

**EIN Meeting of the Transatlantic Group**  
**15-18 July, Washington**

**Report on Round Table – EU - US free trade agreement**

**Christof-S. Klitz**, Head of the Volkswagen Group EU Representation and Vice President of the European Movement International

**Chairman**

- **Christofer Fjellner**, Member of the EPP Group in the European Parliament, Member of the EP Committee on International Trade

**EU Speaker**

- **Pablo ARIAS ECHEVERRÍA MEP (ES)**, Member of the EPP Group in the European Parliament, Member of the EP Committee on 'Internal Market and Consumer Protection', Coordinator and Chairman of the EPP Working Group on 'Development of the Single Digital Market'

**Panellists**

- **Michael MAIBACH**, Senior Fellow, Aspen Institute
- **Ronald J. SORINI**, Ambassador, Sorini, Samet & Associates LLC, former Ambassador & Chief Textile Negotiator for USTR
- **Boyden Gray**, former Ambassador to the European Union, Boyden Gray & Associates
- **Matt Priest**, President, Footwear Distributors and Retailers of America (FDRA)
- **Rod Hunter**, Senior Vice President, International Advocacy, PhRMA
- **William Tucker**, Chairman, Tucker and Associates

**Abstract**

The panelists' speeches highlighted the fact, that the future TTIP negotiations are a commitment to strengthen bilateral relations in a political environment which is currently highly supportive. The EU and the US are willing to engage in boosting the economies on both sides of the Atlantic to foster job creation for both economies.

The speakers made clear that a conclusion of this deal would be of huge potential and will set global standards. However negotiations have to be comprehensive and ambitious in order to not only reach the "low hanging fruits", but to achieve a real agreement.

During the discussion the panelists' elaborated on the global impact of a possible transatlantic FTA. A comprehensive deal would strengthen the EU-US partnership politically and strategically, create responsible and sustainable leadership and have a notable impact on the global economy. To the sum, it was agreed that deeper transatlantic economic integration is pivotal to give transatlantic leadership a boost in a challenging and constantly changing international context.

**1) Leaders in global economy**

- EU and US represent almost half of the world's GDP (approx. 30% of world trade in goods and services).
- When negotiations are complete, TTIP will be the biggest bilateral trade deal ever negotiated.
- Its completion would lead in the medium term to an overall increase of 2% in growth, which is equivalent to the GDP of Delaware /Indiana or Denmark.
- Tariffs between the two nations are already relatively low, however, in absolute terms a zero-tariff agreement is still significant (would increase U.S. exports to the EU by 17% and vice versa by 18%).

**2) Make use of the political momentum**

- In times of crisis and growing competitors from the emerging markets, the EU remains a market of crucial importance for the US and vice versa.

- Both nations have experience with each other and share the same values and interests (NATO, rule of law, economic ties).
- Given the advantage of having a progressive president in the US and a pro-trade oriented Congress, it is probable that negotiations will be accompanied by a constant support from the highest level on the US side. Also decision-makers in the EU are strongly committed to achieve a true agreement.
- Industry groups and other interested parties on both sides of the Atlantic have generally been supportive, but cautiously optimistic about the deal, especially regarding the expected negotiation period of 24 months.
- However since it is the first time that the EU and the US negotiate on equal terms there is a big chance that the political momentum will sustain.

### **3) Enforce transatlantic cooperation**

- The most difficult hurdles during the negotiations have to be overcome through dialogue and cooperation.
- Negotiators need to find ambitious, but practical solutions in the most sensitive fields (data protection, agriculture, audiovisuals, government procurement, financial services and some geographical hurdles).
- Persisting differences between the countries' legal systems and their possible impact on transatlantic business should be carefully examined and taken into consideration during the harmonization process.
- Negotiators have to make sure that achievements of consumer protection, environment or health standards will not be jeopardized.
- Regulatory harmonization should be fostered. It should comprise hurdles which hinder the further development of the digital revolution. Both governments have to go for a true elimination of NTBs. A continuous regulatory dialogue should be created to achieve regulatory coherence and good regulatory practices within a realistic time frame.
- Decision-makers should think about installing a comprehensive TTIP negotiations process with a detailed framework and mechanism to create flexibility in order to be able to tackle the more sensitive issues. A possible solution could be to set up a common process for regulatory dispute settlement.

### **4) Get the citizens on board**

- In order to achieve a comprehensive deal with a notable impact on the global economy, as much sectors as possible should be covered.
- In times where it is necessary to foster growth and to create jobs, TTIP must be a real success and a true political agreement.
- Decision-makers have to keep in mind that a trade deal will get more political support as larger as it gets.
- However in order to rely on continuous public support on both sides of the Atlantic, politicians have to communicate the mutual gains in terms of jobs and growth of this ambitious deal to their citizens.
- Moreover a high level of transparency during the negotiation process needs to be ensured to convince the public that the TTIP is about a real partnership of two major economies that treat each other as equals.