



TTIP Leaks Won't Derail Negotiations

Leaked documents relating to the negotiation of a US-European trade and investment deal will not have a dampening effect on the discussions, argues Gary Clyde Hufbauer, and may actually force policymakers to boost transparency.

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Pedro da Costa: Hi, I'm Pedro da Costa, Editorial Fellow here at the Peterson Institute for International Economics. I'm joined by Senior Fellow Gary Hufbauer to discuss, at first we had WikiLeaks, then Panama leaks and now we have TTIP leaks. And specifically we're talking about the trade and investment partnership between the US and Europe, which was seen as the next step on the trade agenda after the conclusion of the TPP. Can you tell us a little bit about how this information got out first of all?

Gary Hufbauer: Well, we don't know how it got out. But my guess is it got out by a sympathetic person, probably an official within the European Commission. And if that's correct that means that future additions of this ongoing document – and this is the paper version, quite thick – will likely be leaked as well. And that will influence, very much influence, probably all the commission and the US trade representative to think about ongoing negotiations.

Pedro da Costa: Does that make people more cautious presumably in their positions in how much their willing to reveal or discuss in close door meetings?

Gary Hufbauer: That will be interesting to see. If you actually look at this document, which I have, most, nearly all of the sensitive issues remain to be resolved. They do have a list in one of the documents of the sensitive issues. But what that means is if we can look to future leaks as one side or the other compromises on these sensitive issues and it gets into the public domain that probably increases the backlash they will feel as the negotiations go forward. Because you won't have a balance. They try to have a balanced package at the end but in the interim, it may seem to one side that the other is getting too much stuff.

Pedro da Costa: And of course this is happening in the backdrop of an increasing antitrade rhetoric that's coming from both the US and Europe. And so, do you think that this damages the negotiations in the long run, does it dampen the prospect for its conclusions? Or is it just—

Gary Hufbauer: Well, we know what Greenpeace said about this document. They said it confirms that the corporations control everything and that Europe is giving way to the United States and so forth. None of that can be read into this. That was their opinion before they found the documents. It is their opinion after. It will be their opinion probably for the next several years. But in terms of going forward, my guess is that this policy will increase the determination of Commissioner Malmstrom and our Ambassador Frohman to push forward despite the leaks. Maybe they will change their way of doing business and just put out drafts at each step, which are largely – if you actually look at it – it's largely bracketed text, which means it's not agreed text.

Pedro da Costa: Yeah, so that kind of increases transparency but actually it would be beneficial to them in the sense that it would kind of buffet some of their critics.

Gary Hufbauer: Well, I think it would actually be beneficial. That was a big criticism all through the Transpacific Partnership negotiations. It's obviously getting steam as a criticism here. So, maybe they will just have a radical change of approach and disclose working drafts as we go forward.

Pedro da Costa: And lastly, what were some of the point of contentions that emerged? Was it autos on the US side and agriculture on the European side?

Gary Hufbauer: Well, those are two, but there are probably about 15 major points of difference. But on the autos, the US has a pretty high tariff on so called light trucks, meaning SUVs, suburban utility vehicles, which the Europeans would like to see removed. The Europeans have pretty high tariffs on a lot of basic agricultural products, soy beans, poultry and so forth which the US would like to see removed.

And so those tariff issues if you look at that, they're just reserved to the endgame. They won't be resolved until the endgame. But there are a lot of other issues about openness of services, about geographic indications, about government's procurement which also remain to be resolved.

Pedro da Costa: Gary Hufbauer. Thank you so much.

Gary Hufbauer: Thank you.

