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Polish Government and Media Public Outreach on the TTIP Negotiations

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Approved By:
Michael Henney, Agricultural Attaché

Prepared By:
Jolanta Figurska, Marketing Specialist, Piotr Rucinski, Agricultural Specialist

Report Highlights:
Polish press reported on the government's October 9 public outreach effort on the TTIP agreement under discussion between Washington and Brussels. The farm sector press followed that announcement with its most extensive coverage to date on the topic, shedding some light on the areas of interest to Poland's agriculture sector.

General Information:

As the Transatlantic Trade and Investment Partnership (TTIP) talks continue Polish Government and media are more and more attracted to the subject. Media from all sectors of Polish economy, including farming community, are involved in speculations of possible benefits and scenarios for end date of the negotiations.

On October 9, 2013 the Polish Ministry of Finance (MFA) hosted talks on "EU-US free trade area and opportunities it creates." The TTIP was described as a very ambitious and complex project. "TTIP will open up U.S. and EU markets and bring them closer together, while it will also enable promotion of the transatlantic economic model around the world" said Undersecretary of State Bogusław Winid in his address to "TTIP: Barriers and Obstacles in US Market" seminar hosted by the MFA in Warsaw. He also added that Transatlantic Partnership will bring great benefits and stimulate growth and job creation on both sides of the Atlantic. US Winid also stated that Poland expects concrete gains from the deal, and stressed that Poland-US trade has been steadily increasing for the last five years. In 2012, the trade volume hit a new record of over USD 8 billion.

The meeting participants were also shown results of a survey the MFA conducted among Polish businesspeople who invest in the United States. In June 2013, respondents were asked to identify barriers and obstacles encountered on the US market. Over 75 per cent of responders stated that their major problems include customs, legal regulations, as well as different technical documentation and certification standards used in the EU.

MFA representatives quoted a scenario under which by 2027 the TTIP should add an additional 0.48 per cent to the GDP of the EU and 0.39 per cent to the GDP of the US, while boosting EU exports to the US by 28 per cent (EUR 187 billion) and US exports to the EU by 36.5 per cent (EUR 159 billion). The EU's GDP would gain over EUR 15 billion from eliminating mutual customs alone.

On September 20, 2013, in an earlier interview for a popular internet portal www.wnp.pl, Roman Rewald, President of the American Chamber of Commerce in Poland, was reported as saying that small and medium-sized enterprises in Poland may be the main beneficiary of a free trade agreement between the European Union and the United States (TTIP). He stressed, however, that before there would be an agreement one would need to overcome many regulatory barriers.

On October 21, Polish Farmer.pl portal published an article based on EU sources which states that negotiations on a free trade agreement between the European Union and the United States will continue into 2015, until after appointment of a new European Parliament. According to the article the agreement may also determine the global production standards. In July 2013, after the first round of talks the EU and the United States maintained the intention to complete negotiations by the end of 2014. However, in 2014, EU elections to the European Parliament will take place bringing change in the European institution.

The second round of negotiations between the EU and the USA scheduled for early October had been canceled due to shut down of the U.S. government. EU officials state that it will not have great significance for the plan of negotiation, because the new talks will probably be held in November and then another round in December. According to another source of the EU the agreement could be finalized within two years.

The article says that although the first attempt to establish a free trade area between the EU and the U.S. ten years ago failed, this time in Europe and the United States there is a belief that there is a need to look for new sources of economic growth. On both sides of the Atlantic there are signed similar agreements with other countries, but on a smaller scale. It is expected that the most difficult negotiations will cover agriculture (e.g. differences in the approach to GMOs), property rights, and regulation of the financial sector, the audiovisual sector, and public tenders.

The European Commission predicts that a total of FTAs can enhance economic growth in the EU by 2 percent. Through this negotiation with the U.S., the EU economy will gain Euro 119 billion per year (0.5 per cent. of the GDP). Profits from TTIP will have less to come from tariff reductions because according to the article these are already low (on average 5-7 percent). Larger effects will be achieved through elimination of bureaucratic barriers and differences in regulations and standards such as food safety, health or the environment, which companies must meet if they want to export their goods.

Another benefit of an agreement between the EU and the U.S. is a possibility to establish global standards of production. The Transatlantic Trade and Investment Partnership (TTIP) will create the largest free trade zone in the world. Eliminating disparities in standards in an agreement of this magnitude is expected to stimulate producers in other countries to apply the same standards. As recently estimated by the "Washington Post," the costs resulting from compliance with these regulations correspond to the value of approximately 10-20 percent duties. Therefore, many companies, such as automotive, instead of exporting decided to open factories on the other side of the Atlantic, or simply not sell some models. The value of mutual trade between the EU and the United States reaches every day Euros 2 billion.