



Debating TTIP

Speech by EU Trade Commissioner Cecilia Malmström
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Ladies and gentlemen,

If a future historian looks back on EU trade policy in 2014, she – let's assume it's a she – will have quite a challenge. She will have to work her way through many tonnes of Commission documents, many hours of video of parliamentary debates, the faded copies of thousands of newspapers in all European languages, and whatever record is left of the millions of tweets containing the obscure letters T. T. I. P. But even after she finishes all that, she may still be confused.

On the one hand, Europeans need trade more than ever. 30 million of us work in the high-paying jobs that our exports support. Many millions more work in companies that need to import energy, raw materials or components to succeed. And economists tell us that the vast majority of the world's growth will happen outside our borders over the next twenty years.

On the other hand, there is more public concern about trade negotiations than at any time in recent memory.

I do not know how our historian will resolve that paradox. Because it is our responsibility – Commission, European Parliament, EU national governments, civil society and organisations like yours – not to mention the US government – to decide what happens next. But we will only be able to do that in the way democracies solve any problem – through dialogue. And that demands that all sides engage in real, honest debate. That is why I have spent the last month meeting people from all sides in this debate. And why I am listening to what they say.

So let me start by accepting one important point often made against TTIP. This is not just another trade negotiation. And we should not present it to people that way. It's a negotiation with our own largest trading partner. It's a negotiation between the world's two largest economies who share many common values. And most importantly it's a negotiation that goes beyond traditional trade issues like market access for goods and services. Most importantly, but not only, about regulation.

Why do we need this broad approach? It's simple. Traditional market access problems like tariffs are not big problems for trade between Europe and America. We need to do more if we want to lower prices and widen choice for consumers and create good, higher-paying jobs for workers. And that brings us into this new areas like regulation in particular.

This is something new – both for trade policy and for regulatory policy. We need to be very clear about it in our communication. And very clear in terms of what it means for this negotiation.

When it comes to regulation it means three things. First, there can be no trade-off between our economic goals and our people's health and safety, the environment or financial stability. In practice that means that where Europe and the United States have very different rules we will not be able to come to agreement. That goes for our laws on genetically modified organisms and hormones in beef. Those laws are democratic decisions. That is the end of the conversation.

Instead, we have to work on the areas where we have similar levels of protection. That's why we are working on cars, pharmaceuticals, machinery, food and medical devices. It's also why whatever we agree in TTIP about the way we make regulation in future must leave us a free hand to work.

Second, we need to use this agreement to protect people even better. We live in a global economy. Effective regulation depends on international cooperation. TTIP must support that. When new technologies arrive, as they do every day, regulators need as much information as possible. By working together they can share research, expert perspectives and best practices. We are already doing this with electric cars for example. Working together can also save governments time and money, which they can then deploy on better enforcement.

The classic example of this is medicine. We need our medicine to be made in the most careful way possible. So the EU and the US already agree on very strict good manufacturing practices that factories have to follow. But we don't recognise each other's inspections to see if those rules are being applied. So our European inspectors go to check up on a factory a week after the Americans have been there to check on exactly the same thing. That is time that could be spent enforcing other rules better. And this is just one example. The same applies in medical devices and in some types of food.

Third, we need to negotiate this agreement in a different way to an ordinary trade agreement. That means that this agreement needs to be negotiated openly and transparently. Everyone who is interested must have a chance to comment – consumers, workers, environmental activists, entrepreneurs, private citizens and the people's representatives.

That's why I have announced new measures to open this process up even more than it was already. All the proposals that the EU makes to the US for the text of the agreement will be publicly available on line. And we will open up the way documents are shared with the European Parliament to make it easier for them to hold us to account.

These initiatives complement all of the information we were already releasing. And of course they complement the clear democratic checks and balances laid down in the treaty. No deal can happen unless it's approved by Parliament and EU national governments.

By negotiating in this new way I believe we can take people's concerns about regulation in TTIP fully into account and demystify the negotiations for them – while still providing a result that helps them economically.

Regulation is not the only area where there is debate in this negotiation. There is also controversy around public services and investment. Here we must apply the same principles: We negotiate in the interest of our people and we negotiate openly and honestly. When it comes to public services, honesty means explaining that no EU trade deal has ever restricted EU Member States' freedom to organise their public services the way they choose. That goes for health, water and whatever else member states choose. TTIP will be no different.

Openness means publishing the key parts of the text, which we have already done. The full text is exactly the same as what is in the Canada agreement and the Korea agreement and any other you care to examine. These are already public. Public interest means making sure that we get an ambitious result in all the other parts of the negotiation so we have a strong economy that will allow us to pay for public services in future.

When it comes to investment, honesty means making sure people understand that there are already 1400 EU agreements, that there are 3000 globally, that they have been around since the 1950s and that they are a German invention. What TTIP could do is allow us to improve them. It means acknowledging both their weaknesses (we don't want tobacco plain packaging cases) and their benefits (we don't want EU jobs lost because of expropriation.)

Openness is having a full public consultation on every detail of this issue and carefully examining each of the 149 000 replies. We will release our analysis of the replies in January. And starting from the beginning of next year we will work with Council and Parliament to define how to move forward. My hope is that we can have a new agreed EU approach by the end of spring.

And the public interest is making sure that whatever we do does nothing to undermine our freedom to make democratic decisions about policy in future. President Juncker and I have made that clear. Honesty and openness are not served by holding back on talking about the benefits. We need to make a clear case for why a TTIP negotiated like this would really benefit people.

One way is to show how the economic benefits will be broadly shared. TTIP is not just for big companies but for small ones – who make up a third of our exports – too.

In fact they will do even better out of this deal. Because they are more affected by trade barriers than bigger companies.

For a small company, just getting reliable information on the rules in other countries is a trade barrier in itself. The cost of hiring lawyers and consultants keeps many small companies from getting involved in trade.

It's also more expensive for small companies to comply with the rules because many of them are fixed costs. Take the medicines example. A big company can spread the cost of the long and heavy preparations for two factory inspections over a very large turnover. A small company cannot.

TTIP can help with both of these things. The EU wants both sides to set up a one-stop-shop website that will make clear all the rules and regulations that companies have to follow if they want to sell their products. Our work on regulatory coherence is all about the kinds of fixed cost barriers that affect SMEs the most. That is why we will have a dedicated SME chapter in this deal.

Another important argument for this this agreement is strategic. Our world is constantly changing – for worse and for better. Take the dramatic success of emerging economies like China over the last thirty years. They have rolled back poverty for hundreds of millions. And they are rightly taking their place at the high table of global politics as a result. But the mathematical consequence of their growing influence is a decline in Europe's. And that means we are less able to influence high standards for global rules on everything from food safety to human rights.

We can also look East. Russia's actions in Ukraine have shown the need for a strong Europe that can support and promote our values around the world. The Transatlantic Trade and Investment Partnership can help Europe face up to these broad international challenges in different ways:

By boosting growth. Doing so will shore up the strongest argument for Europe's influence outside our borders: the fact that we have the world's largest economy. By encouraging the United States to export its new gas supplies. Doing this will reduce the world's – and Europe's – dependence on Russian energy. That gives us more freedom in our response to aggression. And by strengthening our alliance with America TTIP can renew a partnership that can help shape the world in the coming decades. Whatever our small differences, the European Union and the United States share values of democracy, the rule of law, respect for the individual and open markets. Those values are worth preserving.

A final word. Even if we reached a TTIP deal today, this debate would still be a long one. Our future historian will not be able to stop her work at the end of 2014. She will have much more research to do before she can write the definitive history of this negotiation So everyone, from all sides of this discussion, must be prepared to keep talking.

I for one am very happy to do that. I joined politics because I believe that talking, listening and engaging with people, based on mutual respect and honesty, is the best way to reach the right conclusions that change people's lives. So I am ready to listen. I am ready to advocate. And I am prepared to do some historical research of my own.

On this day in 1901, Marconi received the first radio transmission across the Atlantic. His achievement was based on ingenuity and skill, but most importantly on perseverance. I hope we can all be inspired by that! Thank you very much for your attention. I look forward to our discussion.