



**EUROPEAN COMMISSION**

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European Commissioner for Trade

## **First general discussion on EU trade policy with the new Committee on International Trade (INTA)**

European Parliament

**Brussels, 22 July 2014**

Mr Chairman, Honourable Members,

Thank you for inviting me to the first full meeting of this Committee.

I am happy to see that the Committee has grown larger – which I think is a fair reflection of the importance, and even the respect, it has gained over the last few years. I am also happy to see quite a few familiar faces, but also many new faces – offering us an excellent mix of experience and new insights.

I sincerely hope that I will continue to work together with you in the same spirit of intense and constructive cooperation as with your predecessors in this Committee. You can count on me to remain as committed and transparent to this Committee as I was in previous years. My successor will need to have a very large shoe size if you consider what we have achieved during the last legislature. Indeed, our joint work with the Parliament and this very active Committee has in recent years contributed greatly to the conduct, legitimacy and accountability of the EU's trade policy.

This Committee has been very active on the legislative front, adopting legislation that adapted our trade policy instruments to the Lisbon Agreement, as well as to the new global trade environment. This includes two important regulations related to investment policy, the review of the Generalised System of Preferences and the Enforcement regulation. I note with satisfaction that the compromises found between the Parliament and the Council fully respected the spirit of our initial proposals. This being said, there are still a few legislative procedures pending, and I will come to that in a minute.

We also managed to ratify and provisionally apply free-trade Agreements, such as with Korea, Colombia, Peru and Central America, offering EU business new opportunities in growing markets. All in all, more than 20 trade agreements, large and small, were submitted to Parliament's consent during this term. Practically all passed with very comfortable majorities. This shows that there is a broad agreement on the key principles of European trade policy enshrined in our Treaties: open markets – both at home and abroad, a broad concept of the trade barriers we need to address, and a need to ensure we can compete on fair terms.

This is why the agreements that I just mentioned are new generation agreements, covering areas that bring additional value to the European economy – for example, services, public procurement, geographical indications, and a greater promotion of the recognition of EU standards.

These agreements are now being implemented, and are starting to bear fruit. The EU-South Korea Free Trade Agreement entered into force in July 2011. We see today the benefits of this agreement with a more than 20% increase in our exports during both the first and second year of implementation. A considerable part of your work will also consist of monitoring the implementation of these agreements as well as those that you will be called upon to approve in the next few years.

This Committee has indeed witnessed the finalisation of quite a few agreements that are now ready, or about to become ready for consent: the DCFTAs with Ukraine, Georgia and Moldova, which are now signed, our deal with West Africa, which will soon be ready for signature, and the political agreements with Canada and Singapore, where we hope to finalise the outstanding technical issues soon. Only last week, we concluded negotiations on an Economic Partnership Agreement with Southern African countries and with Ecuador on its accession to the agreement we already have with Colombia and Peru. One agreement I would still like to conclude over summer is with the East African Community. However, this shall not be done at the cost of our obligation under the treaty to safeguard human rights through EU trade agreements.

One last point on EPAs, before the end of the month, the Commission hopes to present a solution to Council and Parliament to help preserve preferences beyond 1 October for Ghana, Côte d'Ivoire, Botswana, Namibia, Swaziland, Fiji and, if the conditions are right, Cameroon too, in the light of recent positive developments. I cannot pre-empt a College decision by saying more but would of course appreciate the support of this Committee at the right time.

In the meantime, we have more than 15 active bilateral negotiations underway, including with the US, Japan, Mercosur, Morocco and Vietnam, which you will be called to monitor in the following months and years.

If you really insist, I could say something on TTIP. We had a very long debate in plenary only last week. And I would of course be ready to take your questions on the most talked-of negotiations in town. Chief negotiator Ignacio Garcia Bercero was with you this morning to report on last week's negotiations.

I will only add to what you have heard a point I made last week. I am a strong believer in public debate and on my watch we have had plenty with this Committee and your colleagues in plenary. I am also conscious of my responsibility to present facts and substance, and not false truths about a negotiation that is not even concluded. We are not what our detractors make us out to be. The Commission negotiates on the basis of existing EU legislation and hears a very broad range of views on an almost-daily basis. We know where our responsibilities lie.

I will only have a few months left to work together with you under the mandate. And I hope that we can use this time to move forward on a number of pending issues that I consider important.

First of all, there are two legislative proposals that the Commission made in March 2012 and April 2013 respectively, the International Procurement Instrument and the Modernisation of Trade Defence Instruments. Parliament has considerably advanced but the Council is still examining them. The current Italian Presidency is very dedicated to move these files forward. I very much hope that this Parliament will resume work as left off in April, so that you could be in a position, when Council is ready, to swiftly move to negotiations and find fair compromises together.

A brief word too about a recent proposal on conflict minerals, which I am deeply interested in, for I have seen the human tragedies caused by trade in conflict minerals in Africa. The proposal is based on a carefully-thought approach to promote responsible sourcing from conflict-affected areas without disrupting legitimate trade without which communities have no viable economic livelihoods other than recruitment in armed groups. So I welcome the fact that Parliament is now in a position to start examining this important piece of legislation and I hope that the balance we sought can be preserved.

Finally, we have also proposed in June to extend autonomous trade preferences for Western Balkan countries for another five years. I hope work can start soon on this file, even if preferences granted to Bosnia and Herzegovina may be suspended as of 1 January 2016, unless they fully treat Croatian exports as EU exports.

As regards pending negotiations, we are moving step-by-step towards conclusion with Canada. Following the political break-through of last October, our negotiators have worked very hard to finalise all remaining technical issues and to transpose the elements of the break-through into legal text. In some instances this has proven more difficult than we thought, but I am confident that the end is now in sight. As soon as the negotiators have completed their job, you will receive the consolidated text of all chapters. However, it is clear that this is one of the most ambitious agreements we have concluded so far going well beyond what Canada conceded to the US in the context of NAFTA. This is no mean achievement.

The FTA with Singapore is the EU's first agreement with a Southeast Asian economy, laying down state-of-the-art rules on the full range of trade issues. Negotiations in the investment protection chapter started later and are being finalised as we speak, to be included as an integral part of the FTA for signature.

In March, we have launched negotiations on an investment protection agreement with Myanmar/Burma. No Member State has concluded one with this country, so this agreement will give EU investors much needed guarantees for their investments. We will push for the inclusion of provisions on sustainable development, covering social and environmental issues of relevance in an investment context, and to promote Corporate Social Responsibility and responsible business conduct. In addition, negotiations with China will also continue.

Before concluding, I would like to say a few words about the multilateral trading system, which despite the many other efforts underway, remains the cornerstone of the EU's trade policy. In December last year, Members of the World Trade Organization reached a historic agreement on several issues from the Doha Development Agenda, including a brand-new Trade Facilitation Agreement, and opening the door to further work on the DDA. We are also advancing on a number of closely related initiatives. Negotiations to liberalise trade in environmental goods and services were formally launched this month, and we are moving towards concluding the review of the Information Technology Agreement, to liberalise trade in several products not covered before. Lastly, work is also advancing on the Trade in Services Agreement (TiSA) to create a better playing field in trade in services, despite the challenge of how to dock such a large plurilateral agreement within the WTO system.