
MERKEL SAYS EU, U.S. SHOULD KEEP TALKING ON FREE TRADE DEAL

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Reuters

German Chancellor Angela Merkel said the European Union and the United States should continue to negotiate the Transatlantic Trade and Investment Partnership (TTIP) free trade deal as long as possible, despite opposition in many European countries.

German Economy Minister Sigmar Gabriel triggered an intense debate in Europe about the free trade deal when he said in August that the talks had failed because Washington did not want to compromise with its European counterparts.

"We are still continuing the discussions about TTIP and I think we should continue them as long as possible," Merkel told a meeting of the German BGA trade body on Wednesday. "We will never fall below the standards set by the European Union."

Opponents of the deal argue it would weaken environmental standards and give too much power to multinational companies. But Merkel said a successful deal could "write a new chapter in the history of globalization".

Gabriel told the BGA trade group he did not believe the TTIP trade talks could be completed this year.

"I expect that we'll need a new start after the U.S. president election," Gabriel said.

He said the European Union's free trade deal with Canada, which had set high standards for protections, would help prevent adoption of a European-U.S. deal that offered worse conditions.

BGA President Anton Boerner told the meeting: "TTIP may be the last chance for Europe to participate in a trade deal that allows us to set the standards for global trade."

Such standards might not please everyone, but they would "definitely be better than the ones that other countries without democracy and respect for human rights would write," he said.

U.S. and European officials have said they expect talks on the trade deal to continue at least until a new U.S. president is sworn in next January. Some German and French officials have said it might be helpful to resume the talks under a new name.

A senior German government official said Germany expects an intense debate at the International Monetary Fund meeting in Washington this week on the growing risks of populism and growing opposition to free trade.

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"For us and also many others, a free world economy, free movement of goods and no protectionism are basic pillars of an order that we have always advocated and supported," the official said on condition of anonymity.

Finance Minister Wolfgang Schaeuble is likely to stress at the IMF meeting that Germany's investment rate is above the European average and that Berlin plans to further boost domestic demand with additional tax cuts, the official said.

The IMF maintained its forecast for weak global growth on Tuesday and warned that further stagnation would fuel more populist sentiment against trade and immigration that would stifle activity, productivity and innovation.

(Reporting by Michael Nienaber, Andrea Shalal and Rene Wagner,; Editing by Ralph Boulton)

Kaynak/Source: