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# **EU-US COOPERATION ON GLOBAL TRADE CHALLENGES AS PART OF THE EU-US TRADE AND TECHNOLOGY COUNCIL (TTC)**

Comments from the American Chamber of Commerce  
Ireland (AmCham).

**January 2022**

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# **The American Chamber of Commerce Ireland**

## **The Voice of US-Ireland Business**

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The American Chamber of Commerce Ireland ('AmCham') is the leadership voice of US business in Ireland. Our mission is to strengthen the transatlantic business community through advocacy and networking with purpose. AmCham membership includes US companies operating from Ireland, Irish companies expanding in the US and organisations with strong bilateral links between Ireland and the US.

AmCham welcomes the opportunity to provide input on EU-US cooperation on global trade challenges as part of the EU-US Trade and Technology Council (TTC).

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## **1. Inputs on work strand on challenges from non-market economic policies and practices;**

### ***Carbon pricing***

Many AmCham members are accustomed to carbon pricing through the EU Emission Trading System (ETS). In terms of an expansion of this scheme to a broader range of companies, or other such measures, it is essential that companies are provided with clear guidance and training in relation to carbon pricing and the EU ETS. This would be important in order to facilitate them in adapting to carbon pricing requirements and to ensure they understand how to comply with a carbon pricing regime, price transparency, and measurement mechanisms for planning for carbon costs.

Continued engagement between international partners to ensure carbon pricing mechanisms worldwide develop in line with one another and in line with pre-existing reporting requirements will be vital in ensuring consistency for business, and the effectiveness of such mechanisms.

### ***Supply Chains***

The Covid-19 pandemic has highlighted the importance of supply chain resilience. The disruption of the movement of goods and services can potentially have an adverse impact on country 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.*"

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

### ***Air connectivity***

While not a direct economic policy, air connectivity can have a significant impact on the operation of business, trade, and investment on an international level. Ireland acts as an important gateway to the European Union for transatlantic business, and many AmCham members have raised the importance of air connectivity on a transatlantic basis, and to key European hubs in terms of ensuring they can access key markets. An OECD report

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highlighted that Ireland is fifth in the world for the export of COVID-19 related products and services.<sup>1</sup> This showcases the importance of air connectivity for the transport of vital goods and services. Ensuring the aviation sector is supported to rebuild and expand capacity to link key markets is essential in facilitating key trade links.

## **2. Inputs on work strand on avoiding new and unnecessary barriers to trade and investment in products and services of emerging technology;**

### ***Regulatory framework***

Barriers to trade and investment may exist at both international and domestic levels. While removing barriers to trade and investment in relation to products and services of emerging technologies, at European level, protecting 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. The teams based in these headquarters serve global markets, manage global data and facilitate global financial services. Resulting from this, these teams require world-class protection and regulation, and certainty in relation to the regulatory framework.

A regulatory framework which works to support emerging technologies, their approval, adoption, and use could have many benefits for trade and investment, and in ensuring supply chains are resilient.

### ***Infrastructural barriers***

Barriers to trade and investment in products and services of emerging technologies also 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 and 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.*"<sup>2</sup>

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<sup>1</sup> <https://irishadvantage.us/irelands-economic-contribution-to-the-us/>

<sup>2</sup> [Industry 4.0 Position Paper - American Chamber \(amcham.ie\)](https://www.amcham.ie/industry-4-0-position-paper)

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."*<sup>3</sup>

### ***Emerging renewable technologies***

AmCham is of the view that it is necessary to have a more targeted approach to the development of emerging technology, rather than the current buyer-led model, as AmCham outlined in its submission to the Irish Government's public consultation on the Climate Action Plan 2021. Focusing subsidies on developing technologies rather than proven technologies would encourage the development of future technologies. Ensuring that offshore renewable energy projects are open to power purchase agreement investment, and that renewable sources of energy are not subject to barriers in the form of tax burdens would also be beneficial in this context.

### ***Digitalisation***

Fostering greater digitalisation would also be beneficial in removing barriers that business and talent face in differing jurisdictions. This would also have a significant benefit with regard to supporting the development of emerging technologies. As AmCham has stated in its position paper '*Digitalisation – How Ireland can Accelerate*'<sup>4</sup>, *"the countries as well as industry that invested in digital infrastructure and technologies have been better positioned to continue to deliver their services during the pandemic."*

Advancing digitalisation supports industry and society in adapting to external shocks more quickly than in traditional environments. As AmCham outlined in its paper on digitalisation, in modelling, facilitating, and regulating digitalisation, Government has a role to play. 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. Digitalisation can support the development and use of emerging technologies, and play an integral role in ensuring that our supply chains are resilient,

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<sup>3</sup> [Industry 4.0 Position Paper - American Chamber \(amcham.ie\)](https://amcham.ie/industry-4-0-position-paper)

<sup>4</sup> [Digitalisation – How Ireland can Accelerate – American Chamber \(amcham.ie\)](https://amcham.ie/digitalisation-how-ireland-can-accelerate)

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while also fostering greater collaboration between companies, and industries to benefit our economy and society.

### ***Cybersecurity***

Cybersecurity is a prerequisite for advancing digitalisation. Advancing cybersecurity would also work to ensure emerging technologies are developed in more secure ecosystems where, for instance, sufficient protection of Government services and critical infrastructure in relation to cyber threats exists. As such, cybersecurity is critical in supporting the protection of trade and investment on goods and services in emerging technology. 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 in businesses developing emerging technology.

### **3. Inputs on work strand on promoting and protecting labour rights and decent work;**

#### **Remote working & the Future of Work**

Given the increasing virtual nature of the working environment, as necessitated by the Covid-19 pandemic, and changing shape of the future of the workplace, addressing matters related to remote and hybrid working into the future will be of the utmost importance. Returning to how we used to work before the Covid-19 pandemic, in many cases, may be unlikely with remote working becoming normal for individuals and many businesses. AmCham members and the multinational community can provide thought leadership and engagement on how we work in a post-pandemic environment, which would be beneficial for States, employees and talent, and businesses.

#### **Digital skills & supporting talent in adapting to new technologies**

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, and ensuring the infrastructure to support and empower talent in reskilling and adapting to advancing technology is essential. In achieving this, 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. Supports to empower talent and provide them with the

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skills, competencies and education that will be required as the working environment evolves, for instance, in relation to advanced manufacturing, will be important in closing any skills gaps, and educational and upskilling initiatives will be important in this context.

### ***Apprenticeships***

AmCham believes in the promotion of increased apprenticeship options as an alternative pathway for students post-secondary level education, as outlined in our pre-budget submission 2021 to the Irish Government 'Next Century Ireland'.<sup>5</sup> A collaborative approach to advance apprenticeship options, and to address skills gaps, would be beneficial for both talent and business.

#### **4. Inputs on possible work strand on trade and environment issues.**

AmCham welcomes the acknowledgement in Annex V of the Pittsburgh Statement where the European Union and the United States have underlined *"the positive role that trade can play in addressing environmental challenges such as climate change, achieving climate neutrality, and supporting the transition to a more circular economy."*

### ***Pro-investment environment***

AmCham believes that the promotion of the circular economy should be at the heart of all policy decisions affecting all sectors of the economy. AmCham is of the view that, 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 (CPPAs).

### ***Energy capacity & water infrastructure***

AmCham notes that current energy supply issues exist, and action to address energy issues must be cognisant of our climate goals, and the aim of achieving climate neutrality. As such, the decarbonisation of the economy is dependent on the rapid scaling up of energy from renewable sources. Ensuring that conversation and action takes places in a manner which supports the development of the capacity of energy grids, providing energy security, and in relation to the provision of water infrastructure will be vital in supporting business while ensuring progress is made in achieving our climate goals.

Given the importance of climate action at global level, it is importance 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.

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<sup>5</sup> [Next Century Ireland – American Chamber \(amcham.ie\)](https://www.amcham.ie/next-century-ireland)

### ***Innovation eco-system***

As part of the conversation on trade and environment issues, supports in terms of research and development to assist in innovation regarding greener energy solutions will be essential, particular in terms of fostering and innovation eco-system which can actively contribute to the aim of achieving climate neutrality. As AmCham highlighted in its submission to the Irish Government's public consultation on the Climate Action Plan 2021, *"Innovation is fundamental to the fight against climate change; developing the technology necessary to transform our economy."*

In terms of the need to transition to a carbon neutral economy, in the context of trade and technology, the development of greener technologies, especially low and no carbon technologies, and the acceleration of digitalisation must be prioritised. Furthermore, alignment of research priorities related to sustainability and the green agenda, to the greatest extent possible, at an international level, for instance with Horizon Europe, would ensure that domestic research would have the opportunity to access the maximum range of funding opportunities. Ensuring the availability of adequate funding to promote the development of greener technologies and the sharing of best practice on sustainability would be beneficial.

### ***Enterprise***

In supporting trade and investment, and transitioning to a carbon neutral economy, it is important to be cognisant of the fact that businesses will have to transform. Supporting businesses in adopting new, greener technologies, and upskilling their staff will form a vital part of realising our climate goals.