



## Upgrading the EU-Canada relationship

Strasbourg, 15 February 2017

**EU Trade Commissioner Cecilia Malmström**

*European Parliament, Strasbourg*

Ladies and gentlemen,

Honourable members,

First of all, I would like to extend my deepest sympathy to the Canadian people for the terror attack they have suffered two weeks ago. Je suis Québécois. Nous sommes tous Québécois.

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With Canada, we share the democratic values of openness and tolerance...

... we cooperate in tackling common challenges such as migration, sustainable development, climate change, and terrorism.

The two agreements we are discussing here today, the free trade agreement CETA and the strategic partnership agreement, together offer an opportunity to upgrade our EU-Canada relationship ...

Those agreements strengthen both our economic relations and our geopolitical alliance...

... reflecting our partnership both unique and distinctive...

... making that partnership deeper and more powerful...

... reaffirming our fundamental values and political principles, and using them to shape globalisation...

... with an institutional framework that allows for deeper exchange.

... to help each side serve its citizens in the 21<sup>st</sup> century.

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CETA will benefit EU citizens and businesses. Exports to Canada today support around 900,000 European jobs. But the 70,000-plus EU companies who export to Canada face many obstacles. These obstacles are particularly burdensome for the small- and medium-sized companies which are about 80% of the total.

CETA helps these companies in many ways. It removes almost all tariffs from day one; exporters stand to save over €500 million a year. It cuts red tape – the lengthy customs and duplicative certification procedures which small businesses in particular can ill afford...

It opens up markets in services and public procurement on all levels...

And it protects over 140 of the most traded geographical indications, helping European farmers sell more of their high quality products in Canada.

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Trade policy is about opening markets – but also about supporting our values. So CETA is a progressive agreement with a progressive partner... which upholds our standards and protecting our sensitivities.

Nothing in this agreement undermines governments' right to regulate in the public interest. Nothing in this agreement affects the safety of food we eat or products we buy. Nothing prevents governments from providing public services or bringing these services back to the public domain if they had been privatised. Nothing requires privatisation of water or healthcare.

Nothing changes the prerogative of EU lawmakers to set EU rules under EU procedures. In particular: decision making in the CETA Joint Committee cannot circumvent or derogate from EU Treaty requirements, in particular the role of EU institutions in making policy. CETA will not change food safety standards, or any other EU requirements. Only the EU institutions can do that. And member states may also be adopting relevant legislation for that.

The Commission will fully abide by EU internal processes as defined by the Treaties before taking any position in the CETA committee.

There can be no doubt that the role of this Parliament will be fully respected and your contribution welcomed.

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I know this parliament also had concerns about the private, ad-hoc arbitration system known as Investor-State Dispute Resolution.

So we have reformed it. And your role here has been critical in shaping the new Investment Court system. This system guarantees governments' right to regulate. It uses public courts, qualified judges, transparent proceedings, an appeal mechanism and a strict code of ethics. This Parliament will be involved in selecting its Tribunal members, similar to its involvement for ECJ judges.

And as you know, with Canada we are working on the international scene to promote the idea of a multilateral investment court.

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CETA promotes our values of free, fair and sustainable trade. Canada and the EU pledge to effectively implement major international agreements on labour and the environment. These provisions are ambitious: but also binding and legally enforceable.

And they are already having an effect: Canada is on the path to ratifying the last outstanding core labour convention — on collective bargaining. The agreement contains a mechanism to review these provisions, notably on enforcement. I commit, as I have written to you, to set in motion this review mechanism soon after CETA is provisionally applied.

To feed into this review, I intend to open a broad and inclusive debate on sustainable development provisions in our free trade agreements. Involving all EU stakeholders, including members of this parliament.

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The Strategic Partnership Agreement accompanies and complements CETA. Reinforcing our partnership, deepening contacts and coordination in areas like foreign, security and defence policy, migration, counter-terrorism, human rights, sustainable development and climate change. Areas where we can work and are already working together to make life better for all our citizens and promote a progressive international agenda, rooted in our principles.

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Honourable members,

We are at a time when many stand **against** what the EU stands **for**. Openness; international cooperation; the freedom to trade, and so on. Those who oppose those principles often also question the foundation and future of the EU itself.

Against those trends, we have the chance to work with likeminded partners. To show that protectionism does not work, putting up barriers, building walls is not the answer. Good, efficient fair trade agreements with likeminded partners: that is the answer. That is the opportunity we have by consenting to the two agreements today.

I'd like to thank the rapporteurs Mr Pabriks and Mr Tannock, the shadow rapporteurs and the many others with whom we have worked. I am looking forward to the debate and a successful vote.

Thank you.