



**Embassy of the United States of America
Research Unit, Public Diplomacy Section**

September 7, 2016

The Transatlantic Trade and Investment Partnership (T-TIP)

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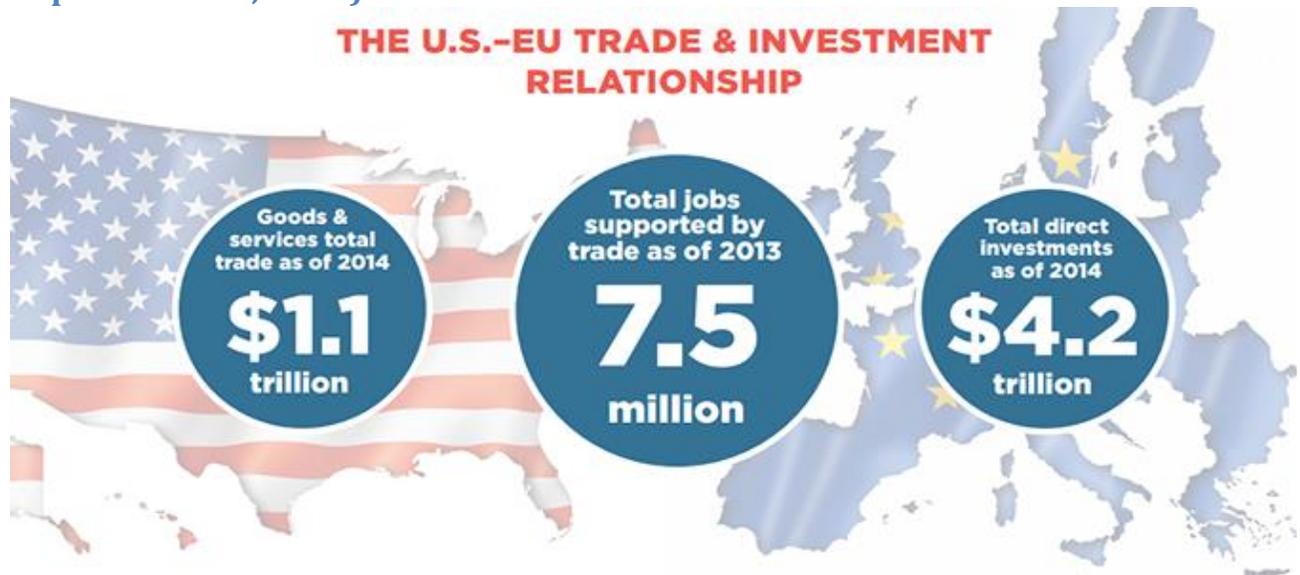
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The Transatlantic Trade and Investment Partnership (T-TIP), the comprehensive trade and investment agreement the United States is negotiating with the European Union, along with TPP and our other FTAs, will give the United States unfettered access to nearly two-thirds of the global economy.

The U.S.-EU trade and investment relationship is the largest in the world. We have nearly \$1.1 trillion in annual trade with the EU, and the EU is the single largest buyer of American goods and services and by far the largest source of Foreign Direct Investment in the United States. Through T-TIP, we can strengthen that relationship by removing barriers to exports on both sides of the Atlantic. And we can strengthen America's attractiveness as the manufacturing site of choice, supporting hundreds of thousands of additional jobs in a vast range of industries.

T-TIP provides a historic opportunity to modernize the U.S.-EU trade relationship and strengthen the broader transatlantic partnership. We will do so in a way that maintains the high levels of protection for consumers, for health and safety, for the environment, and for workers that our citizens expect. T-TIP also offers significant opportunities to set high standards with respect to global issues of common concern.

It is the President's objective to conclude an ambitious, comprehensive and high-standard T-TIP agreement in 2016. We are pursuing ambitious market openings in goods, services, and investment, and are working to address areas such as regulatory and other nontariff barriers to U.S. exports, increase the participation of SMEs in the transatlantic economy, and address the challenges of trade in the modern digital economy, among other goals. The Administration will continue to seek input from Congress and stakeholders.

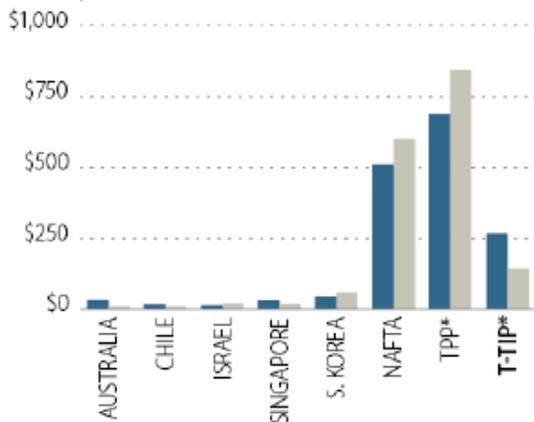
FULL TEXT: <https://ustr.gov/about-us/policy-offices/press-office/reports-and-publications/2016/2016-trade-policy-agenda-and-2015-Annual-Report>

THE FIGURES

Trade and Investment with Existing and Potential Free Trade Agreement (FTA) Partners.

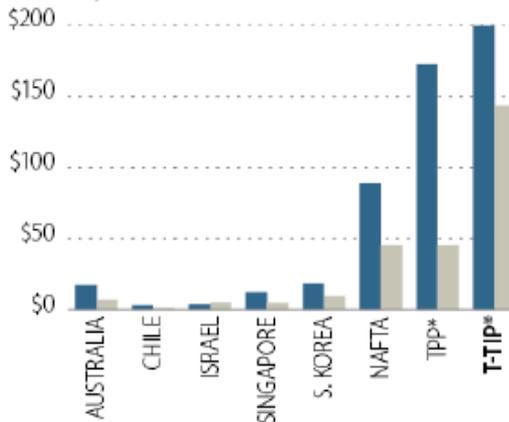
U.S. Trade with Largest FTA Partners

GOODS, 2012

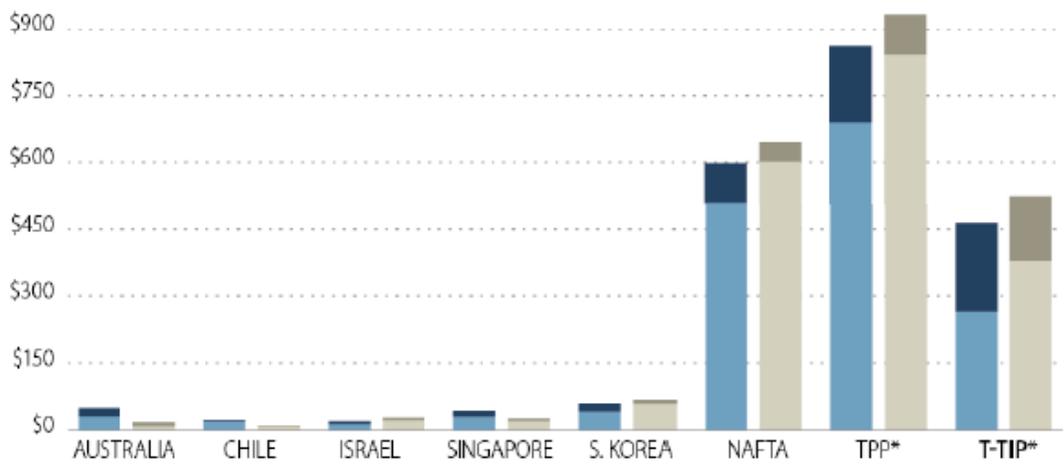


U.S. Exports U.S. Imports

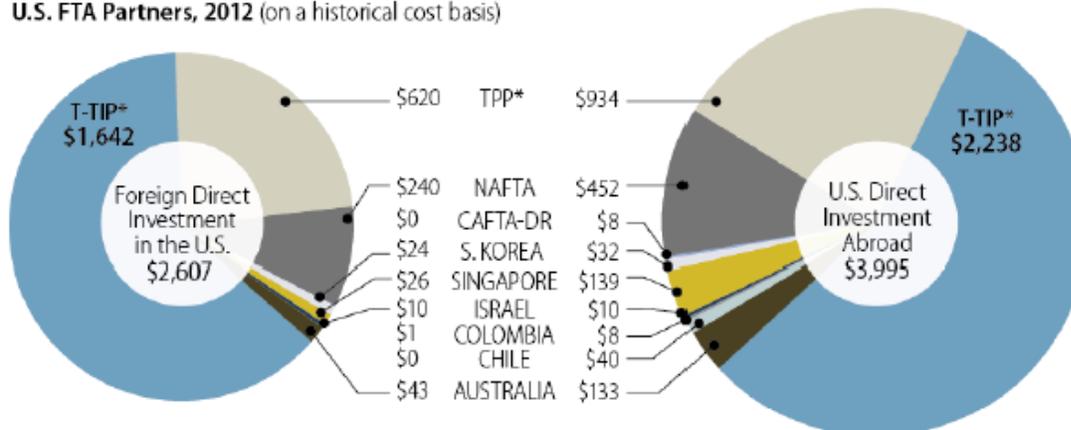
SERVICES, 2012



U.S. Trade with Largest FTA Partners, 2012



Stock of Foreign Direct Investment with Largest U.S. FTA Partners, 2012 (on a historical cost basis)



* Proposed Free Trade Agreements

Source: CRS analysis of data from U.S. International Trade Commission and U.S. Bureau of Economic Analysis.

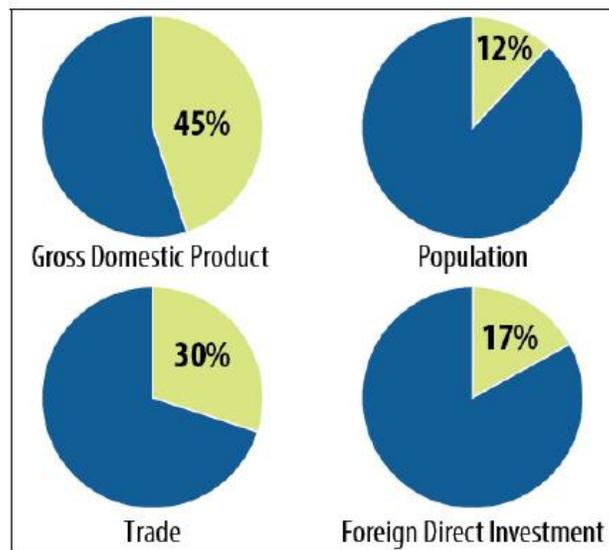
Notes: North American Free Trade Agreement (NAFTA) partners: Canada and Mexico.

- Proposed Trans-Pacific Partnership (TPP) partners: Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam. TPP services data do not include Brunei, Peru, and Vietnam.

All dollars in billions.

- **Proposed Transatlantic Trade and Investment Partnership (T-TIP) partners:** EU-28 countries. T-TIP data do not include Croatia, which joined the European Union as its 28th member state on July 1, 2013.

Combined U.S.-EU Share of Global Economy



Source: U.S. Bureau of Economic Analysis; European Commission; Eurostat; International Monetary Fund; and United Nations Committee on Trade and Development.

Note: Yellow shares reflect U.S.-EU share of global economy; blue shares reflect rest of the world.

Largest U.S. Free Trade Agreements (FTAs): Economic Area, 2012

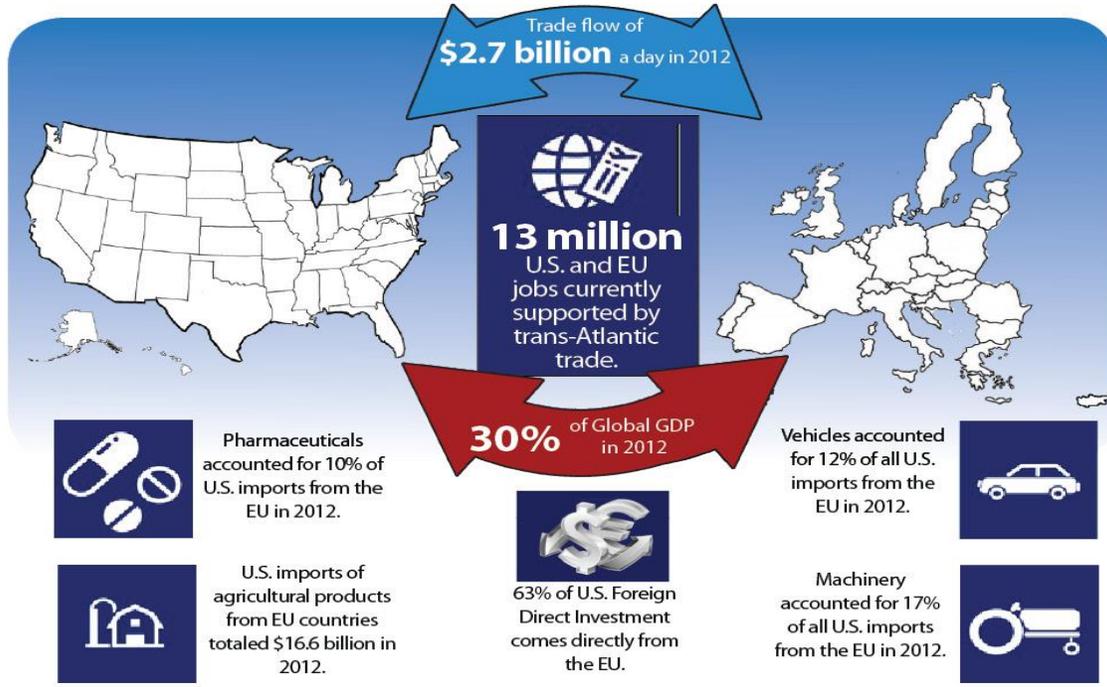
FTAs	GDP (billions of current U.S. dollars)	% World GDP	Population (millions)	% World Population
U.S.-South Korea FTA	\$16,841	23%	364	5%
North American Free Trade Agreement	\$18,681	26%	464	7%
Trans-Pacific Partnership*	\$27,558	36%	792	11%
Transatlantic Trade and Investment Partnership*	\$32,269	45%	817	12%

Sources: CRS analysis of data from International Monetary Fund, *World Economic Outlook*, April 2013; and European Commission, Eurostat.

Notes: *Proposed FTAs.



BUILDING ON OUR ECONOMIC AND STRATEGIC PARTNERSHIP

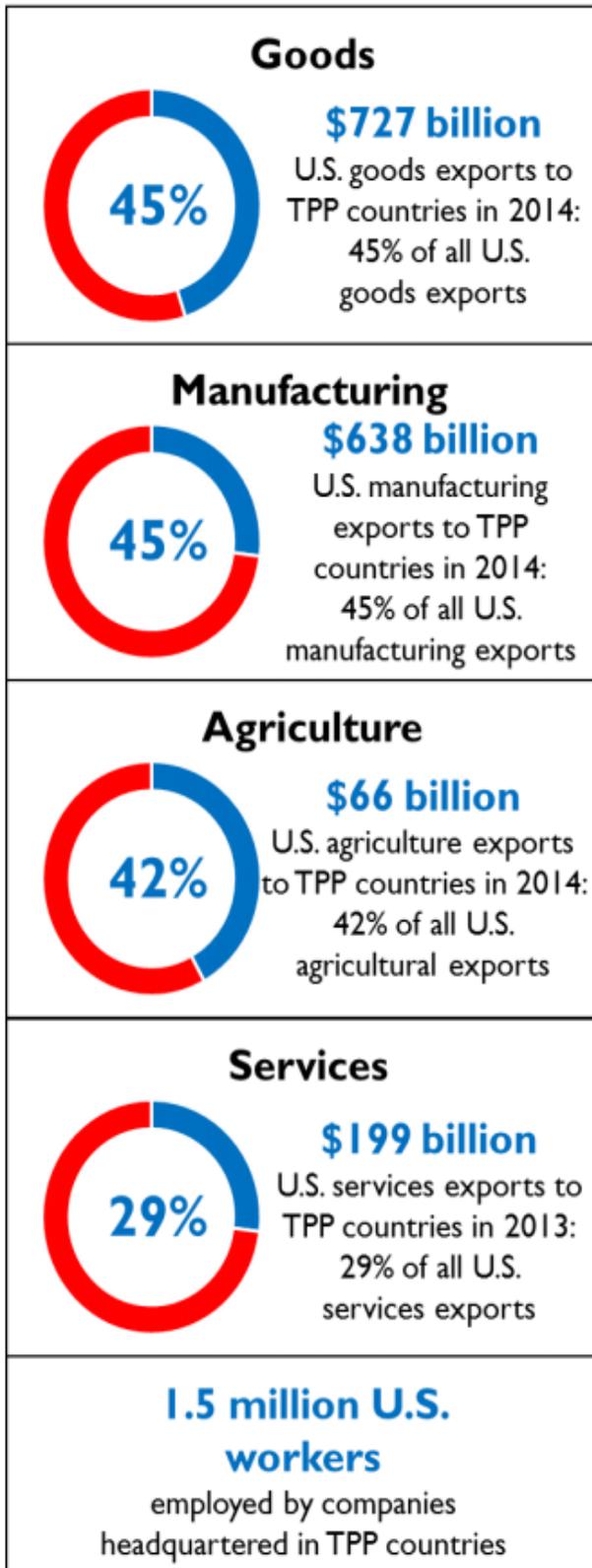


We have to do more to put this indispensable partnership to work... and we can start, frankly, by harnessing the energy and the talents of our people, which is what the Transatlantic Trade and Investment Partnership is all about. Imagine what happens when you take the world's largest market and the world's largest single economy and you marry them together with the principles and the values that come with it... T-TIP will do for our shared prosperity what NATO has done for our shared security.

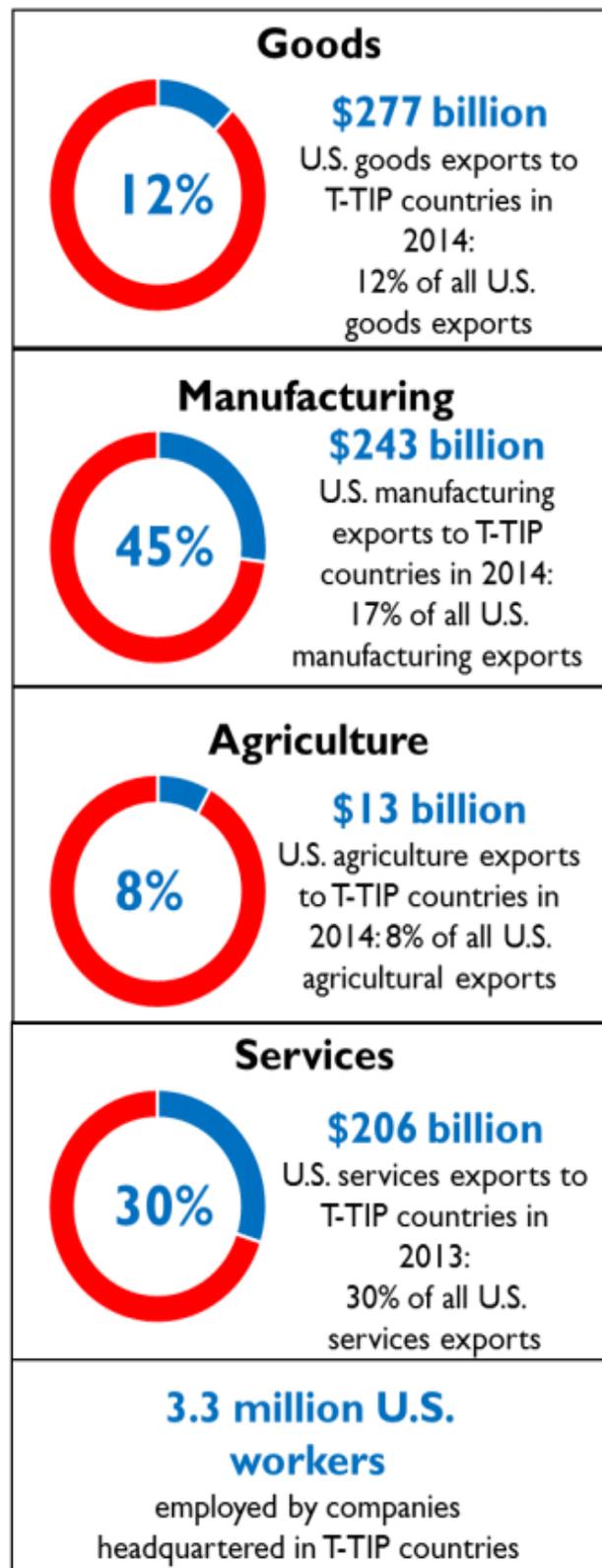
Secretary of State John Kerry

<http://useu.usmission.gov/ttip.html>

Building on Success in TPP



Building on Success in T-TIP



* TPP: Trans-Pacific Partnership. T-TIP: Transatlantic Trade & Pacific Partnership.

Under the **Trans-Pacific Partnership** & the
Transatlantic Trade & Investment Partnership



in the combined free trade areas could benefit from
the **strongest labor protections** in any
trade agreement in history.

**Interview with the US Trade Representative on T-TIP. By Veit Medick, Spiegel
Online, August 31, 2016 (Excerpts)**



US Trade Representative Michael Froman: "We are very much committed to TTIP."

/.../ SPIEGEL: According to German Vice Chancellor and Economics Minister
Sigmar Gabriel, the TTIP trade deal between the European Union and the United
States has collapsed. What went wrong?

Froman: I don't share Minister Gabriel's perspective. The reactions from the Chancellery and the European Commission suggest they don't either. In a trade negotiation, nothing is agreed to until everything is agreed to. You don't measure progress by how many chapters have been finalized but on whether the two sides are finding solutions across the board.

SPIEGEL: But on many issues, the Europeans and the US are still far from an agreement.

Froman: We have made good progress in the negotiations, including at the most recent round in July, and back in the US, we have worked through the summer to identify pathways to address the priorities of both sides. I look forward to continuing this effort when I meet with EU Trade Commissioner Malmström on September 15.

SPIEGEL: Where exactly do you see progress in the negotiations?

Froman: Progress accelerated this year. We have already agreed to eliminate 97 percent of tariffs -- far higher than the endpoint of many trade agreements -- and continue to negotiate toward the goal of tariff elimination.

SPIEGEL: Tariffs are one thing, common standards are another. Parts of the German and the French government do not believe that the US and Europe will ever be on the same page on that.

Froman: We have agreed to make regulatory approaches more transparent and collaborative to ensure that our regulators can work together efficiently while maintaining high standards on health, safety, environmental, labor and other regulations. We have identified actions in specific sectors, such as autos and pharmaceuticals, to enhance consumer welfare. We have agreed that TTIP should not interfere with the regulation of public services or drive privatization. And we have agreed that we will have strong labor and environmental obligations and that we will work together to raise those standards around the world. These are just a few examples of what TTIP is all about, all of which will raise global standards while improving people's lives through increased growth and job opportunities.

SPIEGEL: Both sides originally wanted to close the deal by the end of the year. It is almost September now. Isn't time simply running out?

Froman: Time is short. But with the proper political resolve to move the negotiations forward, we believe we can still achieve our objective of completing a high-standard agreement this year.

SPIEGEL: Gabriel believes very much in the CETA trade agreement between the EU and Canada, which is currently awaiting EU approval. He argues that the rules for investment protection in CETA are much more transparent than those the American side wants to include in TTIP. Where do you stand on that issue?

Froman: CETA looks like a strong agreement. TTIP will also be a strong agreement. We have many of the same transparency provisions. We have also proposed a number of additional reforms to ISDS (investor-state dispute settlement, an instrument that allows investors to initiate dispute-settlement processes against countries) including: making sure that investors can't hop back and forth between local courts and international arbitration; shortening the period for bringing ISDS claims; and narrowing the types of claims that can be brought and increasing the burden of proof. We have also proposed for TTIP to include strong labor and environmental obligations -- enforceable by trade sanctions, which gives those obligations real teeth. More generally, TTIP's opportunity for German exporters speaks for itself. Given the size of the US economy, even a 1 percent increase in German exports to the US would dwarf the gains of other agreements. In government procurement, for example, the opportunity German firms have in the United States is 10 times larger than in Canada.

SPIEGEL: Has Brexit affected the US position on TTIP? How attractive is TTIP without Britain being part of it?

Froman: We are very much committed to TTIP. Of course, the UK is a significant economy that makes up a quarter of American exports to the EU, more than 50 percent of our exports in certain sectors and over 25 percent of the government procurement opportunities we have in Europe. Brexit reduces the size of the TTIP deal for the United States, and there will need to be an adjustment of expectations accordingly, but Brexit underscores the value of reaching an agreement at this critical moment in the evolution of Europe.

SPIEGEL: In what respect?

Froman: TTIP is an important opportunity to demonstrate that the EU and the US can take action together to deliver jobs and growth for their people, to strengthen the trans-Atlantic partnership and to position the EU and the US together to help lead the global trading system./.../

FULL TEXT: <http://www.spiegel.de/international/world/interview-with-us-trade-representative-on-ttip-a-1110208.html>



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T-TIP