



TTIP round 10

Statement by EU chief negotiator Ignacio Garcia Bercero

Brussels, 17 July 2015

This week's round has taken place at an important moment in these negotiations.

At their last meeting in June, the leaders of the G7, including Presidents Juncker, Tusk and Obama, gave the EU and US clear indications to intensify our discussions on TTIP and identify the way forward on all areas.

Of key importance also, on 8 July the European Parliament gave strong support to the negotiations. This provides EU negotiators with a "strong and forward-looking" political guidance on how we should be engaging in the next phase of these negotiations. It also underlines that only a comprehensive, balanced and ambitious agreement would get the support of the European Parliament.

Also, the US Congress has adopted the Trade Promotion Authority Bill in June, which provides additional political impetus and support to trade negotiations.

We have therefore engaged in this week's work with strong political wind in our sails. This means in practice that the 10th round has been all about making progress in all areas of the negotiations, meaning market access, regulatory cooperation and rules. To that effect we have had discussions this week on almost all elements of the negotiations.

On substantive issues, let me highlight a few important points:

In the area of **market access**, we reached an important milestone and both sides exchanged **revised services offers**. The EU also tabled its textual proposal for a services chapter. Services is a key component of the transatlantic economy and thus is an area for which both the EU and US are seeking to achieve ambitious and additional commitments to what we have reached in our other bilateral and multilateral agreements so far.

Both services revised offers reflect also what Commissioner Malmström and US Trade Representative Froman stated publically last March on public services – TTIP will fully preserve the right of public authorities to choose the manner in which they deliver and run the public services offered to their citizens.

While we have not discussed this week **tariffs** and **public procurement** these remain essential elements of our negotiations on market access and for which we also expect to achieve a high level of ambition. On both areas we are considering further how to move forward our discussions.

In the case of public procurement, for example, our objective remains to enhance business opportunities through substantially improving access to government procurement opportunities at all levels of government on the basis of national treatment. We hope therefore to establish a framework that would allow us to intensify our negotiations on all procurement market access aspects and help us proceed with an exchange of offers.

A lot of our time this week has also been dedicated to **regulatory discussions**. There is significant convergence among the EU and the US that under this pillar of the agreement we should be able to achieve the following five elements:

- Agreement on good regulatory practices
- Ambitious chapters on technical barriers to trade (TBT) and sanitary and phytosanitary (SPS) that strengthen and go beyond our existing cooperation in these areas in the WTO.
- A framework to facilitate regulatory cooperation in the future
- Greater regulatory compatibility in the nine sectors that we have identified (cars, medical devices, pharmaceuticals or textiles, to name only a few)

As an illustration of the work that we are doing on specific sectors, let me highlight some examples in the area of pharmaceuticals.

Discussions on **pharmaceuticals** between the Food and Drug Administration (FDA) and the EU pharmaceutical regulators continue to make good progress. This week regulators from both sides reviewed the work being conducted on assessing our respective good manufacturing practices (GMP) systems. These make sure that pharmaceuticals available to our consumers are produced with the highest protection standards. The audits that we are performing both in the EU and the US will continue in upcoming months and these will help us determine what concrete outcomes can be achieved under TTIP in this particular area.

The EU and US regulatory cooperation has already led to some concrete results. For example, the EU and the US have now introduced compatible regulations leading to a single development programme for biosimilar medicines. This is particularly important to the generic medicine industry. In practice, biosimilar medicines approved in the EU can be considered as a reference for the US approval process – and vice-versa. This will avoid duplication and reduce costs and could lead to greater availability of cheaper biosimilar medicines for patients.

I would like to reiterate once again that our regulatory discussions are based on very clear principles:

- Nothing that we will do in the regulatory areas will reduce any of our high standards of consumer, health, labour or environmental protection. On the contrary, we will uphold them and, where possible, reinforce them.
- Regulatory cooperation must be based on mutual interests and be led by the regulators from both sides.
- Our regulatory process is not going to change because of TTIP. So, any future decision will be adopted according to the domestic regulatory frameworks of each side.

We also had good progress this week on **trade rules**. This is an area which both the EU and US believe could bring significant benefits, not only for our bilateral trade relationship, but also to enrich, with common and ambitious contributions, the development and modernisation of global rules in these areas.

A key component of TTIP is for us sustainable development. This has not been in our agenda this week, simply because we are currently finalising an ambitious proposal, which goes beyond what we have done in any of our precedent agreements. We aim at presenting a proposal to our US colleagues in September. The proposal will then be made public.

As regards other rules areas, we have made good progress this week on competition, customs and trade facilitation or state to state dispute settlement. We have also had positive discussions on energy and raw materials.

Our work has also been significant on SMEs. Both sides have an equally positive approach and discussions on this innovative and important chapter are on-going in good spirit. As confirmed also by some of the presentations we heard from various stakeholders this week, SMEs stand to benefit from a wide range of the areas that are being discussed in this agreement, whether that is in terms of tariff elimination, better access to services and to public procurement opportunities, easier access to regulatory information about how to make business in each other's market or trade facilitation measures. Again, an

important element underlined by SMEs representatives this week is that reducing the costs of complying with unnecessary and often duplicative technical regulations, while safeguarding the standards of protection, would be the most effective way to facilitate SMEs exports across the Atlantic. Simply, with TTIP we want to make life of SMEs easier.

A remarkable effort was again put this week in engaging with around 400 registered civil society stakeholders. This was very important for me and our team of negotiators to listen to a wide variety of people and organisations (from student organisations, through trade unions, SMEs to car producers). Some of the presenters put forward good ideas that could contribute to the better outcome of the negotiations. While some others express concerns that we also try to take into account in our negotiations as, for example, protecting public services.

Finally, let me confirm that we will continue in the direction of intensification of our discussions in upcoming months, both inter-sessionally and with the organisation of additional negotiating rounds.