



## TTIP - why it's good news for Romania

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**Cecilia Malmström**, Commissioner for Trade

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Ladies and gentlemen,

I'm delighted to be here in Bucharest today. It's my first visit to Romania since I took over as Trade Commissioner last year

And I'm especially delighted to be here as I know you've been working hard on a national consultation process to collect the views of the business community on the Transatlantic Trade and Investment Partnership.

So I'm very much looking forward to hearing about the results of that.

And I would like also to take a few moments to talk about the EU's wider trade strategy - because that is also very important for the future of the Romanian economy.

But let me start with TTIP.

I'd like to talk first about why we are negotiating this agreement.

There are essentially two reasons.

The first is economic. TTIP is the best chance we have had for a generation to free up commerce across the Atlantic. And doing so is of major interest for the whole of the European Union. Because trade with the United States is an essential part of the fabric of our economy.

In Romania, there are over 130 different cities and towns that have a company who exports to the United States. Not just in the big cities but all over the country!

And it's not just big companies that are exporting either. Over 60% of Romania's exporters are small and medium sized firms.

It's also worth noting that many companies export indirectly to the US. They export parts, components or services to other European Union countries. They are then re-exported to the US as part of other products.

But even if Romania is already successful in its exports to the US, TTIP clearly offers a way to make things better. And that means more jobs and more growth for this economy.

Let me give you three examples.

One interesting company is Partenope Fruits. It's a small firm in Buzau county that already successfully sells cherries to customers in New York. But to get its cherries through US

customs, Partenope has to pay a tariff. Meanwhile, many of its competitors come from countries that already have trade agreements with the US so they do not need to pay anything at the border. TTIP would level the playing field.

Or take Denis Shoes. It's a family business in Vicovu de Sus, a town in North East Romania. They're an ambitious company - I understand they started with 10 employees and now employ more than 300. That's why they are now looking at the US market. But shoes face high tariffs in the US - often 20% and in some cases over 60%. Getting rid of those would make accessing the US market much easier.

Finally, what about a larger company like Antibiotice SA? It's a global leader, for a number of key medicines and already ships its products to the US and around the world. It's a major Romanian success story. But it's another good example of how TTIP can help.

To guarantee the highest quality and safety, they have to follow a set of good manufacturing practices. Those are the same in Europe and America, which is good news.

Except the inspectors in the EU and the US who check if companies are really implementing the rules, don't recognise each other's work.

So if a company wants to sell on both sides of the Atlantic, it has to get inspected twice...

... for no improvement in safety...

...at twice the cost.

Through TTIP we would like to get rid of that duplication.

These are just three examples. I know we'll hear many more over the course of the day.

But they all show one thing. There are real economic opportunities to be had if we aim for the highest possible ambition in the TTIP negotiations.

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But of course TTIP is not just about economics. There are other benefits from closer cooperation with the United States.

As the name suggests, this agreement is about strengthening our partnership with the United States, in order to support shared transatlantic interests and values.

The biggest change going on in the world right now is the return, after many centuries, of countries like China as major players in the world economy.

Emerging and developing countries' share of world GDP was 20% in 2000. Last year, it was just under 40%.

That trend is very good news. Because it means hundreds of millions of people are getting out of poverty.

But it also means that both Europe's and America's voices in the world are getting weaker.

That's poor timing. Because decisions made outside our borders are going to affect us more in the future. The world economy is becoming more integrated. And that will mean more demand for global rules on everything from safe products to environmental protection.

For example, the safety standards we apply for cars in the EU are already agreed through a United Nations body.

In the future, when global decisions are made on rules like those, we want transatlantic values - like human rights, open markets and a high level of safety and environmental protection for our citizens - to be at their core.

That's what TTIP can help us achieve.

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So there should be no doubt about the benefits of this agreement. It can help boost our economy. And it can help position us strategically for the future.

But I know that even in a country like Romania, that has such a strong support for the transatlantic alliance, there are still aspects of TTIP that are being debated.

So let me just address two concerns that often come up.

The first is about investment protection.

All across Europe, people have expressed concerns about the old system of investment protection, and in particular the system for settling disputes on investment - in which companies can sue governments if they don't fulfil the commitments they make.

People have been afraid that by including this system in TTIP we will allow US companies to block laws and regulations they don't like.

We in the Commission do believe that debate is always welcome and important.

So we've had a major public consultation and long, detailed discussions with the European Parliament, national parliaments and national governments. And we have learned that the old form of dispute resolution suffers from a fundamental lack of trust. People just don't believe it's fair.

However, what's also clear is that EU investors are the most frequent users of the existing system. And that it helps protect the European economy by encouraging investment here.

So what we are proposing to do is to use the TTIP agreement to start a global reform the existing system. We want to keep its best aspects and get rid of the ones which are causing concern, by creating a new Investment Court System.

The new system will be composed of fully qualified judges, proceedings will be transparent, and cases will be decided on the basis of clear rules. In addition, the Court will be subject to review by a new Appeal Tribunal.

The result will be a system protects governments' right to regulate...

... ensures that investment disputes will be decided in full accordance with the rule of law...  
... continues to encourage the job-creating investments we need...  
... and sets the stage for a wider global reform of the whole investment protection system.

I believe it's the right way forward.

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The second concern I want to address is about the way the negotiations are being carried out. People are worried that the talks are not transparent enough.

But the truth is that anyone who's interested can learn what we are doing in these negotiations.

Because there is so much information now available on our dedicated TTIP website for anyone who wants to look. We have the full texts of the EU's proposals and hundreds of explanatory documents.

We are also constantly in touch with civil society. Did you know that during each round our negotiators stop for a day to hear presentations and then take questions from hundreds of civil society organisations?

And of course we are working very closely with national governments and the European Parliament to make sure they can play their role of scrutinising our work.

So the truth about TTIP is that, of the hundreds of free trade agreements being negotiated around the world today, it's actually the most open - not the least.

And that's the reality of TTIP:

It will help us grow economically and have a stronger voice in the world.

The process is thoroughly democratic and we will keep our democratic right to regulate.

If we get an ambitious result it will be an excellent deal for Europe.

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But it's not the only part of trade policy that matters. That's why on Wednesday, I announced a new EU approach to trade across the board.

It's called "Trade for All" and it aims to make sure that as many people as possible can benefit from trade - consumers, workers, small companies as well as big ones and people in the poorest developing countries.

We will do that by making EU trade policy more effective, more transparent and more in line with European values.

Let me quickly explain how:

Trade is already quite effective: One in seven jobs in the EU are supported by our exports around the world. In Romania, 1.4 million people are employed thanks to exports outside the EU.

But if we want to keep being effective then we need up to date trade agreements that address the barriers of today's global economy.

Just to give one example of that, when you sell a complicated product to the US today, you often need to send experts to install it and maintain it. Trade agreements should take this into account. They should also help facilitate digital trade and broader trade in services.

And we need to be focused on the right partners. So, in addition to TTIP we will be working more with key markets in the Asia-Pacific region (among others):

We want to finish our negotiations with Japan and for an investment agreement with China...  
... put into practice agreements with Singapore and Vietnam...  
... and start new talks with Australia, New Zealand Philippines, Indonesia and others.

We are also going to do more to ensure that trade is effective for people:

- Consumers must have confidence in the products they buy so we will support fair trade and more responsible supply chains.
- We must take care that workers can adapt when competition threatens their jobs, so we will review the European Globalisation Adjustment Fund.
- And we will make sure there are mechanisms in our agreement to ensure SMEs benefit.

Beyond effectiveness we also need to make EU trade policy more transparent. We are going to release many more documents about all our trade agreements. And we are going to engage more closely with the European Parliament and national parliaments. As an example, I'll be headed after this meeting straight to Romania's national parliament for a discussion on TTIP and the wider strategy.

But the most important change, I believe, is that we are going to show that trade is not just about interests but also about values.

That means, first of all, safeguarding the European social and regulatory model at home.

We have taken a clear pledge that no trade agreements will ever lower levels of regulatory protection. Any change to levels of protection can only be upward. And we will never give up our right to regulate in the future.

And we are also going to use trade agreements and preference programmes as levers to influence other parts of the world. That will allow us to promote European values like sustainable development, human rights, fair and ethical trade and the fight against corruption.

This is a comprehensive programme of change of trade policy. But I believe it is necessary.

We have to make sure that trade works for people.  
And that people have confidence in trade.

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Ladies and gentlemen,

That is the objective of our new strategy and it's the objective of the TTIP.

If we want to achieve it, we need the supporters of open trade to make their voices heard.

Events like this one are vital. As is the national consultation process that has led up to it.

But I hope that all those who believe that trade can offer opportunities for this country will continue to stand up and be counted over the long term as well.

That's what Europe and Romania need if we want a prosperous future with influence in the world.

I hope we can count on you.

Thank you very much for your attention.