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UNDER SECRETARY OF COMMERCE FOR INTERNATIONAL TRADE FRANCISCO SÁNCHEZ

Aspen Institute - Transatlantic Trade and Investment Partnership Event

Thursday, July 11, 2013

Aspen, Colorado

As prepared for delivery

Good afternoon.

Good morning. Thank you, Tom (Duesterberg), for that introduction. I'm glad to see you are still making an impact in international trade – even *after* leaving the International Trade Administration.

I'm delighted to be here to speak with all of you today. I'd like to thank the Aspen Institute for putting this event together.

And I am impressed by the level of expertise in both manufacturing and trade in this room today. It is great to be with a group of people who are passionate about the benefits of manufacturing and international trade.

It is also an honor to follow Marc Vanheukelen.

Marc and Commissioner De Gucht are playing a key role in advancing international trade and supporting Europe's economic recovery. Marc, I'd like to thank you for what you've done and what you continue to do for the European Union, and helping to strengthen the ties between the EU and the United States.

I have the honor of representing the U.S. Department of Commerce during a pivotal and exciting moment in our transatlantic relationship: the launch of the Transatlantic Trade and Investment Partnership... or T-TIP as we call it.

As Marc already made very clear, T-TIP is an important step forward for the European Union, the United States, and the global economy. It will play an enormous role in increasing export opportunities for members of every business sector.

In particular, manufacturing will stand to benefit a great deal with the implementation of this agreement. The agreement will facilitate further growth in the sector. It will help open new markets, spur innovation, and create jobs... which will increase prosperity on both sides of the Atlantic.

PAUSE

As President Obama has said, the Transatlantic Trade and Investment Partnership will deepen already strong ties between the U.S. and the EU.

Economically, goods, services and capital flow between our two economies at levels unmatched around the world.

Our economic relationship is one of the central drivers of the world economy.

Bilateral trade between the United States and the EU is more than \$873 billion dollars.

Our combined Gross Domestic Product accounts for about 40 percent of global GDP.

Two-way foreign direct investment, which is valued at nearly \$3.4 trillion, supports approximately 14 million jobs on both sides of the Atlantic.

It makes sense that the next logical step in our economic relationship is to remove barriers to trade and investment, allowing these numbers to reach even higher levels, and support more jobs.

With the sheer size of our relationship, even small gains from reducing barriers to trade can mean significant improvements in the economic well-being of our citizens.

Yes, there will be sensitivities and political interests for both sides to consider.

But the benefits of this agreement are too important – too fruitful – to allow our differences to hold up the process of implementing this partnership.

I share President Obama's enthusiasm for this trade agreement and I am very excited that the first round of negotiations are under way.

PAUSE

What I especially like about T-TIP is what the P stands for: Partnership.

By definition, partners are groups united for a common benefit. As both the EU and the U.S. engage in discussions to implement this broad and ambitious trade agreement, we see benefits for our own economies.

We have the self-interests to create growth and expand opportunities.

As we engage for our self-interests, we find a common benefit. Growth and opportunity create jobs. Jobs on both sides of the Atlantic. This helps our economies grow and creates prosperity.

I once had a meeting with my French counterpart over a glass of red wine...

[JOKE] And believe me, that is a much more diplomatic way to have a meeting...

In our discussion, he said to me, **"We need to stop beating each other up. We need to work together. That's the only way we can keep standards going up."**

We want economic growth. We want high labor standards. We want to protect the environment.

T-TIP gives the United States and European Union the opportunity to create the kind of trade partnership that will raise global standards to our level.

It sets the bar for future agreements.

The scope of our undertaking is quite large. This will be the biggest and most ambitious free trade agreement in history.

It is a high-standard agreement pressing for full elimination of tariffs and making substantial progress on reducing non-tariff barriers. It will address services, investment, labor, and the environment, among other issues.

It will improve the global environment for international trade.

I commend our teams both in Washington and in Brussels on the decision to launch negotiations and make the Transatlantic Trade and Investment Partnership a reality.

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While T-TIP negotiations go on, it's important to recognize existing transatlantic systems that enable trade and investment.

Through the Transatlantic Economic Council, the TEC, and other bilateral and multilateral fora, we will continue to work on a jobs and growth agenda that will complement the work of the T-TIP.

The Transatlantic Innovation Action Partnership nurtures an "ecosystem" that allows our innovators to commercialize and market their innovations globally, and work with industry to support the development and deployment of new, emerging technologies and services.

These productive work streams will continue independently of the T-TIP, to ensure continued collaboration on key transatlantic issues which, as I mentioned before, will help create jobs and economic growth.

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So what does all this mean for manufacturing?

As President Obama said in his last State of the Union address, **"our first priority [to generate economic growth] is making America a magnet for new jobs and manufacturing."**

Manufacturing industries, including the pharmaceutical, automotive, and chemical sectors being discussed at this conference, are crucial to America's economic health and prosperity.

We know that supporting these sectors is crucial to our economic success.

We've already seen some welcome news.

After shedding jobs for more than 10 years, U.S. manufacturers have added about 500,000 jobs since President Obama took office.

And these are good paying jobs. Workers in manufacturing industries have earnings that are 15 percent higher than private sector workers generally.

Since the beginning of President Obama's first term, the value of U.S. goods exports has increased by almost 50 percent, making it a star export sector.

All of this is important in terms of the President's National Export Initiative, a program launched in 2010 with the ambitious goal of doubling U.S. exports by the end of next year and supporting two million additional jobs.

Aside from exports, Foreign Direct Investment also plays an important role in jobs and manufacturing. BMW, for example, has been recognized several times for exporting automobiles manufactured at its plant in South Carolina.

Companies like Rolls-Royce, Bosch, Agfa (**AG-fuh**) and a number of companies represented here are supporting manufacturing jobs in the United States. Many of them are expanding in light of global economic headwinds.

Foreign-controlled firms in the U.S. employ more than five million Americans in manufacturing and other sectors.

PAUSE

Rather than just celebrate our manufacturing accomplishments, the United States and European Union must press forward to make the sector even stronger.

Governments overseas aren't simply standing by waiting for markets to open for their domestic manufacturers – and neither should we.

T-TIP will open up markets with the combined purchasing power of 800 million consumers. This will drive growth in the industry, lower prices and encourage innovation. And we fully expect further benefits may ensue, as trade facilitating approaches in the T-TIP set a new high standard for trade liberalization around the globe.

It will set the standard for future trade agreements. It will deepen the level of cooperation between the United States and EU – partners seeking the common interest of supporting global economic prosperity.

There's never been a more important time for us to work together, as global leaders, to support this ambitious agreement.

Thank you to all of you for being a part of this initiative – whether as government representatives, private sector leaders, or as interested parties.

I understand we are going to accept some questions from the audience now. Let me end my comments here so we can accept as many questions as possible.

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