

TTIP



New
Direction
the foundation for european reform



TRANSATLANTIC TRADE AND INVESTMENT PARTNERSHIP

New Direction

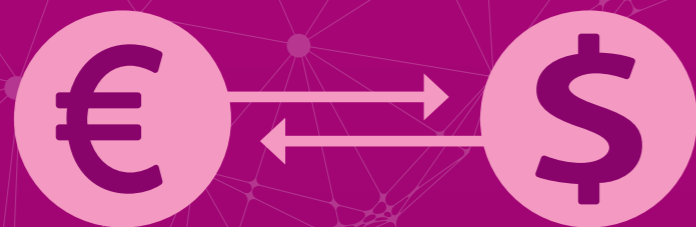


A Brussels-based free market, euro-realist think-tank and publisher,
established in 2010 under the patronage of Baroness Thatcher.

We have satellite offices in London, Rome and Warsaw.

TTIP

TRANSATLANTIC TRADE AND INVESTMENT PARTNERSHIP



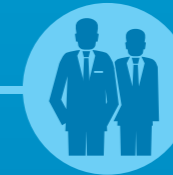
Both the Conservative Party and I believe that this agreement is fundamentally beneficial to all in the UK, EU, and the US. The broader and deeper the agreement, the greater the benefits that can be achieved for all, especially small and medium sized enterprises, and most importantly consumers.



- Emma McClarkin MEP

WHAT IS IT?

A TRADE AGREEMENT NEGOTIATED BETWEEN THE EU AND US THAT INTENDS TO:



REMOVE TRADE BARRIERS



MAKE REGULATIONS MORE COMPATIBLE

WHAT IMPACT WILL TTIP HAVE?



LOWERING TRADE TARIFFS WOULD INCREASE EU-US TRADE FLOWS (CURRENTLY WORTH OVER 2 BILLION EUROS/DAY)

+28% EXPORTS

= € 187 BN ANNUALLY

+0.5% EU OUTPUT

= € 119 BN ANNUALLY

+ € 545 / YEAR FOR THE AVERAGE EUROPEAN FAMILY

+0.5% GDP

BUSINESS WILL GROW WHEN PRODUCTS WILL BE FREE TO BE SOLD IN NEW MARKETS

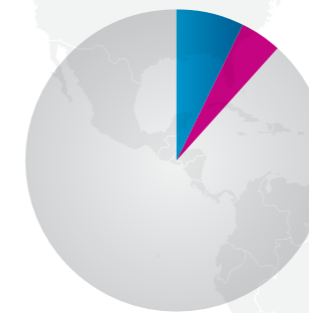
THE EU AND THE US WILL BE ABLE TO CREATE INTERNATIONAL STANDARDS FOR TRADE

The EU and USA

12% WORLD POPULATION

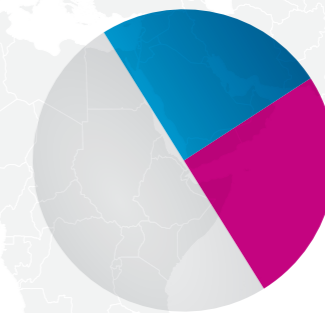
50% WORLD GDP

WORLD POPULATION



EU: 7.3%
USA: 4.5%
Rest of World: 88.2%

WORLD'S GDP



EU: 24.6%
USA: 25%
Rest of world: 49.6%

TRADE



TRANSATLANTIC ECONOMY EMPLOYS



WORKERS

NEARLY



OF TOTAL FOREIGN INVESTMENT IN THE US COMES FROM EUROPE

REGULATORY COOPERATION

Together, the EU and the US make up nearly fifty percent of the entire world GDP. With such a huge stake in the world economy, it seems only natural that both economies would want to remove unnecessary barriers in order to ease trade between these two powerhouses. Though actual tariffs seem quite low, non-tariff barriers often make transatlantic trade more expansive than traditional tariffs. In addition, studies show that risk stringency is the same in both societies; therefore it would be both easy and beneficial to engage in regulatory cooperation. However, at the moment, differing legislation and procedures often hinder firms from expanding across the Atlantic. A TTIP would be able eliminate both tariffs and non-tariff barriers, and allow transatlantic trade to flourish even more than it already does—benefitting both EU and US citizens.

RULES AND VALUES

The EU and the US currently have a lot of clout in the world due to their booming transatlantic economy. However, it is in both societies' best interests to continue to dominate the international market and to prevent too much power from falling into the hands of other emerging powerful countries that do not share our same values. The EU and the US must maintain and expand the current liberal world order, and TTIP will ensure just this. TTIP will not just affect Europeans and Americans; it will allow the EU and the US to set high global economic standards and the rest of the world will naturally follow suit. If TTIP fails, it cannot be guaranteed that the international economy will remain liberal, transparent, and ethical in the future. Therefore, it is crucial that TTIP is a success.

SMEs SMALL AND MEDIUM ENTERPRISES

SERVICES

WHY ARE SMEs IMPORTANT TO TTIP?

Trade barriers disproportionately hinder SME growth, as SMEs have fewer resources to navigate and overcome these barriers.



2/3

OF EU POPULATION EMPLOYED BY SMEs



99%

OF BUSINESSES ARE SMEs
US: 28 MILLION
EU: 20 MILLION



30%

OF GOODS EXPORTED FROM THE EU ARE FROM SMALL MANUFACTURERS / PRODUCERS



80%

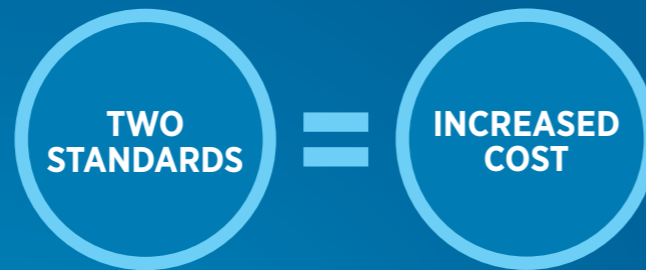
OF NEW JOBS ARE CREATED BY SMEs

ELIMINATING TARIFFS

When exporting to the USA these products are subject to these tariffs, limiting their ability to compete:

- 26% on Slippers
- 32% on Sportswear
- 28% on Ceramic Tableware
- 20% on Processed Food

TACKLING NON-TARIFF BARRIERS



Reduce test duplication



Common identification of products

70% OF EU COSMETICS ARE CLASSED AS OVER THE COUNTER DRUGS IN THE USA



TWO STANDARDS

Simplify custom procedure

EXPORTING TO THE US CAN INCLUDE:

- Site Checks
- Product Separation
- Several Inspections



TWO STANDARDS

Source: TTIPUnpacked.org

FOLLOWING TTIP, EU EXPORTS OF SERVICES ESTIMATED TO INCREASE BY

24% ↑

9 out of 10 NEWLY CREATED JOBS IN THE EU ARE IN SERVICES

33% OF ALL EU EXPORTS TO THE US ARE SERVICES AND STILL INCREASING



50%

OF THE WORLD'S TRADE IN SERVICES HAPPENS BETWEEN THE US & THE EU



80%

OF THE WORLD'S FINANCIAL TRANSACTIONS ARE MADE BETWEEN THE US & THE EU



73.2%

OF THE EU'S GDP COMES FROM THE SERVICE SECTOR

CURRENT TARIFF BARRIERS PLACED ON EXPORTED SERVICES TO THE US

32% FINANCIAL 19% INSURANCE 2% COMMUNICATIONS

CURRENT TARIFF BARRIERS PLACED ON EXPORTED SERVICES TO THE EU

11% FINANCIAL 11% INSURANCE 12% COMMUNICATIONS

Only 7 out of 50 US STATES GRANT FOREIGN LICENSES TO GIVE LEGAL ADVICE

Only 28 out of 50 US STATES GRANT ACCESS FOR FOREIGN LAWYERS TO TAKE THE BAR

One concern regarding the services section of TTIP is that it will interfere with the EU governments' right to run public services as they wish, specifically with healthcare. However, there is no specific mention of national public health service liberalization anywhere in the mandate given to the European Commission by the national governments of the EU.

DIGITAL TRADE & E-COMMERCE

EUROPE 2013 B2C E-COMMERCE DATA OF

West	€ 177.7 bn	+ 12.4 %
Central	€ 93.3 bn	+ 22.7%
South	€ 40.8 bn	+ 18.9%
North	€ 31.9 bn	+ 12.7%
East	€ 19.3 bn	+ 47.3%
EU	€ 317.9 bn	+ 14.7%



GOODS AND SERVICES AT A GLANCE



508
MILLION

PEOPLE LIVE
IN THE EU



403
MILLION

USE THE
INTERNET



53%

E-SHOPPERS



236
MILLION

FACEBOOK
USERS



228
MILLION

E-HOUSEHOLDS

2.2 eGDP



€ 16.4 trn
GDP 2013

€ 1,376

AVERAGE
SPENDING PER
E-SHOPPER



€ 363.1 bn

TURNOVER
E-COMMERCE
GOODS & SERVICES



5.7%

ESTIMATED SHARE OF
ONLINE GOODS IN TOTAL
RETAIL OF GOODS



2,000,000+

JOBS DIRECTLY OR INDIRECTLY
VIA E-COMMERCE



645,000+

ESTIMATED ONLINE
BUSINESSES



3.7 BILLION+

NUMBER OF PARCELS
ANNUALLY (f)



UK, GERMANY
AND FRANCE
ACCOUNT FOR

61%

OF TOTAL
E-COMMERCE
SALES IN EUROPE

TOP 5 MATURE E-COMMERCE COUNTRIES IN TURNOVER (MILLION)

UK	€ 107,157
Germany	€ 63,400
France	€ 51,100
Austria	€ 10,970
Netherlands	€ 10,583

TOP 3 EMERGING COUNTRIES (MILLION)

Spain	€ 14,414
Italy	€ 11,268
Poland	€ 5,225



Digital trade is the fastest growing sector in both the EU and US economies. Products and services relying on transatlantic data are expected to add \$1trillion in value to the US-EU economic relationship in the next 10 years. Because of this, digital trade and e-commerce will be very important aspects of TTIP. Both Americans and Europeans place a high value on personal privacy and freedom of expression, therefore a TTIP would enshrine and build on US-EU agreements in the area of information technology and data sharing, including binding and enforceable provisions that will serve to set global standards.



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