Ladies and gentlemen,
Thank you for being here today.
Meetings like this are very important to us here in Brussels.
You are our connection to Europe.
It is through you that we learn about the issues that affect Europeans.
In a way you are our eyes and ears.
We learn about your platforms and their concerns.
It is our responsibility to listen, and yours to deliver their messages.

On the other hand, you also sometimes act as our voice.
You carry the answers and the views of the EU back to your members.
This is critical to how we make policy and how we communicate.
People should know the decisions we make,
and why we make them.

This is all the more important given our busy trade agenda.
Today I will try to give you the big picture of what is happening in EU trade.
First I will start by giving you an idea of the EU's place in the world. Our relationships with other countries and international organisations. Second I will go into some of the ways trade policy itself has transformed. How EU trade policy has become more efficient, inclusive and modern. And then I look forward to a lively discussion after.

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So first, the state of global trade and the EU's place in it. The EU currently has an incredibly ambitious trade negotiation agenda. We are negotiating deals with partners around the world. It is important to remember that these are more than economic deals. They are strategic alliances too. The EU and its partners are coming together to:

- shape globalisation,
- stand up for open trade,
- and to agree on a rule book that's fair and works for everyone.

This is especially important as we look forward in the current global climate.

This type of deal - strategic, economically valuable and progressive - is what we achieved with Canada. CETA is a deal we can be proud of. It maintains our standards while opening up markets and creating jobs. Its core parts have been provisionally applied since September last year, while Member States proceed with national approval procedures.
Already exporters are beginning to see the benefits. European cheeses are making their way to Canadian markets, and Canadian maple syrup is crossing the Atlantic to Europe.

The next steps for CETA involve three key areas of work:

1. Building the institutional framework to govern the deal;
2. Reviewing and improving our sustainable development provisions.
3. Moving forward with a new transparent and open Investment Court System.

Civil society will be a critical part of how we get CETA working for everyone.

We have opened a call for a Domestic Advisory Group. This will help us gather your important perspectives.

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Another major success of the past year has been the EU-Japan Economic Partnership Agreement. Japan is the EU's second biggest trading partner in Asia. Making this deal sends a signal to the world. The EU and its partners are committed to keeping the world economy open. We believe in open, fair and well-regulated markets.

The legal scrubbing of the agreement was completed in February. Soon we will submit it to the Council.
We hope to have it coming into force in early 2019. This is an ambitious target, but momentum is on our side.

Elsewhere in the region, we are moving ahead with the EU-Singapore agreement. We welcomed the clarity provided by the Court Opinion. Separating investment from the rest of the agreement makes us a more efficient and credible negotiating partner. We hope to put the deal before the Council in April.

Our business in Asia extends even further. We have a similar process underway in Vietnam. We will soon be in the fifth round of negotiations with Indonesia. And all of these deals are building blocks. A region-to-region arrangement with ASEAN remains our ultimate goal. More work is needed there, but we saw progress at the recent EU-ASEAN ministerial.

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Another very active region for EU trade is Latin America. We are modernising our deal with Mexico. Our 2000 deal with Mexico was a good one, but the world has changed since then. Trade has changed since then.
We need to address issues like services and intellectual property.
We have eliminated 90% of the barriers between us,
And we want to bring that up to 99%.
This will allow more trade, more investment, and more prosperity.

But this does not come at the expense of our standards.
The deal will protect special products,
like Mezcal in Mexico and Champagne in Europe.
It will also be the first ever EU trade agreement to include a chapter on anti-corruption.
We have made a lot of progress, but we are not there yet.
There are still some areas to work on, like rules of origin for cars, agri-food
and public procurement.
We want to move forward,
but not at the expense of the best deal for Europeans and Mexicans alike.

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On Mercosur we are also making progress.
Many of you were briefed by our chief negotiator on Tuesday.
This is a critical negotiation – both economically and geo-strategically.
Mercosur is a large and highly protected market.
Removing barriers would bring important gains.
It would help develop the region with investment and opportunities,
and European business would have the advantage of being the first to enter the market.
Like Mexico, we are moving forward, but carefully and patiently.

None of these negotiations are business as usual
They are 21st century trade deals negotiated in a 21st century way.
For example, our Chile Agreement will be the first to include provisions on trade and gender.
As for the negotiating mandates for Australia and New Zealand…
…they were the first that the Commission published at the moment we shared our draft with the Council.
All of these agreements matter, and we are proud to have a productive and busy negotiating agenda.

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This focus does not come at the expense of our commitment to multilateralism however.
We remain engaged and committed at the World Trade Organisation.

Last year I was in Buenos Aires.
The Ministerial Conference, sadly, saw failure for the WTO.
Two of its main pillars were brought into question.
The negotiating function and the dispute settlement system.
To respond to this, we need both short term and long term approaches.

The Commission has laid out its plan to move forward. We want to sustain the dispute settlement system and resolve the Appellate Body crisis. Regarding negotiations themselves, we will look for alternative approaches to unblock the WTO, like negotiations with groups and individual countries. We will promote transparency as a good practice. The multilateral system is in need of leadership. And many are now looking to the EU for that leadership.

We have already taken up that role in some areas. The old Investor-State Dispute Settlement is out of date. There is wide agreement on that. The EU's proposal to address this is a Multilateral Investment Court. That initiative is moving forward. The Council has just adopted and published negotiating directives. There was a first meeting of the United Nations Commission on International Trade Law recently. The next one is scheduled to take place in the last week of April. We are building and the pillars of the reform process and the alliances to see it through. We hope to see more positive developments soon. We are committed to goal of a multilateral system,
And we look forward to moving forward with constructive reform.

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Beyond FTAs and our multilateral work, we are managing other trading relationships.
Recently the US announced its intention to impose import duties of 25% on steel and 10% on aluminium.
The EU regrets this decision for many reasons
For one, justifying these tariffs on the basis of national security considerations is a risk.
It undermines the multilateral trading system,
which is still the best way to achieve open, fair and rules based trade for all.

Aside from this, it is a disappointing signal in terms of trust.
Europe has been a long-time security partner and ally of the US.
We are disappointed that we have to justify that our exports are not a threat.
We strongly believe that the EU should be excluded from these measures.
And we have been clear on this with our engagements with the US.
Commissioner Malmström conveyed this message in Washington this week.
We expect to have more clarity on what will happen if the final measures are announced early tomorrow.

Either way we have been preparing a firm, legal and proportionate response to the situation.
It will pursue three tracks:

1. WTO dispute settlement.
2. Safeguards to protect our markets from trade diversion.
3. Rebalancing the benefits granted to the US under the WTO Safeguards Agreement.

These measures are designed to protect our interests and defend the multilateral trading system.

We suspect the US move is effectively an economic safeguard measure in disguise.

It should be treated as such.

We hope that we can come to an agreement with our partners in the US.

But whatever the outcome of this situation is:

The EU will hope for the best, while preparing for the worst.

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So now I have given you an idea of the EU's place in global trade.

Next I briefly want to highlight to you how EU trade policy has changed.

Over the past two years there have been many changes.

The EU has taken big steps to make trade policy more transparent and open.

We are now the most transparent trade negotiators in the world.

As I mentioned, we now publish in full draft negotiating directives for trade agreements we propose to the Council.

We also send these texts to the European Parliament and national Parliaments.
We do this to have a wide and inclusive debate from the start.
We want views from the earliest possible stage.

Transparency is not the only way that we are transforming trade.
Our recent Free Trade Agreements have showed this.
We now have chapters on environmental, labour and human rights.
These are called Trade for Sustainable Development chapters, or TSD chapters.
They promote human rights, labour rights and environmental protection.
And they do all this while maintaining our standards.

We have also seen the influence steps like this can have.
Not only do these chapters encourage debate around sensitive issues,
But they bring real value that countries can see.
Our partners in Chile and Argentina have started bringing TSD chapters into
their agreements with non-EU countries.
Our partners recognise that building trust is as important as building profits.

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We are also working to improve how Trade for Sustainable Development chapters work.
The Commission recently presented a 15 point plan to improve the implementation of these chapters.
To develop these points we consulted with stakeholders over 7 months.
We held discussions and received written submissions.  
From these submissions a consensus emerged.

We organised the issues that came up time and again under four headings:

- Working Together particularly with Member States & the European Parliament
- Enabling Civil Society, including by giving Domestic Advisory Groups responsibility to comment on the whole of our agreements, not just TSD chapters
- Delivering by, for example, being clear with our partners about the priority changes we want to see from the earliest stage of the negotiation and following up throughout the process.
- Communicating and Transparency, including by providing more useful information on the implementation of agreements on our website.

These headings directly respond to shortcomings in our TSD chapters identified in the debate.

This document marks the end of the discussion, but not the end of the story.  
To carry this forward, we have committed to:

- Annually assess TSD chapter implementation in FTAs.
- Use this information as part of our Impact Assessments.
- Do a review of the new plan within 5 years.

We count on your engagement and support in their implementation.

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It’s important to remember that the Trade for Sustainable Development chapters are only a part of what we do. We have other programmes, other incentives. Our Generalised System of Preferences and Everything But Arms initiative contribute too. And recent reports show that it is having an impact. Trade is a formidable tool for growth. By opening up our markets to poorer parts of the world we encourage development. But this opening does not come without responsibility. Partners in this programme must meet targets and ratify treaties on important issues such as labour or the environment. We are watching this very closely.

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We also look at the economic impact of this generous market access. If harm is caused to EU industry by excessive imports at low prices… … there is the possibility of safeguards. For example, we have recently begun an investigation to assess the impact of rice from Cambodia and Myanmar. We support development, human rights and other important goals… … but it shouldn't come at the expense of our citizens well-being in the EU.

This is just one part of a wider enforcement agenda. The EU stands for open markets…
… but we are not naïve.
We maintain a balance between opening and ensuring that rules are respected.
EU industries must be protected against unfair trade and unjustified barriers.

Since the beginning of the Commission we have imposed 33 trade defence measures.
These measures protect over 350,000 direct jobs.
We work closely with Member States to address unjustified market access barriers through economic diplomacy.
Under this Commission we removed 89 market access barriers.
This has opened opportunities around the world and across the spectrum of our industries.
It creates additional export opportunities in the range of € 2.5 billion each year.
And of course we do not hesitate to use WTO dispute settlement when needed.
The disputes brought by the EU have for instance led to the removal of:
  • discriminatory taxes,
  • illegal customs duties
  • or export restrictions in key markets such as Russia, China, US, and South America.
So now I will pass the floor over to you.
I look forward to answering your questions and to a lively discussion.

Thank you.
Contact person: [Redacted]
DG TRADE
23.03.2018

VISA: (Director or eventually HoU)