ACC TESTIFIES ON U.S. CHEMICALS INDUSTRY PRIORITIES FOR POTENTIAL U.S.-UK TRADE AGREEMENT

New Trade Agreement Could Eliminate Tariffs on $5.7 Billion in Two-Way Chemicals Trade, Reduce Costs and Create Efficiencies Through Greater Regulatory Cooperation

WASHINGTON (January 29, 2019) – The American Chemistry Council (ACC) on Tuesday shared the U.S. chemical industry’s recommendations for a successful trade agreement with the United Kingdom (UK) should the UK be eligible to negotiate a trade deal following its scheduled withdrawal from the European Union in March. The UK, a longtime trading partner to U.S. chemicals manufacturers, imported $2.8 billion in U.S. chemicals in 2017 and serves as a regional hub for the globally integrated and efficient chemicals manufacturing supply chain. As evidence of that integration, a significant portion of the $5.7 billion in U.S.-UK chemicals trade is to related parties – 54 percent of chemical imports from the UK, and 39 percent of chemical exports.

“A trade agreement that eliminates U.S. tariffs on chemical imports from the UK could save U.S. chemical manufacturers $88 million per year,” Ed Brzytwa, ACC director of international trade, said in testimony before interagency officials at the Office of the United States Trade Representative (USTR). “Eliminating UK tariffs on chemical imports from the U.S. would reduce tariffs paid in the U.K by $84 million. The cost savings from the elimination of tariffs would help boost economic and job growth.”

Brzytwa also encouraged U.S. officials to work to eliminate the Section 232 tariffs on steel and aluminum imports from the UK. “Any potential UK retaliatory tariffs targeting chemicals would limit the ability of U.S. chemical manufacturers to access the UK market,” Brzytwa said. “We also urge both countries to avoid imposing quotas of any kind on imports of UK steel and aluminum, which would impede the construction of chemical manufacturing plants in the United States.”

Earlier in January, ACC filed public comments which outlined several of its member companies’ priorities for a trade agreement with the UK. One of ACC’s stated priorities is to build on progress already made in talks related to regulatory cooperation during the Transatlantic Trade and Investment Partnership (TTIP) negotiations. “The goal of regulatory cooperation is to explore opportunities for creating efficiencies within and between regulatory systems while maintaining high levels of protection for human health and the environment,” Brzytwa said. “Regulatory cooperation should not undermine or weaken regulatory mandates. Rather, it can help to ensure that those mandates do not result in unnecessary barriers to trade.”
Brzytwa concluded his testimony with a call to both the U.S. and UK governments to work together to address trade-distorting practices by other countries. “ACC and its members stand ready to assist the Administration in the creation of a coalition of allies in the WTO to protect and enforce WTO trading principles around the globe.”

http://www.americanchemistry.com

The American Chemistry Council (ACC) represents the leading companies engaged in the business of chemistry. ACC members apply the science of chemistry to make innovative products and services that make people's lives better, healthier and safer. ACC is committed to improved environmental, health and safety performance through Responsible Care®; common sense advocacy designed to address major public policy issues; and health and environmental research and product testing. The business of chemistry is a $526 billion enterprise and a key element of the nation's economy. It is among the largest exporters in the nation, accounting for ten percent of all U.S. goods exports. Chemistry companies are among the largest investors in research and development. Safety and security have always been primary concerns of ACC members, and they have intensified their efforts, working closely with government agencies to improve security and to defend against any threat to the nation's critical infrastructure.