



TTIP'ING IN THE RIGHT DIRECTION

WHAT THE NEW FREE TRADE AGREEMENT WILL MEAN FOR GROWTH IN EUROPE

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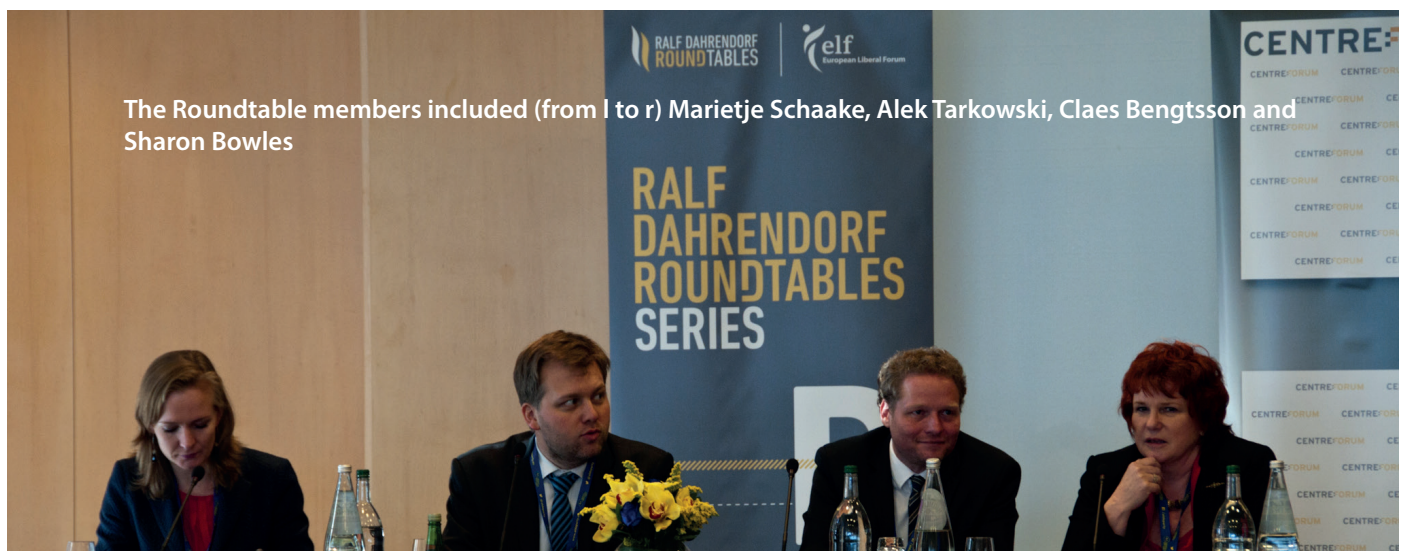
The report below outlines the discussion at a European Liberal Forum Ralf Dahrendorf Roundtable in London on 30 November 2013 and is re-issued with the kind support of the European Liberal Forum (ELF) asbl. ELF is the political foundation of the European Liberal Democrats, the ALDE Party¹

According to CEPR, the Transatlantic Trade and Investment Partnership (TTIP) would, if concluded, boost European GDP by €120 billion, or 0.5% of European GDP. This is the promise held by TTIP, and also why the European Liberal Forum decided to convene a roundtable assessing the progress made and the obstacles along the way to a new transatlantic free trade agreement. In TTIP'ing this way – what does Europe stand to gain?

The ALDE Party Congress, the largest annual gathering of European Liberal Democrats, gave us the opportunity to involve key, high-level politicians and EU officials with expert knowledge of the intricate TTIP negotiations. As the foundation of the ALDE Party, ELF wished to highlight this important topic to the Congress delegates, especially in light of the recent developments in transatlantic relations following the NSA-scandal and threats to halt TTIP negotiations. Key was also our audience, around 80 Congress guests and delegates, all from various Liberal institutions, at national, regional or European level.

The roundtable was opened by ELF President Felicity Medved, who emphasised the treaty's potential in alleviating many of the woes faced throughout Europe as a result of the crisis. In particular she identified strong Liberal leadership on this issue, especially from Commissioner De Gucht and TTIP spokesperson Marietje Schaake MEP. As Medved reiterated, promoting free trade is a key issue, high on the European Liberal agenda.

Keynote speaker and adviser to Commissioner De Gucht, Claes Bengtsson set the stage by explaining the staggering benefits a bilateral transatlantic free trade agreement would translate into for the European economy. Nevertheless, the preferred EU track is for multilateral negotiations, which involve more partners and could hold more promise if realised. As Bengtsson pointed out however, with the slow death of the Doha Round of trade talks, Europe has to pursue a dual-track strategy. Commissioner De Gucht is hard at work pursuing other agreements with MERCOSUR, India and Brazil among others, but as Bengtsson point out, the greatest



The Roundtable members included (from left to right) Marietje Schaake, Alek Tarkowski, Claes Bengtsson and Sharon Bowles

potential can be found in a transatlantic trade agreement. On question from the audience on how TTIP would affect Europe's neighbours, Bengtsson explained that while the negotiations are strictly bilateral, the EU encourages all its neighbours, including the EFTA countries and Turkey to intensify their own trade negotiations with the US.

In his comments he also emphasised the importance of timing in ensuring that this agreement is passed. Given the changing nature of the global economy, Europe and the US might not be in the same, position to set product and services standards at a later stage. Sharon Bowles MEP chimed in at this point too, emphasising that an agreement would have a wide impact on everyone from diary producers to bond traders. In fact, as Bowles pointed out, one of the most important sectors to include in the TTIP is the financial services sector, where an agreement has tremendous potential for Europe and the United States alike. TTIP is especially attractive to small and medium-sized enterprises (SMEs) which stand to gain the most from levelling the playing field.

Potential stumbling block to negotiating treaties of this magnitude is ensuring that public consultation is far-reaching and open. Bengtsson also recognised this as one of the big challenges ahead, but ensured the audience that the Commission has made public consultation a priority. Marietje Schaake MEP, ALDE spokesperson on TTIP, reiterated

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the concern regarding public consultation, and noted that consultations of this magnitude is likely to be a complex and challenging task for any institution. On questions from the audience on how the TTIP consultations would avoid the pitfalls of ACTA, Schaake pointed out that ACTA was in many ways a transitional case – a treaty where negotiations started before the passing of the Lisbon treaty, and concluded after its ratification. This meant that the European institutions had to re-define their role vis-à-vis each other and the European citizen. This was a learning process also for the European institutions and Schaake doubts that TTIP will falter on the same shortcomings of public consultation.

Marietje Schaake put the treaty into perspective by showing that the treaty would go far beyond trade benefits, impressive as they may be. As a Liberal, she especially underlined the importance of trade in promoting mutual tolerance and respect. While the transatlantic project for previous generations were defined very much as a politico-military cooperation – TTIP'ing in the right direction might allow the younger generation to positively re-define the relationship. ■

1. The report, as well as all ELF publications are available free on www.liberalforum.eu