



CETA : An Effective and Progressive Deal for Belgium and Europe

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Federal Chamber of Representatives of Belgium

Honourable Members,
Ladies and gentlemen,

Thank you for this second invitation to speak. I found our conversation in May of last year was very useful. And I'm very glad to be back to discuss trade policy with you again.

It's a good time for us to meet.

First because it's nearly two years since the Juncker Commission took office. We've had time to update EU trade policy to today's needs.

Last year, we adopted the *Trade for All* strategy. It's about making sure trade brings prosperity, but also that it upholds our European values. And one of those values is inclusiveness: We want prosperity not just for some, but the widest number of people possible.

That includes taking action to support those who lose out. As part of *Trade for All*, Commissioner Thyssen agreed to reform the European Globalisation Adjustment Fund to make it more effective. The fund helps communities overcome the shocks of factories closing due to tough global competition.

Belgium suffered a major shock earlier this month when it was announced that the Caterpillar plant in Gosselies was closing. I know that people in that community all across the region are suffering. That's why President Juncker and Commissioner Thyssen established a task force to coordinate with the Belgian and regional authorities to support workers who lost their jobs find new employment. In this context, more than ever, Belgium needs jobs and growth. And the results of many studies that are carried out to analyse the impact of trade agreements on growth and jobs show that trade policy can make a positive contribution. I understand that the study carried out for your government on the national impact of TTIP will be published soon. I look forward to the contribution it will make to the debate.

The second reason this is a good time to talk is because later this week, EU trade ministers will be gathering in Bratislava. They will be discussing many topics including both the continuing negotiations for a Transatlantic Trade and Investment Partnership with the United States, TTIP and the finalised Comprehensive Economic and Trade Agreement with Canada or CETA.

It will be an important meeting, particularly for CETA, where the EU now has an important decision to make. But I'll come back to that in a moment.

Finally, it's a good reason to talk because there will be a public demonstration in Belgium today with people who have concerns about EU trade policy. So today is a good opportunity for us to discuss those concerns and how the EU is taking them on board.

I know many of you have a particular interest in TTIP.

Last May I had the chance to tell you why I believe it is a major opportunity for Europe. So I will save you from hearing me repeat myself.

For now, I will restrict myself to saying that we continue to work very hard. We want to make as much progress as possible with the outgoing US Administration. I had another long and detailed meeting with my American counterpart last week and the work will go on.

However, progress will depend on whether the US is able to work with us on our priorities. The EU does not believe in signing just any agreement. We want a good agreement for the EU and for us all.

That's what I have to say on TTIP for now. And I'll of course be happy to respond to any TTIP-related questions or issues you want to raise.

But it's important to remember that the EU's trade policy goes far beyond TTIP.

We are right now negotiating over 20 agreements that cover more than 50 countries. Some are bilateral deals with countries like Japan, Mexico, Indonesia and Tunisia. Some are larger negotiations at the World Trade Organisation on issues like opening markets for environmental goods.

All of them are vital for the European economy.

Because in the 21st century we need international trade and investment to keep our economies moving.

As you may know, over 750 000 jobs in this country depend on the European Union's exports to the rest of the world. That's one job in every six.

In the EU in total the figure is 31 million jobs. And that figure is rising as trade becomes more important for our economy. It's 12.5 million more jobs than in 1995!

Why is this? Because, the EU as a whole - and Belgium in particular as a small open economy - is becoming more integrated in global supply chains.

And that makes imports and foreign direct investment essential too. Because jobs in Belgium depend on companies' ability to import raw materials, components and services. And these depend on the links to the global economy that international investment provides.

Moreover, we have strong evidence that EU trade agreements do deliver.

For instance, our exports to South Korea have risen by more than 50% since our free trade agreement with that country entered into force 5 years ago. That has benefitted the automotive sector, the chemical industry, transport equipment also some key agricultural products - for which EU exports have increased by over 70% in the past 5 years.

To give another example, the EU's trade agreement with Columbia and Peru, entered into force in 2013. It has also created new opportunities for companies large and small.

This agreement eliminated all customs duties on beer. And even some small brewers are seizing its benefits of this change. The Huyghe Brewery in Melle, in Flanders make 'Delirium

Tremens' beer, with its pink elephant branding. In 2015 alone, they doubled their exports to Columbia!

So when we talk about any trade agreement, it's vital to remember what trade means in reality - jobs and opportunity.

But I would like to focus on just one agreement in my comments to you today: CETA, our agreement with Canada.

Why? Because this deal is ready. And the European Union now has to decide on it.

- National governments in the Council have to make a decision on whether to sign it.
- The European Parliament has to decide whether to give its consent. Only after that would the agreement be applied provisionally.
- And, before it's finally fully in force, national parliaments and, here in Belgium, the regions will also have to decide on whether to approve it.

And it's essential that we all take a very informed decision based on the reality of our partner Canada, and based on the reality of the text of the agreement, which has been publicly available for many months now.

Canada is a country that, more than most others around the world, shares our European values.

- It certainly believes, like us, that integration with the world economy is a source of prosperity and innovation.
- But perhaps more uniquely it also believes, like us, in the important role of the state in regulating the economy.
- And it believes, like us, in strong, effective public services, including publicly-funded healthcare.

To put it another way, Canada is not the United States.

Just because they are next to each other on a map does not make them the same.

And that means that this agreement needs to be assessed on its own merits.

And we can assess those merits very easily because, again unlike TTIP, CETA is finished. As I already mentioned the text is online in all languages, ready to be scrutinised.

And when people do that, they will see that it's an excellent agreement, in fact it's the best the EU has ever negotiated. I believe we should approve it, for two reasons.

The first reason we should approve CETA is because it's a **highly effective agreement economically**.

If approved, it will give exporters across the EU much improved access to one of the world's most developed markets.

- over 98% of customs duties will be abolished from day one of its application.
- European firms will be competing for Canadian government tenders at all levels of government.
- And new opportunities for our service providers and farming communities will emerge, while protecting our sensitivities in agriculture and maintaining our product standards.

And this is not just good news for big companies. It's good news for the kinds of smaller firms that are embedded in local communities.

Let me give you a concrete example. Pranarôm International, which is based outside Ath in Wallonia and is specialised in aromatherapy products, They are interested in CETA's provisions on regulatory cooperation. Several of Pranarôm's aromatherapy oils have been certified for sale in Canada. And that has boosted their revenues. CETA could help make this easier in future, without of course lowering standards of consumer protection.

The second reason we should approve CETA is that it's **a progressive agreement** (concluded with a very progressive government by the way, under Prime Minister Trudeau!)

CETA is a **transparent** agreement. Negotiators were in close contact with civil society and closely watched over by Member States and the European Parliament. And as I mentioned the text has been online for all to scrutinise, in draft form even since 2014.

CETA protects **public services** like healthcare. It guarantees that local, regional and national authorities will be free to organise public services as they wish. There is no obligation to privatise anything. And no block on renationalising an already privatised service.

CETA enshrines our **right to regulate** in the public interest. And, while it encourages regulatory authorities to cooperate, it does not oblige them to do so, much less to come to agreement.

And CETA starts a much-needed reform of **international investment protection agreements**. We all want to change the existing system of 3000 investment treaties (Belgium has 73 by the way!) Those agreements are old-fashioned. They come from the 1950s.

CETA starts that reform, putting the EU's new approach into practice.

- It delivers an investment court system with strict rules on due process and on how to trigger it.
- It is public and eliminates any risk of conflicts of interest.
- It explicitly guarantees the right to regulate, thus ensuring each country's government the policy space that is needed in a democracy.
- And it's the first step forward towards reforming the rest of global regime. And I can say that many countries agree with us that a global solution is eventually what's needed.

So what I say is, if you disagree with that old system, then you should support CETA because it's a way to do things better.

Honourable Members,
Ladies and gentlemen,

That is my view.

I believe that this is an excellent agreement that has real potential to break new ground for EU trade policy, both in terms of economic opportunity and in terms of integrating European values into trade agreements.

I also believe it's an essential part of our effort to keep Europe integrated in the world, economically and politically.

And I believe that, as President Juncker noted in his State of the European Union speech last Wednesday, it's important for Europe's continuing influence on the world stage.

That's why I would urge Belgium to sign it, to ratify it and to implement it in full.

But I also know that people here do have legitimate concerns. And that is why this discussion today and tomorrow's meeting with 28 Ministers in Bratislava will be important. Because we will need to reconcile all of those concerns. And hopefully, together with my Canadian counterpart Minister Freeland we can jointly provide some reassurance on some of the key questions.

Thank you for your attention.

I look forward to our discussion.