



IPRIS TTIP Review

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Towards an Ambitious and Forward-Looking Partnership

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A Game Changer in the Making

The Transatlantic Trade and Investment Partnership (TTIP) represents an extraordinary opportunity to stimulate economic growth and job creation in both the European Union (EU) and the United States (US). But not only that: this ambitious venture has the potential to reshape our bilateral trade and investment relations and to develop global rules on trade for the years to come. There is more at stake than just a regular free trade agreement. This is a momentous time as a real game changer is in the making. After several rounds of negotiations, the two sides are at the heart of negotiations and upcoming rounds will be increasingly challenging. The technical discussions will continue while sensitive issues should be only on the table in 2015. I do not believe in the added value of a so-called 'early harvest' deal, leaving aside controversial or difficult issues such as regulatory cooperation, especially because the real gains from the agreement will come from regulatory convergence. TTIP should be ambitious and comprehensive, a forward-looking partnership. The EU and the US have the largest and the most integrated economic relationship in the world but there is still great scope for exploiting its full potential. First of all, we still need to dismantle traditional tariff barriers (a number of tariff peaks remain) and to make headway on market access issues in other areas such as public procurement, services and investment. Secondly, our main focus in the negotiations has to be to tackle the so-called 'behind the border' barriers (such as differences in regulations, standards and certifications). Thirdly, we need to work together on developing global rules and standards in a number of areas where they do not exist or are insufficient (for example, sustainable development, customs and trade facilitation, raw materials and energy).

Resolve Differences: Continuous Political Will

TTIP makes a lot of sense and both parties have a great deal to win with an ambitious agreement, but TTIP is not gained in advance. The hurdles are many and manifold. There are differences that need to be tackled and values that need to be respected. There are deep-rooted attachments to safety and consumer protection that cannot be ignored, as well as constitutional mismatches that cannot be overrun. There are two things that we cannot

change in this negotiation: one is our constitutions and the way we regulate; the other is the feelings of our fellow citizens and the way they want to be protected as consumers. Political leaders have the responsibility to make the case for TTIP—that TTIP can bring economic and social benefits; that TTIP can benefit small and medium enterprises and consumers—and ensure that TTIP negotiations are successful.

Build Support: Step Up Efforts

Strong public support will be crucial to make TTIP a reality. An agreement of this impact and ambition needs a strong democratic legitimacy. However, trade is no easy thing to get support to from the public. Benefits should be explained, negative effects should be attenuated. Stakeholders should also not 'wait and see' what benefits this agreement may bring, but think on what they can do to make this deal come true and to achieve a better deal for everybody. Given the recent elections for the European Parliament (EP), building support for the agreement among lawmakers in the new Parliament is crucial and on-going efforts in favor of TTIP are more critical than ever. We cannot ignore that the results of the elections raise additional concerns regarding TTIP and the EU trade policy in general. Anti-trade political groups have won the elections in a number of Member States, including France, increasing their representation in Parliament. The pro-trade and pro-TTIP coalition needs to work more closely and more efficiently.

The EP: Look After the Interests of the EU

The European Parliament is closely involved in the TTIP negotiating process from the very beginning because the European Commission is obliged to keep the Parliament immediately and fully informed at all stages of trade negotiations since the Lisbon Treaty. The Commission and the Council know that the EP's consent of the final agreement is needed and that it will be there only if the new agreement protects the EU's interests as Parliament sees them. The EP has already said "no" to an international trade agreement—the Anti-Counterfeiting Trade Agreement—so Parliament has 'teeth and can bite'. It is important for the EP to ensure that there is a continued communication with civil society and stakeholders



during all the negotiating process in order to ensure fact-based discussions. The EP and the European Commission have organized a number of debates, hearings and workshops, contributing to broaden the debate and raise awareness about TTIP in particular and the trade policy of the EU in general. It is not accurate to say that TTIP is being negotiated in secret. The debate on TTIP should take place not only in Brussels but extended to the national institutions and the public opinion of Member States, including Portugal.

An Opportunity for Portugal

Portugal, situated in the Atlantic coast, with the Azores halfway to North America and with a strong trading relationship with the US, can be one of the main winners of TTIP. Portugal has strong offensive interests in this deal and I have no doubt that TTIP is an opportunity for Portugal. When TTIP is concluded, the economic relationship between Portugal and the US will certainly know positive developments and will open new doors to a market that is already the second main destination for Portuguese exports of goods and services outside the EU. Sectors such as processed agricultural products, footwear and clothing, construction, retail and other services can benefit significantly with this agreement. At the same time, the import of cheaper energy and raw materials from the US can be a positive contribution to our economy. Portugal has some sensitive sectors in the area of agriculture (for example the tomato industry) and it is important to safeguard some protection in those specific sectors. The macroeconomic study commissioned by the government should give a full and more accurate picture of the impact of TTIP in the Portuguese economy, helping us looking after our defensive and offensive interests for the benefit of Portuguese companies and workers. However, Portugal's interest in TTIP does not lie only on the trade and economic side. The transatlantic marketplace will turn the EU westwards, towards the Atlantic, thus serving as a countervailing force against the drive eastwards which has prevailed since the fall of the Berlin Wall. Rather than being a peripheral country within the EU, Portugal will be at the very center of the transatlantic marketplace. A second positive impact will be the spillover effect at the relationship between Brazil and Mercosur with the EU which is very important for Portugal. With the TTIP negotiations moving forward, there are signs that Brazil could be ready to resume trade negotiations in order to avoid the deviation of EU agricultural imports from Brazil to the US. TTIP is therefore more than just trade and its geostrategic implications on the EU and Portugal can be profound.

Conclusion

TTIP has a broader dimension than a normal free trade agreement and public support will be crucial to make this initiative a reality. TTIP is a two-way street, a give and take, but there are two things that this agreement cannot change: our constitutions and the minds of our citizens. Sensitivities and differences, profound as they might be, should not get in the way of the big-picture benefits that will result from these negotiations. Ultimately, with an ambitious and comprehensive TTIP we will work together for growth and jobs as well as for asserting a common transatlantic leadership in tomorrow's world.



Further Readings

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