

Press Release:

TTIP blocked by EP as UK Walks Out

Shock as UK walks out of negotiations on TTIP after ISDS clause was dropped during negotiations. The irony was lost on the British delegation when they complained about the “undemocratic” way in which the clause, which itself has been criticised as inherently undemocratic, was dropped after pressure from Italy, Germany and France. The British delegation maintains that the US would not enter a deal without the UK. The British delegation were heard to be planning to “start a sh*tstorm” and described other delegations as “b*stards”. A member of the British delegation also threatened this reporter with a super injunction.

Now that ISDS has been dropped from negotiations it is highly likely that TTIP will pass. Environmental limits have been imposed on the amount of oil and shale gas that can be imported or exported, in accordance with Italian and Latvian concerns about environmental standards being relaxed. The French and German delegations were both willing to compromise on internet privacy in favour of security. A source close to the Commission has stated that the actions of the presidency were rash and that they believe there cannot be any deal without ISDS.

The civil society organisations were said to be be ecstatic about the dropping of ISDS and see it as a step in the right direction, describing it as “a marathon not a sprint”. However, they still want to see an inquiry into the ways in which negotiations were initially carried out in secret.

France was happy to support TTIP once their issues were addressed, especially since they have been able to exempt their audiovisual and cinema industries from TTIP. The British delegation, however, when asked why they had not exempted the NHS from TTIP repeatedly refused to comment. Cultural exemptions represent the thin edge of a wedge that could nullify TTIP according to the Commission. They believe that, as a result of these negotiations, the US will pull out of TTIP and create a deal with Asia instead.

It remains to be seen how far negotiations will compromise on European standards in the process of regulatory convergence. Latvia and Italy both foresee the need for compromise with the US, despite the Commission's claims that no European standards will be relaxed. As yet the topic of regulatory convergence has not come up in negotiations.

The deal was rejected by the EP based on the removal of ISDS. The EP favoured a modification of the ISDS rather than full removal. According to the presidency, the UK shot themselves in the foot badly. Italy claimed they would reject TTIP if any form of ISDS was reintroduced, France would be happy to accept a much watered-down form of ISDS as would Germany but only if it is much more diluted from its current form. Latvia encouraged delegations to accept compromise on ISDS, though Italy remained firmly resolute. ISDS is seen as too detrimental to their country.

With the council remaining this resolutely against any form of TTIP that includes ISDS it is highly likely that the bill will not pass in the near future until compromise can be reached with the EP. Meanwhile, the UK will be left smarting at the outcome of these negotiations, which can only be described as an embarrassment.