



## What Flanders can gain from TTIP and EU Trade Policy in general?

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Honourable Members, Ladies and gentlemen,

I'm delighted and honoured to come to speak about trade in the Flemish parliament.

Flanders has a long and proud tradition of trading with the world. Great cities like Antwerp, Ghent and Bruges were built on economic exchanges across the continent and with far flung parts of the world.

Flanders' competitiveness in the Renaissance involved some of the highest value-added products of the day. The Plantin-Moretus printing house was perhaps the world's most important publisher. And at a stretch you can even argue that Pieter Paul Rubens' studio with its techniques of large scale production was a pioneer of luxury goods!

In any case, today Flanders is still one of Europe's most dynamic trading regions, with strengths in high-tech, high-value added manufacturing and services and of course the port of Antwerp itself - which not only helps connect Europe to the world...

... but acts as an industrial hub for the region. It's a great example of how trade is at the heart of today's European economy.

Already today, over 30 million people in Europe depend on our exports to the rest of the world for their livelihoods. In Belgium the figure is over 750 000. That means one job in six in this country depends on exports.

And this is only going to intensify as more and more of the world's growth happens outside our borders - 90% of it in future according to projections.

Imports are vital for our future economic strength too. In the past people may have been able to argue for protectionism - though I would not have agreed with them. But in today's economy the question is beyond doubt.

Ask anyone doing business in Flanders if they could survive without imports - whether of raw materials or components or even of services like IT? I'm certain that the majority of the time the answer will be no. That's because today goods and services aren't produced in one country any more. They are made over long value chains that may cross many borders and connect many regions before they reach the final consumer.

All of this argues for open trade in general. And that's why the EU is today working on more than 20 agreements with more than 60 countries.

And we know that these deals work. Take the Huyghe Brewery outside Ghent, makers of Delirium beer. Trade with Colombia got easier since and EU free trade agreement was put in place in 2013. It eliminated a 20% tariff on beer imports. As a result Huyghe has been able to increase exports to Colombia by 50%!

This is the kind of result that we are trying to replicate across board in EU trade policy.

There's a second reason I'm delighted to be here:

We are living in a turbulent time in which we need to strengthen the connection between the EU and European people.

That makes links with parliaments in Member States - whether regional or federal - vitally important.

And nowhere is this more important than when it comes to a negotiation like the Transatlantic Trade and Investment Partnership or TTIP.

TTIP will be - in terms of the trade flows covered - the largest free trade agreement the world has yet seen.

And it's also aiming to be highly ambitious - aiming to tackle a broad range of obstacles to trade and investment.

As a result of these facts, TTIP is probably the most debated trade agreement ever. All across Europe: here in Flanders, in the rest of this country and even in bastions of support for open markets like Germany and my home country of Sweden, TTIP is on the agenda.

And a big part of that debate is precisely about the democratic control of the negotiations. So I have made it a priority to visit as many parliaments as possible across Europe. After today the total is 19 (though I have to admit the Belgian system is good for my statistics!)

I hope our discussion today will allow me to give you a sense of our thinking about these negotiations at the Schuman end of the Rue de la Loi. But more importantly, for me at least, is to get an understanding of the interests of your constituents. You are much closer to their needs and concerns than I can ever hope to be so I very much look forward to your insight.

But let me just say a few words of introduction about why we're doing this negotiation as well as how we're engaging with the debate and where we stand.

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There two main reasons for the TTIP negotiations:

- More economic opportunity.
- And a stronger voice in the world.

The US is the largest market in the world after the European Union, with our exports across the Atlantic already support almost 5 million jobs in the EU. 4,700 Belgian companies export to the United States, making it Belgium's fourth largest trading partner overall - and the first outside the EU. The same goes for Flanders.

But for all this success it can still be difficult to gain access to the US market.

Take the world-renowned Antwerp fashion industry. US clothing tariffs are on average very high - going up to over 30%! TTIP would eliminate them.

Or take the pharmaceutical industry, a sector in which Flanders is highly competitive. In 2014, Belgium exported over 120 billion euro worth of medicines outside the European Union. 20% of that value went to the United States.

TTIP would make it easier to sell to the US. To guarantee the highest quality, medicines factories need to follow detailed rules on how they make their products. The rules are the same in the EU and the US. Inspectors from the regulatory authorities come every year to make sure each factory follows them. Today those inspections happen twice - by both the EU and US authorities. That's a waste of time and money. In TTIP we want to recognise each other's inspections to get rid of the duplication.

Flanders is also a major player in maritime services, particularly in dredging. Four of the biggest European dredging companies are from Belgium.

Dredging, however, is covered by a US law on shipping known as the Jones Act. This means that dredging equipment has to be owned by a US company and staffed by US citizens to operate on the US market. This amounts to a complete shutdown of the market.

TTIP will not end the Jones Act. But we hope to improve conditions in specific parts of the market, like dredging for offshore wind parks or other energy-related activities.

And these are just some examples to give you an idea of the kinds of new opportunities TTIP would create. Flanders also stands to gain in sectors like chemicals, biotech, environmental goods and services, food and agriculture.

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The second reason for doing TTIP is strategic. Essentially, a closer alliance with the US on economic and regulatory issues is in our long-term interest.

We are living through a major shift in the world's economic centre of gravity. Emerging and developing countries' share of world GDP was 20% in 2000. Last year, it was just under 40%.

And even if we are seeing some instability in China and other emerging countries recently, this is a long term trend.

It's good news, given its impact on global poverty. But it does mean that Europe's voice in the world is getting weaker.

At the same time, decisions made outside our borders are going to affect us more in the future.

As the world economy becomes more integrated, we will see more demand for global rules on everything from safe products to environmental protection.

We already apply many international standards set at the UN or elsewhere. For example, 70% of the standards we apply in Europe for electrical equipment are already set at global level.

There will be more of these in the future. And when the decisions are made on those rules, we want our voice to be heard.

For that we need allies.

And on many of these issues the US is the best ally we could have.

Of course we don't agree with the Americans on everything. We have very different approaches to genetically modified food for example.

But in most areas American and European regulations are very similar - on pharmaceuticals, on medical devices, on machinery, and even on many aspects of food safety.

And in some cases US rules are even stronger than ours. That's what last year's revelations about Volkswagen showed us.

Certainly, we have much more in common with the US than we do with many other partners.

So if we want to influence the global rules of the future, we are going to need to work with the Americans.

TTIP gives us a vehicle to deepen our cooperation.

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For these two reasons, economic opportunity and strategic advantage, I believe Europeans need this deal.

But I'm also acutely aware that many people have concerns.

I take those concerns very seriously.

Some have worried that TTIP will change our rules on things like consumer protection, food safety and the environment.

I see their point. We do have a strong interest in working more closely with the US on regulations. But we don't have an interest in watering down protections.

That's why in TTIP we are only working on areas where we have the same level of protection in our existing rules. And looking ahead, nothing in TTIP or any other EU trade agreement will restrict our future right to regulate.

Another worry is that investment protection rules will allow US companies to sue the EU and national governments about regulations they don't like.

We've listened closely to the very serious concerns raised about this. We've had a major public consultation...

... and long discussions with the European Parliament, national parliaments and national governments.

We have learned that we need to address the fundamental lack of trust in the old, traditional form of investment dispute resolution. However, we have also learned that the EU benefits from investment protection because it helps secure our own investments around the world.

That's why we have decided to take the lead on the global effort to reform and modernise the overall system.

We have made proposals in TTIP for a new Investment Court System. It would involve clear rules, fully qualified judges and transparent proceedings with the right to appeal. In short, it protects our right to regulate while encouraging the job creating investments we need.

A third important concern is about the transparency of the negotiations. I also understand this point of view.

That's why we've made major changes to make TTIP the most transparent free trade agreement in the world.

We have increased the number meetings like this one and with civil society organisations.

But more importantly we have improved access to the negotiating documents.

For the public in general, we have put the full text of the EU's text proposals and hundreds of explanatory documents on our website.

For national representatives, including parliamentary representatives, we have also solved the problem of access to consolidated text that reflects the US position as well.

These will be available in secured national reading rooms. I understand the Belgian reading room is ready and that members of the relevant committees in all Belgian parliaments, including this Parliament, will have access to it.

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Ladies and gentlemen,

The approach we are taking to TTIP is to listen and to address concerns as much as possible, while at the same time pushing hard for European interests in the negotiations themselves.

Both will continue this year. We have come a long way towards an agreement, with text and offers on the table in most areas. But there is still some way to go. And this year will be crucial. The EU's intention to put in the time, energy and resources to conclude a deal under this US administration - though of course it takes two to tango.

In any case, to make progress we will need the engagement and support of those in the EU who favour a deal - and that goes for political representatives too.

I hope we can count on your support. And I look forward to our discussion.

Thank you.