



Three Reasons Why TTIP is good for Austria

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Ladies and gentlemen,

Since I started this job in November, I've learned a few things...

That trade policy can be just as hotly debated as any other area of politics...

That no subject in trade policy is more hotly debated than the Transatlantic Trade and Investment Partnership, or TTIP...

And that nowhere else in Europe is it more hotly debated than here in Austria!

I have come to Vienna today because I want to understand all the different points of view in your debate. I am here to listen.

But after nearly three months as European Commissioner for Trade I also have a few thoughts of my own on this subject. So if you'll indulge me, I'd like to share them with you.

What I want to say is simple, but I believe that it needs to be said:

TTIP will be good for the people of Austria.

And it will be good for the people of Austria for three reasons:

- It will help boost the economy.
- It will help us provide better public services and stronger regulation.
- And it will help secure Europe's place in a changing world.

Let me start with the economics.

In Austria today, almost one in every five people working owes their job to exports outside the European Union. Thanks to exports to the United States alone, nearly 85,000 people are at work in this country.

The right TTIP will create new business opportunities in the United States for small and large Austrian companies. In doing so it can provide new jobs like these.

We know this works. Europe's free trade deal with South Korea came into force in 2011. It has directly benefitted Austria.

Let me give you one example.

Henn GmbH is a small company located in Dornbirn, just beside Lake Constance. They make parts for the systems that cool the engines of cars. Before 2011, they supplied mostly German brands. Not a bad business model, certainly.

But now, thanks to the new duty-free access, they can also supply companies in Korea. This has allowed them to increase production and they are already thinking about further expansion in Asia.

This is the kind of success story we want to repeat with TTIP.

And Austria's strong firms in the automotive and pharmaceuticals sectors and in environmental services like waste disposal or recycling are all good candidates.

- For the car sector, we are trying to mutually recognise similar safety standards – in a way that will guarantee passenger safety.
- For environmental services the agreement will open up US federal and state government contracts to European companies - while still allowing governments to keep private companies out of public services if they want.
- And for pharmaceuticals we want to remove the need for the American Food and Drug Administration to inspect European factories that have been certified as being up to the same high standards by European inspectors. Montavit, a small medicines producer from Absam in Tirol says that the high annual fees for these double inspections make it too expensive for them to do business in the US.

If TTIP goes through, that cost and many others could be eliminated, opening the door to a vast new market, meaning new jobs here in Austria.

But growth and jobs are just the first benefit.

The second reason Austrians will benefit is because TTIP can strengthen – not weaken – public services and regulatory protections.

This may seem a strange thing to say given the tone of the public discussion on these issues so far.

But it is true.

To start with, TTIP will not weaken what we have already achieved in Europe.

How?

For one thing, we are focusing our work on regulation in areas where our laws are very similar in the EU and the US.

I've already mentioned a few, like cars and pharmaceuticals. There are others, like medical devices, cosmetics and financial services.

In these areas, the fact is that American consumers and European consumers are equally protected. But the technical way this is done may be different, more for administrative reasons than anything else.

So if we can make these regulations more compatible, we will have an economic gain at no cost to citizens.

By the same token, where regulatory approaches are too different, we will not try and change things. That's why TTIP will not change our laws in areas like genetically modified food or hormone treated beef.

In addition, national governments will keep complete freedom to decide how to organise services like health, education and water provision. We have tried and tested legal wording for this. So there is simply no risk of companies taking over public services by stealth through any deal with the Americans.

Finally, there is the question of investment. Last week in Strasbourg I announced the results of a public consultation on this issue in the context of the TTIP negotiations, which received almost 150,000 responses, many of them from Austria.

The Commission has understood from that consultation that many people are very sceptical about the tool known as investor-to-state dispute settlement.

What is absolutely clear is that neither the Commission, nor Member States nor the European Parliament, will consider any language on investment that would lower our standards or limit our governments' right to regulate.

At the same time we need to reflect about how we want to approach this issue in the context of the TTIP negotiations. And more broadly - on what to do about the 1400 bilateral investment agreements EU countries already have with countries all over the world. The vast majority of these agreements do not include the kind of guarantees that we all want to see. We need to begin reforming them.

This discussion therefore is far from over. We are now reflecting on our position and will discuss it with the European Parliament, EU Member States and other interested stakeholders before making more concrete proposals.

But whatever happens, we will closely follow the principle that this deal will not undermine any of our existing protections.

That is not all, however. Because TTIP will also offer us a way to improve regulatory outcomes and deliver better public services:

- We can use regulatory cooperation to boost sharing of knowledge and best practices between our highly talented regulators. That will lead to better results for citizens.
- We can also use effective regulatory cooperation to lower medical costs for patients and government health services. We abolished on tariffs on medicines and medical devices long ago to keep costs down. Closer regulatory cooperation on those products is the next logical step and will help us tackle the real problem of rising drug costs.
- And, ultimately, more economic growth means more tax revenue for governments, which pays for better services.

That is the reality of TTIP, no matter what the scare stories say.

The final benefit of TTIP for Austrians is that it help us to protect Europe's interests and values in a world that's changing every day.

The economic rise of emerging economies like China and Brazil is a huge step forward for humanity.

But it does mean that Europe's influence in the world will gradually come to reflect our future share of the world's population rather than our current share of the world economy.

That leads people to ask how European standards and values can be protected? How can we protect the Austrian way of life?

The answer, as smaller countries like Austria and my home country of Sweden know very well, is through alliances.

And TTIP is a way to strengthen an alliance that will be fundamental to our ability to shape the world in the 21st Century.

The more that the EU and the US can agree on regulation, or on rules about the interaction between trade, labour and the environment...

... the more we will be able to shape global rules around those issues together.

All of these benefits – jobs, better services and regulation and a stronger voice in the world – depend on us achieving a good result.

We need a meaty, substantive deal that will create new opportunities and forge agreement in new areas.

How can we do that? By working together.

For my part, that means making sure that everyone in Europe can make their views known. That is why I have taken steps to make these negotiations more transparent:

- You can now find the key negotiating documents the EU has proposed on our website, along with detailed explanations of everything else.
- I am also working with the European Parliament and national governments to make sure they have enough information to do their job of scrutinising these talks properly.
- And I am personally meeting as many representatives of civil society as possible – from all shades of opinion. Today's meeting is an important part of that.

But getting to a good result also requires action from organisations like yours.

There are real issues at stake in these talks:

- How can we make sure the deal is ambitious enough to deliver economic gains?
- What are the best ways to strengthen public services and regulation through this agreement?
- What needs to be in the agreement to maximise world-shaping potential?

But so far the public debate, here in Austria and in many other countries, has focused on things that are not real issues, like GMOs, hormone beef and treatments for chickens.

We are here in the Austrian Academy of Sciences, which reminds us that what we need is an evidence-based discussion of the real issues.

That is up to governments and the media. But it is also up to civil society. Yes we have disagreements. And yes all of our concerns are important.

But I firmly believe we can have a civil discussion, grounded in fact and that this is the best way for us to serve the people of Austria.

Ladies and gentlemen,

I said at the start that I am here to listen.

And since the word "listen" has the same letters as the word "silent", as the great Austrian pianist Alfred Brendel has noted it is now time for me to give the floor to you.

Thank you very much for your attention.