



Uachtaránacht na hÉireann ar
Chomhairle an Aontais Eorpaigh
Irish Presidency of the Council
of the European Union
eu2013.ie

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Opening Remarks by Minister Richard Bruton, TD

To European Parliament's International Trade Committee

23 January 2013.

Chairman Moreira,

I am honoured to have this opportunity to address the Parliament's International Trade Committee. The Parliament is one of the most important democratic institutions in underpinning democracy and accountability to the Union's citizens and I am grateful, Professor Moreira, for your invitation to address your Committee.

It is 40 years since Ireland joined the EU and this is Ireland's seventh Presidency. In our long and indeed very beneficial involvement with Europe, there has been a transformation in how the institutions engage with stakeholders and citizens. I very much welcome this evolution. Your Committee's extensive work and examination on international trade issues fulfils Parliament's role as co-legislator on trade. We have a joint responsibility to shape the trade policy agenda so that it delivers for citizens, employees, businesses and more broadly for society across the Union. We also have responsibility in terms of our trade partners and producers and workers in third countries, especially in those which are less economically well developed. I very much look forward to co-operating with you in relation to legislation and on trade agreements. We can only gain from seeking to understand each other's perspectives.

This is also the Year of the Citizen - a reference point that reminds me that trade policy impacts on the rights and expectations of European citizens. It underlines the importance of the work of your Committee in looking at how

trade can contribute to increasing the opportunities for citizens in a globalised world.

The Irish Presidency is taking up its responsibilities at a very difficult time for global trade, economic activity and employment. We are going through an economic crisis that is the most difficult and pervasive of all economic cycles in many decades. Consequently, it will not surprise you that the theme of our Presidency is simple and straightforward - Stability, Jobs and Growth. This reflects the reality facing our economies, businesses and citizens. That is, the urgent need to make progress on revitalising countries and communities.

Trade and investment plays a huge part in this agenda and in accelerating the capacity for growth in Europe. Increased trade, and the jobs and opportunities that it brings can be a catalyst to give hope and confidence to our citizens, that their prospects and those of their children will distinctly improve.

Our message is that Europe is always open to business and open for business. Our openness also means that others will continue to see the EU as an honest and reliable partner. One that is fair, consistent and predictable in developing its trade policies yet firm and committed when it comes to defending the rights and expectations of its economic operators, and holding our partners to honouring their commitments across the bilateral and multilateral trade agenda.

I want to now move into highlighting our priorities by commenting on the impact of trade agreements on growth and jobs. Today there are over 26 million people unemployed in the EU. The benefit to the EU economy from all potential Free Trade Agreements is about 2 million jobs. Creating these trade related jobs would be a significant contribution to tackling one of the biggest social challenges facing us today.

Our entrepreneurs have the creativity, technologies and the ambition to win more business in more diverse corners of the globe. To capture this potential means moving forward with new market access opportunities through free trade agreements. This is at the top of our agenda.

Chairman, you have completed some important analysis on the benefits from a potential free trade agreement with the U.S. Your personal involvement

underlines the importance of this topic for all concerned. Subject to the recommendations of the EU US High Level Working Group our priority is to put our energies into strengthening the transatlantic market place. Although transatlantic markets are deeply integrated through large flows of trade and investment, it is fair to say that we could do more.

We need to capitalise on what we have already achieved and fully exploit the further potential of the transatlantic economic and business relationship. The potential gain in both jobs and economic activity is too attractive not to make it a success. It would also send a strong signal that, even in times of serious economic difficulty, both economies are prepared to push ahead with extending and opening markets rather than protecting them. This would be a strong message for our other global trading partners.

To assist in furthering discussions on EU US, the Irish presidency is holding an Informal Trade Council in Dublin in April to which I would like to invite you Mr Chairman, to attend.

We are approaching the completion of yet another historic FTA – that with Canada. Canada is another important transatlantic trade and investment partner. Although tariffs are low between both economies, expected gains will be significant when behind the border restrictions are taken away. I hope that the last outstanding issues can be quickly resolved and agreement reached without too much delay.

Of course there are also other economies with which we would like to deepen and strengthen already strong trade and economic relations. I hope that we can move forward with the start of negotiations with Japan very soon. This would be a significant event involving two economies of global significance. I would also like to see progress on our negotiations with India where an FTA would provide both sides with important benefits. We have to bear in mind the wider impact of an agreement in the context of our relations not only with India but also in the wider region.

It was evident at the last Summit that there is considerable richness and potential in our relationship with China. We would like to prepare the ground for the next summit so that the conditions would be ripe to launch negotiations for a landmark investment agreement with market access.

Our Neighbourhood policy can help create the conditions to expand prosperity in areas that are closest to us not only in terms of geography but with which we have personal and economic connections. Trade negotiations with Moldova, Georgia and Armenia are making good progress and I hope will be substantially completed during our Presidency.

Our Southern Neighbours face many difficulties in tackling necessary reforms arising from the Arab Spring. Trade can make a significant contribution to accelerating the pace of their economic development and underpinning political stability. We need, however, to take into account essential capacity building so that when talks commence on liberalising trade flows, our partners are well prepared. We hope that the launch of trade talks with Morocco will be symbolic of a new, dynamic and supportive relationship with our Southern Neighbours and quickly lead to others accepting the open invitation to use trade to grow and progress.

ASEAN is a fast growing region of significant economic relevance for the EU. Their economies are growing at a faster pace than ours while the size and spending power of the EU is an attractive proposition from their perspective. We hope that the network of FTAs already underway in the region can be expanded by the addition of others, for example Thailand. This would be important as that economy is an important component in global supply and value chains.

The multilateral trade agenda continues to be of significant importance for the Irish Presidency. The WTO is the essential rule maker for international trade, making it easier for value chains to expand and economies to benefit from comparative advantage and specialisation. It also plays a vital role in helping less advantaged countries gain from trade and profit from growing connections with international markets. Making progress on key development issues, such as trade facilitation, should be one of the landmark outcomes from this year's WTO Ministerial, especially those that will most benefit Least Developed Countries. The poorest economies need the Doha agenda to have new life and for it to deliver, at the very least, on some of the issues that will accelerate growth across the least developed world.

There are other major opportunities for the EU and WTO members in Geneva based activity. We are all aware of the significant potential of trade in services to boost global trade as a whole. In order to reach a point where our common interests are best served it is important that the EU would work proactively to stimulate negotiations on services. The Irish Presidency will work constructively to optimise the EU's participation in discussions on a plurilateral on services in Geneva. We will work quickly to achieve an agreement for a negotiating mandate during early 2013 should formal negotiations commence in Geneva.

Legislative Files

I would now like to turn to some legislative files that are mutually important. Investment protection is an important constituent of trade policy. And I see that one important instrument to facilitate investment protection is on your agenda today.

Financial Responsibility in Investor-State Dispute Settlement

The Irish Presidency will work with you in seeking to achieve political agreement on a legislative framework governing the allocation of financial responsibility in investor-state dispute settlement. This is a key building block in the development of the EU's policy on foreign direct investment, which the Treaty of Lisbon brought within the scope of the Union's Common Commercial Policy. A legislative framework will close a gap. It will give us the necessary certainty to complete agreements that protect investors. Important in this regard will be the completion of agreements with a strong investment component with Canada and Singapore, advancing negotiations with Japan, India and other strategic partners, and of course as I mentioned previously, advancing the EU-China relationship.

Omnibus I&II

The Lisbon Treaty was designed to address the growing complexity of EU legislation and the effectiveness of the enlarged Union. In the trade area the two Omnibus proposals that aim at bringing trade legislation in line with the Treaty. I want to accelerate progress on these and enter into meaningful and

constructive dialogue on these files so that we can achieve agreement under the Irish Presidency.

Public Procurement

I mentioned earlier that one of the hallmarks of Europe is its openness to trade and new ideas. This is not necessarily reflected to the same extent among those with which we both trade and compete. The Commission last year made a proposal to the Parliament and the Council for a new instrument on Public Procurement. The International Public Procurement initiative aims to improve access of EU companies to the public procurement markets of third countries. Some public procurement markets can be very large and offer lucrative opportunities for exporters. The Council is currently examining this proposal and I note that you will have a second exchange of views on this file later today.

Enforcement Regulation

The relevant Council working group has also begun its work on the Commission's proposal for a Regulation connected with the enforcement of international trade rules. This is aimed at facilitating a quick response by the EU to trade impediments newly introduced by third countries that affect our interests.

Market Access Regulation

Trade and development are inseparable in considering how best to support the long term aspirations of developing countries and especially those that are most in need of support. Some of the most important means of helping build prosperity in developing nations is via the range of Economic Partnership Agreements that are under negotiation or waiting for implementation. We look forward to discussing a way forward on the Market Access Regulation now that the Second Stage reading has commenced. [Indeed I understand that you have just discussed this issue this morning and we look forward to engaging with you to achieve a second reading agreement.]

Generalised System of Preferences [GSP]

While on the topic of development I want to mention important changes that are taking place in Myanmar/Burma. Political circumstances have contributed to this country being seriously disadvantaged and held back from realising its quite significant potential. I hope that the Parliament can give early consideration to the proposal to reinstate Myanmar/Burma into the GSP to reflect the considerable strides it has taken to correct the serious failings that prompted the EU to sanction it by withdrawing trade preferences.

Chairman, in conclusion, we look forward to working with you so that we can make early progress on the important legislative files. We have a shared interest and responsibility to ensure the EU's trade policy contributes to economic growth and supports jobs. We have much to do and I look forward to working with you over the next six months as we lay the ground work for our economic operators to move into new areas of opportunity.

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