



TTIP: On Course to Deliver for the UK

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London – TTIP: Facts, Fiction and the Future

Ladies and gentlemen,

This is an excellent place to talk about the Transatlantic Trade and Investment Partnership, or TTIP.

London's dynamism and creativity show the huge potential of being open to the world... because the free flow of goods, services and capital also brings people and ideas.

But perhaps more importantly, for our purposes today, is the fact that the UK has long valued both transatlantic partnership and trade and investment.

Your close relationship with the United States and your long history of benefitting from open markets mean that this deal seems inherently logical to most British people.

But that is not to deny that there is a debate about this negotiation and I hope that we will hear from all sides of it this afternoon.

So let me give you my view. There are three reasons why I believe TTIP is good for the United Kingdom.

First, TTIP will help the UK's economy grow and its people prosper.

Second, TTIP will help the European Union and the United States cooperate to strengthen – not weaken – governments' ability to respond to people's needs at home.

Third, TTIP will strengthen our cooperation in the wider world, at a time when it's more important than ever.

The economic argument is simple – more trade means more opportunity.

The UK already does very well out of exports. They support 4 million jobs, almost 15% of all employment in this country. 800,000 of those jobs are linked to the US alone.

By reducing barriers to trade, TTIP will increase the exports to the US and that means increasing export jobs.

Let me give you some examples.

There's a medium-sized e-commerce company in Manchester called Duo UK. They sell packaging to many clients all around the world, including the United States. But the heavy process of getting their products through US customs is a constant challenge, especially because customers' orders are time-sensitive. TTIP can help streamline that process.

Or take AES Digital Solutions, based in Teesside. They develop software to improve business efficiencies and work with many much larger firms. Their software has to take account of differences in regulatory standards, making it more complex and difficult to produce. If TTIP was able to make our regulation more compatible, that would make it easier for them to provide their services across the Atlantic.

Another example is Penny Seume, a designer from Bristol who creates printed fabrics, wallpaper, lampshades and pillows. Different textiles flammability testing standards mean she has to set fire to her products... not once... but twice! TTIP negotiators are working towards clarifying these fire safety rules, which could save her time and money.

All of these examples, as you can see, are small and medium-sized companies, which make up around 30% of Europe's exports to the US.

But bigger firms can also benefit, with gains for people who supply them and work for them.

For instance, if BT can sell more telecoms services to the US federal government and US states, that's good for its employees in Britain.

If TTIP makes it easier and cheaper to sell Minis and Rolls Royces on the US market, that's good for workers and suppliers here.

And if we make sure that both the US and the EU implement the highest standards of finance regulation in a more cooperative way, then that's good for the huge number of people in this country that depend on the success of the City of London.

And let's be clear about one thing. We will also gain from TTIP by being more open to imports. That would allow consumers to buy things more cheaply, benefitting the poorest in our society. And it would allow British companies to source the best components and services at the best prices, making them more competitive on the world market.

But the economic gains are only one of the benefits of TTIP.

As the Beatles thankfully didn't sing...

... money can't buy me health, safety, a clean environment, tough rules on consumer protection, or a stable financial system.

So a true transatlantic partnership must support, or at the very least not undermine, these important societal objectives. And that is the reality of TTIP.

The European Commission, the European Parliament, the UK government, the governments of the other 27 EU Member States, and the government of the United States have all made one point very clear from the very beginning: We will not sign a deal that lower our standards.

That's what it says in the mandate for negotiations that EU Member States gave the Commission. It's what it says in the European Parliament's resolution on the negotiations. And it's what President Obama said when he visited Brussels last year.

We are implementing those pledges by focusing our regulatory cooperation efforts on areas where we have the same level of protection but technical differences create unnecessary trade barriers. And that's the case for areas like car safety, medical devices, pharmaceuticals, financial services, textiles and engineering.

We are also implementing those pledges by not working on issues where our differences are too wide. That's why TTIP will not change Europe's laws on hormone treated beef and genetically modified food.

Beyond regulation, we must implement those pledges by safeguarding public services like the National Health Service.

Let me be clear on this, we in Brussels understand and admire the principle of fairness that lies behind the NHS.

We understand the achievement it represents to deliver healthcare to a country of 60 million people, free at the point of delivery.

And we understand the pride that people in this country feel about that achievement. Some Olympics opening ceremonies featured folk dancers, rocket packs – even the voice Freddy Mercury. London 2012 had doctors, nurses and hospital beds!

For all these reasons, I want to make it absolutely clear that the health services will not be affected in any way by TTIP.

The EU has a tried-and-tested system of legal reservations and exceptions that make sure that trade agreements don't affect EU governments freedom to organise their public services how they want to. We will use them again in TTIP.

They make clear:

That the UK will not have to open public health services to competition from private providers...

That the UK will not have to outsource public health services to private providers...

And that the UK will be free to change its policies in future.

Let me be clear on that last point, because it's connected to the whole question of investor-state dispute settlement.

As you may know, the TTIP negotiations on this issue are frozen right now. Based on an extensive public consultation, we are working on a new European approach. That approach will have to balance two objectives:

To protect the EU investments overseas that support our economy at home.

And to make sure that nothing in any investment agreement will undermine our freedom to regulate or provide public services to the people of Europe.

We will need to discuss the way forward with Member States and with the European parliament before we go back to negotiating table.

But I can be clear on one thing right now:

Nothing in TTIP will prevent an outsourced public service from being brought back into the public sector. And not renewing a contract would not give any grounds for compensation.

Even as it stands today investment arbitration can only be used in limited circumstances – to address unfair or discriminatory treatment or if property is expropriated without compensation.

So TTIP poses absolutely no risk to the NHS, or any other public service, or to our regulations and standards.

But I said we could actually go further – that TTIP could help governments be more effective. How?

First, because regulatory cooperation means sharing the expertise and data of our highly qualified expert EU and US regulators. That's important because new regulation is almost always made in uncertain conditions – particularly when a new technology is concerned. Working together helps us all make better decisions.

Second, cooperation on the enforcement of rules cuts costs. There are several areas – medicines, medical devices and some food production – where both sides inspect the same factories or farms for compliance with the same or similar rules. That's wasteful. If we could recognise the quality of each other's inspectors we could each use our resources on more important priorities.

Finally, removing trade barriers lower prices for consumers – including when that consumer is the government. Open public procurement has the same effect. So TTIP will make governments' money go further, helping pay for things like better public services and enforcement of regulation.

The final benefit from this agreement is also about cooperation – but this time on the international stage.

Europe and America have worked together on so many issues over 60 years of transatlantic partnership.

We have done so on the basis of a shared set of values that date back to the Enlightenment, like open markets, democracy, and the rights of individuals.

TTIP is a way to renew that partnership for the next 60 years.

It could help us deal with crises like Ukraine because TTIP would give Europe a stronger hand in our negotiations with Russia. How? By improving our access to American exports of energy, making us less dependent on Russia's gas.

TTIP could also help us deal with the longer term shift of economic and therefore political gravity away from Europe and North America.

The recent success of many developing countries is good news. But it also means a smaller voice for Europe in international organisations, whether they work on issues like human rights or on food safety, car safety, public health or the environment.

That international infrastructure, part of what Winston Churchill called the sinews of peace, affects our daily lives.

It's important that we can help shape it. A stronger partnership with the United States, based on our shared priority of high standards on all of these issues, would allow us to do that.

Ladies and gentlemen,

Getting these results – economic opportunity, more effective government and a stronger voice in the world – requires us to finish these negotiations. And I'm happy to say that we are on course. Since taking up this job at the beginning of November I've met twice with my American counterpart, Ambassador Froman. And following our last meeting in January we both gave a clear instruction to our negotiators to intensify their work.

They have done so. Two weeks ago they met for the 8th round of talks in Brussels – where they made some progress on almost every aspect of the negotiations. They have scheduled the next two rounds in April and July and they are setting up technical meetings on specific topics in between.

In addition, Ambassador Froman and I will also meet regularly over the coming months to overcome roadblocks and keep the process moving forward. With all of this we are aiming to move as far ahead as we can by the end of this year. And I am committed to that objective.

But managing the negotiation is only part of my work. There is also, as I said at the outset, an intense debate about this negotiation.

That debate is very welcome. It's democracy in action and I'm confident that the more people find out about TTIP, the more they will like it.

That's why I've made the process more transparent.

We're putting many of the EU's proposals for legal text on-line – a new one on regulatory cooperation went up last week. We're putting up fact sheets on all aspects of the talks. And we're making sure that the European Parliament and national governments have access to all the information they need to do their job of democratic scrutiny.

But two more things are required – and on this I'm going to finish.

First, as far as I'm concerned, the price of admission to a discussion as important as this is that you base your arguments on facts, not distortions. If people are taking the time to listen and learn then we owe them the truth, not a new batch of euomyths. People have rightly said that they need more transparency in order to do that. That's why we have provided it.

Second, people who believe this deal is a good thing need to come out and support it. Those who are opposed to TTIP have been very vocal and very active. Those who support it have been less so. That has to change if the public is to have a full understanding of everything at stake.

Ladies and gentlemen,

The debate and the negotiation are intimately linked. A vibrant, detailed factual public discussion will improve the eventual deal.

I'm certainly ready to participate in a debate like that.

I hope that all of you, on all sides of this discussion, will join me.