



## **United States Mission to the OSCE**

### **Statement on the Transatlantic Economy in 2008**

As delivered by Deputy Chief of Mission Kyle Scott  
to the Permanent Council, Vienna  
February 14, 2008

Thank you, Mr. Chairman.

Thirty-two years ago, the signatories to the Helsinki Final Act introduced the OSCE's comprehensive security model to the world. They proclaimed that true security in the OSCE region requires not only military balance and confidence-building measures, but also economic exchange, and full respect for human rights.

It is often said that the OSCE does not give sufficient attention to the economic dimension. But before we bemoan a lack of attention to the economic dimension, we should pause and reflect a bit more. In reality the economic dimension is thriving, at least for many OSCE participants. While it may be true that some countries are more blessed with natural or other resources than others, and we are great believers in the market economy, the real reason many of these economies thrive is because the markets in them operate in a context of rule of law, democracy and judicial independence.

This is certainly the case for the transatlantic economic relationship, which serves as proof that that the economic ties we all proclaimed as a goal in the Final Act are flourishing at least for a large number of us. Nowhere is this described more effectively than in a report that was released recently in the United States entitled "The Transatlantic Economy 2008." While concentrating its energy on U.S.-EU ties, this report lays out in great detail the extent of mutually reinforcing economic ties that bind both sides of the Atlantic Ocean. We highly commend the report to all in this room, and would like to illustrate the extent of our successes with just a few statistics drawn from that report.

For example, although a key political issue on both continents is concern over "outsourcing" of jobs, the reality is that over 14 million workers in Europe and the United States owe their jobs directly to trade or investment in the other's territory. They have been, in effect, "within-sourced" in the transatlantic marketplace.

And notwithstanding the rapid growth and investment opportunities that exist in the Asian region today, the reality is that America's investment stake in Europe is nearly three times larger than corporate America's investment in all of Asia combined. Or to state it another way, U.S. foreign direct investment in Ireland alone in 2006 was nearly double the amount of U.S. investment in all of South America! American investments in the Netherlands, for example, are well in excess of our investments in all of developing Asia.

These flows go both ways as well. Europe's investment stake in the U.S. is nearly triple the level it was only a decade ago. In 2005, Europe invested nearly 30 billion Euros in the US, compared to only 8 billion Euros in China and India combined.

Statistics do not tell the whole story, of course, but these statistics do offer a sample of the intricately interwoven fabric that comprises transatlantic economic relations in this century. Seen through this prism, our economic dimension is alive and well, driving mutual dependencies and mutually reinforcing relations across the Atlantic divide in ways that support our economic security at home and contribute to our prosperity and well-being.

We understand that not all OSCE participating States have been able to share in this transatlantic trade and investment bonanza. Perhaps one of the top priorities of our organization with respect to the second dimension should be to do what we can to expand this zone of trade and prosperity to include all OSCE participating States. How should we do this? The OSCE, as we all know, is not an economic aid organization. Our budget and staff are limited. But this organization can make a difference within its limited means in the second dimension by helping to improve the investment climate across the board in the OSCE region. And how can we do this? By getting back to the basics of what this organization does best in the second dimension by promoting rule of law and good governance, and helping put into practice rules and regulations that aid in the fight against corruption, organized crime, and money laundering. OSCE participating states can begin by supporting the Anti-Bribery Convention of the OECD, the anti-money laundering provisions of the Financial Action Task Force, and other multilateral agreements that strengthen governance and global transparency.

The United States is pleased to note that promoting good governance and improving the investment climate are listed as top priorities in the draft OCEEA Action Plan for 2008. Refocusing this organization's collective energy—and its resource allocations—on these vital issues is certainly something the United States could support in the year ahead.

Thank you, Mr. Chairman.