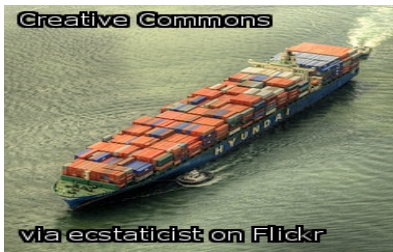


## EU and US free trade talks launched

15<sup>th</sup> February, 2013



The European Union and the USA will soon begin formal talks on a free trade agreement, paving the way for the

biggest trade deal in history. The two trading blocs currently account for around half the world's economic output. European Commission President Jose Manuel Barroso said discussions could start by the end of June. The talks will involve rounds of negotiations on the many sticking points between the two economic powerhouses. Europe is likely to want greater access to many key American industries such as telecommunications and transport. The USA forbids foreign ownership of these. The USA will want more involvement in European agriculture, which may not please EU farmers.

EU-US trade is presently worth around €455 billion / \$613 billion a year. Estimates are that a trade deal could boost their annual GDP by 0.5%. Mr Barroso said: "A future deal between the world's two most important economic powers will be a game-changer, giving a strong boost to our economies on both sides of the Atlantic." He added: "These negotiations will set a standard...for the development of global trade rules." US President Barack Obama was equally enthusiastic about a deal, which he spoke about in his State of the Union address to the US Congress on Tuesday. He said an agreement would, "boost American exports, support American jobs and level the playing field in the growing markets of Asia".

Sources: BBC News / Voice of America (VOA)

### Writing

*A free trade agreement between the USA and Europe would be bad for the world. Discuss.*

### Chat

Talk about these words from the article.

*European Union / free trade / economic output / negotiations / telecommunications / boost / economic powers / a game-changer / enthusiastic / exports / growing markets*

### True / False

- The USA and EU have almost finished talks about a free trade deal. T / F
- A US-EU trade deal would be the biggest the world has ever seen. T / F
- There are very few things that might cause problems with the talks. T / F
- European farmers will welcome any agreement with the Americans. T / F
- A free trade deal could increase US-EU GDP by half a per cent. T / F
- The EU chief said a deal would set an example for all global trade. T / F
- US President Barack Obama isn't so sure about if a deal will be good. T / F
- Obama said it would be better to have a deal with Asia. T / F

### Synonym Match

- |                   |                  |
|-------------------|------------------|
| 1. paving the way | a. giants        |
| 2. account for    | b. talks         |
| 3. powerhouses    | c. increase      |
| 4. forbids        | d. preparing     |
| 5. involvement    | e. valued at     |
| 6. worth          | f. mushrooming   |
| 7. boost          | g. prohibits     |
| 8. negotiations   | h. quality       |
| 9. standard       | i. make up       |
| 10. growing       | j. participation |

### Discussion – Student A

- Is the deal something to make other countries worry?
- Why has such an agreement never been signed before?
- What message would it send if no agreement could be reached?
- Why is a free trade deal important?
- Would it be good if the whole world signed a free trade agreement?
- What's the best thing to help world trade?
- Do you think the deal will boost exports and create jobs?
- What questions would you like to ask the negotiators?

## Phrase Match

- |                       |                        |
|-----------------------|------------------------|
| 1. begin formal       | a. American exports    |
| 2. paving the         | b. blocs               |
| 3. two trading        | c. standard            |
| 4. rounds             | d. way                 |
| 5. sticking           | e. field               |
| 6. presently worth    | f. enthusiastic        |
| 7. set a              | g. talks               |
| 8. equally            | h. around €455 billion |
| 9. boost              | i. of negotiations     |
| 10. level the playing | j. points              |

## Discussion – Student B

- Do you think a free trade deal between the US and EU is good?
- What are the benefits of a free trade agreement?
- What free trade agreements do you know of that work well?
- What do American and European negotiators need to think about?
- What do you think the sticking points might be?
- What would European ownership of US telecommunications change?
- Why might EU farmers not be pleased with a free trade deal?
- Who will benefit most from the agreement?

## Spelling

- two trading osbcl
- involve rounds of ttsoieinagon
- greater scscae
- key American usnideitsr
- The USA will want more tioneemvlnv
- European riuucaterlg
- presently orthw around €455 billion
- tssaeemti are that...
- he emenedltpov of global trade
- equally tshtuicsenai
- State of the Union rsadse
- American xetpsro

### Answers – Synonym Match

1. d	2. i	3. a	4. g	5. j
6. e	7. c	8. b	9. h	10. f

## Role Play

**Barack Obama** - You think a free trade agreement with the European Union will be a great help for the whole world. Tell the others three reasons why. You think it would be better for America than trade deals with China, Russia or India. You are sure the deal will bring many jobs to the USA.

**Jose Manuel Barroso** - You think a trade agreement will be good for the EU. Tell the others three reasons why. You don't think it will help the world. Tell the others three reasons why. You believe a deal with China would benefit the EU more than a deal with the USA. Tell Barack Obama this.

**China trade minister** - You think a trade deal between the USA and EU will be a disaster. Tell the others three reasons why. You think the EU should sign a deal with China instead. The EU and China would be the best trading bloc in the world. You never want a deal with the USA. Tell Obama why.

**EU/US worker** - You think the trade talks are a total waste of time. Tell the others three reasons why. The talks will only guarantee the large salaries of a large number of negotiators and lawyers. A free trade deal will not make the lives of ordinary people better. You would rather create a deal with China.

## Speaking

Rank these and share your rankings with your partner. Put the best at the top. Change partners often and share your rankings.

- |                  |                                |
|------------------|--------------------------------|
| • jobs           | • priority on technology       |
| • low income tax | • low interest loans           |
| • low inflation  | • investment in infrastructure |
| • no sales tax   | • minimum bureaucracy          |

### Answers – True False

a	F	b	T	c	F	d	F	e	T	f	T	g	F	h	T
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Answers to Phrase Match and Spelling are in the text.