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"Trade after the crisis: what is Europe's global role?"

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Ladies and gentlemen,

You have invited me here today to discuss Europe's global role on trade after the economic crisis. Trade flows may have bounced back from pre-crisis levels but the crisis invites us to shift the focus of trade policy. I would argue that the crisis has indeed changed the landscape for trade policy. Today, I would like to draw three lessons of the crisis.

First, the crisis reconfirmed the importance of global trade rules which had been taken for granted, somehow like wallpaper in a living room. Global trade rules provide an important shield against protectionism and a framework within which the recovery takes place. The WTO estimated that, between October 2008 and October 2009, new import restrictions introduced by G20 members affected not more than 1% of world imports. Significantly, the few protectionist measures we have seen either affected areas not currently covered by the WTO such as government procurement or were introduced by countries that are not yet part of the WTO system, such as Russia for example.

Second lesson, the crisis backed up the significance of moving ahead with an ambitious trade agenda to deliver growth much needed to maintain our welfare States. Trade is part of the strategy to exit the current economic crisis. Our agenda will reach beyond tariff barriers and address the regulatory practices that stop trade flowing, particularly between developed and emerging economies.

Today the WTO rules offer an important base line and the successful conclusion of the Doha talks will strengthen that, for example in the chapter on Rules, by addressing inadequate non-tariff barriers. We will continue to work for a Doha deal and an agreement on "modalities" plus by this summer. We are seeking to turn the political engagement of the G20 Summit in Seoul into genuine progress. What we need here is actually rather simple: we need to build on the results achieved in 2008, which means that all parties will now have to engage in genuine give and take.

But we should do more bilaterally to complement what the multilateral negotiations can deliver. We will therefore be working hard to conclude on-going negotiations, particularly those most advanced at this stage – India, Canada, Singapore, Ukraine and Mercosur.

We also hope to continue the process of launching bilateral negotiating tracks with more of our partners in the Association of Southeast Asian Nations (such as Malaysia and Vietnam) and stand ready to move ahead with partners in our near neighbourhood whenever the conditions are right. It is obvious that we are reflecting on our options vis-à-vis North Africa for example.

Third, the risk of protectionism has meant that enforcing the rules of trade is now as important as negotiating new ones. Opening markets through negotiations is no good if they are being closed again through the back door.

It is on this third lesson of the crisis that I would like to focus our discussion today. And one that emerges strongly from our renewed trade policy, called "Trade Growth and World Affairs", which the Commission adopted last November.

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Trade is the fuel that powers the global economy. It has been one of the most important factors in the recovery – in Europe and elsewhere.

The volume of global trade is 22.2% above the trough reached in May 2009. It was reported last week that world trade is back at its pre-crisis level. In many countries, exports are the only engine of growth, while competitively priced inputs are helping to businesses to keep down costs.

Last year, net exports from the EU were responsible for one third of our 1.8% GDP growth. It has helped to keep people in work and companies in business. During this year, we have kept our open and assertive trade policy in the face of protectionist threats.

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This year, I will move the enforcement agenda to the top of our political priorities, besides our negotiating agenda.

In other words: I would like to ensure that what we negotiate is implemented on the ground.

With tariffs coming down as a result of trade liberalisation, the real task is about the regulatory barriers for trade, getting access to services and investment, opening public procurement markets, enforcing our companies' intellectual property rights.

Commitments in those areas are much harder to police than looking up an import tariff in a customs register. Analysing whether technically complex regulations are applied in a non-discriminatory and proportionate way: that is today's challenge to attain a real level playing field.

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So how do we go about enforcing the rules once we detect problems?

First, implementing trade deals. We will not walk away once a deal is agreed with our trading partners. It is just the first step in making the paper benefits a reality.

For example, our FTA with South Korea is now agreed and will be applied as from 1st July. We will establish solid structures both in Brussels and in Seoul to make sure that we monitor carefully how the Korean side implements the commitments made in the FTA, including the 20 pages which the FTA dedicates just to the technical rules in the cars, electronics and pharmaceutical sectors. And it goes without saying that our monitoring will rely heavily on the input of the economic operators concerned who are best placed to judge the technicalities relevant to their sector.

Second, keeping trade fair. Enforcement is primarily about opening markets abroad. But sometimes distortions on third country markets spill over into our own market. Take the example of massive subsidisation which creates overcapacities in some countries and sectors. That's where we use the tools of trade defence – anti-dumping and anti-subsidy measures – to ensure that European markets are not unduly affected by unfair trade practices abroad.

We have also been developing specific safeguard measures in our trade agreements so as to protect European producers in the case of particularly sudden import surges, whatever their cause. The Korea Safeguard Regulation is a case in point.

Thirdly, revisiting public procurement policy. Let us take the example of "Buy National" policies. Some of our trading partners, including very important ones, have used the crisis to implement policies which favour domestic bidders over foreign bidders in public tenders. In fact, the EU public procurement market is considerably more open that those of major trading partners. Around €312 billion of EU public procurement is open to bidders from member countries of the WTO agreement on procurement. There is a big asymmetry between what we offer and what other WTO members offer; in the same agreement, the value of US procurement offered to foreign bidders is just €34 billion and €22 billion for Japan. And there is the even bigger issue of more symmetry in opening of public procurement markets vis-à-vis the large emerging economies that are not even member of the WTO Agreement on the matter, which is called the "Government Procurement Agreement", or "GPA".

The EU openness in public procurement gives EU taxpayers more value for their tax money, but it also reduces EU leverage in trade negotiations on access for EU exporters to public procurement markets in other countries.

This is why Commissioner Michel Barnier and I will table a legislative proposal to set up an instrument to encourage our partners to be as open as we are.

Fourthly, breaking down barriers. We have had for some years a Market Access Strategy that is a key element of the EU's enforcement activities. It's the day to day work of prising markets open. The strategy aims to tackle key obstacles to trade and investment in foreign markets. These range from discriminatory taxes on alcoholic drinks in India to burdensome licensing requirements in Argentina.

This may not offer the prestige of the negotiating room, but week in, week out it delivers success stories that touch individual companies, preserve jobs and help growth. Just to give a real life example: we have recently managed to make sure that Egypt eases its strict labelling requirements for imports of textiles. This constituted a serious access barrier for the European textile industry on a market worth more than €60 million of EU exports in 2009.

Such examples of trade diplomacy success is often underpinned by close cooperation with European businesses most affected by trade measures and with Member States on the ground to mobilise the EU's collective voice to make the case for change.

Finally, we are not afraid to use the muscle of the law where needed.

For example, in the last two years we have launched cases on China's restrictions on raw materials at the WTO, on Chinese anti-dumping measures against European exports of fasteners and have activated WTO arbitration on the level of retaliation against illegal US anti-dumping measures.

The WTO dispute settlement provides an enforceable system with sanctions to resolve trade disputes and ensure that people play by the rules. But this is the option of last resort.

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Ladies and Gentlemen, speaking with a single voice is crucial. It's about the EU acting together, using our tools in a carefully calibrated way. Our trading partners are more likely to sit up and notice when our efforts are in concert. We aim to enhance our strategic economic partnerships by setting priorities.

This is exactly what we are aiming to achieve next week, with the launch of the EU's Trade and Investment Barriers Report to be adopted in the coming days.

This report aims to focus attention on our priority concerns in order to promote more effectively the EU's interests abroad. It focuses on 21 barriers that are of major economic or systemic importance. It covers six strategic partners who represent 45% of our trade in goods and services.

The barriers singled out potentially affect €100 billion– or 10% of our exports. This is not lost trade but it may mean higher costs and a smaller competitive edge.

It is also broad in the types of barriers identified, covering for example China's indigenous innovation policy, India's plans to establish burdensome licensing requirements in the telecommunications sector, the Buy American policies in the US or Russia's new investment policy. It also includes export restrictions on raw materials which are harmful for European companies – particularly those who incorporate raw materials into the finished products they export.

The message of the report is clear: if we manage to deploy our instruments – technical, legal, diplomatic and where necessary political – to address these barriers – in a calibrated and coherent way – we can make a difference and open possibly considerable new export and investment opportunities for European companies and people.

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Ladies and gentlemen,

I am standing up for a fair deal for European companies in the global marketplace. We need to open doors to new trade opportunities and keep them open through active enforcement. We need to ensure that the rules are applied equally.

So next week, I will be pushing enforcement up the political agenda in Europe, at the Spring Council. Just as we have pushed enforcement – and protectionist monitoring at the G20 throughout the crisis.

This is the first annual report to the European Council on trade and investment barriers. It provides political leaders the opportunity to focus attention on the common efforts needed on a selected set of market access barriers. It is about getting concerted action at the highest political level in order to make the difference to Europe's export and investment interests. It is enforcement in action.

Ultimately, this is a question of legitimacy of trade policy. Making paper deals is not an effective trade policy. An effective & widely supported trade policy requires that the deals we negotiate and the global trade rules are applied in reality.

Now that is how we will translate the benefits of trade into jobs and growth for Europe.

Thank you very much for your attention.