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The TTIP One Year On and the Czech Position

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The TTIP One Year On and the Czech Position

3

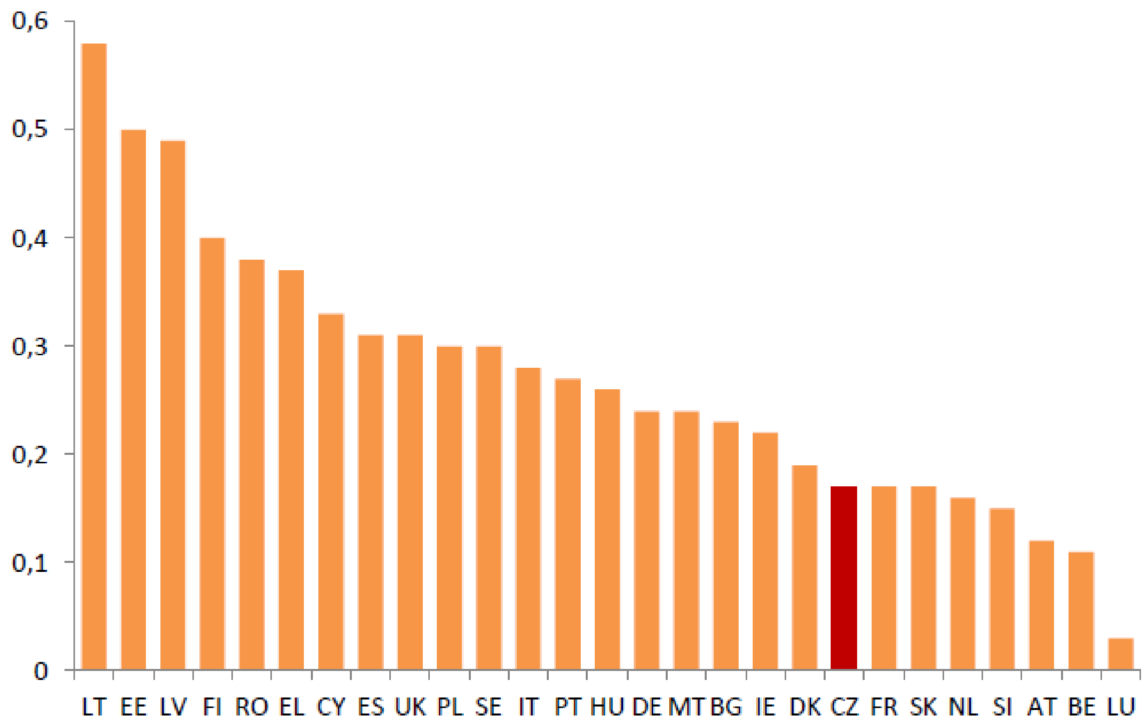
AMO Research Paper 5/2014 – two perspectives on TTIP:

1) What are the key elements of successful strategy for concluding TTIP in 2015?
2) What can be done in order to increase TTIP benefits for the Czech Republic?

An additional perspective: What Czech businesses think about TTIP? (based on a survey conducted by AMO in October 2014)

The TTIP and the Czech Position: Measuring Benefits and Identifying Threats

The “**full tariff elimination**” scenario - estimated increase for the CR is 0.17 % in the real per capita income:

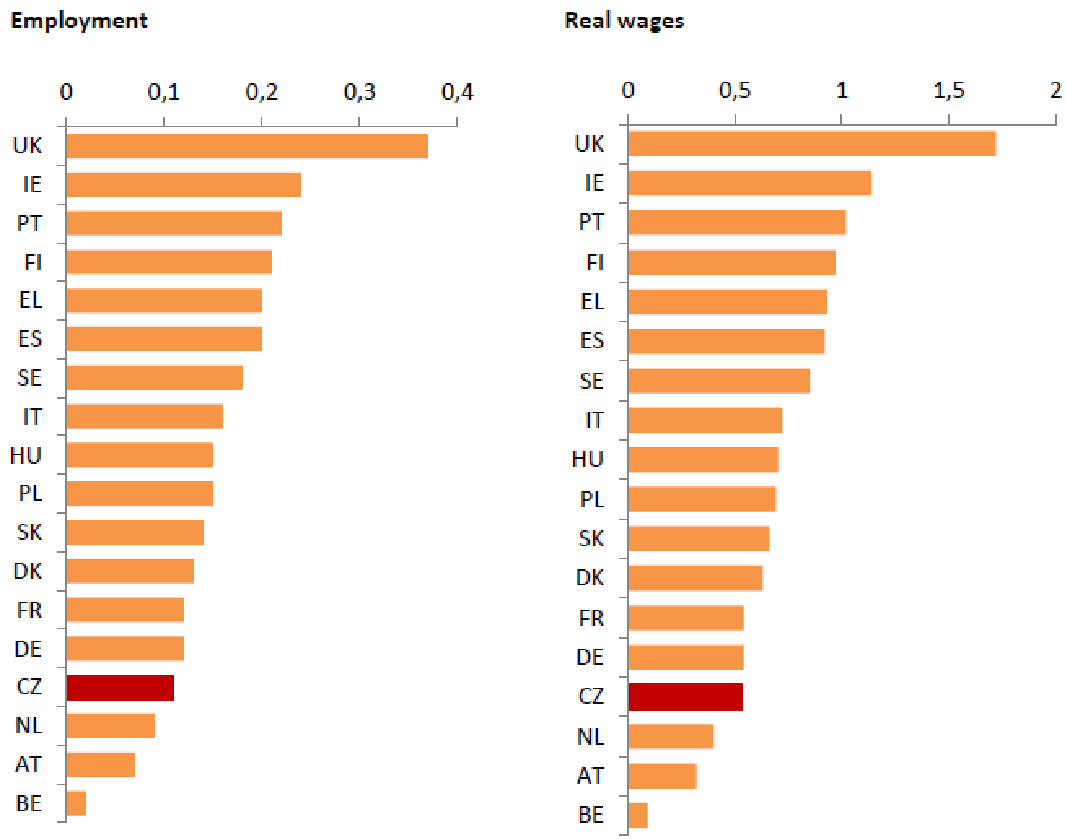


Source: Felbermayr, Heid & Lehwand (2013)

The TTIP and the Czech Position: Measuring Benefits and Identifying Threats

5

The “**full tariff elimination**” scenario - estimated increase for the CR is 0.11 % in employment, and 0.53 % in real wages:

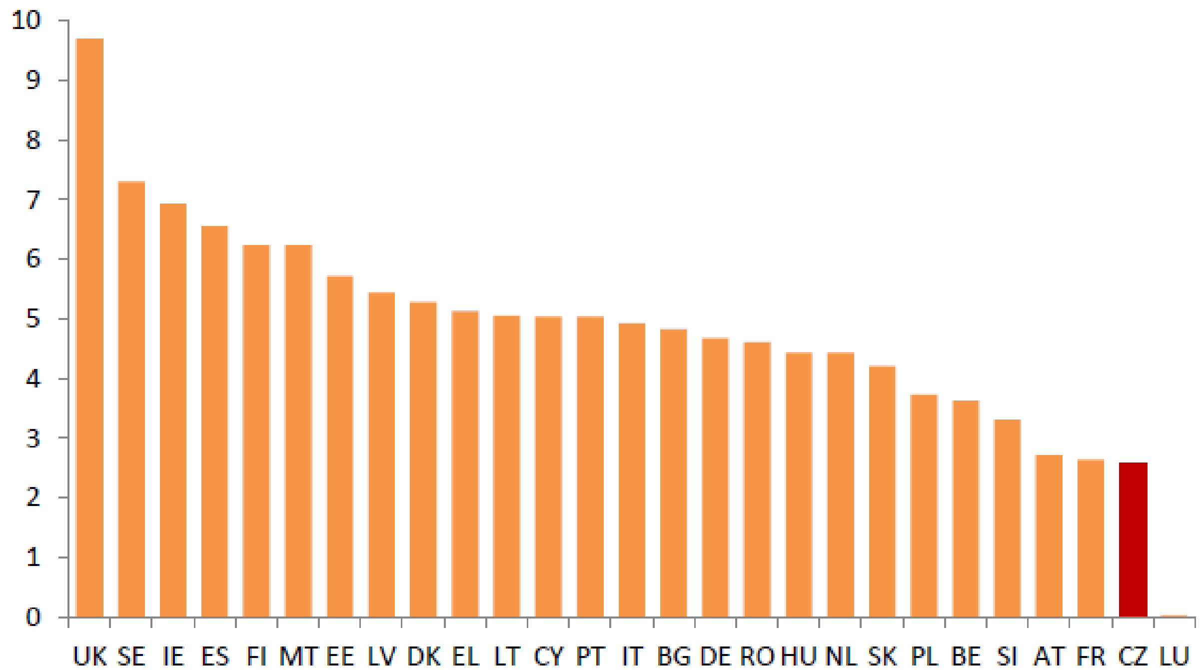


Source: Felbermayr, Heid & Lehwand (2013)

The TTIP and the Czech Position: Measuring Benefits and Identifying Threats

The “**deep liberalization**” scenario - estimated increase for the CR is

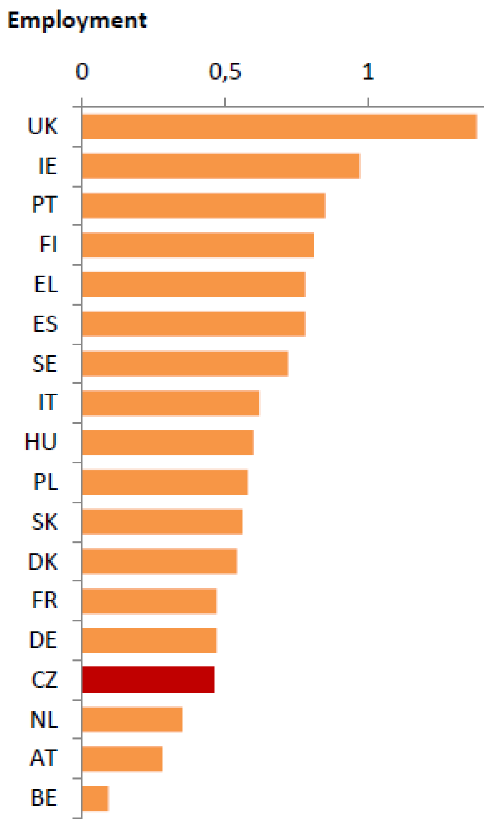
2.58 % in the real per capita income:

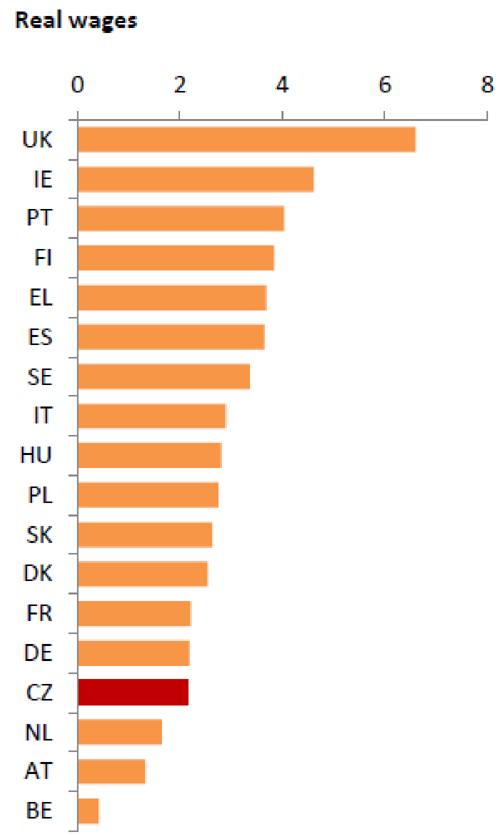


Source: Felbermayr, Heid & Lehwand (2013)

The TTIP and the Czech Position: Measuring Benefits and Identifying Threats

The “**deep liberalization**” scenario - estimated increase for the CR is 0.46 % in employment and 2.14 % in real wages:





Source: Felbermayr, Heid & Lehwand (2013)

The TTIP and the Czech Position: Measuring Benefits and Identifying Threats

Three strategies to enhance the TTIP gains for the Czech Republic:

1) **Enhancing Indirect Exports** (Central European supply chains);
2) **Enhancing Direct Exports** (identify export priorities);
3) **Joint-ventures Strategy** (join forces with companies from the UK or Ireland - natural gateways between the EU and the US).

The TTIP and the Czech Position: Measuring Benefits and Identifying Threats

Uneven distribution of TTIP benefits not only among different EU member states but also among different industrial sectors or services.

- several sectors will be under **heavy transformation pressure** (e.g. *other transport equipment* (i.e. not cars) in the EU; *motor vehicles* in the US; or *electrical machinery* both in the EU and the US);
- **individual TTIP scenarios may influence the individual sectors differently** (e.g. the purely tariff reduction scenario can negatively affect the output of the *motor vehicles* sector in the EU; while under the NTBs reduction scenarios the output rises by 0.24 % in the less ambitious, and by 1.54 % in the ambitious scenario).

References

For references of this presentation, please, see the reference list in the AMO research paper, available at: http://www.amo.cz/editor/image/produkty1_soubory/amocz_rp_2014_05.pdf.

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Thank you for your attention.

Děkuji Vám za pozornost.