



## Progressive Trade Policy in a More Protectionist World

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**EU Trade Commissioner Cecilia Malmström**

*Canada 2020 Think Tank, Ottawa, Canada*

Good morning, ladies and gentlemen.

Je vous remercie pour l'amitié européen-canadienne et je suis heureuse d'être là. It is indeed important to be here. In an age when rising populism and protectionism poses a threat to our open societies, there has never been a more important time to defend progressive trade policy.

Today I'd like to talk about what we mean by that; and how Canada and the EU can be partners in pursuing it.

Canada and Europe see eye-to-eye on many issues. We have a similar philosophy on domestic issues, such as the need to provide and protect public healthcare. We face common challenges, such as climate change or terrorism. Something we will remember tomorrow, the anniversary of the terror attacks which struck Brussels, the city where I live.

Yet our relations have long been defined by commerce. Many of the earliest settlers here were attracted by the spoils of trade. Beaver furs were sought after in Europe...  
... and exchanged for the European manufactured goods that were much in demand here.

This trade opened up the incentive to explore the new continent...  
... and help its nascent economy develop and grow.

It even found its way into the language: the name "Ottawa" itself, the city and the river which flows from the mountains of Québec, may come from the Algonquin word for "trade".

Today, trade – in products, services, ideas - is still a way of engaging with the wider world, to mutual benefit; engaging for peace, prosperity and progress. This is the vision we put forward in our trade for all strategy: responsible trade policy that is effective, transparent and based on values. It is the vision we are taking forward as we pursue a progressive trade policy, in a programme of over 20 trade negotiations.

The EU and Canada are natural allies.  
The EU is the world's biggest trader...  
... and is Canada's second biggest trading partner.

To the EU, you sell over 40 billion Canadian dollars' worth of goods from agriculture to zinc...  
... not to mention 17 billion in services like engineering or finance.

And from the EU you buy products and services of all kinds: medicines from Belgium...  
... tulips from The Netherlands...  
... hockey pucks from Slovakia.

Beyond trade, we also share many values: democracy, the rule of law, and the right of governments to provide public services such as healthcare.

The EU-Canada deal we have just agreed, known as CETA, ends 99% of tariffs...  
... opens up markets like services, and public procurement...  
... and supports investors.

Now that we have completed ratification at EU level, the provisional application of CETA is imminent. And there are benefits for both sides.

Each extra tariff reduction, each extra bit of market access ...  
... means on one side, an exporting company that can compete;  
... and, on the other side, a consumer — or a business, or a public authority — who gets a better deal.

A shopper seeing lower prices on the supermarket shelves. A business that can compete better in global value chains. A health service that can pay less for its supplies ...  
... or a public authority that can buy more efficient clean technology to fight climate change.

Meanwhile, every extra investment by a European company in Canada...  
... can help a European company to grow ...  
... while creating jobs over here.

EU-owned affiliates already employ nearly 400,000 workers in Canada. To believe in progressive trade policy ...  
... is to recognise trade can bring benefits for both sides.

But it must be responsible and sustainable. The fur trade that furnished Canada's fortunes many centuries ago was ultimately not sustainable. The hunting of beavers for their fur made the animal endangered...  
... while the struggle for control of supplies and hunting-grounds eventually led to all-out war.

Trade should not mean a race-to-the-bottom on standards, or come at the cost of the environment. The EU's trade strategy Trade for All sets out how a responsible trade policy can be effective, sustainable, transparent, and based on values. In Europe, as in this country, people expect the food they eat, the products they buy, to be safe, and to meet democratically-set standards and rules.

So we have been clear that nothing in CETA will undermine those standards — or public services. Both parties can still use environmental or labour criteria in public procurement, if they want. Neither party can undercut or fail to implement labour or environmental standards merely to attract trade or investment. Public services stay public unless a municipality or province decides differently.

And we resolve investment disputes in an open court...  
... with qualified judges, avoiding the conflicts of interest that could in turn jeopardise the public interest.

More than just protecting standards, trade deals can promote them. CETA is an exemplar of what we can achieve here. In the EU-Canada trade deal, both parties agree to implement multilateral environmental agreements such as the Paris climate change deal...  
... as well as international labour rules on issues like equal pay, collective bargaining and employment discrimination.

They agree to promote sustainable forestry and fisheries...  
... alongside initiatives like corporate social responsibility, eco-labelling, fair trade, and recycling.

We take a similar approach with the rest of the world, promoting sustainability and good governance:...  
... in our bilateral talks ...  
... when granting unilateral trade preferences....  
... and through our detailed work with countries like Myanmar and Bangladesh.

The success of CETA will help us take that agenda forward. It is a model for progressive trade that promotes values. A template to shape globalisation. As we seek open trade, we should ourselves be open. If anything gives trade policy a bad name, it's secrecy.

But we have nothing to be ashamed of, as we act on behalf of our citizens. This is why we have started to publish as much as we can of the details of trade negotiations.

Why we include civil society both as we negotiate trade deals -to get their input and publishing detailed reports- and implement them.

Progressive trade policy should — must — be transparent. A truly progressive trade policy also recognises, and supports, those who are left behind. Over recent years, the labour market has seen significant changes. While some benefit, others see wages stagnate, or face unemployment. These changes are mainly caused by technology...  
... but trade has also played a role.

We should help those who have not been able to adapt ...  
... with infrastructure, education, training and skills. And this is an area where we - also in the EU - need to do more.

And finally, progressive trade policy means championing trade that is fair and rules-based. The multilateral framework of the World Trade Organisation, the WTO, has for a long time safeguarded global trade...  
... a power source for rising global prosperity that helps lift millions out of poverty, setting and defending those global rules we have jointly agreed upon.

Yet some recent rhetoric seems to put that in question. The US administration seems to favour bilateral relations over multilateralism. And some of the proposals we have seen floated, such as a border adjustment tax, could be at odds with WTO rules. Countries should be able to protect themselves from distortions and unfair trade practices. But that has to be done within the framework of the WTO. Global rules mean everyone playing fair, by a consistent, predictable and transparent rulebook.

That is why we want the upcoming WTO Ministerial in Buenos Aires to succeed, and are working with partners to achieve that success and to show that the multilateral organisation is still important.

That is why Canada and the EU are working together to take investment courts to the multilateral level. The response is positive - many countries want to work with us on this.

There is, sadly, nothing inevitable about progress. As Alice Munro put it, from the perspective of people in Victorian England, it must have been impossible not to believe that people would inevitably become more civilised, more rational, more humane, with humanity's greatest mistakes behind it.

Yet the turbulence and terror of the twentieth century lay ahead. In the words of another famous Canadian: "You don't know what you've got till it's gone". We should not take any of these things for granted. We should fight to maintain the system that has guaranteed prosperity and progress.

Turning away from open trade, or the multilateral structures that underpin it, would come at great cost. Declining trade would cost jobs – 31 million of which in Europe depend on exports. Raising tariffs would put up consumer prices – particularly affecting the least well-off.

And rising protectionism could threaten the open societies and open economies that have brought freedom and opportunity to the people of Europe, Canada and the world. In an age when some want to rebuild walls, reimpose barriers, restrict people's freedom to move...  
... we stand open to progressive trade with the world.

Between them, the EU and Canada account for almost one dollar in five of the world's trade. And that we have agreed a new trade deal, our most ambitious and progressive ever, should send a powerful signal to the world. As other doors may be closing, ours will remain open.

This is a programme we are taking forward in over 20 negotiations: from Mexico to Japan, Mercosur to ASEAN, and others. And, if anything, we've seen partners giving more priority and more resources to these talks in recent months. By engaging with the world in this progressive trade policy, we can shape globalisation, rather than submitting to it.

We can make trade a vehicle for our values, protecting and promoting them. And we can safeguard the prosperity and progress, the freedom and opportunity that trade has brought. The European Union is happy to have Canada as a partner in that struggle.

Thank you.