



EU Trade policy: Why should European citizens care?

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Ladies and gentlemen,

I'm delighted to be here to talk about the European Union's trade policy with you future leaders and decision makers in Europe.

This part of the world shows us how little borders really matter.

Over the centuries, Maastricht has been governed from Rome, Paris, Aachen and Madrid; from Liège and the Hague (at the same time!); from Paris again and today from the Hague □ with a bit of Brussels thrown in for good measure.

And today, the people of this city cross borders every day like they don't exist. They have family, friends and jobs in Belgium, Germany, Luxembourg and France. Here, Europe is not a political project.

It's everyday common sense.

The same can be said for your University. Maastricht is a young institution but over the last forty years it's shown what's possible when you open up and bring the world to you.

And not just for the students.

In a city where it's normal to go to another country to do your weekly shopping, you may not need much proof of the economic benefits of open borders. But if it were needed, Maastricht University provides it. Its growth - based on being an international hub - is helping the whole region adapt to a changed economic reality after the decline of traditional industries.

Openness to trade and investment is what we're here to talk about today.

And that's what I'd like to focus my remarks on.

What is EU trade policy about?

What are its aims?

And what you can do to be part of it?

So, what does EU trade policy actually do?

The basic idea is to encourage governments around the world to make it easier to trade across borders.

Traditionally that has meant lowering the taxes they apply to imports – tariffs or customs duties. But today it covers much more.

Trade negotiators talk about ways to make trade in services easier. They do that for example by having countries recognise each other's professional qualifications for architects, or by making it easier for people to travel to provide services.

More and more, they also work on regulation. Regulation has a vital purpose – to protect people from risks to their health and safety and to protect the environment.

But it can also affect trade. Say two countries have very similar but slightly different regulation on the safety of cars – as is the case with Europe, the United States and Korea. Drivers and pedestrians are just as safe in each country, but the differences between the regulation make it very expensive to export cars. That means we all have fewer economic opportunities. Modern trade policy tries to reduce differences like these.

The way we do it is by negotiating free trade agreements.

The biggest free trade agreement is the World Trade Organisation. It has 160 member countries and sets the framework for almost all of global trade. We are doing our utmost to get the multilateral agenda back on track again, working to finalise the Doha development round this year.

But today we also have a whole range of bilateral and regional agreements as well. Last year the EU did deals with Canada and Singapore for example. Today we are negotiating with Vietnam, Japan, and with the United States, in talks for a Transatlantic Trade and Investment Partnership, or TTIP.

It's also worth noting too that the European Union itself is also a free trade agreement between its 28 members. It's the most advanced kind – in that we have harmonised most of our regulation and allowed investment to flow freely, as well as removing tariffs.

It's also highly advanced because we have agreed to have a single voice in our negotiations with the rest of the world.

The European Commission, under the close eye of the European Parliament and the 28 Member States, represents all of the 500 million citizens of the EU, the largest economy in the world. That gives us a unique weight every time we enter into a negotiation. Jean Monnet would certainly be proud.

That's what we do in EU trade policy.

But why are we doing it?

What are our goals?

The first goal is to create economic opportunities for European people.

In Europe today over 30 million jobs or almost 14% of the whole labour force are supported by our exports around the world. In the Netherlands that figure is 1.3 million jobs, more than 15% of the labour force!

By opening markets around the world to trade and investment we are creating more jobs like these. And because 90% of the world's growth is expected to happen outside of Europe over the next fifteen years, these are jobs of the future!

Let me give you some real world examples! Today I'm going to be visiting some SMEs in Maastricht working on life sciences. Pharmaceuticals and medical devices are an important part of our work on international trade. We want to make it cheaper for companies to get their products approved for sale around the world.

But there are many more examples from this cross-border region. Not far across the border in Cologne, there's a machinery company called Alfred H. Schutte.

They export their machines to the United States, but it costs them 15% more to produce for the US market than for Europe because of the many small adaptations – like the colour of wires – that they have to make in order to comply with the American rules. The TTIP agreement we are negotiating would help lower that cost.

Or just across the border in Belgium. In Liège there's a company called Aphesa. They make heavy duty industrial cameras for exploring oil wells. They are interested in the TTIP negotiations, not only because of access to the US market but because they import parts and components for the products from America. Getting those more easily will make their firm more efficient. That's important to remember. Trade is not just about exports.

It's important to note that these gains are not just speculation about the future. Our free trade agreement with Korea has been in place for four years and our exports are up by 30% in that time. Car exports are up by 90%! Our free trade agreement with Mexico is in place since 2000 and our exports to Mexico have trebled since then.

But economic growth in Europe isn't the only goal of trade policy. The EU's treaties are very clear: trade policy must also be consistent with Europe's values.

We do that in different ways.

First, EU trade policy promotes development. Europe is the largest importer of products from developing countries – bringing opportunities to lift people out of poverty.

That's because we have opened our market – the largest market in the world with 500 million consumers – to their products.

- We offer lower tariffs to any developing country, through a scheme known as the generalised system of preferences. It gives advantages to all developing countries, with better access for the poorer countries.
- It's backed up by a targeted system for the least developed countries, known as Everything But Arms, under which – I suppose you will guess – we give free access to every product they export, except arms.
- We have also negotiated a series of trade agreements with countries in Africa, the Caribbean and the Pacific, giving all of them complete access to our market. Under these deals they will also gradually open up their own markets to trade with each other and with the European Union, helping them integrate into global supply chains.

- And the EU is also the world's biggest provider of technical assistance to people in poor countries who are ready to export but need know-how to navigate the complexities of international markets. Beyond economic development, we also actively use our trade policy to support stronger human and labour rights and environmental protections around the world.

For example, all our trade agreements now include commitments to implement the core labour standards of the International Labour Organisation – like the right to form unions and strike. Our partners also agree to implement important international environmental treaties on issues like transport of hazardous waste and the protection of endangered species.

All countries that sign EU free trade agreements also make an explicit commitment not to lower environmental or labour standards in order to attract trade.

These commitments are closely monitored by committees of civil society organisations from both sides.

For vulnerable developing countries that don't have a free trade agreement with Europe, we have a scheme that provides better access to our market in exchange for them fully implementing important international conventions. They cover everything from racial discrimination to biological diversity to corruption.

Finally, we take a pragmatic approach to particularly sensitive issues like labour conditions in clothes factories in Bangladesh. The EU is working with the International Labour Organisation and the Bangladeshi government to make sure conditions are improved. The way we see it, Europeans buy the vast majority of Bangladesh's clothes exports, so we have a responsibility to act.

The final way we are promoting our values is through the Transatlantic Trade and Investment Partnership negotiations with the United States.

One of the most important parts of that negotiation is cooperation on regulation. That's because tariffs are low between Europe and the US, so to get big economic impact we need to look at regulation too.

But TTIP also focuses on regulation because Europe and America share a commitment to high standards of protection for people and the environment. We both want to keep those high standards and encourage other people to adopt them around the world. And working together on regulation through TTIP is a way to do both those things.

TTIP will help us cooperate when we make new rules. That means we will have better data and expertise and will get better results. That's what we're doing with electric cars for example, where we are working on common standards.

TTIP will also help us cooperating to enforce existing rules more effectively and efficiently. Here the best example is medicines. We want TTIP to remove the need for the American Food and Drug Administration to inspect European factories that have been certified as being up to the same high standards by European inspectors.

If a European quality inspector says a pharmaceutical factory is up to scratch, that can save our American counterparts a trip across the Atlantic and vice versa.

And none of this means, I want to be clear, that we will lower standards in order to facilitate trade. Both sides, at all levels, including President Obama and President Juncker, have been clear

on that. We will not be changing our laws on hormone treated beef or genetically modified food in Europe.

What it does mean is that Europe and America will be closer allies when we come to talk to the rest of the world about these issues. The rise of China and India and other emerging countries is good news for development. But it means that Europe and the US on their own will be in a weaker position when it comes to setting the rules in future. The choice is simple, either we work together to shape globalisation or we allow others to do it for us!

Ladies and gentlemen,

More than any time in the recent past, trade is being debated in Europe. Most of the discussion is focused on TTIP but it applies to many other aspects of our trade policy. And the choices we make, democratically and together, will have real consequences.

Your voices, as the future workers and leaders of our continent, are an essential part of that discussion.

I believe that as citizens, you – and me and everyone else – have a responsibility to follow the process closely and engage in the debate.

That's why I've made the TTIP negotiations the most transparent bilateral trade negotiations ever! You can see on our website negotiating documents on almost all topics and detailed, straightforward explanations too.

And if you have questions, you can engage with me or our negotiating team on Twitter. We get a lot of questions of course, but we do our best to answer as many as possible. You can also engage with your national governments and your representatives in the European parliament. It's important to let them know how you feel about trade policy.

Because this is not just about a debate for the sake of debate. We have important choices to make.

We have to choose whether we want to work for a more prosperous Europe, ready to compete in a world economy that's more integrated every day or to avoid change.

We have to choose whether we want to adapt, to create and attract the jobs of the future or cling to the past.

And we have to choose whether we are ready to do what it takes to stand up for European values in the world or stand still and let others do the leading in the 21st century.

From my perspective, the answer to these questions is clear. And I hope that many of you will agree with me.

But whatever you believe, it is essential is that you participate in these decisions. Because they are decisions about your future.

Thank you very much for your attention. I look forward to our discussion.