Suggested recommendations for the trade SIA on TTIP

1. As case studies cannot be considered as a proper public health impact assessment, a comprehensive study should be carried out on the qualitative and quantitative assessment of the potential public health impacts of TTIP, given the burden of mortality, morbidity and economic loss that TTIP is likely to cause.

2. As long as there are no guarantees and recommendations to governments and the EU on how to mitigate the negative public health impacts of reduction of tariffs on unhealthy commodities (tobacco, alcohol and foods high in fat, salt and sugar and low in essential vitamins and other components important for a healthy diet), existing tariffs on unhealthy commodities should be maintained.

3. There is a need for an assessment of the costs of Regulatory Cooperation and Good Regulatory practices for European and national level, including the implications for public interest decision making, missing from the current Report.

4. The most preferable option would be to have a full carve-out of services of general interest (SGEI) from TTIP in the same way that audio-visual services have been excluded in the negotiating mandate for TTIP. TTIP is problematic because it limits the freedom of governments to make policy decisions on how to organise services of general interests relevant for public health (social, healthcare, education, water) by giving incentives for further liberalisation and making it financially more difficult to reverse such a decision.

5. TTIP shall not contain provisions having the potential to undermine affordability of medicines and transparency of clinical trials (IP related monopolies and exclusivities for medicines, pharmaceutical pricing and reimbursement, trade secret protection).

This joint submission reflects upon the public health related case studies (4.3.1. Case study 1: Case study 1: impact of TTIP on Human health and 4.4.2. Case study 3: Impact of TTIP services liberalisation on public health services) of the draft final Technical Report (the Report).

Our Recommendations should be read alongside of the comments and recommendations made by the previous submissions of the European Public Health Alliance (EPHA) submitted on 15 October 2015 and on June 2016, the European Heart Network (EHN), submitted 3 June 2016, the European Association for the Study of the Liver (EASL), submitted June 2016, the European Alcohol Policy Alliance (Eurocare), submitted June 2016 and the Independent Order of Good Templars (IOGT) International, submitted June 2016.

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We welcome the inclusion of public health specific case studies into the trade SIA on TTIP which we consider a step to the right direction. However, given the significance of the potential public health impacts of TTIP, these small case studies are too limited and arrived too late in the process to give sound evidence on the projected health impacts. The current assessment lacks in-depths analysis and cannot be considered as a basis for addressing the potential negative public health impacts of TTIP.

- “In the cigarettes example, we know cigarettes to be very price inelastic and thus consumers are expected not to change the quantity of cigarettes they smoke very much” (case study 1) is true that tobacco is price inelastic but it is not true that tax increases do not lead to a decrease in smoking. See also the WHO recommendation saying that increasing the price of tobacco through higher taxes is the single most effective way to encourage tobacco users to quit and prevent children from starting to smoke.

- “The proposed provisions in TTIP regarding the states’ right to regulate in the public interest (e.g. in the area of human health) sufficiently safeguard EU Member States’ freedom to address this negative tariff effect on human health, if they wish to do so” (case study 1) However, given the current state of the EU policy climate and the discussions on the regulatory cooperation chapter in TTIP, we are not confident that the necessary regulatory action will be forthcoming to counterbalance the adverse impact of the rise in consumption from the reduced tariffs on alcohol, tobacco, foods and beverages that are high in fat, salt and sugar (unhealthy commodities). In the past two years, the EU Commission has opposed sub-national action on Minimum Unit Pricing for alcohol in Scotland in the CJCEU and asked Finland to repeal its so-called ice cream tax.

- “We do not come across evidence – from the accessible texts – that the EU and US seek to extend the exclusivity “time on pharmaceutical products.” (Case study 1) However, the study does not assess the potential impacts on the price of medicines, as a result of closer regulatory cooperation with the U.S. – a country with the highest per capita medicines spend in the world. The U.S. and the EU take different approaches to pharmaceutical IP, though the ultimate result is the same – long periods of market exclusivity for new medicines which are sold at high prices. This leads to significant profits for the manufacturer, high costs for healthcare systems, and can result in limiting access to medicines for patients or increased out of pocket payments. This is unacceptable in the context of high prices limiting equitable access to medicines in both the EU and the U.S. The report does not state that affordability of medicines should be taken into account in the process of regulatory cooperation, which is projected to save resources and to lower costs for pharmaceutical firms and administrations. These lower costs will not necessarily lead to lower prices for consumers in the context of the branded pharmaceutical sector, instead potentially being absorbed into increased profits or marketing budgets. Furthermore, the study does not mention other elements relevant in TTIP such as pharmaceutical pricing and reimbursement and trade secret protection.

- One can for example look at tobacco policy, in which case Article 2 of the investment chapter states that governments can still draft and implement strong tobacco control

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Conclusions

While trade liberalisation initiated by TTIP has the potential to support public health by supporting economic growth, higher incomes and greater employment opportunities, this can be undermined by the unintended side-effects of the trade deal. **TTIP can be incoherent with key public health policy goals and could undermine the battle against the growing burden of Non-Communicable Diseases and obesity and could not contribute to universal access to affordable medicines**

We firmly believe that **international trade deals can be beneficial to public health** on the condition that negotiations establish appropriate regard to the public interest and set the right conditions to ensure protection and continuous improvement of public health and rights, and access to quality health services and affordable medicines. There is every reason to believe that following the above mentioned recommendations would get a much better deal for Europe that would be capable of winning support, and set a genuinely progressive blueprint for future trade deals with other parts of the world.

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8 Europe’s Regulations at Risk The Environmental Costs of the TTIP, Boston University