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## TTIP: what is the best way to arbitrate disputes between investors and governments?

The negotiations on a free-trade deal with the US continue to attract attention, especially a clause detailing how to resolve disputes between foreign investors and countries. The international trade committee organised a meeting on 6 May to discuss the issue with Cecilia Malmström, the commissioner responsible for foreign trade. To find out what they discussed, read our summary on Storify.

### The challenges involving TTIP

The European Commission has been negotiating the Transatlantic Trade and Investment Partnership (TTIP) with the US since July 2013. If the negotiations prove successful, it could lead to the [world's largest free-trade area](#). Although this could help boost economic growth and create jobs on both sides of the Atlantic, there are concerns about the consequences the deal could have.

Issues that still need to be resolved includes the so-called [Investor-State Dispute Settlement \(ISDS\)](#) clause. This involves the use of an international arbitration tribunal to settle disputes on the implementation of the trade deal between foreign investors and countries.

### "A more effective and responsive system"

The [international trade committee](#) debate on how to best resolve disputes by foreign investors in the context of TTIP opened with [a statement from Commissioner Malmström](#). She said that while the Commission had taken on board many of the proposals made by MEPs, she could not agree with "the notion that we take investment arbitration out of TTIP altogether".

Malmström added: "We want a system that is more effective, more systematic and, ultimately, more responsive to the concerns of European citizens."

### MEPs' reactions

MEPs also discussed how the arbitration system would work in practice. Committee chair Bernd Lange, a German member of the S&D group, described the Commissioner's proposals to create a permanent international investment tribunal as "a step in the right direction" but added "it still does not go far enough to restore public confidence on the issue." He also [added](#): "We need reassurance that a standing court is a clear commitment and not merely part of a plan for the future. The Commission must take this into account, as well as the other demands we have outlined, if we are to support the agreement in the European Parliament."

MEPs also [reacted](#) after the meeting with the commissioner. German EPP member Godelieve Quisthoudt-Rowohl said: "In principle I am in favour of an arbitration system, but it cannot be the system we know from the existing treaties."

A full summary of the meeting is available in our [Storify](#). More information on Parliament's role in the TTIP negotiations can be found in our [top story](#).

### Next steps

Once the agreement has been finalised, it will still need to be approved by Parliament. Without its consent, the agreement cannot enter into force.

### Join the debate

Share your views on TTIP in our [LinkedIn discussion group](#). You can also use Parliament's [Newshub](#) to keep up to date with MEPs' views on the matter.

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### Find out more

[Summary of the meeting on Storify](#)  
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Cecilia Malmström during the meeting organised by the international trade committee



**EU-US trade deal: wrangling over arbitration continues**

<http://www.europartv.europa.eu/en/player.aspx?pid=4b84c84e-5d17-491b-84f3-a48a01017ef5>

