

The Transatlantic Trade and Investment Partnership: An Agreement for the Future

The Transatlantic Trade and Investment Partnership (TTIP) is a once-in-a-lifetime opportunity to stimulate and further integrate the transatlantic economy in response to significant geopolitical and economic challenges. Successful conclusion of the negotiations will catalyze increased trade in goods and services between the two key markets, contributing to job creation on both sides of the Atlantic. In addition, the broad impact of a transatlantic regional agreement could in effect set the new international trade rules. TABC is a longstanding supporter of closer transatlantic economic integration and supports swift conclusion of a comprehensive and ambitious TTIP agreement. At the same time we recognise the need for a negotiating process as transparent and inclusive as possible.

Economic Growth and Consumer Benefits: An ambitious TTIP agreement would not only increase the size of the EU and US economies by an estimated €120 billion and €95 billion respectively¹, it would also lower regulatory compliance costs for companies which in turn would lead to lower retail prices and more product choices for consumers. Increased export and investment opportunities would create new jobs in both economic regions. Investment is the key driver of the transatlantic economy with the EU and US being each other's primary source of foreign direct investment. The incoming capital is a catalyst for increased economic activity and lays the foundation for new businesses. TTIP would create new opportunities and incentives for companies to invest in the transatlantic marketplace. At the same time it is an opportunity to improve the existing system of bilateral and international investment treaties.

Setting Global Standards: Convergent standards across the Atlantic would help to preserve transatlantic leadership and ensure that American and European companies remain standard-setters. A transatlantic partnership based on trust, transparency and common principles would be further strengthened.

Increase in Competitiveness and Innovation: Innovation is a key driver for economic growth. A comprehensive TTIP agreement would accelerate collaboration in innovation, research and development by creating new business opportunities and enhancing the competitiveness of European and American companies in the international trading system. Much of the world's scientific and technical innovation takes place within the EU and US. Smart innovation policy in the TTIP would spur the development of advanced technologies.

Strengthen the Geopolitical Relationship: TTIP provides a timely opportunity to not only generate economic benefits but also strengthen the EU-US political partnership. The agreement would require increased communication and cooperation, while the trade and investment disciplines established along with the shared moral values and belief in democratic systems would have a greater impact on the norms and principles guiding the international system.

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¹ *Reducing Transatlantic Barriers to Trade and Investment - An Economic Assessment*, Centre for Economic Policy Research, London, March 2013