

Stakeholder Dialogue TTIP Negotiations
24 February 2014

Many thanks for giving me the opportunity to discuss the TTIP priorities of the German business community. The Federation of German Industries represents the interests of around 100.000 businesses, many of them medium-sized, which employ roughly 8 million people.

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The EU Commission and the US government share the goal to conclude TTIP by 2016, or at least to have a political agreement in place by the end of the year. We support this ambitious timetable.

However, we have always said that an ambitious timetable must not come at the expense of an ambitious outcome. Let me mention two specific areas in which we believe TTIP must live up to its promise to deliver ambitious results: Regulatory cooperation and government procurement.

1. Regulatory Cooperation

Regulatory cooperation is at the core of TTIP for two reasons: First, it carries a lot of economic potential for businesses and consumers, in particular for small and medium-sized enterprises. Second, if one of the goals of TTIP is to position us to be

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standards setters rather than standard takers, regulatory cooperation is a critical tool to achieve this goal. Through closer cooperation, the US and the EU can identify ways not only to cut red tape, but also to develop joint rules and standards for next-generation technologies.

An ambitious chapter on regulatory cooperation should therefore contain the following:

- A binding mechanism that commits regulators on both sides to exchange information and to work together with regard to future regulation.
- Sector-specific solutions which take into account all major sectors, including those in which solutions are apparently hard and where progress can only be reached over time, like in the machinery and engineering sector.
- The right to regulate which makes clear that regulatory cooperation cannot be a substitute for decision-making, and that different regulatory philosophies and traditions will be protected under TTIP.

In addition, TTIP should contain the commitment to develop and apply international standards, like standards developed by the ISO.

2. Public Procurement

Another area where we urge negotiators to maintain the level of ambition is government procurement.

Open, transparent and non-discriminatory procurement rules will not only benefit the companies that get the contracts. They will also benefit tax payers when a public entity has the opportunity to choose the best offer.

We understand that offers on government procurement will be exchanged next week. From what we know, we are concerned that TTIP could fall short of its potential in this area.

In its final report, the High Level Working Group on Jobs and Growth, composed of both EU and US trade experts, made the following recommendation:

The HLWG recommends that the goal of negotiations should be to enhance business opportunities through substantially improved access to government procurement opportunities at all levels of government on the basis of national treatment.

That is basically all we ask for.

We don't expect the U.S. to change its laws, but we think that national treatment should be applied for EU bidders.

We believe that the Government Procurement Agreement of the WTO should be applied by all entities, including states and cities.

And we believe that market access should be improved on a structural level, not just in some sectors and in some states.

This does not mean that social or environmental criteria will be weakened. It only means that they should be applied on a non-discriminatory basis.

Yes, there will be more competition. But we believe that this will lead to more innovation, lower prices and better products and services.

Now, it takes the political will to fulfill the joint commitment made at the outset of the negotiations.

Ladies and Gentlemen, regulatory cooperation and procurement are just two examples where we believe negotiators should maintain their ambitious and comprehensive approach. There are more examples.

And if TTIP is to become a pace-maker for global trade and not just another trade agreement, a „TTIP light“ is not an option.

Thank you very much.