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Five questions on troubled US-EU trade pact

by Brian Zamora

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Despite recent anti-trade opinions, the US and EU negotiators said they have made "significant progress" ... working out the Transatlantic Trade and Investment

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Bratislava (AFP) - The European Union and United States are struggling to complete talks on a vast free-trade zone that would simplify rules and slash tariffs in a market of 850 million people.

Here are five key questions:

- What's the goal? -

The Transatlantic Trade and Investment Partnership (TTIP) is meant to boost trade to the benefit of business and, in theory, workers and the broader economy.

Trade flows are already huge, with US exports to Europe amounting to more than \$730 million (636 million euros) every day.

"TTIP is an immensely important agreement, with huge potential to create jobs and growth and to set standards," EU Trade Commissioner Cecilia Malmstroem says.

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- How are talks taking place? -

Trade negotiators from both sides have been holding regular five-day sessions behind closed doors to hammer out the details. The next session on October 15 is in New York.

The European Commission, the EU's executive arm, has tried to mute criticism about a lack of transparency by holding press conferences after each session and publishing information. But critics say many details remain confidential.

That has led to charges that the officials are haggling in secret over matters of public importance such as the environment, health and consumer rights.

After the last session in Brussels, negotiators said they were determined to reach an ambitious deal despite opposition reaching a fever-pitch in key European powers France and Germany.

- What would be the global impact? -

The rules agreed for a future US-EU trading zone -- covering everything from labels to hygiene or safety standards -- would likely be adopted by companies around the world that want to secure easier access to the lucrative EU-US trading bloc.

"If we do it, we become the masters of the world standard," said former World Trade Organization director general **Pascal Lamy**. "The Koreans, the Japanese, the Chinese will have to adjust to a European-American norm."

President Barack Obama is attempting to push through US Congress a similar Trans-Pacific Partnership accord in Asia but it notably excludes China, the world's second largest economy.

- What are the key parts of the pact? -

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eliminating or reducing tariffs on imports or other obstacles that restrict trade, as well as making it simpler for US and European firms to bid for public tenders in each other's home markets.

This would, for example, resolve the problem of US olive oil exporters who have to pay \$1,680 in customs duties per tonne sent to the EU, whereas Europeans only pay \$34.

The second area is "regulatory cooperation". This means agreeing uniform rules so that exporters only have to worry about one set of regulations, from labels to product tests or health and safety. This has an impact on deeply sensitive issues such as the use of pesticides on food or whether to allow the sale of beef grown with hormones.

The third area is "rules", covering topics such as protection for geographic names like champagne, intellectual property rights, and how to settle disputes between companies and national authorities.

- Will efforts fail? -

Negotiations are moving slowly because the accord is so far-reaching, prompting deep concerns and outright opposition. Obama had pressed for a deal by the end of 2016 but this seems almost certainly unachievable.

On both sides of the Atlantic, support seems to be dwindling.

With US elections looming in November this year, Donald Trump and even Hillary Clinton have criticised the talks. Germany and France each face elections next year.

French President Francois Hollande has warned that the deal would fail if the United States refused to make concessions, notably on issues of European

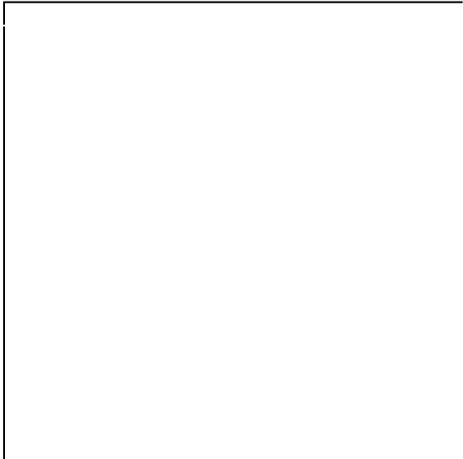
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