



## The benefits of CETA for the Poland-Canada trade relationship

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**EU Trade Commissioner Cecilia Malmström**

*Speech at Vistula University*

Ladies and gentlemen,

Many of you will be familiar with the benefits of EU membership.

Since joining the EU, the Polish economy hasn't stopped growing; it's now over 50% bigger than in 2003.

While unemployment has tumbled from nearly 20%, to just over 6%.

EU membership gives you the right to study, work or live anywhere in the EU.

Last year, nearly 50,000 Polish students, workers and volunteers took part in the EU's Erasmus+ scheme.

EU membership also gives you the ability to trade without barriers with other members - like the Czech Republic, Germany or France.

And it also makes it easier to bring down international barriers to trade.

That's what I'd like to talk about today.

Today in Poland, one and a half million jobs – one in eight of the workforce – depend on exports outside the EU.

To ensure decent, stable jobs for the next generation, we need to be creating opportunities and positioning ourselves in the global economy.

Thanks to our common trade policy, the EU can find strength in unity.

A united EU can negotiate with the world's biggest economies as equals.

We can stand together for free and fair trade...

... and against damaging protectionism.

Let's look at one recent trade agreement we have struck – the deal with Canada, known as CETA.

It's a country Poland has strong links with.

Over one million people of Polish descent live there.

And Poland's exports to Canada were worth over 5 billion zloty in 2015.

Including nearly a billion zloty of fur and fur clothing – where exporters face tariffs as high as 9%.

Over two billion zloty of machinery and electrical equipment, where exporters face not just tariffs, but also restrictions on selling to government.

And nearly one billion zloty of services, like computing and architecture.

Meanwhile Polish companies invested nearly 3 billion zloty in Canadian industries like mining, oil, and gas.

Meanwhile Canadian companies like Bombardier, McCain or Valeant invest in Poland, creating jobs and economic dynamism.

CETA will strengthen this relationship, open new opportunities, and create new jobs.

It will cut 99% of all tariffs. EU exporters will save the equivalent of over 2 billion zloty in tariffs alone.

It will also cut red tape. For example, removing the need for duplicate testing for machinery or electrical goods.

If you've ever been involved in a small business, you'll know how little you can afford these extra costs, extra time, extra bureaucracy.

And small businesses are around 80% of Polish exporters to Canada.

CETA will open up markets like services and public procurement, at all levels of the Canadian government to EU and Polish business.

And it will make it easier to move to and work in Canada, for many professions.

We have overhauled and replaced the system of investment protection known as ISDS, investor-to-state dispute settlement.

Many were concerned about ISDS.

But our new investment court system involves public hearings, with qualified, standing judges.

Offering transparency ...

... and protection for the public interest.

**Nothing in CETA means that we reduce EU standards.**

**For issues like GMOs or hormones in beef; nothing changes!**

The food you eat and the products you buy continue to be governed by European standards, set by European lawmakers.

And public services stay public. Nothing in this agreement will change that.

**This is progressive trade policy.**

It does not undermine our standards: it supports them.

We have negotiated CETA in unprecedented transparency. And in full cooperation with the EU's member states.

Governments, including the Polish government, advance their interests...

... they tell us what they want to see in the end deal and what they don't...

... and that is what we fight for.

That is what we fought for in CETA that over 60% of the 51 Polish Members of the European Parliament supported when the European Parliament gave it the green light.

I realise some of these benefits can be abstract.

So let me give some real-life examples of real-life businesses.

**The Delphia shipyard** makes luxury yachts.

It employs 700 people, in the region of Masuria that experiences 17% unemployment. It is one of the biggest taxpayers in the city of Olecko.

95% of their production goes overseas.

And CETA will eliminate all the Canadian tariffs they face – currently as high as 9.5%.

Or take fruit and vegetable exporter **Ewa-Bis**.

Based in Warsaw, it employs over 200 people. Last year they exported 400 tonnes of apples to Canada.

**CETA will remove bureaucratic barriers, improving their access** to Canadian consumers.

Or take **Inglot**, one of the world's leading cosmetics makers, with shops in 80 countries.

In Przemyśl, they employ 600 staff, a number growing 12-15% per year.

Sometimes, accessing a new market requires them to fill out over 3000 pages of paperwork.

**But CETA will cut red tape.**

That's just three examples.

In fact, **nearly two thousand Polish companies export directly to Canada...**

... car parts from Poznan...

... candles from Goynia...

... candy from Bialystok.

**This deal can boost jobs across Poland, and across the European Union.**

CETA is now ratified at EU level.

Some of its benefits can take place as soon as it provisionally applies – which will be in a matter of weeks.

But, for full ratification, it also needs to be ratified in every EU member state. I hope that can happen swiftly.

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Let me make some general remarks about globalisation too. I think that we should not seek to stop globalisation.

**But we can shape it. And we should do so with adequate regulation.**

The alternative would be to let others shape it for us.

Building walls and raising barriers would be hugely damaging to jobs, development, and the open societies in which we live.

As the world faces the threat of rising protectionism...

... Europe needs to show the world that our door is still open.

The best outcome would be for everyone to agree together, through the World Trade Organisation, on the rules for open and fair global trade.

But in practice that is not always possible.

We need to find strategic partners.

**Canada is a developed democracy who shares our view on many issues.**

It's the obvious country to partner with. But it's not the only one.

We are continuing our ambitious programme of progressive trade policy with partners across the world.

With countries from Mexico and Japan, South America to South-East Asia.

We promote a trade policy that is effective. Transparent. Based on values.

Last week, the UK triggered Article 50, indicating its intention to leave the EU.

However much one might regret that decision...

... that is what the British people have decided.

Negotiations on the terms of separation now begin.

And a wider reflection on how we want our future to look starts too.

Since 1957, when the Treaty of Rome founded the European Economic Community...

... we have realised that in many areas, including trade policy...

... we act better when we act together.

That insight is as true today as it was then. **What matters is our unity.** United in diversity, the EU Member States stand strong.

I hope we keep that unity long into the future.

Thank you for your attention.