-up approach is taken between jurisdictions, and on an international level to ensure all actors are 'on the same page' in relation to initiatives being taken to achieve climate goals. Ensuring all climate goals are consistent will work to provide certainty to business.

Working Group 3: Secure Supply Chains

- The Covid-19 pandemic and the ongoing war in Ukraine have highlighted the importance of supply chain resilience. The disruption of the movement of goods and services can potentially have an adverse impact on countries and regions in relation to investment, cost, and reputation.
- As AmCham outlined in its report Building Bridges Better, "the Irish operations of US multinationals that are central to essential diversified global supply chains not only maintained production throughout the pandemic but in certain instances significantly enhanced it."³
- With a potential shift away from diversified global supply chains in an attempt to simplify logistics, it is important that any future factors which could disrupt supply chains are considered fully. Open global supply chains should be an aim of the EU and the US as they work to address challenges in relation to trade and non-market economic practices. For instance, in the healthcare sector, restrictions on importing

² <u>Digitalisation - how Ireland can accelerate</u>

³ AmCham - Building Bridges Better



and exporting particular medicines, or the component ingredients necessary for their development can have adverse impacts.

- AmCham welcomes the Working Group 3's specific consideration of supply chains as they pertain to Semiconductors.
- In its submission on the European Chips Act, AmCham outlined the importance of an awareness of the wider ecosystem associated with semiconductor development. The existing supply chain as it relates to design, production, and distribution of semiconductors throughout Europe needs to be expanded and developed in the context of the wider European ecosystem.
- There is no question that building up supply chains in the context of the transatlantic EU-US relationships will create stronger bonds within the global industry and provide opportunities to mitigate potential vulnerabilities through more diverse supply chains in which EU member states can play an increasingly strengthened role.
- It is important to acknowledge that the development of sustainable supply chains encompasses long-term planning. As part of this planning process, we must not only look to what creates a strong proposal in the short-term but also what will provide opportunities for future expansion, while encompassing the principles transparency and market competitiveness, in the long-term.

Working Group 4: ICTS Security and Competitiveness

- Cybersecurity is a prerequisite for advancing digitalisation. Advancing cybersecurity also works to ensure emerging technologies are developed in more secure ecosystems where, for instance, sufficient protection for Government services and critical infrastructure with regard to cyber threats is in place.
- Cybersecurity is critical in supporting the protection of trade and investment on goods and services in emerging technologies.
- As the utilisation of digital and cloud-based solutions continues to increase in terms of the work of business, ensuring these systems and the associated services have adequate protection will foster greater confidence for businesses in the security of factors which may impact their operations.
- The importance of cybersecurity to competitiveness is paramount. As AmCham outlined in its report *The Strongest Link in the Chain, "as IoT devices begin to bridge the digital and physical worlds, the security challenge increases. Interconnected IoT devices already control physical infrastructure, such as production lines, supply chains and utilities, as well as airplanes and cars, resulting in potentially life-threatening impacts as a result of cyber threats."⁴ In this context, it is essential that privacy,*

⁴ The Strongest Link in the Chain - AmCham



security and trust are prioritised in order to ensure our increasing digitised ecosystems thrive.

Working Group 8: Investment Screening

- AmCham recognises the importance of maintaining robust investment screening mechanisms throughout the EU and the United States in order to address risks to national security while remaining open to foreign investment.
- AmCham welcomes the publication of the *Screening of Third Country Transactions Bill* 2022, which will introduce investment screening to Ireland, which was published in August 2022.

Working Group 9: Promoting SME Access to and Use of Digital Tools

- Digitalisation can support the development and use of emerging technologies and play an integral role in ensuring that our supply chains are resilient, while also fostering greater collaboration between companies, and industries to benefit our economy and society.
- As we continue to live in an increasing digitalised world, ensuring digital training, and measures to tackle digital exclusion will be important in empowering talent in the working environment. Digital literacy must be advanced in order to empower citizens and employees in an increasingly digitalising work environment and, as such, digital education must be a consideration for governments both in formal education and in supporting individuals in upskilling and retraining.
- The pace of technology is advancing faster than ever before. Ensuring the infrastructure to support and empower talent in reskilling and adapting to advancing technology is essential.
- It is essential that the combination of skills required for future roles is fully understood, and that approaches to support participation in life-long learning are promoted.
- AmCham believes in the promotion of increased apprenticeship options as an alternative pathway for students in post-secondary level education. A collaborative approach to advance apprenticeship options, and to address skills gaps, would be beneficial for both talent and business.



Working Group 10: Global Trade Challenges

- At European level, protecting key regulatory principles, such as the country-of-origin principle, is important in providing stability to businesses in the context of regulatory certainty. In the Irish context, a number of the world's largest companies have regional headquarters in Ireland, these teams require world class protection and regulation, and certainty in relation to the regulatory framework.
- Barriers to trade and investment in products and services of emerging technologies exist in the context of infrastructure, for instance, in relation to Big Data. As AmCham has highlighted in its Industry 4.0 position paper:

"The term 'Big Data' is used regularly in commentary on the new digitalised world we are in; it is expected to take centre stage in the next decade, and already industry and government are preparing. The European Commission released their 'European Data Strategy' in 2020, the aim of which will be to create a single market for data that will ensure Europe's global competitiveness and data sovereignty. The Commission also expects big data to increase the productivity of all sectors of the economy through improved business intelligence. The manufacturing sector is a clear example of one sector that has and will continue to improve innovation and productivity with the avalanche of big data becoming available and more importantly, usable."⁵

- The challenge that exists in relation to data is ensuring the connection of data from multiple sources can be done in a manner which allows the data to be easily utilised to form insights and potential actions. However, given this often requires the compilation of data from legacy systems which vary in terms of compatibility, infrastructural issues arise.
- Infrastructural innovation could allow current and future equipment to provide data output in a manner which ensures data is usable, and provides ease of access and usability of legacy data. As such, action to create and develop a use of standard for data sharing would be beneficial in tackling the associated barriers. This would be beneficial in relation to trade and investment as AmCham members have identified that "without this in place, it is not possible to take advantage of big data and undertake the data analytics, prediction, artificial intelligence and machine learning, that offer the productivity and efficiency improvements required. Any solutions developed in this area would benefit the entire ecosystem, positively impacting both larger firms and smaller firms."

⁵ Industry 4.0 Position Paper - AmCham