

China Growth Spurs EU-USA Trade Deal – EU Industry Commissioner

By Georgi Iliev

The economic growth of China and development in Asia are factors that have influenced the signing of the trans-Atlantic economic partnership deal between the EU and the USA on April 30, 2007, EU Enterprise and Industry Commissioner Guenter Verheugen said at an Allianz Alumni Academy seminar organised by Germany's Allianz Cultural Foundation in Brussels on May 4, 2007.

"The answer is yes," said Verheugen when asked whether the exceptional growth of China had played a role in the EU-U.S. deal. The commissioner will co-chair the Transatlantic Economic Council that will be set up under the EU-U.S. agreement with the task to advance the dismantling of regulatory barriers across the Atlantic.

China, however, has serious environmental problems that may jeopardise its growth if they remain unresolved in the near future, Verheugen underscored, quoting personal observations from a recent visit to China.

Tariffs are not the problem in EU-U.S. trade; it is non-tariff barriers that have to be reduced, the EC official noted.

However, a free trade area (FTA) across the Atlantic is not on the cards, Verheugen commented. Such an FTA deal would hardly ever pass through the U.S. Congress and is not on the European agenda either. What is being discussed by the European Union and the United States are economic spaces, not an FTA, the commissioner stipulated.