EU, U.S. To Push For Trans-Atlantic Trade Deal

Don Melvin, Associated Press

BRUSSELS (AP) — The European Union and the United States announced Wednesday that they have agreed to pursue talks aimed at achieving an overarching trans-Atlantic free trade deal.

The 27-country EU said such an agreement, first announced in Tuesday's State of the Union address by President Barack Obama, would be the biggest bilateral trade deal ever negotiated. Any agreement could boost the EU's economic output by 0.5 percent — a highly desirable outcome when the EU and the US are struggling with slow growth, high unemployment and high levels of debt.

"Both of us need growth," said Jose Manuel Barroso, president of the European Commission, the EU's executive arm on Wednesday . "And both of us have budgetary problems."

Trade between the United States and the European Union is already huge, reaching €2 billion ($2.69 billion) a day, EU Trade Commissioner Karel De Gucht said.

A high-level U.S.-EU working group on jobs and growth said the goals of the agreement would include removing import tariffs, which average 4 percent, and getting rid of other barriers to trade such as the approval processes that businesses have to go through in order to sell products on both sides of the Atlantic.

In a joint statement issued released simultaneously in Washington and Brussels, President Obama, European Council President Herman Van Rompuy and Barroso said they were "committed to making this relationship an even stronger driver of our prosperity".

"Through this negotiation, the United States and the European Union will have the opportunity not only to expand trade and investment across the Atlantic, but also to contribute to the development of global rules that can strengthen the multilateral trading system," they said.

De Gucht said that initial talks should start by summer.

The negotiations will cover a huge array of commercial and agricultural areas. Officials hope to complete them within two years.

'For these negotiations to succeed, we need above all political will," Barroso said. "These negotiations will not be easy."

But he added that a successful negotiation would result in a "win-win" situation, and be "a game-changer."

One example of where the two economies could benefit from the talks is car-making: If each side recognized the other's car safety standards, an auto manufacturer would not have to satisfy two different sets of requirements.

However, some areas of trade likely to remain outside the negotiations. For example, it is unlikely that the European Union will allow the import of many genetically modified crops or beef from cattle treated with certain hormones.

Immediate reaction to the announcement was highly favorable.

"The German government is convinced that such an agreement would be a valuable contribution toward more growth and jobs on both sides of the Atlantic," said Steffen Seibert, a government spokesman.

BusinessEurope, a federation of European business organizations, also welcomed the announcement. Juergen R. Thumann, the organization's president, said an agreement would "significantly boost economic growth on both sides of the Atlantic, strengthen the competitiveness of our main industries and restore trans-Atlantic leadership in trade."

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