

EU trade and investment agreement negotiations with the US

European Parliament resolution of 23 May 2013 on EU trade and investment negotiations with the United States of America (2013/2558(RSP))

The European Parliament,

- having regard to the Joint Statement of the EU-US Summit issued on 28 November 2011 and the Joint Statement of the EU-US Transatlantic Economic Council (TEC) issued on 29 November 2011,
 - having regard to the Final Report of the High Level Working Group on Jobs and Growth (HLWG) of 11 February 2013¹,
 - having regard to the Joint Statement of 13 February 2013 by US President Barack Obama, European Commission President José Manuel Barroso and European Council President Herman Van Rompuy²,
 - having regard to the conclusions of the European Council of 7-8 February 2013³,
 - having regard to its earlier resolutions, in particular the resolution of 23 October 2012 on trade and economic relations with the United States⁴,
 - having regard to the Joint Statement of the 73rd Interparliamentary Meeting of the Transatlantic Legislators' Dialogue (TLD), held in Washington on 30 November and 1 December 2012,
 - having regard to the Final Project Report of March 2013 by the Centre for Economic Policy Research (London) entitled 'Reducing Transatlantic Barriers to Trade and Investment: An Economic Assessment'⁵,
 - having regard to Rule 110(2) of its Rules of Procedure,
- A. whereas the EU and the US are the world's two major global traders and investors, accounting together for nearly half of world GDP and one-third of world trade;
- B. whereas the EU and US markets are deeply integrated, with on average close to EUR 2 billion in goods and services being traded bilaterally each day, thus supporting millions of jobs in both economies, and whereas EU and US investments are the real driver of the transatlantic relationship, with bilateral investments totalling over EUR 2,394 trillion in 2011;
- C. whereas, according to the Impact Assessment Report prepared by the Commission on the

¹ http://trade.ec.europa.eu/doclib/docs/2013/february/tradoc_150519.pdf

² http://europa.eu/rapid/press-release_MEMO-13-94_en.htm

³ http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ec/135324.pdf

⁴ Texts adopted, P7_TA(2012)0388.

⁵ http://trade.ec.europa.eu/doclib/docs/2013/march/tradoc_150737.pdf

basis of a report by the Centre for Economic Policy Research, an ambitious and comprehensive transatlantic trade and investment partnership, once fully implemented, could bring significant economic gains as a whole for both the EU (EUR 119,2 billion a year) and the US (EUR 94,9 billion a year); whereas EU exports to the US could thus increase by 28 % and total EU exports by 6 %, hence benefiting EU exporters of goods and services as well as EU consumers;

- D. whereas the EU and US share common values, comparable legal systems and high, even if different, standards of labour, consumer and environmental protection;
- E. whereas the global economy faces challenges and the emergence of new actors, and both the EU and the US must exploit the full potential of closer economic cooperation in order to leverage the benefits of international trade in terms of overcoming the economic crisis and achieving a sustained global economic recovery;
- F. whereas, following the EU-US Summit held in November 2011, the HLWG was tasked to identify options for increasing trade and investment in order to support mutually beneficial job creation, economic growth and competitiveness;
- G. whereas the HLWG has jointly analysed a wide range of potential options for expanding transatlantic trade and investment, reaching the conclusion in its Final Report that a comprehensive trade and investment agreement would provide the most significant level of benefit for both economies;
- H. whereas the EU is convinced that developing and strengthening the multilateral system is the crucial objective; whereas, however, that does not preclude bilateral agreements going beyond WTO commitments and being complementary to multilateral rules, since both regional agreements and free trade agreements lead to increasing harmonisation of standards and broader liberalisation favourable to the multilateral trading system;
- I. whereas on 12 March 2013 the Commission proposed authorising the opening of negotiations and draft negotiating directives for the consideration of the Council;

The strategic, political and economic context

1. Believes that the strategic importance of the EU-US economic relationship should be reaffirmed and deepened, and that the EU and the US should design common approaches to global trade, investment and trade-related issues such as standards, norms and regulations, in order to develop a broader transatlantic vision and a common set of strategic goals;
2. Considers that it is crucial for the EU and the US to realise the untapped potential of a truly integrated transatlantic market, in order to maximise the creation of decent jobs and stimulate a smart, strong, sustainable and balanced growth potential; considers this to be particularly timely in the light of the ongoing economic crisis, the state of the financial markets and financing conditions, the high level of public debt, high unemployment rates and modest growth projections on both sides of the Atlantic, and of the benefits offered by a truly coordinated response to these shared problems;
3. Believes that the EU should draw on its vast experience of negotiating deep and comprehensive bilateral trade agreements in order to achieve even more ambitious results with the US;

The HLWG Final Report

4. Welcomes the release of the HLWG Final Report and fully endorses the recommendation to launch negotiations for a comprehensive trade and investment agreement;
5. Welcomes the emphasis in the Final Report on: (i) ambitiously improving reciprocal market access for goods, services, investment and public procurement at all levels of government; (ii) reducing non-tariff barriers (NTBs) and enhancing the compatibility of regulatory regimes; and (iii) developing common rules to address shared global trade challenges and opportunities;
6. Supports the view that, given already-existent low average tariffs, the key to unlocking the potential of the transatlantic relationship lies in the tackling of NTBs, which consist mainly of customs procedures, technical standards, and behind-the-border regulatory restrictions; supports the objective proposed by the HLWG of moving progressively towards an even more integrated transatlantic marketplace;
7. Welcomes the recommendation to explore new means of reducing unnecessary costs and administrative delays stemming from regulation, while achieving the levels of health, safety and environmental protection that each side deems appropriate, or while otherwise meeting legitimate regulatory objectives;

Negotiating mandate

8. Reiterates its support for a deep and comprehensive trade and investment agreement with the US that would support the creation of high-quality jobs for European workers, directly benefit European consumers, open up new opportunities for EU companies, in particular small and medium-sized enterprises (SMEs), to sell goods and provide services in the US, ensure full access to public procurement markets in the US, and improve opportunities for EU investments in the US;
9. Calls on the Council to follow up on the recommendations contained in the HLWG Final Report and to authorise the Commission to start negotiations for a Transatlantic Trade and Investment Partnership (TTIP) agreement with the US;
10. Stresses that the TTIP should be ambitious and binding on all levels of government on both sides of the Atlantic, including all regulators and other competent authorities; stresses that the agreement should lead to lasting genuine market openness on a reciprocal basis and trade facilitation on the ground, and should pay particular attention to structural ways of achieving greater transatlantic regulatory convergence; considers that the agreement should not risk prejudicing the Union's cultural and linguistic diversity, including in the audiovisual and cultural services sector;
11. Considers it essential for the EU and its Member States to maintain the possibility of preserving and developing their cultural and audiovisual policies, and to do so in the context of their existing laws, standards and agreements; calls, therefore, for the exclusion of cultural and audiovisual services, including those provided online, to be clearly stated in the negotiating mandate;
12. Stresses that intellectual property is one of the driving forces of innovation and creation and a pillar of the knowledge-based economy, and that the agreement should include strong

protection of precisely and clearly defined areas of intellectual property rights (IPRs), including geographical indications, and should be consistent with existing international agreements; believes that other areas of divergence relating to IPRs should be resolved in line with international standards of protection;

13. Considers that the agreement should guarantee full respect for EU fundamental rights standards; reiterates its support for a high level of protection of personal data, which should benefit consumers on both sides of the Atlantic; considers that the agreement should take account of the General Agreement on Trade in Services (GATS) provisions on the protection of personal data;
14. Recalls the importance of the transport sector for growth and jobs, and especially in aviation, where the EU and US markets account for 60 % of world air traffic; stresses that the negotiations should meaningfully address the current restrictions on maritime and air transport services owned by European businesses, including in relation to foreign ownership of airlines and reciprocity on cabotage, as well as maritime cargo screening;
15. Highlights the value of risk-based assessment and information sharing between both parties regarding market surveillance and the identification of counterfeit products;
16. Welcomes, in particular, the HLWG's recommendation that the EU and the US address the environment and labour aspects of trade and sustainable development; considers that the experience of previous EU trade agreements and the long-lasting EU-US commitments should be taken into account in order to strengthen the development and enforcement of labour and environmental laws and policies and promote the core standards and benchmarks laid down by the International Labour Organisation (ILO), as well as decent jobs and sustainable development; encourages the harmonisation of Corporate Social Responsibility (CSR) standards; recognises that achieving common standards is likely to present both technical and political challenges, and emphasises that the common goal should be to ensure that there is no diminution of environmental ambitions;
17. Emphasises the sensitivity of certain fields of negotiation, such as the agricultural sector, where perceptions of Genetically Modified Organisms (GMOs), cloning and consumer health tend to diverge between the US and the EU; sees an opportunity in enhanced cooperation in agriculture trade, and stresses the importance of an ambitious and balanced outcome in this field; stresses that the agreement must not undermine the fundamental values of either side, for example the precautionary principle in the EU; calls on the US to lift its import ban on EU beef products, as a trust-building measure;
18. Stresses that financial services must be included in the TTIP negotiations, and calls in this context for particular attention to be paid to equivalence, mutual recognition, convergence and extraterritoriality, since these are central considerations for both sides; emphasises that convergence towards a common financial regulatory framework between the EU and US would be beneficial; highlights that whilst market access must be regarded as a positive step, prudential supervisory processes are vital for obtaining proper convergence; stresses that the negative impact of extraterritoriality should be minimised and should not be allowed to detract from a consistent approach to regulating financial services;
19. Reaffirms its support for the dismantling of unnecessary regulatory barriers, and encourages the Commission and the US Administration to include in the agreement mechanisms (including early upstream regulatory cooperation) aimed at preventing future barriers;

considers that better regulation and the reduction of regulatory and administrative burdens are issues which must be at the forefront when negotiating the TTIP, and that greater transatlantic regulatory convergence should lead to more streamlined regulation which is easy to understand and apply, in particular for SMEs;

20. Reiterates its conviction that an EU-US comprehensive trade and investment agreement has the potential to lead to a win-win situation, beneficial for both economies, and that a deeper degree of integration would considerably multiply the gains for both economies; is convinced that aligning EU and US regulatory technical standards where possible, would ensure that the EU and the US will continue to set global standards, and would pave the way for international standards; takes the firm view that the benefits of this agreement in terms of international trade and standardisation must be carefully considered and formulated;
21. Recalls the need for proactive outreach and continuous and transparent engagement by the Commission with a wide range of stakeholders, including business, environmental, agricultural, consumer, labour and other representatives, throughout the negotiation process, in order to ensure fact-based discussions, build trust in the negotiations, obtain proportionate input from various sides, and foster public support by taking stakeholders' concerns into consideration; encourages all stakeholders to actively participate and to put forward initiatives and information relevant to the negotiations;
22. Cautions that quality should prevail over time, and trusts that the negotiators will not rush into a deal that does not deliver tangible and substantive benefits to our businesses, workers and citizens;

The role of Parliament

23. Looks forward to the launch of negotiations with the US, and to following them closely and contributing to their successful outcome; reminds the Commission of its obligation to keep Parliament immediately and fully informed at all stages of the negotiations (before and after the negotiating rounds); is committed to addressing the legislative and regulatory issues that may arise in the context of the negotiations and the future agreement; reiterates its basic responsibility to represent the citizens of the EU, and looks forward to facilitating inclusive and open discussions during the negotiating process; is committed to taking a proactive role in collaborating with its US counterparts when introducing new regulations;
24. Is committed to working closely with the Council, the Commission, the US Congress, the US Administration and the stakeholders to achieve the full economic, social and environmental potential of the transatlantic economic relationship and strengthen EU and US leadership in the liberalisation and regulation of trade and foreign investment; is committed to encouraging a deeper bilateral EU-US cooperation in order to assert the leadership of both in international trade and investment;
25. Recalls that Parliament will be asked to give its consent to the future TTIP agreement, as stipulated by the Treaty on the Functioning of the European Union, and that its positions should therefore be duly taken into account at all stages;
26. Recalls that Parliament will endeavour to monitor the implementation of the future agreement;

27. Instructs its President to forward this resolution to the Council, the Commission, the governments and parliaments of the Member States, and the US Administration and Congress.