



## The EU at 60: an open global trading partner

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In a few weeks, Europe will celebrate our 60th anniversary of **the Treaty of Rome**. The Treaty set the foundations of the European Union we see today, building up Europe after the wars, where conflict is better dealt with around the negotiating table than in the trenches, and with the eventual aim to remove trade restrictions within Europe, and across the world.

The basic principle of the Treaty of Rome was simple: we work better when we work together...

... that cultural and economic differences need not stand in the way of a common objective...

... that closer commercial relations would bring, not just prosperity, but also peace, making war unthinkable ....

... and that European integration would enable us to face the world with the strength brought to us by unity.

The European Union we know today has developed:

... from 170 million people in western Europe to over half a billion across the continent...

... moving beyond commerce into policies like development and anti-discrimination ...

... with not just one internal market among its members, but a network of 38 active bilateral and regional trade agreements covering 67 partners, and an active participation in the World Trade Organization.

Much has changed since 1957: but the core principles have stayed the same. It is a cooperation based on values. We remain a Union committed to free and fair trade, openness and a rules-based international order. We remain a union committed to those ideals.

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Few places symbolise the benefits of trade like **Singapore**. It sits at the crossroad of trade routes that have been active for millennia. And its decision to embrace openness has transformed a tiny island without natural resources into one of the richest economies in the world. That openness has attracted investment, including from the 11,000 European businesses who have made a home here.

It has attracted industries, from finance to refining, that depend on openness. I've just come from a visit at your port, the world's second busiest, and its biggest trans-shipment hub. I'm from a port city myself, on the West Coast of Sweden, and I have seen many container ships in my day. But the sheer magnitude of what I saw today at the Port of Singapore was truly in a different league. Each year, from here, 140,000 vessels transport enough cargo containers to stretch halfway to the moon.

While Singapore airport handles enough passengers to populate my home country five and a half times over. This dynamism has helped this country develop, and the people prosper. Just as, in Asia and across the world, trade has lifted millions of people out of poverty.

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This city-state, although it's very small and thousands of kilometres away, is a significant hub for the EU and is one of our top 20 trading partners for goods, and a top 10 partner in foreign direct investment. And our ties are growing. Two years ago, the EU-Singapore goods trade rose by 8 percent; trade in services and investment stocks rose by 15 per cent.

In recent years, investment has included Finnish energy company Neste's refinery, which can produce 1 million tons of biofuels a year...  
... or Airbus's partnership with Singapore Airlines: to build the largest aviation centre in the world, able to train over 10,000 people a year.

More than just a bilateral trade and investment partner, Singapore is also the beating commercial heart of the South-East Asian community of nations, **ASEAN**...  
... connecting its members to each other and to the world.

This bloc, as a single economy, ranks among the world's biggest, and is the EU's third largest trading partner outside Europe. And the EU and ASEAN have fostered a close relationship since the early days of their existence. Today, as we celebrate our 40th anniversary of formal relations, the EU is...  
... the biggest investor in the region...  
... and ASEAN's third largest trading partner.

Since 2009, ASEAN's exports to the EU have doubled. This trade is supported by EU policies and preferences:  
... Indonesia, Vietnam and the Philippines benefit from widespread access to EU markets under what we call our generalised system of preferences ...  
... Cambodia, Myanmar and Laos, enjoy tariff free, quota free access for virtually all products. All in all, in 2015, ASEAN nations exported over 17 billion euros — about 25 billion Singaporean dollars — worth of goods under EU preferential tariffs, helping them to develop, grow and reduce poverty.

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This has been a positive development, but as you are aware not everyone in the world sees openness as a positive thing.  
Even in some of the richest countries in the world who have long benefited from and championed trade, some blame trade for society's ills...  
...they hope to push the clock back against the changes they see in the world....  
... thinking the answer is to close borders, or to build walls.

In Europe's own recent history we have seen walls of our own. Few would wish to return to those dark days when we had a dividing wall; the Iron Curtain. And we also know – as many in Singapore know - that the path of protectionism won't work. It won't restore jobs. It won't make anyone's country great again. It will simply make everyone worse off.

Free trade creates jobs. Already, 31 million jobs in Europe depend on exports beyond our borders...  
... and free trade deals expand those opportunities further.

We have seen that in many of our agreements such as with South Korea, where EU exports have rocketed by more than 50%. And we know that cutting tariffs helps the least well off in society, who spend most of their income on basic goods like food or clothing, which are often imported, and today still have tariffs.

But let's also be honest: some parts of our societies haven't seen the benefits of trade, technology and globalisation....

... some have lost out as our labour market has changed....

... and we must support them through investment that can make a difference – by better training, skills, and infrastructure, for example.

But reversing the trend of openness, returning to isolation and protectionism, would simply mean that the most vulnerable would have fewer jobs...

... and would have to pay higher prices.

We should be honest about that, too.

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The EU is the world's biggest trader, and the world's biggest recipient and source of foreign direct investment. We will remain the biggest, even after one of our members leaves us. It is sad, but it is what the British people have decided, we will have to cope with that and the EU's leading role will continue. We are ready to step up to the plate. We are open for business.

Our economies are among the world's most competitive, as measured by the World Economic Forum...

... among the easiest to do business with, as measured by the World Bank....

... and we are turning the page after difficult years following the financial crisis, with all Member States set to grow this year, some more than others but still the trend is clear.

Most importantly: we recognise the role that openness brings to our economy. We do not see trade as a game you win or lose, but as an opportunity where we both win. We do not see globalisation as something we must either oppose or submit to; but something we can harness and shape, for greater shared prosperity.

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With this in mind, we are pursuing an ambitious agenda of trade negotiations. I know many here will be disappointed by the uncertainty surrounding the Transpacific Partnership, the TPP. So are we, we were supporting that, it would have been good for the whole world.

Together with our own proposed trade partnership with the US, known as TTIP, this could have been a framework and an inspiration for the next generation of free trade. And now they are both wrapped in uncertainty. But that should not become a pattern, or an omen, for the global trade agenda. That is why we are determined to double down in advancing our own trade talks with partners around the world, including the countries of the TPP.

We are moving forward. The European Parliament recently voted on our agreement with Canada. The most ambitious and progressive agreement concluded to date, and we hope that it will enter into force during this month. We are very close to an agreement with Japan, and have agreed to speed up our talks with both Mexico and the Latin American Mercosur bloc: with Brazil, Argentina, Uruguay and Paraguay. We are also soon set to launch bilateral negotiations with Chile. If anything, we are seeing our other partners dedicating more resources to these talks as of late.

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**Our trade agenda** is gathering momentum in the ASEAN region, too. In 2014, Singapore became the second Asian country, after South Korea, to conclude a free trade agreement with the EU.

We are now working with stakeholders in Europe and in Singapore to ensure it can be ratified, applied and implemented as soon as possible – so that these benefits start to flow. Because the benefits are many, I had the opportunity to discuss this with the Minister for Trade today.

- Tariffs on Singapore's exports to the EU will be removed in full: in the first year, for 84% of products, and in the fifth year for 100%.
- It will cut the non-tariff and regulatory barriers that get in the way of exports for cars, pharmaceuticals, electronics or renewables;
- It will offer better access to service and public procurement.

In short, it means less red tape, lower prices, more opportunities and more jobs, especially for small and medium-sized enterprises, bigger companies can manage but smaller companies do not have these resources.

And alongside that, I hope we can continue to make progress in other areas of joint work: like the EU-Singapore Partnership and Cooperation Agreement, and the bilateral agreements on the exchange of tax information which Singapore is signing with many EU member states. I also hope that we will be establishing deeper, stronger relations with this region.

The EU has already concluded a bilateral agreement with Vietnam; a booming market for EU companies, where exports have been growing in double digits. We are negotiating with both Indonesia and the Philippines: with the most recent rounds taking place only a few weeks ago. We have also been in talks with Malaysia about resuming our free trade negotiations, and I hope we can take a decision on this soon. And, looking outside ASEAN, we are finalising discussions with Australia and New Zealand on parameters for opening free trade negotiations between us.

In addition, we understand more than many other the benefits of regional integration. So we also strongly support the efforts to integrate the ASEAN Economic Community. In Europe, the process of integration has been long and challenging, but it has proven to be well worth the effort.

I am committed to work even more closely with Singapore and others to promote the 2025 agenda of the ASEAN Economic Community. Our bilateral trade agreements can help promote integration and value chains within the region.

Tomorrow I will travel to Manila to meet ASEAN trade ministers, to see what steps we could take to get to our common goal of a region to region trade agreement between the EU and ASEAN, this is something we are both very committed to do. That would be of immense significance.

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Our trade policy is transparent, engaged and democratic. So we have learned from our previous experience, listening and responding to concerns from our citizens, be they on food safety, standards, public services or investment arbitration. On investment, we have reformed the investor-state dispute settlement system, or ISDS, which is an old system of private arbitration that raises serious questions about fairness and impartiality.

We have had a long and complicated debate in Europe on this subject, with civil society, NGOs and Trade Unions. To replace this, we have designed an investment court system that operates more like a domestic or international court. This could be the kernel of a potential new multilateral system of investment protection.

And our trade policy is also based on values: such as human rights, the rule of law, and protecting the environment.

These values improve stability, and sustainability...

... they strengthen relations both economic and political...

....and trade policy should support them, not come at their expense.

That is why our bilateral trade agreements include obligations to ratify and implement international conventions on workers' rights and the environment.... That is why we support countries such as Myanmar to support labour rights – an initiative which can improve both political and commercial relations. That is why we are encouraging countries like the

Philippines to meet the conditions to benefit from preferential tariffs: including on human rights.

**Trade based on our values** also includes equality and gender rights. And this on, International Women's Day, should be remembered. These concepts are already embedded in our work. Anti-discrimination and equal pay form part of our trade conditions.

But I know trade policy can help gender equality, in less obvious ways: like supporting the digital trade, that allows more flexible working. Or helping small businesses, which many women are involved in. Singapore is the most gender-equal country in Asia, ranking alongside the EU's largest nations. But clearly – on both sides – we have things to do here.

The International Trade Centre has an initiative called SheTrades, which we are looking at with them, on how trade policy can connect one million more women to the labour market. And at the end of June, we will be organising an International Forum on Gender and Trade, to see how we can use the lever of trade to advance women's empowerment.

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But to **conclude**, because I want to hear your views and questions, let me turn back to Singapore and the relationship with us. This country has long shown an ability to reinvent itself. Your recent report on the future economy suggests you will carry on doing so. Fortunes will continue to depend on staying open and connected to the rest of the world.

Free trade, fair trade is not just a slogan for Europe; it is in our DNA, since our foundation in 1957, I think that is very much in your DNA as well. Our society and economy are fundamentally open, and rely on openness for their survival.

In a troubled time for global trade we will stand up for the prosperity and progress it promises.

... we will stand up for the benefits it offers our citizens...

... we will stand up for the multilateral, rules based system that underpins it.

We are prepared to take a stand, to show leadership. And we are reaching out a hand to all those around the world who feel likewise.

I am glad to find a strong, likeminded partner here in Singapore.

Thank you again for inviting me.