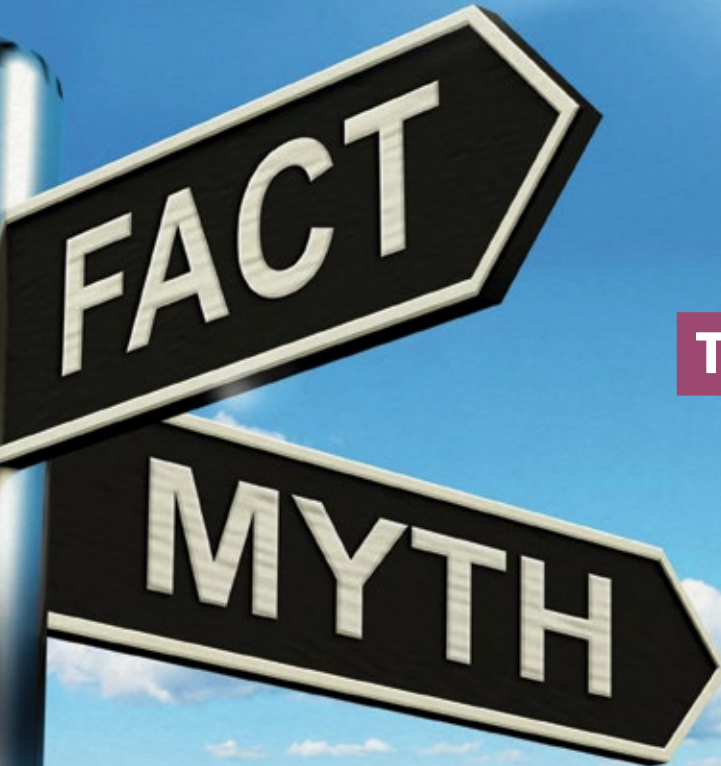




European
Commission



**The Transatlantic Trade and
Investment Partnership (TTIP)**

The top 10 myths about TTIP

Separating fact from fiction

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Foreword



“

Europe faces big **challenges**.

These include kick-starting **our economy**. Adapting to the rise of **emerging economies** outside Europe. Or maintaining our **influence** in the world.

TTIP could **help**.

At home, it could generate **jobs** and **growth**, **cut prices** when we shop and offer us **more choice**.

And it would boost our **influence** in the world – by helping us to attract more **investment**, set high **standards** in global trade, and project our **values**.

How? Well, it would **open** up the US market to EU firms, especially smaller ones.

It would help **cut costs** for EU firms, by tackling unnecessary **red tape**.

And it would put in place **new rules** to make it **easier** and **fairer** to export, import and invest across the Atlantic.

But of course, TTIP **can't come at any price**.

We have to make sure, for example, that it protects Europe's **high standards**, including our **food safety rules**.

That it encourages **investment** while strengthening EU **governments' rights** - to protect people and the environment, or run public services just as they wish.

And that it protects our **cultural diversity**, and ensures **developing countries** gain, too.

TTIP is **ambitious** and **innovative**. So of course people have **concerns** about **what** we're negotiating – and about **how** we're doing so.

As negotiators, it's **our job to understand** and address those concerns.

In fact, we know we'll only get the **best deal** - one that benefits as many Europeans as possible – if we **involve everyone** with a stake in the outcome, at every stage.

That's why I and my negotiating team have pledged to **keep listening** and responding, and to be as **transparent** as possible about what we're doing.

And that's why we're working to put that pledge into **practice** - for example, by **publishing every proposal** that we give our American counterparts.

You'll find them at <http://ec.europa.eu/trade/ttip-texts>.

Unfortunately, certain **myths** have developed about what TTIP would or wouldn't do – claims that simply **aren't true**.

This brochure lists the **10 main ones** – and what the **reality** actually is.

We hope it'll help you **separate fact from fiction** as you form your own views about TTIP.

And once you have, I and my team want to hear about them. So visit us online and **have your say** at <http://ec.europa.eu/trade/policy/in-focus/ttip/have-your-say/>

We look forward to hearing from you.

”

Cecilia Malmström

EU Trade Commissioner
April 2015

"TTIP will force governments to **privatise** public services."

No it wouldn't. What would it do? See **page 8**.

"TTIP will force the EU to import **hormone-treated beef**."

Nope. Find out what it would do on **page 5**.

"TTIP will **weaken EU standards**."

Actually it would uphold them. How? See **page 4**.

"TTIP will let US firms **sue EU governments** at will."

Definitely not. Learn why on **page 7**.

"**Big business** is calling all the shots in TTIP."

Not true. To see who is, go to **pages 13 and 14**.



1. Standards – now and in the future



Myth

“TTIP will **weaken** strict EU standards that protect people and the planet”



Fact

EU standards simply **aren't up for negotiation**. TTIP would uphold them all.

Both the EU and the US have rules that set strict standards in areas like:

- **food safety**
- **people's rights at work**
- **environmental** protection.

We want to cut the costs EU exporters face when:

- **standards are the same** in the EU and US, but
- EU and US **rules differ**.

But we're also committed to:

- protecting our high **standards**
- safeguarding EU **regulators' independence**
- upholding the **precautionary principle**
- ensuring **governments' right to pass new laws** in future to protect people

TTIP in practice

Cutting costs for cake-makers
- without cutting corners



European companies make safe, fresh cakes and export them around the world, but not to the US.



That's because EU and US **cream-making machines are different**. EU ones don't meet US specifications.

With TTIP we could agree that this **difference shouldn't stop us** from selling to each other.



2. Food safety

? Myth



"TTIP will **lower** food safety standards in Europe."



Fact

TTIP will **fully uphold** food safety standards and the way the EU sets them.

Of course we all want the food we eat to be **safe**. So TTIP will mean **no weakening** of EU's high food safety **standards**—absolutely none.

The way we regulate things like **genetically modified** organisms (GMOs) and **food safety** will stay just like it is.

TTIP **will not** force the EU to import:

- **GM foods** which EU regulators haven't already approved
- **hormone-treated** beef
- meat from **cloned animals**.

But TTIP will enable EU and US regulators to **work together to:**

- help make it **easier to export** and import
- whilst fully **respecting our rules** on food safety.

In the past, tackling problems like mad cow disease has been **difficult and costly**. Many countries, including the US, have banned EU exports of products such as beef for long periods.

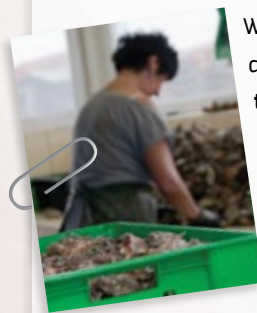
By working more closely together, EU and US regulators would be better able to **tackle problems** that might arise in future.

■ TTIP in practice

Cutting costs for oyster farmers - without cutting corners



Oysters, like many other EU products, can't be exported to the US.



Why? Well, to ensure they're free of dangerous bacteria, the **US tests the water** in which oysters are grown. In **Europe we test the oyster itself**.

Scientists confirm **both ways of testing are equally good**.

So with TTIP, French and Irish oyster producers should only have to pass EU tests to gain access to the US.



3. Tariffs



Myth

"Tariffs between the EU and US are already **low**. TTIP is just a pretext for **dismantling** EU regulations."



Fact

Some EU **industries** still suffer from **high** tariffs. And the scale of EU-US trade overall means even low tariffs add up.

Both the US and the EU have **low duties** on imports – around 4 per cent on average – but that doesn't mean they have no **effect**.

An average always conceals **extremes**. Some industries - like **food** or **textiles** - still suffer from high tariffs.

This makes it **hard for EU firms** to sell their goods in the US, because it makes them more expensive than American-made goods.

And even where tariffs are low, the **large scale** of EU-US trade means the **overall cost** of tariffs to EU firms is **significant**.

TTIP would **scrap** almost all remaining tariffs on EU exports to the US.

This would:

- mean EU **companies save** money right away
- **encourage trade** in goods between the EU and the US.

Trade deals in practice *Helping Europe's firms export more* to South Korea



In 2011 the EU signed a **free trade deal with South Korea**. Since then:



German exports of **airbags** for cars have grown **500%**

French exports of railway **signalling** have risen **thirty-fold**



Polish exports of **air conditioning** units are up by **23 times**.

The deal also means many **goods we import** from Korea are **now cheaper** for consumers here in Europe.



4. Governments' right to regulate

? **Myth**



"TTIP would allow powerful US firms to sue governments at will."



Fact

TTIP would **tighten up** an existing system for settling disputes between foreign firms and governments.

EU countries have more than **1,400 investment agreements** with each other and with other, non-EU countries. These bilateral investment treaties (or 'BITs') help attract foreign investors.

Governments commit to treating them just as they would local ones. And the **agreements** include a system called **Investor-State Dispute Settlement**, or ISDS.

An investor can ask a panel of independent **international arbitrators** to judge if a government has treated them **unfairly**.

If the tribunal decides the government has, it can make it pay **compensation**. But it can't make it change or scrap a law.

We want to tighten up ISDS, by:

- **clarifying** the basis on which investors can file ISDS cases
- **strengthening** governments' right to regulate
- giving the public **access** to:
- **documents** the tribunal receives
- **hearings** the tribunal holds
- allowing any interested party to **make submissions**.

■ TTIP in practice

More choice for sunbathers



The sun's **ultra-violet (UV) rays** can cause skin damage and even cancer.



Sunscreens contain **special filters** which block out these rays.

In the EU, companies can only sell them after **scientists test** them to **check they work** and are **safe**.

But if they want to sell the same product in the US, it then has to pass a **second set of different tests**.

With TTIP we want to help regulators:

- **swap test results** for UV filters - both new and existing ones
- **streamline the process** for approving filters in the US which the EU has already approved.

That way:

- companies could **export** to the US **more easily**
- consumers would enjoy a **wider range** of safe, innovative products.



5. Public services



Myth

"TTIP will force EU governments to **privatise** the public services we all rely on"



Fact

All EU trade deals **leave governments free** to run public services as they wish.

Public services, like hospitals and schools, are important to us all.

That's why **all EU trade deals** include specific **guarantees** for public services.

After we sign trade deals, governments can still run these services exactly as they wish.

For example, they can still:

- **define 'public services'** as broadly as they want
- freely decide when to **only let the public** sector provide a particular service.

Nothing in TTIP would stop a government from bringing an outsourced public service **back into the public sector**.

And not renewing a company's contract to provide a public service would give **no grounds** for compensation.

■ TTIP in practice

Better access to the US market for Europe's plate-makers



US **import duties on plates** and other crockery from the EU are twice as high as EU duties on US exports.



And **complicated customs rules** mean companies have **trouble predicting** how much it will cost them to ship their products to the US.

It could be 6% - or **as much as 25%** - of their products' value.

What's more, setting the duty charged as a percentage of the product's value makes it **harder for European producers** to compete with cheaper, often lower-quality rivals from Asia.

For BHS Tabletop AG, a medium-size German producer, the duty has a clear impact. It **can no longer sell its decorated crockery in the US**.

With TTIP, we want to scrap duties on EU exports - and **help European industries and firms** like BHS Tabletop **compete**.



6. Cultural diversity

? Myth

“TTIP will spell the **end of European cinema and other creative industries.**”



Fact

TTIP will **respect** Europe’s distinctive and diverse **cultural industries.**

Cultural diversity is one of **Europe’s great assets.**

And the EU’s cultural and creative industries provide **jobs for over five million Europeans.**

These industries include **music, films, TV and radio** – known as the ‘audiovisual sector’ in trade jargon.

And we’re determined to respect our diversity and support those industries.

That’s why TTIP would:

- **leave out the audiovisual sector** from any commitments we make to open up the EU market to US exporters
- **uphold laws on books** that fix the prices publishers charge
- ensure governments can **continue subsidising** cultural industries and the arts just as they do now.

■ TTIP in practice

Better access to the US market for Europe’s small bakers

Today, if you want to export a **Danish pastry** – or plain ‘Danish’, as it’s called in the US – from Europe to the US, there’s a **6% tax at US customs.**



This might not seem much. But it still **makes competing difficult.**

In fact, once an EU exporter pays its US distributors, it has to **charge customers there over 10% more** than it would otherwise. That gives its North American rivals a big advantage.



Claus Olsen

Sales and Marketing Director – Mette Munk Bakeries, Denmark

“We hope the current EU-US talks will scrap the taxes we pay at US customs.”

Take, for example, Mette Munk Bakeries from Denmark. They export worldwide, combining craftsmanship with the latest production techniques. In all they **employ more than 60 people.**

By removing US customs duties,

TTIP would help firms like Mette Munk sell more of their traditional, high-quality products on global markets – and **create jobs** in the process.



7. Sustainable development

? **Myth**

*“TTIP will mean a **race to the bottom** on the **environment** and people’s **rights at work**.”*

! **Fact**

We want a **dedicated chapter** in TTIP to foster sustainable development.

When it comes to protecting the **environment** or people’s **rights at work**, the EU has possibly the **highest standards** in the world.

In TTIP, we’re determined to **uphold** these standards, and promote them.

So TTIP will:

- ensure the EU continues to **decide its own levels** of protection for people at work, and for the environment
- commit the EU and US to **enforcing them**.

For example, we want TTIP to include commitments that guarantee that both the US and the EU **respect core labour standards** set out in core conventions of the International Labour Organisation (ILO), a UN agency that promotes people’s rights at work.

We also want to work more closely with the US to **combat** things like **illegal logging** or fishing, or the illegal trade in wildlife.

And we want TTIP to promote trade and investment in **renewable energy** and other green goods and technologies.

■ TTIP in practice

New rules to make trade easier and fairer



A decade ago the **EU banned animal testing** for make-up, deodorants and other cosmetic products.

Now there’s a permanent ban on **ingredients**, too, and on **marketing** them.

By contrast, the **US still allows** animal testing for cosmetics. But:

- both the EU and the US have pledged to find **new alternatives** for testing
- producers in **Europe have already developed** several such methods.

Through TTIP we want EU and US regulators and companies to:

- **share** their scientific **knowledge**
- set an **example** of developing safe **new products** in a way that **respects animal welfare**.

By doing so, we could help **convince other countries** to abandon animal testing, too.



8. Developing countries



Myth

"TTIP will help EU and US exporters – but developing countries will **suffer**."



Fact

Independent studies suggest other countries would **benefit**, too.

Of course, the EU and US economies – already the world's two largest – would benefit from TTIP.

But the **rest of the world would gain**, too.

For example, more EU-US trade would mean **more demand** for things that other countries export, like:

- **raw materials**
- **components** and machinery
- finished **products**
- **business services** like customer support or after-sales care.

And the further TTIP went, the more it would benefit the rest of the world.

For example, if the EU and US **harmonised technical standards** in some areas, other countries might want to adopt them too.

Then they'd only have to produce goods to **one set of specifications**. That would in turn make trade around the world **easier** and **cheaper**.

Of course, the EU also **works in other ways to help** developing countries benefit from trade and attract more foreign investment.

Examples include:

- our **trade and development agreements** with African, Caribbean and Pacific countries, known as Economic Partnership Agreements, or **EPAs**
- our active involvement in the latest round – known as the **Doha Round** – of global trade talks between members of the World Trade Organisation, or **WTO**; one of the main goals is to help developing countries share in the growth in world trade.

■ TTIP in practice

Better access to the US market for Europe's vegetable growers

Producing and exporting sun-ripened peppers, artichokes and other **vegetables** provides a **living for thousands of people** in rural Spain.

But **good times** for Spanish exports are **under threat**. Since the US offered trade preferences to its **Latin American partners**, competition in the US market - 30% of global sales - has stiffened.

10 years ago, Spanish exporters sold **nearly all canned peppers** in the US. Now it's only 25%.



Pedro Herrera Viguera

CEO - Conservas El Raal,
Murcia, Spain

"Products from other countries enter the US duty-free. But **we pay a 15% tax** at US customs.

With TTIP, we hope this tax will be scrapped - helping us **recover and even grow our sales** in the US.

That would give **new hope** to the rural communities in which we operate."



9. Transparency & influence

Myth



"Ordinary people have **no idea** what's being discussed – it's **big companies** that are calling all the shots in TTIP."



Fact

The TTIP talks are the **most open ever** for a trade deal and our negotiators are consulting a **wide range of interests**.

Getting TTIP right means being as **transparent** as possible. And **listening** to and **involving everyone** with a stake.

That's why we've **published online** a wealth of material about TTIP, including:

- the **EU's negotiating texts** on regulatory issues and rules, which EU negotiators have given their US counterparts
- **factsheets** explaining every chapter of TTIP in plain language.

You'll find all these **documents online** at:

<http://ec.europa.eu/trade/ttip-texts>

We've also enabled **all Members of the European Parliament** (MEPs) to see other documents that remain confidential.

And our **doors are open** to everyone.

In fact, we're actively reaching out to ensure **everyone** with a stake in TTIP can **have their say** – however loud or quiet.


For example, we:

- regularly meet:
 - **businesses**,
 - **consumer** bodies,
 - **trade unions**, and
 - **environmental** and **health** groups
- have set up a **TTIP Advisory Group** of 16 outside experts representing these interests
- have held several **public consultations**.



10. Democratic oversight

Myth

 “Governments and politicians have **no control** over what negotiators are cooking up.”

Fact

Governments and MEPs are **central** to the TTIP process
- and have the **final say**.

EU **governments are central** to the TTIP talks. We consult them at every stage – as EU law requires.

So is the **European Parliament**, whose members (MEPs) we update regularly.

We often meet **national ministers**, officials and **parliamentarians**, too.

We also share confidential negotiating documents with EU **governments and MEPs**.











Once a final TTIP text is ready, we'll give it to:

- the **governments** of the EU's 28 countries
- **The European Parliament**
- **stakeholders** and the **public**, by publishing it online.

And then a final decision comes with a **double democratic guarantee**.

EU **governments and MEPs will decide** whether the agreement is to be applied.

The top 10 myths about TTIP

| | Myth | Fact |
|--|---|---|
|  1. Standards – now and in the future | <i>“TTIP will weaken strict EU standards that protect people and the planet.”</i> | EU standards simply aren't up for negotiation. TTIP would uphold them all. |
|  2. Food safety | <i>“TTIP will lower food safety standards in Europe.”</i> | TTIP will fully uphold food safety standards and the way the EU sets them. |
|  3. Tariffs | <i>“Tariffs between the EU and US are already low. TTIP is just a pretext for dismantling EU regulations.”</i> | Some EU industries still suffer from high tariffs that make trade in goods more expensive. |
|  4. Governments' right to regulate | <i>“TTIP would allow powerful US firms to sue governments at will.”</i> | TTIP would tighten up an existing system for settling disputes between foreign firms and governments. |
|  5. Public services | <i>“TTIP will force EU governments to privatise the public services we all rely on.”</i> | All EU trade deals leave governments free to run public services as they wish. |
|  6. Cultural diversity | <i>“TTIP will spell the end of European cinema and other creative industries.”</i> | TTIP will respect Europe's distinctive and diverse cultural industries. |
|  7. Sustainable development | <i>“TTIP will mean a race to the bottom on the environment and people's rights at work.”</i> | We want a dedicated chapter in TTIP to foster sustainable development. |
|  8. Developing countries | <i>“TTIP will help EU and US exporters – but developing countries will suffer.”</i> | Independent studies suggest other countries would benefit, too. |
|  9. Transparency and Influence | <i>“Ordinary people have no idea what's being discussed – it's big companies that are calling all the shots in TTIP.”</i> | The TTIP talks are the most open ever for a trade deal and our negotiators are consulting widely. |
|  10. Democratic oversight | <i>“Governments and politicians have no control over what negotiators are cooking up.”</i> | Governments and MEPs are central to the TTIP process – and have the final say. |

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