Address by Minister of State for European Affairs Lucinda Creighton T.D. to the New Economic Leaders Forum, Dublin

“The Importance of the Transatlantic Trade and Investment Partnership”

19 April 2013

Ambassador, Ladies and gentlemen,

I am delighted to have the opportunity to address you today.

I would like to begin by recalling this week’s horrific events in Boston and to express my deepest condolences to our colleagues from the United States present today and to all those affected. Boston is often described as the most Irish city in the United States. It is home to generations of Irish emigrants and a place for which the people of Ireland hold particular affection. We stand with the people of that great city at this very sad time.

Europe, and indeed also the US, is working hard to tackle the ongoing economic downturn.

Ireland – as Presidency of the Council of the EU - has firmly placed Stability, Growth and Jobs at the core of our efforts.

The Compact for Jobs and Growth – the blueprint for economic recovery EU Heads of State and Government agreed to in June 2012 - identifies the single market and external trade as the two main drivers for growth.

Our job as Presidency is to facilitate this work and ensure translated into real legislation, measures and policy that - when implemented - will actually help create these much needed jobs.

Although there is much to say about the untapped potential of the single and the digital single market, I will focus my remarks on the other driver for growth: external trade.
We must recognise that as much as 90% of that future growth across the globe will be generated outside of Europe.

Enhancing trade is one of the few ways to bolster much needed economic growth without drawing on severely constrained public finances.

Advancing the external trade agenda therefore features prominently on the Irish Presidency programme, and it is no secret that Ireland has prioritised the EU-US trade relationship.

This relationship simply adds up.

In February, European Council focused on the use of trade as an engine for growth and jobs.

Substantial conclusions were agreed, spelling out a number of guidelines to help ensure that the potential of trade as a source of growth and jobs is realised.

So while the EU remains committed to further development of the multilateral trading system, immediate priority will be given to developing its bilateral trade agenda.

You will be aware that EU is currently negotiating trade issues with Canada, Japan, Singapore, India, China, Thailand and the ASEAN, among others.

I will not overload you with statistics – you know them better than anyone - but the EU and the US enjoy the most integrated economic relationship in the world.

Our economies account for about half the entire world GDP and for nearly a third of world trade flows.

EU investment in the US is around eight times the amount of EU investment in India and China put together.

Total US investment in the EU is three times higher than in all of Asia.
In other words: The transatlantic relationship defines the shape of the global economy as a whole.

Either the EU or the US is the largest trade and investment partner for almost all other countries in the global economy.

It is therefore not surprising that releasing the further untapped potential of the EU-US trade relationship is what would provide most benefit in terms of growth and jobs, on both sides of the Atlantic.

Our trade relationship has an enormous potential: which is far from being fully exploited.

Currently 15 million jobs depend on EU-US trade. That is 15 million people either employed by European companies in the US or by American companies in the EU.

The bottom-line is that both the EU and the US have a lot at stake and can ill afford to ignore this unique potential for growth.

There are also long-term benefits to unleashing the full potential of transatlantic trade: our mutual competitiveness in the global economy.

As more and more production flows from the US and the EU to emerging economies we must face facts. In order to remain competitive in the global economy Europe and the US must innovate.

And how do we do that? Long-term evidence shows that the flow of trade and investment help spread new ideas and innovation, new technologies and the best research, leading to improvements in products and services.

By investing in the EU-US trade potential, we are not only releasing short to medium-term economic and jobs growth, we are also ensuring the long-term sustainability of our economies’ competitiveness.
Given these enormous benefits, both in the medium and the long-term, I am delighted that a real momentum to advance transatlantic trade is emerging.

Internal procedures to move forward have been launched both in the US as the EU.

On February 7th the EU gave the Irish Presidency a strong endorsement to move forward on a negotiating mandate, on February 9th President Obama endorsed the launch of trade talks in his State of the Union address.

Since then a draft negotiating mandate has been transmitted from the European Commission to the Council on March 12th and on March 20th the US Administration formally notified Congress of its plan to negotiate a trade and investment agreement with the EU.

And, furthering EU-US trade relationship formed the core of the Informal Trade Ministerial in Dublin Castle these past few days.

I am hopeful that the Irish Presidency will achieve its goal of securing a negotiating mandate by the June Foreign Affairs Council, clearing the way for the actual launching of negotiations.

I am keenly aware of the fact that there will be difficult choices for both sides to make once talks get underway in earnest.

Given the low average tariffs, the key to unlocking the potential of our trade relationship lies in the tackling of non-tariff barriers.

These consist mainly of customs procedures and of diverging regulatory systems, but also other non-tariff measures, such as those related to certain aspects of security or consumer protection.

There will be difficult bridges to cross in the area of health and safety standards, public procurement and agriculture but I am convinced that if both sides take an open and flexible
approach, we will be able to agree on regulatory issues – effectively setting the standard for world trade.

An ambitious, comprehensive and far-fetching agreement on trade and investment between the EU and the US will not only trigger economic growth in our respective economies. It will also send a strong signal of leadership to other economic powers.

I sincerely hope that in a couple of years time we will look back and be able to say that Irish, European and American economic recovery was further reinforced by a game-changing and ambitious transatlantic trade and investment partnership agreement.

In the meantime, I believe we are firmly on track to achieve the Irish Presidency goal of securing a negotiating mandate by the end of our Presidency.

And I hope to be able to count on your support for this very crucial trade deal.

Thank-you