



Shaping Globalisation through EU Trade Policy

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Honourable Members,
Ladies and gentlemen,

I'd like to thank the International Trade Committee for organising this broad discussion.

People are not against trade: they see the value in terms of jobs and growth. But there is scepticism.

The themes of today's panels - shaping global trade policy and the popular legitimacy of EU trade policy - are excellent ways of framing the debate.

If the chair obliges, I'd like to say a few words about both.

I was very happy that Member States agreed to sign the Comprehensive Economic and Trade Agreement with Canada two weeks ago.

I look forward to working closely with Parliament on the next phase of our decision-making. Because CETA is an excellent example of how the EU is shaping global trade policy in order to shape globalisation itself.

The first task of the EU's trade policy is to give Europeans the opportunity to benefit from the integrated global economy.

CETA clearly does this by expanding opportunities for people who work in manufacturing companies, or as services providers, or as farmers.

But shaping globalisation is also about ensuring that people in Europe feel they have influence over the global rules that are affecting them. And that means trade policy must protect and promote values they believe in. CETA does that too.

- Its provisions on labour and environmental protection make it the most ambitious EU trade agreement ever when it comes to sustainable development.
- It approaches public services, making it absolutely clear that Europeans - and Canadians - will decide for themselves how they want their health, education and water systems.
- And the improvements on investment protection are the first step towards a global reform that will better protect the public interest in a deeply integrated global economy.

So this deal gives Europeans a voice in the world.

But it's just one example of the way EU trade policy is helping us design the global future we want to see. That's the core objective of the strategy for trade, *Trade for All*, we announced last year - an effective, transparent, responsible approach that knows that values don't just involve economics.

We are putting that strategy into practice.

We are driving new progress in the World Trade Organisation on issues that matter. New rules on digital trade would help us extract the most from the online economy, while protecting European values like data privacy.

And we are also championing an agreement on environmental goods that will both support the fight against climate change and growth for our renewable energy sector.

Moreover, when it comes to our agenda of bilateral and regional trade agreements, it is the most ambitious in the world. Beyond CETA we have five other finalised agreements which we hope will enter into force very soon. That includes the agreement with Vietnam. It's a ground breaking deal since it successfully addresses one of the major challenges of globalisation - how we relate to emerging economies.

We are negotiating more than 20 agreements. And our agenda continues to expand. This year we restarted negotiations with Mercosur and opened new talks with Mexico, Indonesia and Tunisia. Soon we hope to do the same with Australia, New Zealand, Turkey and Chile.

- Like CETA, these agreements will be economically efficient, tackling the barriers that make a difference to our ability to compete in the world. Opening opportunities for small and medium businesses and giving more choice to our consumers.
- Like CETA, they will also be anchored in European values - sustainable development around the world, high quality laws and social systems to protect people and the environment at home.
- And, like CETA, they will be negotiated in a transparent process that gives all stakeholders a voice.

Trade policy doesn't stop at agreements. We are also using the importance of our economy to shape globalisation through other tools like:

- the conflict minerals and anti-torture rules we have set this year.
- the strengthened GSP+ programme that conditions market access on living up to commitments on human rights, labour rights and the environment, as defined in international conventions.
- And we have an economic partnership with African, Caribbean and Pacific countries, boosting development through regional integration.

In short, we have a trade policy agenda that defends both our interests and the interests of the world.

But we have a legitimacy problem and we need to acknowledge it. In a democratic system like ours, a policy is only valuable if it commands public support and legitimacy.

I'm very proud of the European Union's ability to come to agreement on CETA: but it was a long and complicated process. We will have to reflect, over the short, medium and long term, on what it means for trade policy. And I hope you will be closely involved in that process.

What is clear now though is that we are living through a paradoxical moment for trade, in Europe and around the world.

On the one hand, trade is more vital for our prosperity than ever before. 31 million jobs in the EU depend on exports, and many millions on imports.

Global value chains have accentuated the long march towards specialisation that began with the Industrial Revolution.

That's why so many jobs in Europe depend on exports and why our competitiveness depends on our ability to import and connect with the world through investment.

We also have the simple fact that trade deals work. We have seen a 50% increase in our exports to South Korea since our trade deal took effect in 2011.

However, we need to address the fears citizens have.

Some of this is about the potential for jobs to be lost due to tougher international competition. This is real, even we know that trade is often blamed for changes that have more to do with technology and automation.

More important in the EU, though, is the perception that our trade agreements limit our freedom to regulate in the public interest, and are designed without people in mind.

Those perceptions were not true for CETA. But we clearly need to do more to engage people at national level and to find a new European consensus on trade.

The Commission has a role here. That's why I have visited national parliaments in 22 Member States, and will continue to engage. But we need ongoing support from you in the European Parliament and from Member States.

As Members of the European Parliament, you have an important role to play. You have the authority and credibility to participate in national conversations on EU issues and explain why open markets are in our interest. I know many of you do this well and I thank you for that.

And national governments also have a role to play, a vital one in fact – to be engaged with the trade debate and be open to their parliaments. That's not something that can be done just at the end of a long negotiation. It has to start from the moment we start adopting the mandate.

National governments also have an even more important responsibility, to help equip people to adapt to globalisation. But that's a broader debate we cannot have here today, involving areas like skills, education and infrastructure to successfully manage the fast pace of change of today's economy.

Honourable Members,

We are seeing challenging times for trade policy. But CETA shows that with determination, flexibility and openness to democratic compromise we can achieve the kinds of results that will help us provide a stable future for the people of Europe.

Our challenge now is to bring those same qualities to our daily work.

I hope I can count on your support.