



## **TTIP On Track**

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*Brussels - Bruegel TTIP Workshop*

Ladies and gentlemen,

It's something of an understatement to say that I've been thinking a lot about this negotiation since last November.

And that I've been thinking specifically about the question you pose here today.

And sometimes I'm reminded of an old joke. The one where you stop in the countryside to ask for directions and the answer comes back, "Well I wouldn't start from here."

But then I remember that it's not at all surprising that the Transatlantic Trade and Investment Partnership is a challenge.

We knew it would be long before we ever started:

- We knew our differences all too well.
- We knew that as the two largest economies in the world, our trade negotiators were not used to making many compromises.
- And we knew that there would be both great political support and, yes, some concern about such an ambitious project.

And still we took on the challenge.

We did so because we knew this agreement was worth the effort, worth it economically, worth it strategically.

We did so because we knew that for all our transatlantic differences we actually agree on most things, from first principles like human rights to their most complex implementation in high quality regulation.

We did so because we knew that this bed of shared principles, combined with the size of the prize, would help us find our way forward when it counted.

And that's why I'm happy to say that this fresh start you are calling for is not only well on its way but is in fact already happening.

First, a key element of what I wanted to achieve when I used the term fresh start was a new beginning for the political debate within the European Union.

There is no doubt that the debate continues but our initiatives are starting to bear fruit, particularly on transparency. The steps we've taking are being acknowledged. Even our deepest critics have to admit that there is a now great deal of information in the public domain.

Do we need to do more on transparency? Possibly. I think we probably have reached the limits of what the EU can do on its own. But as the negotiations proceed we may decide, together with the US, to do more.

Do we need to do more outreach? Certainly. I will certainly continue to listen and discuss TTIP with anyone who wishes, here in Brussels and as I visit Member States. And I urge all those who believe this deal matters to do the same – especially national ministers and MEPs, but also business, think tanks and civil society. Having information online helps. But myths live on in people's heads long after they have been disproved.

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Second, the fresh start is also a reality when it comes to the pace of negotiations. After we met at the end of January, Mike Froman and I gave clear instructions to negotiators to step up the work and make as much progress as possible this year.

- This already started with the eighth round of talks in Brussels last months. It was the broadest set of discussions we've had since last summer.
- We have also agreed on two more such comprehensive rounds before the summer break.
- We plan a series of dedicated meetings on specific issues between rounds, for example on some of the regulatory issues.
- And Ambassador Froman and I will keep a very close eye on the process. We meet in Brussels in just over a week. And I will travel to Washington in May.

Third, we are moving ahead, I can reassure you, on the substance too.

Take regulatory cooperation, the most important part of these talks. During the last round we reached a milestone, in that both sides now have proposals on the table for what we call the horizontal part of those talks. The US is now examining the proposal that the EU has made on all of these issues – a proposal which is already online by the way:

- It covers good regulatory practices: ways to make sure both sides make high quality regulation like impact assessments and consultation of the public.
- And it covers ways of encouraging regulators to work together in future, including through a regulatory cooperation body. We want to do this in a way that in no way compromises our freedom to make policy in the public interest.

We will discuss it again in the next round in Washington in April.

We are also moving ahead on the sectoral parts of the regulatory cooperation work. For instance, we now have much more detailed data on the whole question of car safety. That is enriching the discussions between the regulators and helping them move forward. Talks are making headway on the other sectors, including medicines, medical devices, clothing, cosmetics, machinery and others.

These are core areas for TTIP and we are moving forward on them... finding ways to make regulation more compatible, without lowering health, safety, environment or consumer protection standards.

The same good progress applies to the rules part of the deal. Our idea here is to establish disciplines that would set gold standards...

... and for these, in many cases, to be a starting point for future negotiations on global rules.

They cover issues like trade facilitation, intellectual property, rules of origin and energy and raw materials. But let me just talk about two where we are talking very intensely:

First, sustainable development. I hope that we will soon be ready to exchange proposals. We are not quite there yet, but both sides agree that we need strong rules on both labour rights and the environment as a matter of principle. And we have already had detailed discussions on how to implement these.

Second, we are making real progress in the chapter on SMEs. We know that smaller firms – and the communities they operate in – stand to be among the biggest winners from this deal. SMEs feel many trade barriers more than large companies because they have to spread fixed costs like product approvals over smaller sales. High tariffs are also concentrated in sectors that are important for SMEs, like food, textiles and ceramics. That's why we need to think small all across the negotiations.

But we also agree that SMEs need help taking advantage of this deal. That's why we agree on the need for a dedicated chapter:

It should mandate more EU-US joint government outreach to the SME community...

... set up an SME Committee to make sure that we keep thinking small after TTIP is in place...

... and most importantly, deliver clear information to SMEs about all the rules and regulations that apply to their product. The EU wants this to be done via a comprehensive website.

The final area I want to mention is market access for goods, services and public procurement. We spoke about all three during the round and we have a much clearer sense of our priorities and sensitivities.

We are continuing to have those discussion since then. And one thing is very clear. We know that both sides want very ambitious results. You just have to look at what we have done in other deals – like our deal with Canada for example – to see that. So I am very confident that in the end we will have a very high level outcome on all pillar of market access. It's just a matter of time.

And this brings me to the question of how we deal with differences.

Well, ladies and gentlemen, as I said at the outset: there are differences.

If there weren't there wouldn't be a negotiation.

And this certainly is a negotiation.

Which means that it's following the pattern of a negotiation.

And that pattern is that you don't solve everything at the beginning and you leave the hard things for the end.

For any diligent student that's a bit counter-intuitive. But we know it's the way things work.

And it makes our task very clear.

Let's keep moving forward on all the complex, time consuming technical work that remains. There's plenty of it.

Let's look at the political level for the compromises that we can make in the short term.

Let's prepare the ground for the final tough negotiations when the time comes.

Let's keep talking to our citizens and stakeholders about the progress we are making and about their wishes and concerns.

And let's remember that what we are all aiming for is a good deal. A deal that meets our ambitions. And a deal that's worthy of all the effort we are making.

Losing patience is definitely not an option. Keeping our heads down and our spirits up is compulsory.

I hope that your discussions today will help us do that.

And I thank you very much for your attention.