



TTIP and the Czech Republic

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Prague, Citizens Dialogue on TTIP at Charles University

Ladies and gentlemen,

It's a pleasure to be here in the Czech Republic, at the crossroads of Europe.

And it's a pleasure to be here at the Charles University in Prague.

This is both an ancient and cutting-edge centre of learning.

It's a university that was founded with the objective of attracting students and faculty from, "foreign lands", as King Charles IV put it in 1348.

And it's an institution that is today still focused on international cooperation...
... not only with universities in Munich, Amsterdam and London
... but also with the University of Washington in Seattle.

There's a good reason international cooperation is one of the main objectives of this university. Because when people cooperate across borders, both sides benefit.

That's why this is an excellent place to talk about the European Union's trade policy. And, to talk about the Transatlantic Trade and Investment Partnership, or TTIP, in particular.

Because our action is based on the same principle: using international cooperation for everyone's benefit.

Those benefits, and how to achieve them, are what I would like to talk about today.

They fall into three categories:

- Economic benefits
- Benefits from better functioning government
- And the strategic benefit of a strengthened alliance with the United States around shared transatlantic interests and values.

Let me start with the economics.

Opening markets through agreements like TTIP helps improve people's economic lives in three ways:

First, by making it easier to import, it means that we can have a wider choice of goods and services at lower prices. That benefits all of us, starting with the poorest in the society.

Second, again by making it easier to import, trade agreements lower costs and expand choice for companies who import parts, components, raw materials and energy. That makes our companies more competitive and more productive, meaning they can beat their rivals on the world stage. And that, in turn, means sustainable jobs in Europe.

Third, by making it easier to export, trade agreements directly create jobs in export-driven companies. One in six people at work in the Czech Republic today are employed thanks to exports outside of the European Union. And every new billion euros that the EU exports is worth roughly 14 000 jobs within our borders.

The EU has a broad strategy for securing these benefits. It involves working hard for progress at the World Trade Organisation. It also involves a comprehensive set of negotiations for bilateral free trade agreements on all continents. For example, we have an excellent agreement with Canada and advanced negotiations with Japan and Vietnam.

TTIP is a huge part of that strategy, because it's a deal with our largest trading partner and the world's second largest economy. And, as you in the Czech Republic know very well, the US is also a key ally to EU Member States across many different areas including on security issues.

Thus, the EU and the US are partners on shared values and interests, while being also good friends to one another, and with many others around the world as well. The EU aims at a TTIP that is not excluding any country's exports from our market. In fact other markets around the world will benefit from our joint work - especially in the regulatory area. When the EU created the Single Market people talked about Fortress Europe. In fact some of the biggest beneficiaries were the US and Japan. TTIP will be the same for our partners around the world.

If we do it right - which means not being afraid to remove real barriers to trade - it can create new opportunities...

... for small as well as big companies...

... right here in the Czech Republic.

Let me give you some examples:

First, the TTIP should get rid of almost all tariffs - taxes on imports and exports. That would benefit a Czech company like Lasvit. Their world-class glass decorations and artworks sell all over the world. But when they sell their products in the US they can pay tariffs of up to 28% of the value of the product. TTIP would eliminate those tariffs. That means more business for Lasvit, and more job opportunities for glassmakers.

Second, an ambitious TTIP deal should make regulation on both sides more compatible, without lowering regulatory protection for people or the planet.

That would benefit a Czech company like Linet, which makes equipment used in US hospitals. EU and US medical device regulation aims to achieve the same objectives in many areas. Where that's the case, TTIP will help make our different procedures and requirements more compatible. That will mean lower costs for Linet and other companies, and once again contribute to supporting current, and creating new, jobs.

Third, TTIP should open the US public procurement market to European exports. That should help Czech IT services companies like OK systems or Javlin. They sell to the US government but today have to navigate their way around the Buy American rules, which favour local US suppliers. TTIP will make it much easier for Czech and EU companies to sell to government bodies in the US.

I could give you many more examples, in sectors like food and drinks, automotive, trains and machinery. But I think you get the picture: TTIP will be a good deal, economically speaking, for people in the Czech Republic.

But, as Albert Einstein, a former professor at this University, pointed out, *"Not everything that counts can be counted, and not everything that can be counted counts."*

Therefore, the EU wants a TTIP whose benefits will go beyond economics.

Take regulatory cooperation, for example. As I said, this university knows from experience that when researchers cooperate the result is more knowledge and understanding. The same is true for governments when they regulate.

The EU and the US have some of the most qualified regulatory experts in the world. Sharing their expertise about new regulatory challenges – from electric cars to nanotechnology – helps these experts solve the big societal problems they deal with every day.

Moreover, when authorities cooperate they can enforce the rules better. For example, in the pharmaceutical industry the EU and the US already agree on high standards for quality control in factories.

But we don't recognise the inspections by the Food and Drug Administration and vice versa. That means inspectors are constantly flying across the Atlantic in order to check up on factories that have already been checked.

If we cooperated on inspections, this would allow our authorities to use their resources for more useful purposes.

A third benefit is that TTIP will make it cheaper for governments to buy goods and services, freeing up government resources for other real priority needs. That's what open public procurement is all about. And when lower tariffs and regulatory cooperation make products cheaper – from medicine to uniforms – governments save money again.

Finally, and let me say this loud and clear: TTIP will not reduce our protections.

We will ensure full protection of EU standards and legislations on food, on the environment, on health, on safety, and consumer rights.

The TTIP won't lower EU standards through any future regulatory cooperation mechanisms. We will only cooperate with the Americans where we share the same objectives. Where we don't, like on GMOs & hormones in beef, we will always be free to go our own way. We will always be able to regulate as we see fit at EU and Member State level in full sovereignty!

And the TTIP won't lower EU standards on investment protection either. There are justified concerns about the old model of investor to state dispute settlement, or ISDS. But we are designing a reformed approach to investment protection. It will still promote job-creating investment but also make absolutely clear that the right to regulate in the public interest in the EU is sacrosanct.

The final benefit of the TTIP is strategic.

As the Czech Republic knows from its own historical experience, there are benefits from cooperating with the United States. The US was the first supporter of Czechoslovakia's independence in 1918, after all.

TTIP, as the name suggests, 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.

In 1348, the year this university was founded, the largest city in the world was Hangzhou in China. Today again China - and other developing countries - are playing a major role.

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.

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

That's what TTIP can help us achieve.

Ladies and gentlemen,

We will only get there if we negotiate a good deal.

And that means a deal that reflects the interests, concerns and hopes of European people like you.

For that to happen we need your involvement. And we need your support.

I have made it my priority to make these negotiations as much transparent as possible.

All of the EU's negotiating proposals, along with much information explaining what this partnership means, are available online.

We are holding regular conferences and consultations with civil society groups representing every issue under the sun.

And I've made it my priority to visit as many EU Member States as possible to listen to people and explain what TTIP will mean for them.

But that's only one part of it. If we want to get to a good deal,

A deal that creates economic opportunities for people like you...

A deal that helps us deliver more effective government...

A deal that strengthens Europe's position in a changing world...

... in short, a deal that helps this country realise former President Havel's vision of " a republic economically prosperous and yet socially just"...

... then we need your input and we need your voices in support of TTIP.

Thank you very much for your attention. I look forward to our discussion.