

TiSA talks: open up new markets for EU firms but protect EU consumers and public services

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Negotiations on a Trade in Services Agreement (TiSA), with countries representing 70% of world trade in services, should deliver international rules and more opportunities for EU firms to supply services such as transport and telecoms in third countries. But "nothing should prevent EU, national and local authorities from maintaining, improving and applying their laws", notably on labour and data protection, say international trade MEPs in recommendations, voted on Monday, to EU negotiators.

The recommendations, drafted by MEP Viviane Reding (EPP,LU) were approved by 33 votes to 6, with 1 abstention.

"I am proud to have gathered wide support across the political spectrum. MEPs are taking their responsibilities. We are sending a strong message to negotiators about what TiSA we want and what TiSA we don't want.. We want better international regulation, not lower domestic regulation. We want competition by the rules, not for the rules. We want a level playing field, not a global battlefield, said Ms Reding after the vote.

"TiSA is an opportunity to shape globalisation, ensure more reciprocity in terms of access to foreign markets and provide more rights to consumers. Yet our public services must be unequivocally excluded, our right to regulate fully preserved, and our fundamental rights and labour standards duly safeguarded", she added. In other words, "these negotiations can and must be a safety net for our citizens at home and a market-opener for our companies abroad", she concluded.

In this report, MEPs set out their guidelines to the Commission, which is negotiating the deal on behalf of the EU. Only once the talks are concluded will MEPs have the final say on whether to approve or reject a TiSA deal.

"Blue lines": support reciprocity, consumer protection, business enablers and SMEs

MEPs note that the EU market is substantially more open than those of most of its partners. They regret that many important service markets in the world are still closed to EU providers. In the TiSA talks, the EU Commission should aim to:

- achieve "reciprocity at all levels with all parties" with a view to consolidating its position as the world's largest exporter,
- in particular seek an ambitious opening up of partners' public procurement, telecoms, transport, financial and professional services markets,
- deliver more opportunities for highly-skilled EU professionals to work outside the EU
- curb third countries' restrictive practices such as forced data localisation, which requires service suppliers to establish local servers, or foreign equity caps and
- reduce the red tape and increase information for SMEs, "the backbone of the EU's economy", which often lack financial and human resources to navigate international trade rules.

Press release

MEPs also request specific safeguards for EU consumers with regard to:

- the roaming fees that they are charged when they use their mobile phone while traveling,
- the commission payments that they are charged when they use their credit cards abroad, and
- the spam and geoblocking that they encounter when they use online platforms.

“Red lines”: protect EU public services, labour rights, citizens’ data and the right to regulate

MEPs want "clear and explicit" exclusions for sensitive EU sectors, including:

- all public services , such as education, health, social services, social security systems, and
- Audio-visual services.

Noting that most - if not all -, the services covered by the TiSA negotiations involve data flows, MEPs recognise that "digital innovation is an engine for growth". They nonetheless warn that

- the EU data protection standards "are not trade barriers, but fundamental rights" and as such should in no way be compromised by the forthcoming deal.
- EU citizens’ personal data must flow globally in full compliance with the data protection and security rules in force in Europe so that "citizens remain in control of their own data", and
- the TiSA must include an "unequivocal and legally-binding exemption of the existing and future EU personal data protection provisions".

With regard to the movement of persons, MEPs say that EU commitments should be limited to "highly-skilled professionals providing a service for a limited period of time and under precise conditions stipulated by the domestic legislation of the country where the service is performed".

They also urge the EU “to refrain” from giving new commitments on “inward mobility” for their third-country counterparts, at least until other parties “substantially improve their offers”.

Finally, MEPs also ask negotiators to “legally secure” the right of EU, national and local legislators to regulate in the public interest, to achieve goals such as public health, consumer safety, environment protection and contribute to sustainable development.

More Transparency

MEPs ask the EU negotiators to "further" transparency efforts by giving all negotiating documents to all MEPs, providing fact sheets to the public, explaining each part of the agreement and publishing factual round-by-round feedback reports on the Europa website.

Let China join

MEPs support China's request to join the negotiations and seek to ensure future "multilateralisation" of the agreement.

Background

Negotiations for a Trade in Services Agreement, under way since April 2013, aim to enhance international rules in sectors such as financial, digital and transport services. Participants now include 23 WTO Members, who together account for 70% of global trade in services.

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Barriers to EU service providers' market access, if translated into equivalent tariffs, amount to 15 % for Canada, 16 % for Japan, 25 % for South Korea, 44 % for Turkey and 68 % for China, whereas in the EU, the tariff equivalent of service supply restrictions for foreign operators is only 6 %.

The EU is the world's largest exporter of services, accounting for 25% of the world total. Services employ close to 70% of the EU labour force and represent 40% of the value of goods exported from Europe.

There are 23 parties taking part in the TiSA negotiations: Australia; Canada; Chile; Taiwan; Colombia; Costa Rica; the EU; Hong Kong; Iceland; Israel; Japan; Liechtenstein; Mauritius; Mexico; New Zealand; Norway; Pakistan; Panama; Peru; South Korea; Switzerland; Turkey; and the USA.

Further information

- Committee on International Trade: <http://www.europarl.europa.eu/committees/en/inta/home.html>
- Press conference livestream (19.01, at noon): <http://www.europarl.europa.eu/ep-live/en/other-events/schedule>
- Draft EP recommendations (version before the vote): http://www.emeeeting.europarl.europa.eu/committees/agenda/201601/INTA/INTA%282016%290118_1/sitt-1790384
- TiSA: An end to negotiations in sight? In-depth analysis by EP policy department: http://www.europarl.europa.eu/RegData/etudes/IDAN/2015/570448/EXPO_IDA%282015%29570448_EN.pdf
- Q&A on the TiSA negotiations: <http://ec.europa.eu/trade/policy/in-focus/tisa/questions-and-answers/>

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