



Conclusion of the 14th TTIP Negotiation Round
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**Statement by Ignacio García Bercero
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[Introduction]

A little more than three years ago, Dan and I, had our first official press conference after the first TTIP round in Washington. I would like to take this opportunity to give you a sense where we are after this time and what have we managed to achieve so far.

These have been 36 intense months with fourteen rounds, hundreds of meetings, hours spent on the phone and many TTIP proposals exchanged, discussed and exchanged again. But this hard work has brought results as we are now in an advanced stage of the negotiations, but of course still a lot of work needs to be done.

[State of play after 14 rounds]

After this round we have a good sense about the outline of the future trade and investment agreement between the EU and the US and we have proposals for almost all chapters on the table. This was the objective that we set out also in public a few rounds ago and I am pleased we have kept this ambitious schedule.

So, we know now that TTIP will have up to 30 chapters. And most of these chapters are in different stages of consolidation, meaning we have one text where the differences between the EU and the US are in brackets. We expect further consolidation of texts after the round.

As you know, TTIP comprises of 3 main blocks, market access for EU and US companies, cooperation on regulatory issues and global rules of trade such as sustainable development or competition policy.

[Market access]

On market access, the EU aims at a comparable level of ambition on tariffs, services and public procurement. We are not there yet.

On tariffs, we have exchanged **offers** twice which led to a very advanced stage of negotiations. We have now on the table good offers from both sides which include 97 per cent of all tariff lines, leaving the remaining 3 per cent for the so called end game. We are still working on improvements within the 97

percent offer, by for instance looking at more rapid elimination of most tariffs.

We also have yet to find balance within the agricultural silo between the progress on tariffs and the progress on other issues important to the EU such as geographical indications and wines.

On services, we have also exchanged two offers. We both agree on the importance of the ambitious outcome, which goes beyond what we have achieved so far in our existing agreements in particular as regards improvements on market access.

On access **to procurement markets**, we have exchanged offers only once. As you would recall, we have received an initial US offer early this year, which brings very limited improvements on market access. For the EU, substantial improvements in market access at all levels of government continue to be a key objective of these negotiations. And we are still very far from achieving that goal. Indeed the gap between the level of ambition on tariffs and procurement remains a serious cause for concern.

[Regulatory issues]

Second part of TTIP comprises of regulatory issues, where we want to simplify technical rules of approving and selling different products, without cutting any corners. We have on the table the general provisions on the so called **Good Regulatory Practices and regulatory cooperation**. Regulatory cooperation is not a new concept and the EU and the US worked together successfully in the past on standards for electric cars or in the aviation sector.

The successes we achieved on these issues encouraged us to extend that to many other industry sectors in TTIP. At this point in time we have on the table proposals for cooperation in **seven industry sectors**, namely on chemicals, cosmetics, engineering, medical devices, pharmaceuticals, textiles and cars.

In other areas of regulatory issues we have also consolidated texts on **technical barriers to trade and on animal and plant health, or so called sanitary and phytosanitary issues**.

On **conformity assessment**, an important objective for the EU is to significantly reduce the costs of conformity assessment for EU exporters in the machinery sector, a concern expressed in particular by European SMEs.

Both the US and the EU have highly sophisticated regulatory systems. The many rounds of talks allowed us to consult plenty of stakeholders, including from trade unions, consumer groups and small and medium companies. Also thanks to those consultations we have clarified our policy objectives. We are very clear that nothing that we do would lower the existing level of protection for citizens. **Cooperation will only be possible if the level of protection for citizens improves, or at least stays the same.**

Everything we do will be **fully transparent** and will respect the independence of our regulators and of our respective domestic regulatory processes. It will not change the way we regulate on public policies such as food safety or environmental protection.

We are both also very clear that nothing that we do could in any way reduce autonomy of our governments to regulate.

After this round, we will have on the table almost all the components of regulatory part of TTIP with textual proposals on which further work is needed on both sides.

[Rules]

Finally, the last pillar of TTIP: rules of trade. We are trying to see where we can agree on rules governing global trade in the 21st century. Here, I would wish to highlight a few issues.

For the first time ever in the EU trade agreement we will have a dedicated chapter for **smaller and medium firms**. There are 600 thousands of them exporting to the US already, but after TTIP they will be able to do it more and better. We also hope that those that are discouraged from exporting today because of the existing complex rules will take advantage of new opportunities TTIP may bring. This includes, for instance, the elimination of excessive fees and charges, which for our SMEs is sometimes a bigger obstacle than tariffs.

We have also proposed the most ambitious chapter on **trade and sustainable development, including on labour and the environment**. We had very intensive discussions this week with the hope to achieve a very ambitious outcome. Indeed, we believe TTIP provides an opportunity for both the EU and US to increase the level of ambition on substantive commitments on both the labour and environment aspects of sustainable development.

We have also proposed a text for a chapter **on energy and raw materials** which includes proposals to promote green innovations and trade of green technologies. Our proposal also suggests removing the existing export licenses in the US on exports of gas. This could help in diversification of energy sources and therefore contribute to energy security in the EU.

And contrary to what some claimed this week, it doesn't undermine EU climate objectives, but on the contrary, it strengthens it. And of course EU governments will retain full right to promote their desired energy mix in the way they see fit.

[Round 14]

During this round the EU submitted a record number of 10 new textual proposals. Most of these proposals were made public yesterday.

With all this on the table we have an outline of the future TTIP agreement, but important differences remain and much more work, basically in every area of the talks is needed until we can say we have a deal.

[Outlook for the future]

It's clear that making progress also requires continues political engagement. And that's why Commissioner Malmström and US Trade Ambassador Froman have met almost every 2 weeks this year, in person and sometimes by video conference.

They will continue to talk regularly during the summer and then, on the EU side, we will have ministerial discussions in Bratislava in September.

We have to be conscious that the political environment for trade is becoming increasingly challenging on both sides of the Atlantic. But as Commissioner Malmström recently stated, 'the EU has an ambitious trade agenda and remains engaged in pursuing and concluding the different negotiations in which it is involved'. (...) 'On TTIP, therefore, the EU is prepared to make the political choices needed to close this deal with the current US Administration, provided that the substance is right.'

TTIP makes sense economically, politically and strategically. With 31 million people in Europe employed in export related jobs, we can't afford to waste a great opportunity to make this number even bigger.

TTIP is also a positive response to the concerns on globalisation that are expressed so often lately by people who criticise TTIP. If we want to have shot at shaping globalisation, we need a like-minded partner that shares largely our views that have respect for democracy and rule of law. TTIP is therefore not only important for the economic opportunities it will bring, but also TTIP is a means to enhance our ability to influence globalisation in accordance with our values.