

T-TIP Given the Green Light

After a year and a half of bilateral discussions, the U.S. and the EU finally agreed, today, to launch their bilateral trade negotiation – also known as Transatlantic Trade and Investment Partnership (T-TIP).

The announcement came after the European Council, through its trade ministers, had formally mandated the Commission to start negotiating with the U.S. on June 14. A T-TIP deal is said to add as much as a \$157 billion (all \$ in U.S. dollars) to the EU economy, about \$126 billion to the U.S. economy, but also, as much as \$133 billion to the rest of the world. European leaders stated these numbers on the margins of the G-8 meeting in Lough Erne, Northern Ireland. The first round of T-TIP negotiations is expected to take place in Washington D.C., the week of July 8th.

This strategic partnership, which aims at tackling not only tariffs, but more importantly, non-tariff barriers and differences in regulations and standards, is intended, once concluded, to influence the multilateral trading system by promoting the rules, principles, and new modes of cooperation agreed among the two super powers.

The EU Commission once claimed that it believes the talks could be concluded by the end of 2014. However, trade observers expect this to take a much longer period to conclude as both sides possess sensitivities which will be hard to address.

“We intend to move forward fast,” said the European Commission President Jose Manuel Barroso, before adding that “neither” of the two sides “will give up content for the sake of speed.”

“I’d rather see the core challenge, moving our regulatory regimes closer, and addressing the harmful effect of behind-the-border trade barriers. Huge economic benefits are expected from reducing red tape, avoiding divergent regulations for the future,” Barroso said.

“There are going to be sensitivities on both sides. There are going to be politics on both sides,” U.S. President, Barack Obama added. “But if we can look beyond the narrow concerns to stay focused on the big picture – the economic and strategic importance of this partnership – I’m hopeful we can achieve the kind of high-standard, comprehensive agreement that the global trading system is looking to us to develop,” the U.S. President said.

EU FAC/Trade & the Comprehensive Economic Trade Agreement

The meeting of the council of the European Union dealing with foreign affairs and trade issues which took place in Luxembourg on June 14th was all about the adoption of the negotiating mandate for the EU/U.S. Transatlantic Trade and Investment Partnership (TTIP), even though Canada/EU’s comprehensive economic and trade agreement (CETA) negotiation was also on the agenda.

The Commission only provided EU ministers with a brief state of play in the CETA talks over lunchtime. EU ministers in turn confirmed their full support for the Commission’s approach in providing the impetus needed for finalizing the talks.

At the last European Council, in February 2013, Ministers were expecting the negotiations with Canada “to be concluded very shortly.” This time, the EU ministers urged the Commission “to continue providing full and timely information on progress made, looking forward to a rapid conclusion.”

The latest round of discussions between chief negotiators took place in Brussels in the week of May 27th. EU officials have claimed that the talks have been slowed by Canada's unwillingness to move on certain outstanding issues: such as market access for some agricultural products, financial services and government procurement to name a few. Nevertheless, the same sources expect some progress to be made on the margins of the G-8 meeting on June 17-18.

Another EU representative confirmed that a high level meeting on CETA will effectively take place on the sidelines of the G-8 summit this week, but is unlikely to announce a breakthrough.

It is very disappointing, the source said, that both sides were unable to progress on issues since last February, as CETA could have served as a model for T-TIP.

Upcoming Events

- G8 Summit, June 17-18, 2013, Lough Erne (Northern Ireland)
- TPP Round XVIII, July 15–25, 2013, Kuala Lumpur (Malaysia)
- General Council, July 24-25, Oct. 8-9, Nov. 5-6, 2013
- Deadline for Bali Deliverables, August, 2013
- Regular Agriculture Committee, September 4, November 12, 2013
- WTO Public Forum, October 1–3, 2013
- APEC Leaders' Summit, October 1–8, 2013
- WTO 9th Ministerial Conference (MC9), December 3–6, 2013, Bali (Indonesia)

Geneva Watch is published by Dairy Farmers of Canada, Chicken Farmers of Canada, Egg Farmers of Canada, Turkey Farmers of Canada and Canadian Hatching Egg Producers to report on the various events occurring in Geneva, particularly on the WTO negotiations on agriculture.

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