



EU-US Trade Agreement – The Facts

The trade agreement currently being negotiated between the EU and the US (the Transatlantic Trade and Investment Partnership, TTIP) is not something dreamt up for the benefit of big multinational companies. The aim of the agreement is to create growth and jobs and the decision to launch negotiations was supported unanimously by the heads of state and government of all the EU's Member States. The negotiations, which began in 2013, are carried out by the European Commission under the supervision of the governments of the EU's Member States and of the European Parliament. They are neither "secret" nor "undemocratic".

There are many myths circulating about the TTIP. Here are the facts.

TTIP will enable foreign firms to undermine EU laws. FALSE

An existing law cannot be undermined by a trade agreement. An existing ban on fracking or chlorine-washed chicken cannot be questioned, for example. What the agreement does provide for – and this is in the EU's interest – is a ban on discrimination. That means that what applies to domestic firms must also apply to foreign firms. This is particularly important when it comes to investment, which is decisive for economic development and creating jobs. Here, stability and security are key, including for European investments overseas. Investment protection does not mean giving foreign firms unlimited rights or the possibility to question any national laws. Indeed, investment protection clauses can only be applied in very limited areas, for example if a firm is discriminate against compared to domestic firms or if a firm's overseas operations are expropriated without compensation.

Investment protection agreements are nothing new in Europe. In the last 60 years, the EU's Member States have concluded 1400 bilateral agreements of this kind. All these agreements include a mechanism for settling investor-state disputes. In the past these have never led to governments' ability to legislate being undermined. What we actually want to do in the TTIP is to strengthen the right to regulate and to close the sort of existing legal loopholes that exist in these outdated agreements. Furthermore, we want to make the proceedings, the choice of arbiter and the admissibility of complaints more transparent so that abusive or politically motivated complaints can be rejected from the start.

If you would like to know more: [The EU's Position on Investor Protection Agreements](#)

TTIP will lead to privatisation in areas such as health care, water and education. FALSE

The TTIP Agreement has nothing to do with privatisation – only governments can decide that. No free trade agreement obliges the EU's Member States to liberalise or privatise the water industry or other public services, such as public health systems public transport or the education system. In fact, the special status of public services is anchored in the EU Treaties; this will not be affected by the TTIP. For the same reason, the EU has no intention of negotiating the right of local government to provide public services such as the water supply.

TTIP opens the door to fracking, chlorine-washed chickens and GMO foods. FALSE

In the EU, fracking, chlorine-washed chickens and GMO foods are either banned or strictly regulated. A free trade agreement is not going to change that. Only governments or parliaments can decide to change these laws. The European Union is not going to negotiate the EU's high standards. The same goes for data protection. The EU and its Member States will continue to be able to regulate as they see fit. Hormone-fed beef, for example, is strictly prohibited in the EU. In its free trade agreement with Canada the EU has stipulated that only hormone-free beef can enter the EU. A free trade agreement does not mean that we are going to negotiate levels or protection for the sake of an agreement.

If you would like to know more: [Fact Sheet – How TTIP Can Boost Trade through Regulatory Cooperation](#)

TTIP will restrict the rights of internet users. FALSE

Both the EU and the US have efficient regulations for protecting intellectual property rights, even though their respective regulations achieve their goals in different ways. The TTIP aims to simplify trade between the EU and the US without weakening these regulations. The TTIP will not be "ACTA through the back door" and it will not call into question the European Parliament's rejection of the trade agreement on combatting piracy of labels and products (ACTA – Anti-Counterfeiting Trade Agreement).

If you would like to know more: [Why TTIP Is not ACTA by the Back Door](#)

**The TTIP is undemocratic and elected politicians have no influence over it.
FALSE**

Both the EU's national parliaments as well as MEPs in the European Parliament have considerable influence on the TTIP negotiations. The European Commission is negotiating the trade agreement in the name of, and with a mandate from, the EU's Member States. The EU's negotiators meet weekly with representatives of the democratically elected governments of the Member States in order to brief them 'live' before, during and after negotiating rounds and to take into consideration their positions. The European Parliament is also regularly informed of the state of the negotiations so that the positions and interests of the democratically elected parliamentarians can also be taken into consideration in the negotiations. Finally, it will be the EU Member States and the European Parliament which will have the last word on the TTIP and so it is obvious their interests will be taken into consideration. Both the EU Member State and the European Parliament have the right to reject the TTIP.

If you would like to know more: [Fact Sheet on Transparency in EU Trade Negotiations](#)

So what is the TTIP about?

The aim of the TTIP is to create economic growth and to make it easier for European firms to do business on both the European and the American markets. Our firms currently have to cope with a long list of trade barriers when trying to operate on the American market.

The tariffs the US applies at the border are relatively low but, given the volume of our bilateral trade, even an apparently small reduction in tariffs can have enormous economic leverage.

A transatlantic trade agreement could have an even bigger effect in the area of standards and regulations. For the most part, the regulatory authorities on both sides of the Atlantic have the same goals when setting standards and approval procedures: they want to protect people from risks to health, provide a safe working environment, protect the environment or guarantee the financial security of firms. Regulatory structures and traditions on each side of the Atlantic often differ. Although often not intentionally, the regulations each side draws up frequently make market access much more difficult. According to estimates, these bureaucratic barriers alone can be the equivalent to tariffs of 10-20 percent.

The EU will only discuss standards with the US under strict conditions: that the measures we have achieved in Europe will neither be removed nor watered down. In the area of health or environmental protection the EU is not prepared to make any

compromises at the negotiating table. Hormone beef, for example, is not allowed in the EU and we have no intention of interfering with this ban as part of the negotiations.

We can, however, make sure that when developing new standards regulatory authorities in the EU and the USA cooperate so as to avoid creating unnecessary barriers right from the start. This could be the case in technologies of the future, for example plugs for charging electric cars. Taking into consideration that 40% of world trade is between the EU and the USA, we could be the pioneers for global standards of the future, which would then be taken up by other markets and therefore benefit European firms.

Why bother? The Transatlantic trade and Investment Partnership could have a similar effect to a package of economic stimulus measures. It could boost growth by 0.5% of GDP or some €120 bn, equivalent to €500 for every EU household because savings for companies also mean cheaper products, higher quality and more choice for consumers.