



CEEMET CALLS FOR THE SWIFT DELIVERY OF A SUSTAINABLE TRANSATLANTIC TRADE AND INVESTMENT PARTNERSHIP (TTIP)

TTIP will deliver considerable benefits in terms of improved trade, economic growth and new employment opportunities for Europe and for the metal, engineering and technology-based industries – this opportunity should not be missed.

The European manufacturing industry supports an ambitious agreement, resting on evidence-based dialogue and transparent negotiations with the aim of boosting Europe's industrial competitiveness whilst maintaining social standards.

How Europe and the European Manufacturing Industry will benefit:

CEEMET strongly supports a future Transatlantic Trade and Investment Partnership (TTIP) between the EU and the US. It sees it as an indispensable chance to stimulate growth for European industry, to contribute to net job creation on a long-term and sustainable basis, to maximize the potential for new high-skilled jobs that meet the needs of an increasingly flexible labour market and finally, for Europe to remain competitive amidst new global economic challenges and other, competing, large-scale trade agreements.

The Agreement between the European Union and the United States offers a unique opportunity to create a new free trade area on an unprecedented scale. The EU manufacturing industry accounts for 80% of Europe's total exports worldwide and for 14% of the EU's total employment. TTIP is a chance to boost our industrial competitiveness by eliminating trade restrictions, help industry with a return to pre-crisis levels of growth and help contribute towards Europe's reindustrialization with the greater social benefits which this will bring.

The US is one of the largest markets for European mechanical, electrical and electronics engineering exports. In 2012, the export volume of MET products to the United States accounted for 33% of all EU exports to the US, around €160 billion. MET companies from both sides of the Atlantic agree that overcoming tariff and non-tariff barriers to trade will yield tangible cost benefits, contribute to higher levels of substantial growth and create additional employment opportunities in most industry sectors, particularly for higher-skilled, better paid jobs. The reduction of customs delays and improved, harmonised product processes, standards and certification will also be particularly beneficial to SME's, who make up a crucial part of the EU manufacturing industry and are more disadvantaged by non-tariff barriers than larger companies. TTIP needs to be an inclusive design, allowing for a larger Transatlantic Trade Area, benefitting also EU candidate countries and EU Customs Union participants, which are important parts of the European value chains.

Why European Industry will not support lowering standards:

Much of the criticism surrounding TTIP has been directed towards lowering and undercutting Europe's social standards. CEEMET and its



It is important that the essential safety requirements (ESR's) contained in EU product directives and equivalent requirements contained in the US OSHA workplace safety regulations offer the same standards of worker protection when the equipment is used in the workplace. It is also important that suppliers are able to self-declare conformity with regulations and international standards, except where it is agreed that specific categories of equipment involving significant risks will require third party conformity assessment.

CEEMET supports in particular the need for cooperation of the negotiation partners with international standard development organisations (i.e. ISO, IEC, ITU, CEN, CENELEC) and fostering the use of common and/or international standards, as well as lower conformity assessment costs and more significant resources being targeted on enforcement and market surveillance.

Investment Protection is Indispensable

CEEMET considers investment protection to be paramount, particularly given the current initiative of the Commission to substantially increase investment in Europe. TTIP should therefore be concluded under a framework that includes permanent, stable rules for EU-US trade that encourages US investors to enter the EU market and which protects EU investors in the US. International investors, with a choice of competing economies will not invest in Europe unless they can enjoy adequate protection which is comparable with Europe's competitors. This must include protection for intellectual property rights such as copyright and patent rights which currently offer little protection in some parts of the EU. Therefore, TTIP should not only aim at ensuring that EU investors will be protected in the US but should provide for a neutral dispute resolution mechanism in the case of conflict through a comprehensive, state of the art

investor-to-state dispute settlement (ISDS) mechanism.

Investment protection in trade agreements does not challenge the right of countries to legislate and is common in many free trade agreements, as it guarantees the right to regulate in the public interest, improving transparency by introducing clear definitions and excluding frivolous claims. ISDS may offer an investor the only source of redress where national law conflicts with their own agreement.

Strong Social Dialogue

As a Social Partner, CEEMET supports the Commission's approach to promote social dialogue and the involvement of social partners within TTIP. CEEMET underlines the importance of constructive social dialogue within a future agreement and believes that this dialogue must progress cooperatively if both workers and businesses are together to realise the benefits of a TTIP agreement.

Conclusion

The EU must stick to an ambitious mandate for TTIP and ensure a relatively swift conclusion to talks. Contrary to the fear of TTIP leading to social dumping, TTIP aims at preventing exactly such a situation by introducing a comprehensive sustainable development chapter with its own conflict settlement mechanism. The European MET industry fully supports this.

A comprehensive agreement between the EU and the US will not only mean cooperation in trade and investments but also set global standards and allow Europe to stay ahead in innovation and high labour standards, which are essential for the competitiveness of industry as well as Social Europe.

