



**COUNCIL OF
THE EUROPEAN UNION**

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WTO 115
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NOTE

from: General Secretariat of the Council
to: Delegations
Subject : European Parliament Plenary session in Strasbourg on 22 May 2013 :
Council and Commission statements - EU trade and investment agreement negotiations with the US

Ms Creighton, on behalf of the Council, delivered the speech set out in [Annex I](#).

Mr De Gucht, on behalf of the Commission, delivered the speech set out in [Annex II](#).

For the political groups, the following speakers took the floor:

- Ms Quisthoudt-Rowohl (EPP, DE) welcomed the opportunity to start the negotiations on a comprehensive agreement, but some issues had to be discussed in greater detail. She underlined that the opinion of the EP needed to be taken into account.
- Mr Lange (S&D, DE) supported the agreement that would help to strengthen EU's reindustrialisation and job creation. Nevertheless, he was concerned about diverging views on some issues resulting from different traditions, such as consumer protection, food, data protection, cultural diversity and workers' rights. He underlined that red lines in these areas needed to be respected. In this context, he believed that the agreement should not be over-ambitious and should focus on areas of converging interests, such as tariffs and standards. He also considered that the Commission should demonstrate sufficient flexibility in the negotiations.

Ms Schaake (ALDE, NL) also supported the start of negotiations and saw no need for any red lines. However, the green light for the mandate was not a *carte blanche* for negotiators. The agreement should lead to a win-win situation, to less red tape, and to high standards of fundamental rights, environmental standards and consumer protection. Transparency was essential and she underlined that the EP, as the representative of civil society, had a key role to play and needed to be closely involved.

- Mr Jadot (Greens/EFA, FR) gave a passionate speech about the defence of societal choices and the lack of transparency in the negotiations. He would vote against the resolution, unless the group amendments were accepted.
- Mr Sturdy (ECR, UK) did not share his views and considered that the Commission had to have a free hand. Regarding the agreement, it was a huge opportunity for jobs, growth and prosperity in financial services, insurance services and the motor industry. For the latter, he identified the mutual recognition of standards as the most important issue. He also mentioned the WTO and underlined that the agreement was sending a signal that the EU was open for business and not protectionist.
- The Earl of Dartmouth (EFD, UK) said that, given the UK was the largest foreign investor in the US, the US the largest foreign investor in the UK and their shared language, legal systems, cultures and pro-business orientation, the UK should not be compelled to negotiate with the US solely through the EU trade Commissioner.
- Mr Scholz (GUE/NGL, DE) said he would oppose a mandate which ignored the concerns of citizens with regard to genetic engineering in agriculture, threats to cultural diversity, data protection, environmental production criteria, wage policies, etc. He considered that the agreement should serve the wider interests of the population, lead to social and environmental progress and to the democratic involvement of the society concerned.
- Mr Bonanini (NI, IT) saw it as an opportunity to promote sustainable growth and create jobs. He called for a balanced agreement that would preserve EU values, such as health and food safety, strive for the highest possible level of intellectual property rights (IPRs) and number of geographical indications (GIs), protect the quality of foodstuffs and respect cultural diversity.

During the subsequent discussion, Members echoed to a large extent views expressed by their group leaders and all except the GUE/NGL were in favour of the agreement as a means to encourage growth and job creation.

Referring to the previous negotiations, EPP, S&D and ALDE Members in general did not share the concerns of the Greens/EFA group at the lack of transparency in negotiations and expressed the confidence in the Commission. Nevertheless, the EP should monitor closely the negotiations and should strengthen its regular oversight before and after every negotiating round (Mr Vital Moreira (S&D, PT)).

Most Members raised a various sensitive issues (e.g. cultural diversity, audiovisual services, IPRs, environment, consumer protection, food safety investors' dispute resolution, social model, public procurement contracts, agriculture, sanitary and phytosanitary measures, GMOs, GIs, etc.) and referred to possible red lines or the exclusion of some areas from the scope of the mandate, even though in some of these areas the EU had only limited powers, Mr Moreira and Mr Brok (EPP, DE) were against leaving any of them out of the negotiations. Firstly, the negotiations could be limited by the extent of these powers, and the end-product might be refused by the EP at the final stage. Secondly, it would give the US the equal right to exclude some of their sectors in which the EU might have an interest .

Concerning cultural diversity and audiovisual services in particular, the party line was not so evident, and the call that they be excluded from the negotiation mandate was largely defended by French Members across all political groups (together with Ms De Keyser (S&D, BE) and Ms Costa (S&D, IT)). Mr Weber (S&D, FR) pointed out that the EU had always excluded the audiovisual from the scope of previous negotiations and asked the Commission why it was breaking from this consistent pattern. Mr Lisek (EPP, PL) thought that the issue should, together with IPRs, be dealt with separately. Other Members were in favour of tough red lines in dealing with all sensitive issues.

In the area of agriculture, Mr De Castro (S&D, IT) considered that the EU should be pro-active and seek to remove both tariff and non-tariff barriers.

With regard to the defence sector, Mr Danjean (EPP, FR) recalled that this area had never been included in any negotiations so far and saw no justification in having it in the mandate, not least given the insufficient consolidation of the EU market in this area.

Mr De Gucht in conclusion said he did not quite understand why, in terms of preservation and protection of EU values, some Members were afraid to negotiate with the US, whose values were, in his view, closer to the EU than the values of many countries the EU was negotiating with, and did not see any reason not to have a more open approach. With regard to the principle of openness, he considered that a certain degree of confidentiality was necessary on both sides. He reminded Members that the EP's role was to co-legislate and not to negotiate - they were to indicate important points to be raised in the negotiations, to scrutinise the Commission and to vote on the final text. Concerning agriculture, he was pleased that Members mentioned EU's aggressive interests. On GMOs and hormone beef in particular, he assured Members that this would not lead to their importation into the EU, as the negotiations were to be conducted within the framework of existing EU legislation. With regard to the audiovisual sector, he pointed to its rapidly changing features, which impacted on its existing business models and production arrangements. Consequently, he contemplated whether it was the right time to exclude this area from the negotiations and advocated discussions at least. He recalled that, at the final stage, the agreement required a unanimous decision by the Council and a majority in the EP.

In her concluding remarks, Ms Creighton reiterated the potential of such an agreement, in particular regarding the contribution to EU growth and job creation. She recalled that the Council would discuss the EU-US mandate at its meeting on 14 June and the Presidency was devoting all its efforts to reaching agreement on the mandate. After that, it would be up to the Commission to update the EP. Concerning the issue of cultural and audiovisual services in particular, she thought that any potential exclusions from the mandate had to be carefully evaluated. She was convinced that EU competence and autonomy in this area would not be diminished by the agreement. She was aware that the EP ultimately had to approve the final outcome and would approach the issue bearing that in mind.

Speech by Ms Creighton on the EU trade and investment agreement negotiations with the US, Plenary session of the European Parliament, 22 May 2013

Madam President, at a time when the European economy faces very difficult challenges, it is essential that our efforts are focused on measures which will concretely help to boost economic growth, restore confidence and create new and much-needed jobs. This will continue to be the top priority of the Irish Presidency.

An ambitious trade agenda, covering trade in goods and services and investment, is a key element in delivering growth and employment. It is estimated that the completion of the various free trade negotiations currently under way would lead in the medium term to an overall increase of 2% in growth and to the creation of over 2 million jobs. And job creation is not simply a measure of economic success, although that is, of course, important; it is also about restoring purpose and dignity to those in our society who want to work but cannot find a job.

This is why the conclusion reached earlier this year with the US on the mutual benefits of a comprehensive trade agreement, and the subsequent presentation by the Commission to the Council of a draft negotiating mandate, is very welcome. A Free Trade Agreement with the US will boost trade, open up markets for European exporters, help create jobs and stimulate competitiveness.

The transatlantic trade relationship is vital to Europe's prosperity. Some EUR 2 billion is traded in goods and services every day, and this trade is responsible for approximately 15 million jobs. The Impact Assessment Report prepared by the Commission on the Transatlantic Trade and Investment Partnership (TTIP) estimates that the agreement, once fully implemented, would boost the EU economy by about 0.5% of GDP.

The overall objective of the EU's Common Trade Policy is to promote open, honest trade based on effective international regulations which are beneficial to the EU and to the entire international community. We achieve this through discussions within the framework of the World Trade Organization (WTO), as well as through bilateral and regional trade negotiations. Negotiations on a Transatlantic Trade and Investment Partnership would complement multilateral negotiations, in particular on those issues falling outside the remit of the Doha Development Agenda (DDA).

The Presidency is absolutely committed to reaching a rapid outcome within the Council on a decision authorising the opening of negotiations and on a mandate to the Commission. On 17 April 2013, Minister Richard Bruton organised an informal meeting of trade Ministers which focused on the EU-US Transatlantic Trade and Investment Partnership. We were very pleased that the ministers were joined on that occasion by both Mr Vital Moreira, Chair of your International Trade Committee, and Mike Froman, former US Deputy National Security Advisor for International Economic Affairs.

That meeting was extremely useful in helping us to focus on how we take the process forward and in encouraging a strong shared sense of commitment to reaching a rapid outcome. I think it was also a sign of the very high priority which the Irish Presidency attaches to this issue.

I am grateful to Parliament for your continuing support for the development of EU-US Trade relations, and very thankful to Professor Vital Moreira in particular for his personal commitment to this very important project for our citizens. We pay close attention to your views on this issue and share the emphasis which you have put on the need to strengthen and deepen the EU-US economic relationship. We take the view that we must capitalise on what we have already achieved and further exploit the existing potential of the transatlantic economic and business relationship. This would send a strong signal that, even at a time of serious economic difficulty, both our economies are prepared to extend and open markets rather than protect them. This would also send a clear message to our other global trading partners.

The Commission's proposal for a mandate for a Transatlantic Trade and Investment Partnership (TTIP) is being discussed in the Council. Obviously some detailed work is required, not least given the extensive range of interests and issues which this touches on. Our aim is to reach agreement on the mandate on 14 June at the Foreign Affairs Council, which will be dedicated to trade issues. As soon as the negotiating directives are adopted, the Council will inform the European Parliament, in line with our obligations under the Treaty.

I very much look forward to our discussion this evening and particularly to hearing your views on this very important topic.

Speech by Mr De Gucht on the EU trade and investment agreement negotiations with the US, Plenary session of the European Parliament, 22 May 2013

Madam President, from the outset, let me underline the importance of this Parliament's interest, commitment and contribution to preparations for negotiations of a Transatlantic Trade and Investment Partnership. I thank Professor Moreira, as rapporteur for the INTA Committee, for the work done so far. Since our last debate in October 2012, you will have been pleased with the final report of the High Level Working Group. The elements that were important to you are in it.

The Commission broadly welcomes the draft resolution that you have prepared in the context of the mandate discussions. It is constructive, and I see it as firm support towards launching negotiations along the lines of the High Level Working Group report. Our objective for the negotiating directives is to have a broad text that gives us the necessary negotiating flexibility. Otherwise, we will never be able to obtain concessions from the Americans as well. This means we should at all costs avoid taking issues off the table before negotiations even start. But let me be clear: this does not mean that there will be no red lines during negotiations. No fundamental EU policy is to be traded away.

Cultural diversity, as enshrined in Article 167(4) of the Treaty on the Functioning of the European Union and in the UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions, is a guiding principle of the Commission's actions, including in the context of trade. The Commission is fully committed to defending this policy in the TTIP negotiations.

Let me be crystal clear with respect to audiovisual services and, in agreement with Commissioner Vassiliou, signal what our red lines will be. Firstly, the EU and the Member State measures in support of their audiovisual sector can be maintained and will not be subject to negotiations. The EU and the Member States will retain the policy space to promote cultural diversity, for example through subsidies, tax incentives, etc. This will of course also include the development of new instruments to finance cultural works. This applies, in particular, to cinema and public broadcasting.

Secondly, no one will touch the existing quotas or the necessary policy space to adjust our policy in view of the technological change; but, on the other hand, we do not believe there could be a serious argument in favour of increasing such space, for example by reserving the right to forbid foreign movies and TV programmes, for example, on video-on-demand services.

Thirdly, we acknowledge that the main challenge in the future to support Europe's audiovisual sector is to address the evolution of digital technology. The EU and the Member States will need policy space to do this. We will reserve the necessary policy space to regulate at the EU level in order to adapt our policies to technological evolutions in the audiovisual sector. We believe that a full-scale exclusion of audiovisual services from EU commitments in the TTIP negotiations is neither necessary nor justified. Having red lines does not mean taking entire areas off the table before negotiations have even started. We are deeply convinced that there are more workable solutions than fully excluding the audiovisual sector while still preserving those red lines. The European Parliament cannot credibly push for certain important sectors of EU interest, as mentioned in the resolution, and at the same time plead for an exclusion of audiovisual services.

Let me insist that we need to see the broader picture. I think we all agree that these negotiations will be a unique opportunity to make a difference. This deal could create a tremendous impact on jobs and growth on both sides of the Atlantic without costing a cent of taxpayers' money – which is something to highlight in more critical constituencies. If we add to this the fact that safety, health and environmental standards will under no circumstances be lowered, we should have what it takes to convince those who may still have doubts. Now that the process towards launching negotiations is under way both in the US and on our side, what we need above all is strong and continued political will from us all. Continued political focus on delivering results across all areas is the single most useful recipe for success. This negotiation is too big to fail, and we all have enough things on the table to benefit from it. Let us build on this. I count on your continued constructive support in that direction.
