



EUROPEAN COMMISSION

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Transatlantic Trade and Investment Partnership: Opening free trade negotiations with the United States

*Check Against Delivery
Seul le texte prononcé fait foi
Es gilt das gesprochene Wort*

Committee on International Trade (INTA) of the European Parliament/
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The importance of the agreement

The word historic is often abused, used for each and every occasion. However, today I would like to use it in its full right: we are going to launch the biggest bilateral trade negotiations ever undertaken.

A future deal between the world's two most important economic powers will be a game-changer. Together, we will form the largest free trade zone in the world. This deal will set the standard – not only for our future bilateral trade and investment but also for the development of global rules.

It will create a tremendous impact on jobs and growth on both sides of the Atlantic.

It is estimated that when this agreement is up and running, the EU's GDP will get a half a per cent boost – which translates into tens of billions of euros every year. Half a per cent in today's terms would be roughly equivalent to two-thirds of the yearly EU budget!

This offers us a great perspective at a time when we are gradually making our way to recovery. And most important of all: it is probably the cheapest stimulus package that can be imagined.

For these negotiations we need – above all - political will: a desire to make our rules and regulations compatible; and to cut costs whenever it makes sense and is possible.

This negotiation provides an assurance that 'we mean business' – whether that is for individual consumers, households, or business people.

It also confirms our attachment to open markets and multilateral rules and trade liberalisation. The answer to the crisis is the opposite of protectionism.

The recent announcement on the launch shows that Europe and the United States are strategic partners who are willing to go the extra mile to strengthen our economies together. It is not surprising, that the announcements were so positively received from almost all corners.

The role of the European Parliament

This being said, let me stress how pleased I am to be here with you today to discuss. We know each other well, and I do not need to emphasise how important the European Parliament, and in particular this Committee, is to me.

It is obvious that INTA is our natural interlocutor for trade matters, including for this important trade and investment agreement.

Given the width and breadth of the agreement, there will certainly be a number of committees taking interest, and I am thinking in particular of the regulatory aspects that will be an important part of the agreement. I am sure that you will find efficient ways of organising that to your satisfaction.

Some may have had questions about the title of the agreement that was coined together with our American friends since the high-level working group called for a comprehensive trade and investment agreement. Therefore, Leaders decided that it will be called 'Transatlantic Trade and Investment Partnership (TTIP)'. Let me be crystal clear: whatever the exact name, this is about trade and investment.

When looking at your excellent Resolution of October last, you will be pleased with the final report of the High-Level Working Group, which has 'scoped out' the parameters of negotiations. The elements that are important to you are there.

The announcement and its content

So what is this negotiation all about? You have all seen the final report of the High-Level Working Group that I co-chaired with US Trade Representative Ron Kirk. It has been 14 months of hard, but rewarding work.

We scoped out all areas that will form part of negotiations, such as tariffs, sanitary and phytosanitary issues, regulatory issues, investment, services, intellectual property rights, procurement and set of trade rules, for example, relevant competition aspects.

We came to the joint conclusion that a comprehensive agreement that addresses a broad range of bilateral trade and investment issues, including regulatory issues, and contributes to the development of global rules, would provide the most significant mutual benefit of the various options we have considered.

Subsequently, Presidents Barroso, Van Rompuy and Obama endorsed it and asked that each side to initiate the internal procedures necessary to launch negotiations.

So right now, the task at hand is to get the ball rolling as soon as possible, and we intend to submit draft negotiating directives to Council in March.

Indeed, the sooner we start, the sooner we can reach a successful conclusion.

This undertaking will not be easy. Ideally, we would like to complete this work in about two years from now – but, more paramount than speed is achieving an ambitious deal.

You have all seen the report, so instead of going into details, let me stress three essential points:

First of all, we still need to dismantle any remaining traditional tariffs and then we need to make head-way on market access issues in other areas such as public procurement, services and investment.

It is also important to understand that we already have very low tariff arrangements in place: on average a 4 per cent tariff on imports.

So, our main focus has to be to tackle those barriers which are behind the customs border – such as differences in technical regulations, standards and certifications. These often cost time and money. This is where we can make real savings for our businesses, create jobs and bring better value for consumers.

Such barriers are estimated to be equivalent to slapping a traditional tariff on a product of between 10 and 20 per cent – so the current cost to business and consumers is high.

Finally, we need to work together on developing global rules and standards which will shape the future business environment of the world in the years to come.

We have this unique opportunity to get it right. It will be tough, but I count well on succeeding. Thank you for your time and I will be happy to answer questions you might have.