



TTIP: What consumers have to gain

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TACD Multi-Stakeholder Forum, Brussels

Ladies and gentlemen,

Thank you to the Transatlantic Consumer Dialogue for organising this event and for bringing us all here today. I'm very glad to have been able to work closely with your European arm, BEUC over the last year. They provide the Commission with very valuable expertise from a consumer perspective on the whole trade agenda.

And may I also say I'm very glad to be on an all-woman panel for once! I've just come from the World Economic Forum in Davos and I can say that they've never had that problem there. It must just be that we couldn't find any competent men.

But most of all I'm glad to be here with you to discuss what consumers have to gain from the Transatlantic Trade and Investment Partnership, or TTIP.

I'd like to talk about three benefits in particular but the theme of today's event is the precautionary principle, so let me say a few words about that first.

As a starting point, it's good that you raise this issue because I think it goes to the heart of the debate on this agreement. When I travel across Europe it's raised all the time.

That discussion – whether it's about regulatory cooperation or investment protection – ultimately comes down to how a trade agreement like TTIP interacts with domestic policies.

And the precautionary principle is a central tool for us in Europe - though not just in Europe - when we decide what kind of policies we are going to have.

It's been an important principle of our approach to law-making in the European Union for many years. And, as far as environmental legislation is concerned, it's written into the Lisbon Treaty.

So I fully understand why people would be concerned if they see a threat to how the precautionary principle and how it operates in Europe.

And this is one area where the Commission has been listening to people's concerns and reacting to them.

That's why we have made an explicit public pledge in the *Trade for All* strategy that we released last October. It applies to all our agreements, not just TTIP, and it has three elements:

- First, no trade agreement will ever lower the levels of consumer, environmental or social and labour protection we decide on in Europe. That means that nothing in TTIP will touch the precautionary approaches we have taken to regulating in the past.
- Second, if ever a trade deal did make a change to the levels of protection the EU offers its citizens, that change can only be upward. That means any change would lead to more, not less precautionary approaches.
- And third, nothing in trade deals will limit the EU's right to make new policies in the public interest. That's the most important part. When it comes to the intensified regulatory cooperation we want to see in TTIP - it will not change our precautionary approach. We want more discussion between regulatory authorities. But we will always insist that they are free to go their own way, including by applying the precautionary principle, if that's what they believe is right.

Beyond regulatory cooperation per se, we have also undergone a major reform of the EU's approach to investment protection. I know that the TACD has views on that. I've seen the paper you have just released. But we'll be talking about this in more detail in a few moments. So let me just say that our proposal is specifically designed to make sure that there too, we protect our right to regulate in the public interest. And that includes the precautionary principle.

So our approach is clear. We will defend the precautionary approach to regulation in Europe in TTIP in all our other agreements.

But, when we look at this deal from a consumer perspective, we need to think more broadly. We need to look at what positive benefits this deal can bring for consumers, as well as addressing concerns.

I would highlight three sets of benefits.

First, what we might say are the standard benefits of trade liberalisation.

Opening our market to goods and services will increase competition and choice on markets on both sides of the Atlantic.

That will be the case across the board but particularly for products where current barriers are high. American consumers will benefit from lower tariffs on European fashion and clothing. For European consumers it would be on areas like cars. That's good news for consumers.

Furthermore, new economic opportunities for European exporters mean more high quality export jobs. That's also good news for consumers who need a livelihood before they can consume anything. Almost 5 million jobs in the EU are already supported by our exports to the US.

The second benefit is actually to deliver more effective regulation - to implement the precautionary principle better in fact.

One of the benefits of intensifying regulatory cooperation is that we can pool our resources and expertise with authorities in the US. That gives us the best possible picture of where we stand, knowing we are operating in conditions of uncertainty. And that means we can base our regulatory approaches on the strongest possible outcomes. So this impacts our future regulation in particular.

TTIP can also deliver better regulatory outcomes for consumers by improving enforcement. Precautionary rules don't have much value if they are not enforced. And since both the EU and

US have good enforcement mechanisms working together and trusting each other more should allow us to direct our resources to where they are needed

In our conversations with the US we recently heard an example of this with the US Food and Drug Administration. Today they spend just under half of their resources for international cooperation on the EU. But the products they are most concerned about in terms of dangers to US public health - like poor quality medicine or medical devices - come from other countries. If they were able to trust the EU's own enforcement mechanisms they could redirect resources to where it matters, making the US public safer. The same would apply to many other products and certainly applies to our own resources here in Europe.

TTIP can also improve the way regulation helps consumers in some smaller practical ways:

For example we want to use TTIP to help tackle unsolicited direct marketing e-mails or spam as it is better known.

We want to bring our approaches to textiles labelling closer together, which should make it clearer for consumers.

And we want to reduce the time it takes to get new innovative medical devices onto each other's markets, helping patients get the treatment they need.

The third way TTIP will help consumers is intensifying EU-US cooperation to promote sustainable development.

Consumers increasingly want to have confidence that the products they buy are based on ethical supply chains.

By cooperating with the United States we can have a major global influence to help ensure that is the case. Together we account for 30% of world imports.

Our proposal on sustainable development would commit both sides to the most comprehensive set of fundamental international standards of labour rights and environmental protection ever contained in a trade agreement.

It would also deepen our cooperation to promote labour and environmental rights around the world. We would work together more in the International Labour Organisation for example, on issues like working conditions in Bangladesh. And it would see us cooperating on environmental questions like sustainable fisheries and biodiversity.

Ladies and gentlemen,

These are some of the ways that TTIP can help Europe's consumers. But we are not at the end of the process. And we in the Commission certainly do not have a monopoly on good ideas.

One of the commitments we made in the new *Trade for All* strategy of last year was to intensify our contacts with consumer representatives.

And that certainly applies to this agreement. I'm very glad that I was able to meet Monique Goyens of BEUC just a few weeks ago. I also know that my staff is working to set up some detailed technical meetings to talk more about a positive consumer agenda for TTIP.

What we need in that context are good ideas, practical ideas for how we can improve on what we are currently doing.

And that also applies to today's discussions, so I very much plan to listen more than I talk.

Thank you.