DÁIL ÉIREANN

AN COMHCHOISTE UM GHNÓTHAÍ AN AONTAIS EORPAIGH

JOINT COMMITTEE ON EUROPEAN UNION AFFAIRS

Dé Máirt, 27 Bealtaine 2014

Tuesday, 27 May 2014

The Joint Committee met at 2 p.m.

MEMBERS PRESENT:

Deputy Eric Byrne,	Senator Kathryn Reilly.
Deputy Bernard J. Durkan,	
Deputy Seán Kyne,	

DEPUTY DOMINIC HANNIGAN IN THE CHAIR.

Business of Joint Committee

Chairman: The purpose of this meeting is to discuss the Transatlantic Trade and Investment Partnership, TTIP, with the Minister, Deputy Bruton. As a number of apologies have been received today the joint committee has a reduced membership in attendance for this meeting. I thank the Minister for his attendance. I remind members, guests and witnesses to turn off their mobile telephones, which interfere with the broadcasting equipment. I note someone's telephone is switched on because I can already hear some background disturbance. Mine is switched off and I ask everyone to check. It is not sufficient to leave them in silent mode as they need to be switched off. I would appreciate it were everyone present to do that now.

Transatlantic Trade and Investment Partnership: Minister for Jobs, Enterprise and Innovation

Chairman: The item on the joint committee's agenda today is the Transatlantic Trade and Investment Partnership and members are delighted to welcome to the meeting the Minister, Deputy Bruton. Members will be aware that the European Commission, on behalf of the member states, is negotiating a trade and investment agreement with the United States of America. The Transatlantic Trade and Investment Partnership agreement, known to everyone as TTIP, is designed to drive growth and create jobs in both jurisdictions by boosting economic activity by making it easier to buy or sell goods and services between the European Union and United States of America. Negotiations on the agreement opened last July and the fifth round of talks concluded last week in the United States. As I stated, members are joined by the Minister for Jobs, Enterprise and Innovation, Deputy Bruton, who will brief members on the opportunities and challenges of TTIP for Irish citizens, European citizens and companies. The Irish Government's position on TTIP also will be discussed this afternoon.

Minister for Jobs, Enterprise and Innovation (Deputy Richard Bruton): I thank the Chairman and members for the invitation to say a few words on TTIP and hopefully to take questions from members to the best of my ability. During Ireland's Presidency last June, an agreement was achieved at the European Council to start negotiations on a trade and investment agreement with the United States. It was an historic agreement and clearly for Ireland, with its deep involvement with the United States over many years, seeing it to its conclusion was something in which we had a significant interest. A recommendation and a mandate were given to the European Commissioner, Commissioner De Gucht, to commence negotiations. The disposition was that we should seek to be ambitious in three broad areas. The first was market access, which basically is about tariffs and obstacles that stand in the way. The second concerned rules addressing shared global trade challenges and opportunities and the third was in respect of regulatory non-tariff barriers.

Since the Council's decision, five negotiating rounds have taken place, the most recent one being last week in the United States. As I stated, three areas are involved. The area of market access concerns goods and services and public procurement. The first tariff offers, that is, the immediate or phased elimination of import tariffs on an extensive list of goods, were exchanged earlier this year and I expect there will be further work on these offers. They exclude food and agriculture, so it pertains to non-food goods. As for services, I understand the United States tabled its first offer last week. The EU side is still working on its first offer but expects to have it ready soon. I understand that in depth negotiations took place last week on procurement but we do not yet have the details from the Commission.

The second broad category comprises rules on trade facilitation relating to the customs systems between the EU and the US; rules on state-owned enterprises, which should operate along commercial lines - in other words, they should not be subsidised to enter into other markets; rules on raw materials and energy, in respect of which the EU is looking for access to US oil and gas exports, which are currently restricted; and rules on labour and environment, in respect of which there will be no weakening of standards or protections. Coming to agreement in these areas will also serve to set standards for other free trade agreements with trading partners, reduce complexity for small companies and generally open markets in a more transparent manner.

The most difficult and complex, but perhaps the most important, aspect of the negotiations is on reducing regulatory burdens. This will involve a multiplicity of sectoral legislation, particularly in areas like financial services, the environment, health and public safety. While there are legitimate but unfounded concerns about lowering regulatory standards, the goal is to maintain high standards of public protection while finding a way to prevent them from representing unacceptable barriers to trade. This would involve issues such as mutual recognition of the way in which one assesses a product. The pharma sector is a good example, in respect of which we could avoid the necessity to run trials on the same product in the EU and the US in order to give it recognition. Mutual recognition would open up possibilities in that regard.

Progress in respect of regulation through harmonisation, mutual recognition or convergence is the most important area because the results of studies show it will yield the biggest net gains. The Commission's impact assessment suggests that between two thirds and four fifths of the gains from a future agreement will come from cutting red tape and having more co-ordination between regulators. It is important to see this as a two part issue, involving both the process of how regulation is enacted and the sector specific solutions being negotiated. How regulations are made needs to be more transparent, with regulators deepening their relationships in order to address emerging issues together. In addition, real progress on issues like car safety standards and ending double inspections at pharmaceutical and medical device plants should reduce costs for both businesses and regulators. Implementing agreed international finance rules in a compatible way is an example of how immediate and positive impacts can be achieved for EU and US economies as agreements are reached. Bringing about regulatory convergence will help exporters and investors by reducing the cost of doing business across the Atlantic. It will make it easier for companies to comply with US and EU laws at the same time. Extending the scope of mutual recognition across many professional bodies, for example, would make it easier for professionals to source new job opportunities on both sides of the Atlantic.

It is important to note that while regulatory aspects are one of the main elements of the TTIP negotiations, nothing in the negotiations would prevent or undermine the rights of both sides to regulate and the level of regulatory protection on both sides, whether in respect of the environment, food or consumer safety. The European Commission is acutely conscious of the need to engage widely with stakeholders in these negotiations and it is doing so in a number of ways, including stakeholder briefing sessions during and following each round of negotiations, a dedicated TTIP website, a specific public consultation on investment protection, which may be of interest to the committee, and the establishment of a special advisory group. During last week's round in the US, the lead negotiators from the EU and the US held a stakeholder meeting involving a wide range of interest groups from business to consumers, and trade unions to environmental and health NGOs, as well as representatives of US states. I understand that more than 75 stakeholder presentations were made during that meeting. The next such stakeholder meeting is planned for 3 June and will take place in Brussels. The TTIP website contains comprehensive information about the negotiations, including the EU's initial position papers published last year and the more recent EU sectoral proposals in the areas of chemicals, cosmetics, motor vehicles, pharmaceutical products and textiles and clothing. These proposals set out ideas for enhancing the compatibility of existing rules and regulations on both sides and for working more closely together on setting them in the future. In each sector the papers focus on ways to end the unnecessary duplication of product testing and plant inspections, to recognise each other's existing regulations, to bring them more closely together and to align the respective procedures for approving or registering new products.

The Commission has proposed a specific chapter in TTIP aimed at small and medium enterprises. I understand there was some discussion of this during last week's round. The Commission has produced a brochure which highlights the opportunities for SMEs from the agreement. The brochure, which can be found from the TTIP website, includes several small company success stories. I do not doubt that we could all add a few more examples of success stories of small businesses that are making inroads into the US market. The idea behind the specific focus on SMEs is to create many more opportunities. TTIP should create new opportunities for SMEs to do business not only in the area of goods, but also in services, including professional services. Improving the coherence of rules and rule making, including standards, would have a multiplier effect for SMEs and create opportunities by opening up even niche areas of procurement. Even in areas like customs procedures, SMEs can make large savings from small changes in regulations when considering exporting.

The advisory group set up by the Commission comprises representation from all stakeholders, including agriculture, business services, consumers, trade unions and NGOs. The group has thus far met on two occasions and the topics covered to date include regulatory coherence, sectors, investment protection, investor-state dispute settlement and sustainable development. The reports of these stakeholder meetings can also be found at the Commission's TTIP website.

The TTIP negotiations have been the subject of negative comments in some quarters. One of the main issues giving rise to disquiet is investment protection provisions, particularly in respect of investor-state dispute settlements, ISDS. In regard to the proposal that companies will have the right to seek redress from expropriation or discriminatory policies through international arbitration rather than the courts system, fears have been expressed that companies will use this mechanism to change the regulatory direction of public policy. Last January, Commissioner De Gucht announced his decision to consult the public on the investment provisions of a future deal on TTIP. That public consultation opened on 27 March and will run until 6 July. As part of the consultation, the Commission published a proposed EU text for the investment part of the talks, which includes sections on investment protection and the ISDS. All stakeholders will have the opportunity to respond to this consultation so that specific interests and concerns about investor protection and settlement of related disputes are well understood by the European Commission and can be used to better define the EU's approach to investor protection in the TTIP negotiations.

Assessments made by the Commission and other studies show that a comprehensive agreement could, over time, boost EU GDP by 0.5%. Given the current low level of economic growth in the EU and Ireland, this agreement will provide a significant injection of economic activity and, consequently, new job opportunities. Based on these assessments, if Ireland simply benefited in proportion to the size of our economy within the EU, a comprehensive trade and investment partnership could over time provide gains to Ireland in the order of €800 million per annum in increased GDP and 4,000 new jobs.

Ireland has a close trading and investment relationship with the US and, in addition, many Irish exporters are part of European supply chains, whereby exports to the UK, Germany and elsewhere in the EU feed into Europe's exports to the US. The TTIP is, therefore, a stimulus for longer term economic growth and jobs in Ireland. Members should have received invitations to a conference in Dublin Castle on 20 June on the topic of TTIP opportunities for Ireland.

The target audience of the conference is political and senior executive level across Departments, agencies, regulators and representative organisations. The line-up of speakers for the morning includes the EU chief negotiator with the US, Copenhagen Economics, a consultancy firm engaged by my Department to carry out a study of the economic impacts on Ireland of such a trade agreement and a panel of respondents from industry and regulators. I hope members will be able to attend.

The aim of the TTIP negotiations was that it should be concluded within 18 to 20 months from its beginning last July. This is an ambitious timetable. More recent public statements suggest it will be more likely towards the end of 2015. The aim is also that the TTIP will be a living agreement to provide the necessary space for dealing with more difficult issues and the mechanisms for jointly addressing any new trade and investment-rated issues that may arise.

We have circulated a note to members and I am happy to take any questions.

Chairman: I thank the Minister. It seems that excellent progress has been made. We are very keen that this agreement will generate additional jobs in our country. I have two questions about jobs at European level and at local level. Is there a risk that jobs in large car production companies in Germany and France might be in danger because of an increase in the number of American cars coming into European markets? I have in mind the potential for flooding the market. The American car industry was rescued by President Obama a few years ago to the tune of $50 billion - I am not sure of the exact amount - in terms of public subsidies. Will safeguards be in place to ensure that there will be no flooding of the European market by American car producers as this would impact on German and French jobs with a knock-on effect on the European economy?

My second question is about Irish jobs. One of the criticisms and complaints during the most recent election campaign and which is voiced at constituency clinics is the concern that many Irish companies are losing out to European counterparts because of public procurement rules. What safeguards will be in place to ensure that Irish companies are not put at a disadvantage in the domestic market if American companies come in? What can be done with regard to public procurement rules to ensure that while competition remains in the Irish procurement market, that there is not an excessive input of American companies which will take jobs and contracts away from Irish companies?

Deputy Eric Byrne: I thank the Minister for his attendance and I thank the Chairman for starting the debate. We have heard something about the TTIP, transatlantic trade and investment partnership and it helps to study the briefing documentation. I have done my best to analyse it. If I was naive I would wonder why this project is not being fast-tracked because I am reading that it will be of great benefit to the country and to Europe. It would be an excellent political slogan to be able to say to electors that the benefit for supporting it would be €545 in disposable income for each family of four in the EU. There are many other attractions presented to us. These enthusiastic figures show income gains as a result of increased EU trade and an increase in European exports to the United States by 28%, the equivalent of an additional €187 billion worth of exports to America. These are very compelling statistics which seem to be based on the Centre for Economic Policy Research in London. We are an independent entity within Europe. Has the Minister's Department analysed those findings of the Centre for Economic Policy Research with a view to confirming the veracity or otherwise of the glowing statements about the benefits of signing the agreement? We are told that the programme will protect the health, environment and consumer protection rights of Europeans and that these will not be diluted in any way by virtue of this agreement.

The Irish Medicines Board has an American equivalent. The pharmaceutical industry in this country must undergo stringent analysis and examination of the methodologies they use. Companies located here who export to America are subject to intensive scrutiny to find flaws. If the Irish Medicines Board wants to maintain our high standards and the TTIP is a project negotiated by the EU, what is our position as an independent nation within the 28 member states when it comes to the standards of other European countries? It is argued that the Irish Medicines Board is one of the most stringent regulators in the field. If our standards are very high compared with, for instance, Lithuania or Estonia or some other European country, what is the red line that the European Commission is adopting on standards? Will Ireland as a nation state be required to lower its standards in order to find the average within Europe?

Deputy Bernard J. Durkan: I thank the Minister for his presentation to the committee. Why is the food industry excluded from this part of the discussions?

Deputy Richard Bruton: On a point of clarification, it is not excluded; rather, it has not been included in the first exchange of offers.

Deputy Bernard J. Durkan: The question continues as to why it had not been included in the first range of issues. We have a particular interest in the food industry because Ireland is a net food exporter. How can we be assured that further stages in the negotiations do not erode the position of food industry exports which are of significant importance to our economy? I refer to previous experiences in transatlantic negotiations when, after the event, the food sector was used in a trade-off against other products from Europe, such as cars from Germany, Italy, France, Spain, at the cost of the food sector throughout Europe. What countries are represented on the EU negotiating team? The Minister has indicated that the team is comprised of EU officials at this stage. Where do they come from? They did not just pop out of the EU without having a background from a member country. Could the team members be all from a single member state or from two countries? Which might those countries be? Could their nationality have any impact on the outcome of the discussions?

The Minister made a number of references to the stakeholders. I presume these stakeholders are representative of industry on both sides of the Atlantic. To what extent has it been ascertained what these stakeholders are representing? Do they represent the national interest, the European interest or a combination of both? I would like to know a little more about the breakdown in this regard.

In respect of market access, all of this is of course to no avail unless it is a two-way process, that is, market access must work in both directions in all sorts of situations. To what extent have the negotiations thus far indicated that such market access will be honoured in the spirit as well as the letter? When will we see the benefits therefrom? My final point pertains to regulation. Regulations are the famous apparatus people can use to undermine or prevent an agreement. Regulations can make an agreement impossible to operate or can include or exclude some parts of the agreement already entered into, depending on what they are. Is the Minister satisfied that the tangent of the negotiations to date indicates in a meaningful way a recognition of the need to ensure that member states throughout the European Union, without exception, will benefit from the negotiations and have equal access to the market? Alternatively, do the negotiations indicate whether one or more influential states within the Union are likely to be the greater beneficiaries?

Deputy Seán Kyne: I welcome the Minister and his officials and apologise for missing the beginning of the presentation while at another committee meeting. I have a couple of issues, the first of which is to ask why now, whether this the right time or has this initiative been in train for a number of years? Other speakers have touched on the issue of food, which is of huge importance to Ireland. I have raised the issue of standards at either this committee or the Joint Committee on Jobs, Enterprise and Innovation - I am unsure which - and a reassurance was given that there would be no lessening of standards in any discussions on GM food, hormone-treated beef and bovine somatotropin-injected cows producing milk in the United States. While I am sure this is the case, the Minister might comment on this subject.

As Deputy Eric Byrne has noted, this appears on paper to have huge potential. The European Commission's economic analysis suggests that the benefits for the European Union and the US would not be at the expense of the rest of the world but estimates the increase in GDP in the rest of the world would be almost €100 billion. How is it envisaged that this will happen? If the European Union is exporting more to the United States, presumably other countries would be exporting less to it. Similarly, if the United States is exporting more to the European Union, there therefore would be less room for other countries to export here. From where does this €100 billion come?

Chairman: I thank the Deputy and invite the Minister to respond.

Deputy Richard Bruton: Quite a number of questions have been asked. In respect of the car industry, it is probably an area in which Europe is looking to opportunities in the United States market rather than losing out. It is an area in which it is stated that we have an offensive interest and in which there are opportunities. However, guarantees have been built into the Japanese or Korean agreements, for example, to prevent the flooding of product as raised by the Chairman. In general, protections and safeguards are built into sensitive sectors such as the automobile sector and this has been a feature of the existing trade agreements.

On the public procurement rules, it is an issue that will be quite difficult in the United States, which I suppose is why it is not in the first round, because the United States has different procurement rules in different states within the federation. Consequently, local rules apply and this is an area in which we obviously are seeking to get mutual reduction in barriers in order that US companies could trade in Europe and *vice versa*. A fully open tender system is in operation within the European Union and consequently, one cannot discriminate. Above a certain standard, there must be an open, published tender and one cannot apply discriminatory rules to favour one side or another although, as members are aware, one can have social clauses that might unemployed people, apprentices or whatever. It is unlikely that such a level of openness will be reached in a negotiation of this nature. However, one would be hoping to bring down barriers in order to enable people to have opportunities in this regard. I refer in particular to Irish companies that have won interesting software applications in public procurement contracts within the European Union and elsewhere and one would hope similar benefits could be achieved by seeing a reduction in barriers in the US. There would be some cases in which there would be a "buy American only" policy or whatever and clearly, it is in our interests to bring down barriers on both sides. On that issue of the state versus the federation, it arose in the Canadian agreement and was an issue that took longer to unravel, that is, to get all the provinces within Canada to sign up to a set of common rules.

Deputy Eric Byrne raised the issue of how does one measure the benefits. Obviously, economic models are used and while one always can criticise the assumptions that are made, these models consider the level of trade barriers and evaluate tariffs. In the case of tariffs, they are not very high and I believe they are at a maximum of approximately 3%. However, non-trade barriers can be very high and can be up to 20% in some sectors. The models evaluate how big are the barriers, examine how trade flows could change as a result of that and then ascertain what are the benefits. As the Deputy noted, assessments have been carried out at EU-wide level but as I stated in my remarks, this is why the Government has commissioned some work to drill down to the Irish situation to conduct an evaluation of the impact in Ireland. In general, the Government envisages bigger gains comparatively for Ireland because we have fairly strong trading relationships with the United States and there would be opportunities for Ireland on foot of a reduction in barriers. We have the familiarity of trading in the United States, a common language and a lot of already-built common trading relationships. Therefore, one would hope to see better opportunities coming for Ireland.

The approach being taken by the European Union to public policy standards is to have no diminution of existing public policy standards. This is not an issue of the European Union seeking to negotiate away any public protection that it has put in place but is to maintain standards. I must revert to the joint committee on the extent to which Irish standards differ from European Union standards. In general, EU recognition is what a medical device or pharmaceutical company seeks to achieve because it can then trade throughout the European Union. Obviously, we seek to protect both sets of standards. The United States will seek to protect whatever is its public policy in the same way as we in the European Union will seek to protect ours. It may be easier to see this point in respect of the food sector, where the European Union has total bans on hormones and a fixed policy on GM that it does not intend to change in any way.

Deputy Eric Byrne: May I ask a brief question in this regard? I cited the Irish Medicines Board but what is the point of having an Irish Medicines Board, for example, if the European Union norm of standards is the established norm?

Deputy Richard Bruton: To allow a product to be approved to a standard, one needs a body to vet that this standard is being achieved. However, I will revert to the Deputy on whether there are cases in which Ireland has different standards from the European Union. In general, however, if an organisation comes to Ireland to produce a medical device, it will seek to get approval in Ireland but will want that approval to carry to the other 27 member states. It will not wish to have approval just in Ireland and to be unable to go any further with the product. While what regulators do is to approve to a standard, the hope is that if both the European Union and the US have certain expectations of a product and have a certain way of measuring the extent to which those expectations are being met, we will accept each other's measurements of where the product is on the spectrum. It is not that we would seek to reduce the cut-off point but that we would not require a measurement that has already been done through, say, clinical trials, to be repeated at significant cost. It would also mean that regulators would have similar vetting procedures over time. Having similar procedures in place allows for more opportunity for mutual recognition and reduced costs. There is no intention to dilute public policy in this regard.

The reason food is not included in these negotiations is because it is one of the most contentious areas. It was very contentious in the negotiations of the EU-Canadian partnership but agreement was reached in the end with greater access for European dairy products to the Canadian market and Canadian beef products to European markets. This will be a hotly contested area and the stakeholders include those in primary production.

The European Commissioner for Trade, Karel De Gucht, will conduct the negotiations along with his directorate-general and the Directorate-General for Agriculture and Rural Development. Their staff are drawn from across the European Union, not from one nationality - the trade Commissioner is Belgian - and they report weekly to the trade policy committee which is made up of officials from member states. Mr. Gerard Monks is our representative on that committee. The negotiators work on a mandate from the Council and report back to it. Under European treaties, it is the Commission which negotiates trade agreements, not member states. Every country, accordingly, ensures its interests are represented in negotiations. When we negotiated the mandate, the specific issue around the recognition of cultural exceptions and diversity, a point which one would want to protect in any trade negotiations, was raised which caused disagreement across member states and had to be brokered.

The general European view is that we struggle for growth in the Union while up to 90% of future growth in the world economy will be outside of it. Accordingly, we need trade agreements with growth economies such as the US, Japan, Korea, India and so forth. Long-term European economic growth will be boosted if we can negotiate trade agreements. Overall, it is reckoned that an additional 2% of gross domestic product could be obtained from such agreements with potential partners.

They have to be two-way agreements with mutual gains on both sides or else states will not sign up to them. They are about bringing down barriers on both sides to ensure equal benefit to both. There is a complaints mechanism if signatories feel the rules are not being applied.

Deputy Kyne asked why now. It is the growth issue and the need for Europe to rebuild its economy. Many European internal economies are going through fiscal correction and are not dynamic growth markets. Clearly, there is an interest in the EU to getting better access to trading in other parts of the world where there is greater growth.

There will be no change in European policy on GM, genetically modified food, while the complete ban on hormone-treated beef and other meat will remain.

Progress in world trade negotiations on multilateral trade agreements has been virtually non-existent for the past decade. In the Indonesian round last year, there were some modest changes. That is why there have been more of these bilateral trade agreements. If Europe starts to negotiate bilateral agreements, will it have an adverse effect on other trading partners, third countries? Research showed it did not and that there were more growth opportunities than a displacement effect for third countries.

Chairman: When will the impact study of TTIP, transatlantic trade and investment partnership, on Ireland be completed and released?

Deputy Richard Bruton: It is expected in September but we will give some outlines in June.

Chairman: Will that deadline be extended, bearing in mind the agreement will not be concluded before the end of next year?

Deputy Richard Bruton: No, this study is more about giving a framework so that we know the areas of greatest potential gain for Ireland and, accordingly, we can ensure our negotiators concentrate on these. This will not be a static study but one to give us ammunition so as to be active in the negotiation process. For example, Ireland has large pharmaceutical and medical devices manufacturing sectors. One would expect significant benefits for Irish-based companies if we can bring down some of the costs of mutual recognition. This is the sort of information we would quantify and give us ammunition in discussions.

Deputy Bernard J. Durkan: One of the possible barriers to freeing up trade is what is referred to in some countries as red tape. I call it bureaucracy. For example, it has been a growth industry in this country, as well as in the EU and the US for some years. A one-page document some years ago has been fattened up to 25 pages as members all know from dealing with local authorities and government institutions. To what extent will bureaucracy be multiplied and used as a barrier in impeding progress in freeing up trade between the EU and the US? On which side of the Atlantic is the greatest threat from this?

Deputy Richard Bruton: The area of greatest potential benefit in the long term is if we move towards having more mutual recognition. Tariffs are in and around 3% of costs, give or take. Some non-trade barriers are in around 20% of costs. While one cannot put a percentage on regulatory and red tape costs, if one gets mutual recognition for the setting of standards, over time the costs will come down. When jam used to come in 13 oz jars in one country and 12 oz jars in another country, to export jam to Europe one needed a different jar for each country, which killed trade opportunities. When everybody agrees it is safe to eat jam from a 12 oz jar, for example, one opens up trade. Many long-term benefits come from setting rules, and they exist in all areas, including customs, intellectual property protection, public procurement terms, environment, safety and sanitary issues. They are very much apparent in financial services, which is probably a sensitive area because it includes wider prudential issues. One does not seek to dilute any such safeguards of public policy objectives but to set them such that it is easy for people from other countries to comply and without red tape barriers that make it difficult. That is why people on both sides have spoken about this being a dynamic agreement. One does not just sign up and forget about it. Rather, over time the regulatory systems would tend to converge in a way that makes it easy rather than difficult to trade.

Deputy Bernard J. Durkan: Can we learn anything from previous experiences in this area? In a similar agreement years ago, some of the benefits gained at European level for Irish producers were eroded in the subsequent World Trade Organization, WTO, talks.

Chairman: Eroded in what way?

Deputy Bernard J. Durkan: Trading one product or entity against another and conceding benefits in one area to facilitate the opposing negotiators and give them access to a certain product has undermined the benefits gained, particularly in the agriculture sector.

Deputy Richard Bruton: The EU negotiator will seek to represent all 27 member states and will not go to these agreements seeking hand trips. People on both sides are going in good faith and see this as an opportunity for growth. While there are sensitive sectors on both sides that they will defend to the best of their abilities - it comes down to negotiation - I do not see it as setting up a series of potential land mines further down the road. Although neither side is going into these negotiations seeking to impede trade over time, they have real sensitivities they are seeking to protect which will be openly addressed in the agreement. In the Canadian agreement there were very intense negotiations about the quantity of certain goods that would be allowed in. Some things will be easy, for example, tariffs are not a major issue and people are generally sympathetic to dropping them to zero. Some of the regulatory areas will be more tricky and that is why the negotiations will not be straightforward. For example, Japan has traditionally had major non-trade barriers, and that agreement has been one of the most difficult in terms of identifying the sort of changes necessary.

Chairman: I thank the Minister for his attendance, presentation and answers to our questions. We wish him well in his endeavours.

The joint committee went into private session at 2.55 p.m. and adjourned at 3.10 p.m. until 2 p.m. on Thursday, 5 June 2013.