



## **CETA - An Effective, Progressive Deal for Europe**

19 September 2016

***Cecilia Malmström***, *Commissioner for Trade*

*Civil Society Dialogue meeting*

Ladies and gentlemen,

Thank you for coming once again. I'm really look forward to this meeting today. It shows that the Civil Society Dialogue is a forum that works.

I also hope you had a nice summer. It's been quite a dramatic summer in many ways. We've had terrible things happening in Europe, terrible terrorist attacks. The European Union is struggling with a lot of difficult issues - the economic crisis, the migration crisis. We have some difficulties in our neighbourhood and of course there is an increase of populism in many countries.

We've also seen a very heated debate on trade in many countries - not all but some - which is of course very good, on the one hand. That shows that we need to discuss these issues.

Sometimes it's a very detailed discussion about "regulatory cooperation" means or the differences between negative and positive lists, which maybe the general public is not so familiar with.

But sometimes it's also about the deeper question of whether the post-war consensus on the benefits of trade and open markets still holds.

Or it's about how Europe is going to approach the unavoidable fact that the world is more connected today than before.

And whether we want European societies to be more open or more closed.

So the decisions we make on trade policy issues will have an impact on the broader debate. And that means we have an opportunity to contribute to that debate and to make a difference.

And that is particularly true for the decision we are here to discuss today, whether to approve the Comprehensive Economic and Trade Agreement between the EU and Canada, known as CETA.

I'm looking forward to hearing all of your questions and comments but let me first give a few introductory remarks.

I want to start by making one thing clear. We have around 20 ongoing trade negotiations and I want to urge you to look at each of them on their own merits.

CETA is CETA. It's not TTIP. It's a final agreement that has been online for two years. It's with a partner, Canada, that is close to us in many ways, historically and in terms of shared values. Their views on how to regulate economic activity for public policy purposes are very close to the ones we have here in Europe.

So when we look at CETA we need to do it on its own merits.

CETA is, and I dare to say that, the best trade agreement the EU has ever negotiated. It will benefit consumers, workers and entrepreneurs across Europe and in Canada. And it will demonstrate that Europe and Canada mean what we say, when we say we want a trade policy that is progressive and upholds our shared values.

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It will bring economic opportunities in many ways.

- There will be an immediate - from day one - abolition of over 98% of tariffs once the agreement enters into force. And that is a lot of money, ladies and gentlemen. That is a cost of 400 million euro a year that will just disappear. And that is good for our companies, especially the small ones who have smaller margins.
- It is an unprecedented opening for EU bidders of public procurement by Canada's national government, provincial governments and municipalities. On all levels it is open for us.
- The improved regulatory cooperation that will help businesses comply efficiently with product rules on both sides...  
... while maintaining the high standards we share.
- And it also gives new opportunities for our agricultural exporters...

... through new quotas and better protection of geographical indications. And we are still protecting our most sensitive products.

These are just some of the new advantages. But they are not just ideas. They are real advantages. Companies across Europe - small companies, in small local communities have been vocal in asking for these changes. And now they are gearing up to take advantage of them.

- Small companies like WeWatt, not far from here in Leuven. They are looking forward to selling their products more cheaply in Canada once tariffs are removed. They create innovative pieces of furniture equipped with cycling pedals to generate electricity while users are waiting or working.
- There's a German company, Reclay, that helps businesses and governments dispose of packaging and waste in a safe, environmentally-responsible way. It plans to use the new public procurement opportunities in CETA to share recycling expertise with public authorities.
- Pranarôm International, is also a Belgian company based in Ath in Wallonia. And they are very interested in CETA's regulatory cooperation provisions. Because they have aromatherapy oils and they have been certified for sale in Canada and that has resulted in significant revenue boost. CETA could help make this easier in future, without lowering standards of consumer protection.
- And the final example, Ewa-Bis, is a Polish exporter of apples and other fruit and vegetables. They've already benefitted when customs duties on apples were eliminated with Ukraine. And they see CETA as a major opportunity, especially when it comes to facilitating compliance with Canada's sanitary and phytosanitary rules.

And like these already benefit from EU trade agreements like our deal with South Korea that saw exports rise by over 50%. And they want deals like CETA to help them expand their business so they can employ more people in their communities.

They and their workers are the faces of deals like this. They show that CETA is about real economic opportunity for real people. So it's essential that all of us understand this as Europe makes key decisions on this deal in the coming weeks and months.

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But CETA is not only about economic advantages. These are important of course. But it's also a very progressive trade agreement with Canada - as I said - a progressive partner that shares our values.

We have been engaged in Europe in the last years in a very passionate debate on trade. And I listen and I hear and I respect the concerns that have been raised in that debate. Because the debate is improving the quality of EU trade policy, by pointing out real issues.

But it's in CETA that we can measure these improvements most clearly. Because on all the key issues it's a very significant step forward compared to others.

Take transparency. Many have been concerned that they believe that they cannot give input to the negotiations. But these negotiations have benefitted from the constant input of civil society, well before I came into this office. A full draft version of this agreement was online from September 2014 and the final version, in all languages, has been available since the beginning of the summer. So the negotiations have been subject to public scrutiny from day one, and the outcome has been fully known for quite some time now. So we will be able to make a transparent and informed decision.

Public services is also something that is very heavily debated. This agreement - and you can read it - provides the full legal certainty that we all want. Public authorities - local, regional and national - will keep full freedom to organise public services as they wish. There is no obligation on anyone to privatise any service, anywhere. And there is nothing stopping an authority from bringing a privatised service back into public control if they wish to after an election.

On the question of labour rights and environmental protection the situation is also clear. In CETA, the EU and Canada commit to the most important International Labour Organization and United Nations conventions on these issues. Canada is in the process of ratifying the last ones. First time Canada has any reference to these in any trade agreement. Neither side will seek commercial advantage by lowering standards.

And in the unlikely case where we were to disagree on the implementation of these commitments...

... there is a specific and detailed dispute resolution process in the agreement to hammer out these differences.

Importantly, they are also commitments on the global level. Canada and the European Union will work together to improve labour conditions and protect the environment around the world. We've already been working very closely since last year's Paris conference.

Finally, there is the issue of investment protection, also a very sensitive and emotional issue in trade debates. I have been clear since my hearing in the European parliament. I understand that people have had concerns about the existing system. And that is why I worked from day one to find a better way of dealing with the problem. And with the change

of government in Canada, with the Trudeau government coming in, they were willing to engage with us, despite the fact that the agreement was already closed, in order to modify these provision.

So we have a new approach, delivering:

- standards that are inspired by what we use within the European Union, fully protecting investors without interfering with our right to regulate at all levels of government;
- an investment court system that guarantees due process, that will have an independent group of pre-selected judges and we are working with Canada and many other countries to bring this to an international level;
- and full transparency of the process, full participation of all stakeholders whose can make submissions to the court, and an appeals mechanism.

The CETA agreement is the first deal to put that system into practice. It's the first step forward towards a global system. If you disagree with the old system, support CETA because that's where take a new approach.

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Ladies and gentlemen,

Canada is on board with all this because they want to work with us on a more progressive, values-based and modern approach to trade. It's a country that is founded like we in Europe on the benefits of people from different cultures working together. It's a country that prioritises high standard regulation on topics like consumer and environmental protection. And it's a country that shares our attitude to protecting the vulnerable. Canada has an excellent publicly funded health service, for example.

It's a partner that shares our values and with whom we have negotiated a progressive trade agreement that will deliver jobs and growth in a responsible way.

And if we can't approve CETA with Canada, then with whom can we make trade deals? If we don't approve this, we would be sending a message to the rest of the world that we are not a reliable partner. But if we do we can say that we are open for business, and we are ready to help shape the global economy in line with our values. We are ready to do that we are ready to work with partners. We are not too entangled in our own debates to take the rest of the world seriously. And that's a choice we have to make.

The debate will continue of course. It will continue here today. It will continue on Friday when I will be honoured to go to Bratislava to meet all the trade ministers who will discuss CETA as the first point on the agenda. It will be a debate in the European Parliament, in national parliaments, all over.

And I hope that, as we have the full text we can focus on the facts and the content and not on fears and try to listen to each other as we move forward.

Thank you for coming here today and I'm looking forward to a good debate and good questions.