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From: General Secretariat of the Council
To: Delegations

Subject: Partial summary of the meeting of the European Parliament **Committee on International Trade (INTA)** held in Brussels on 13 and 14 July – Items 4 to 6, 11 to 13, 15 and 18 to 22 on the agenda
Chair: Mr Lange (S&D, DE)

- **INTA held an exchange of views with Commissioner MALMSTRÖM on the EU's future trade strategy. EPP, S&D, ALDE, GUE/NGL and EFDD broadly welcomed the approach and in particular its focus on transparency, EU values and the multilateral agenda. On the other hand, the Greens/EFA and ENF criticised the current EU trade policy, with the Greens considering it solely mercantilist and the ENF noting mounting opposition to it. For its part, the ECR feared that the politicisation of trade policy could hinder progress in free trade agreement talks.**
- **INTA exchanged views with the Luxembourg Presidency. MEPs welcomed the Presidency's extensive and ambitious agenda and highlighted the need to strengthen the EU's trade policy by increasing transparency, communication and inclusiveness.**
- **INTA decided by a large majority to enter into informal trilogue negotiations with the Council on conflict minerals.**
- **INTA discussed the draft motion for a resolution on Ecuador's accession to the Trade Agreement concluded between the EU and its Member States and Colombia and Peru, which was broadly supported by political groups with the exception of the Greens/EFA.**

4. Exchange of views with Cecilia Malmström, Commissioner for Trade, on the Future Trade Strategy

Commissioner MALMSTRÖM delivered the speech contained in the Annex in which she outlined the key values behind the Commission's future approach on trade strategy: benefits of trade for all; a trade policy committed to the EU's values; as well as transparency and accountability.

Mr CASPARY (DE), for EPP enquired on the prospects for progress regarding the multilateral agenda ahead of the 10th World Trade Organisation (WTO) Ministerial Conference in Nairobi, on the Transatlantic Trade and Investment Partnership (TTIP) talks, on customs cooperation, on the availability of the final text of the Comprehensive Economic Trade Agreement (CETA) and on the prospects for concluding trade agreements in the Asia-Pacific region.

Ms MOSCA (IT), for S&D, viewed trade policy as a vital tool to tackle the challenges posed by globalisation. She praised calls for transparent communication and consultation to restore citizens' trust in the EU institutions and proposed focussing more on the digital market. She also asked the Commissioner about COP 21 in Paris and in particular greenhouse gases.

Mr CAMPBELL BANNERMAN (UK) for ECR, enquired about the EU-India trade talks and the possibility of removing agriculture tariffs. He voiced some concern over the EU's accent on political aims in trade policy which he feared could hinder progress in trade talks.

Ms SCHAAKE (NL) for ALDE felt that EU values ought to be reflected in every element of foreign policy. She asked the Commissioner how she viewed the politicisation of trade policy (Russia, emerging economies, etc.) and how the EU could be part of the expected growth without turning a blind eye to its standards and values.

Mr SCHOLZ (DE), for GUE/NGL, advocated coherence between trade and economic policies. He saluted the renewed focus on multilateralism to tackle the current challenges such as climate change and poverty reduction and asked how the Commission could secure the support of Member States, and how trade would contribute to overcoming the current crisis with Russia.

Mr JADOT (FR), for the Greens/EFA, criticised the current state of affairs in the EU and its neglect of solidarity, and considered the EU trade policy to be solely mercantilist.

On behalf of the EFDD, Ms BEGHIN (IT) preferred trade and cooperation over protectionism.

She viewed trade as a tool which could contribute to exiting the crisis as long as it was based on mutual rules and a fair distribution of benefits. She advocated multilateralism and sustainability and suggested focusing on customs practices and safeguard clauses.

Mr FERRAND (FR), for the ENF, criticised the EU's trade policy which failed to consider the growing opposition of citizens to free trade. The EU, which was one of the largest free trade areas in the world, had the lowest growth rate. Would European industry and agriculture be sacrificed on the altar of free trade? He was also highly critical of the EU's neighbourhood policy.

Commissioner MALMSTRÖM referred to the new Commission strategy to work in groups and clusters to ensure coherence and avoid gaps between EU policies. She backed the multilateral agenda and said that trade should contribute to peace and development in the world. In her opinion, standards and rules of origin should be dealt within the WTO and therefore as part of the multilateral agenda. She also said that she wanted to achieve an agreement on a list of green goods that would be freed from customs at the Paris COP21 conference. She claimed that CETA's legal scrubbing should be finalised soon and ready for approval by early 2016. She mentioned some progress on the investment agreement with China and on trade talks with Japan and noted that negotiations with Vietnam were almost concluded. She announced that the EU and India chief negotiators would meet in August and that a proposal on free trade talks with Australia and New Zealand should be presented by October 2015. She said that the EU needed to reflect more internally on China's market economy status and that the next meeting on the tripartite talks on the Deep and Comprehensive Free Trade Agreement (DCFTA) with Ukraine was expected to take place in September.

5. Accession of Ecuador to the Trade Agreement concluded between the EU and its Member States and Colombia and Peru

INTA/8/03260 2015/2656(RSP)

Rapporteur: Helmut Scholz (GUE/NGL)

- Consideration of draft motion for a resolution

Mr SCHOLZ (GUE/NGL, DE) said that the European Parliament (EP) had backed the agreement on the condition that Ecuador would take measures to ensure the protection of human rights and of the environment, as well as to improve the social situation. Moreover, he considered Ecuador's accession as the ideal opportunity to take stock of the situation and to assess whether the measures were being met.

With the exception of the Greens/EFA, MEPs broadly welcomed the draft motion for a resolution and Ecuador's accession to the agreement.

They also supported extending the General System of Preferences (GSP) until the agreement came into force, and Mr SCHOLZ's call for Ecuador's banana export quotas to be respected. Mr BORRELLI (EFDD, IT) agreed with provisions in the resolution on human and labour rights and sustainable development. However, Mr FISAS AYXELÀ (EPP, ES) held that the resolution should focus more on the trade aspects and benefits of the agreement and less on Ecuador's political and environmental assessment. Mr LANGE (S&D, DE) felt that the text could be improved with regard to the implementation of the agreement and proposed introducing an amendment on fair trade in paragraph 5 (corporate social responsibility). He agreed with the focus in the resolution on economic development to eradicate poverty and on the ratification of International Labour Organisation (ILO) conventions, particularly on labour inspections. Mr ZHRADIL (ECR, CZ) noted that Ecuador would accede to an already existing treaty with Columbia and Peru which did not justify any extra requirements. Moreover he claimed that there should be no new binding chapters and no EU interference in Ecuador's internal affairs. Ms KIRTON-DARLING (S&D, UK) referred to the need to set the same criteria for any country acceding to the agreement in the future (i.e. Bolivia) and considered it normal to improve the existing agreement. Ms RODRÍGUEZ-PIÑERO FERNÁNDEZ (S&D, ES) regretted the absence of references to gender issues in the text, while Ms KELLER (Greens/EFA, DE) reiterated her group's opposition to the FTA.

The Commission representative welcomed the broad support for Ecuador's accession to the agreement. Yet he refuted claims in paragraphs two and three of the draft motion for a resolution that the Commission was not properly briefing the EP and supporting the implementation of Columbia's and Peru's action plans. On the other hand, he agreed with calls in paragraph 28 for the Commission to submit to the EP the subcommittee's agendas and minutes, something which he said the Commission had already done after the meeting in Bogota in June 2015.

6. Exchange of views with UNCITRAL Secretary-General, Renaud Sorieul, on the United Nations Convention on Transparency in Treaty-based Investor-State Arbitration (NLE 2015/0012)

Mr CICU (EPP, IT) viewed cooperation with United Nations Commission on International Trade Law (UNCITRAL) as a chance to improve investor-state arbitration and referred to INTA's support for a body of professional judges, an appellate mechanism, transparency, access to documents and the involvement of all stakeholders.

UNCITRAL's Secretary-General, Mr SORIEUL explained that UNCITRAL's rules on transparency adopted in 2013 provided a procedural regime that gave the public broad access to open hearings and to a wealth of documents relevant to a dispute, as well as a qualified right for third parties to make submissions and which included robust safeguards for the protection of confidential data. The rules also tried to balance the public interest in receiving information and the interest of disputing parties in a fair and efficient resolution of their disputes. Also, the recently adopted UN Convention on Transparency in Treaty-based Investor-State Arbitration (December 2014) supplemented existing investment treaties with respect to transparency-related obligations, and provided flexibility to parties to formulate reservations, thereby excluding from the application of the Convention specific investment treaties or a specific set of arbitration rules other than UNCITRAL's. The rules also provided for the UN Secretary General performing the function of repository of published information. According to Mr SORIEUL, UNCITRAL's rules on transparency could significantly contribute to enhancing transparency in the Investor-State Dispute Settlement (ISDS) regime, improving trust in the existing international framework and modernising the overall investment regime.

He noted that to date the convention had one state party and ten signatories including a number of EU states: DE, FI, FR, IT, UK and SE. He also mentioned the need for the political will to reach a consensus on a mechanism similar to the transparency convention such as an appellate mechanism or an international investment court. The best approach could be to task a separate institution with that responsibility. He felt it would take a long time to reach an agreement on the substance and questioned whether there was indeed the need for such a mechanism.

Ms SCHAAKE (ALDE, NL) regretted that only 6 EU countries had joined UNCITRAL's Convention and Mr LANGE (S&D, DE) complained that Member States were blocking the Commission from signing it, while Mr ZHRADIL (ECR, CZ) asked if the Commission was working with the Council to ensure the EU's adhesion to the Convention by the end of 2015. On the other hand, Mr SCHOLZ (GUE/NGL, DE) pointed out that despite UNCITRAL's Convention on transparency there were still gaps and loopholes in the disclosure of data.

The Commission representative confirmed the need for the EU to join the Convention as part of the general movement of reform.

Mr SORIEUL pleaded for adhesion to the Convention. He said that if the project for the creation of an international tribunal of arbitration went forward it would be a long and complicated one (issue of compatibility with pre-existing treaties).

In his opinion, irrespective of what happened with the international arbitration court, the existing system had to be reformed to function more adequately. The transparency project was just a first step.

***** Voting time *****

11. Union system for supply chain due diligence self-certification of responsible importers of tin, tantalum and tungsten, their ores, and gold originating in conflict-affected and high-risk areas

INTA/8/00381 2014/0059(COD)

Rapporteur: Iuliu Winkler (EPP)

Vote on the decision to enter into informal trilogue negotiations with the Council with the aim of reaching a first-reading agreement, after a partial vote in Plenary.

The decision to enter into informal trilogue negotiations with the Council was adopted with 24 votes in favour, 0 against and 15 abstentions.

12. Protocol Amending the Marrakesh Agreement Establishing the World Trade Organisation

INTA/8/03073 2015/2067(INI)

Rapporteur: Pablo Zalba Bidegain (EPP)

- Adoption of draft report

The draft report was adopted with 29 votes in favour, 4 against and 6 abstentions.

13. Protocol Amending the Marrakesh Agreement Establishing the World Trade Organisation

INTA/8/02797 2015/0029(NLE)

Rapporteur: Pablo Zalba Bidegain (EPP)

- Adoption of draft recommendation (consent)

The draft recommendations were adopted with 32 votes in favour, 4 against and 2 abstentions.

***** End of vote *****

15. Presentation by Jean Asselborn, Minister for Foreign and European Affairs, representing the President-in-Office of the Council, on the priorities of the Luxembourg Presidency in the area of International Trade Policy

INTA/8/02847

The Minister for Foreign and European Affairs of Luxembourg, Mr ASSELBORN, presented the Presidency's priorities in the field of trade to the International Trade (INTA) committee. He pledged to cooperate with all stakeholders concerned and with INTA in particular to move forward on a number of legislative, bilateral and multilateral files through open and regular dialogue. MEPs welcomed the Presidency's extensive and ambitious agenda and highlighted the need to strengthen the EU's trade policy by increasing transparency, communication and inclusiveness.

The main dossiers highlighted during the discussion were as follows:

From the side of the Presidency:

- **Multilateral/plurilateral files:** Conclusion of the Doha Development Agenda (DDA) in Nairobi in December 2015 and next steps. Concluding the ratification process of the Trade Facilitation agreement in October before the 10th WTO Ministerial Conference, and moving forward the plurilateral environmental goods negotiations in the context of COP21 in Paris. Unlocking the stalemate on the Information Technology Agreement (ITA). Moving forward with Trade in Services Agreement (TiSA) talks while safeguarding the ability of EU countries to legislate, protecting privacy and excluding public services from the scope of negotiations.
- **Transatlantic Trade and Investment Partnership (TTIP):** Achieving a new quality in TTIP negotiations in terms of substance, dialogue and transparency and in particular on regulatory cooperation, services, sustainable development and public procurement. The Presidency intends to organise a Conference on TTIP in Brussels with the participation of all interested parties including civil society.
- **Other bilateral files:** Comprehensive Economic Trade Agreement (CETA): (preparing and following ratification by the EP and national parliaments once legal scrubbing is concluded. Note: the Presidency will take into account both in TTIP and CETA concerns over investment protection and in particular over Investor-State Dispute Settlement (ISDS)). Free Trade Agreements (FTAs) with Japan and Vietnam (conclusion before the end of 2015. Could then serve as templates for other FTAs in the Asia-Pacific region and in particular with Malaysia, Australia and New Zealand).

Tunisia (launching negotiations on a comprehensive trade agreement to support the reforms process and give privileged access to the EU market). Association Agreement and Deep and Comprehensive Free Trade Agreement (DCFTA) with Ukraine (continuing tripartite talks with Russia and Ukraine to ensure implementation in 2016).

- Legislative files: Obtaining a negotiating mandate from the Council on the conflict minerals and anti-torture files to begin trilogues with the EP and the Commission. Unlocking the stalemate in the Council on the Modernisation of Trade Defence Instruments (TDI) file.

From the side of MEPs:

The majority of issues raised had already been mentioned by the Presidency (TiSA, WTO conference, Neighbourhood Policy, TTIP, CETA, ISDS, Conflict Minerals, TDI). Additionally, the following issues were also raised:

- Calls for the Council to resolve the deadlock within the EU over internal competencies to ratify the UNCTAD/UNCITRAL Convention on Transparency in Treaty-based Investor-State Arbitration, (Mr MARTIN -S&D, UK).
- Prospects regarding trade relations with China and accession to Market Economy Status (Mr BORRELLI -EFDD, IT). (The Presidency indicated that the EU would adopt a position after the conclusion of the ongoing legal analysis on the protocol of accession).
- Prospects and timeline on EU-Cuba relations (Ms RODRÍGUEZ-PIÑERO FERNÁNDEZ - S&D, ES).

18. State of Play on the Doha Development Agenda

INTA/8/03099 2015/2632(RSP)

Rapporteur: Bernd Lange (S&D)

- Exchange of views

Mr LANGE (S&D, DE) explained that so far a new mandate for the World Trade Organization's (WTO) tenth Ministerial Conference in Kenya had not been tabled. He wanted the European Parliament to have a clear position on this matter and announced that the resolution would be further discussed on 21 September.

The Commission representative acknowledged difficulties agreeing on the WTO working programme, which he felt should not prevent the Commission from striking an agreement in Nairobi. He considered it key to find a common position among developed, emerging and least developed countries (LDCs) and conceded that the deal envisaged in 2008 was no longer possible due to the new global balance. He therefore claimed that if a recalibration (lower level of liberalisation) was not achieved, it would be very difficult to get a deal, which could prove very costly for the WTO. He explained that the main blocking element in the negotiations was the support to domestic producers in agriculture: China considered it unacceptable to have requests in this field and the EU tried to act as a broker. He also explained that another chief obstacle was market access, since many WTO members had already taken a great number of liberalisation steps regionally and bilaterally and were less keen to open up at a global level, particularly the less developed countries and the emerging economies, because of China (liberalisation in the WTO means opening up to imports from China).

19. Protecting against the effects of the extra-territorial application of legislation adopted by a third country and actions based thereon or resulting therefrom (recast)

INTA/8/02799 2015/0027(COD)

Rapporteur: David Martin (S&D)

- Exchange of views

Mr MARTIN (S&D, UK) said that the EU had always taken the view that extraterritorial legislation on European companies and citizens was a violation of international law. He explained that the regulation had been in force since 1996 when US sanctions were enacted and that the aim was to protect European entities by ensuring that they did not have to comply and would be compensated if they were put at a disadvantage by such US actions. It also contained a clause that allowed for exceptional compliance by EU individuals or companies if it harmed them or the EU not to do so. He pointed out that the recast consolidated the existing text although it made changes in the use of delegated and implementing acts. He considered this to be a good time to do so in view of the moves towards a normalisation of relations with Cuba and the deal with Iran.

The Commission representative gave a brief presentation of the file, explaining the purpose of this codecision file, which was a codification of Council Regulation (EC) No 2271/96 of 22 November 1996. The proposed Regulation would supersede the various acts incorporated in it and would also include substantive amendments such as the introduction of delegated acts for updating relevant Annexes. He stressed that this codification was a purely technical exercise.

Extensive discussions were taking place between the legal services of the three EU institutions, with a view to issuing a joint opinion on the appropriate legal basis.

Mr MARTIN (S&D, UK) voiced his concerns about the use of three legal bases: he agreed with Articles 64 (on free movement of capital) and 207(2), but questioned the use of Article 352 (flexibility clause). He noted that the Legal Affairs (JURI) Committee also took that view. He welcomed the proposal to confer the power on the Commission to adopt delegated acts for the update of relevant Annexes, confirming that the EP would agree to the Commission's proposal in this regard, as the procedure provided for the EP's involvement. He admitted however that the Council would rather opt for implementing powers to benefit Member States.

20. Monitoring Groups' Activities

INTA/8/01441

- Exchange of views
- Mr ZALBA BIDEGAIN (EPP, ES) chair of the monitoring group on Mercosur referred to the EU-Mercosur Ministerial meeting on 11 June, which had focused chiefly on the exchange of offers. He considered that agricultural policies continued to be the main stumbling block. MERCOSUR's Presidency (Paraguay) would soon propose a schedule to eliminate non-tariff barriers and equivalent measures affecting cross-border trade. Argentina had asked for more time for talks, Venezuela had decided not to take part in the agreement, Bolivia had threatened not to join MERCOSUR if a trade agreement with the EU was signed, the Brazilian Parliament had not yet pronounced itself on the agreement and the Commission would continue to negotiate on the basis of the old mandate.
- Mr LANDSBERGIS (EPP, LT), chair of the monitoring group on Ukraine, said that the last meeting had focused chiefly on Russia's grievances on the EU-Ukraine Deep Comprehensive Free Trade Agreement (DCFTA) which so far had not been clearly defined.

He explained that most of the meeting was held in camera and that Russia was pushing for a separate agreement (in parallel with the DCFTA) to condition Ukrainian trade. He noted that the EU position did not support that approach and that the Commission's mandate remained unaltered and in accordance with the Minsk Agreements.

- Mr LANGE (S&D, DE), chair of the monitoring group on the US, informed the Committee about the meeting that took place in July in preparation for the tenth round of negotiations between the EU and the US and which would be subject to a debriefing round in September.
- Mr BORRELLI (EFDD, IT), chair of the monitoring group on Central Asia, said that the

constituent meeting on 25 June had dealt with Kazakhstan and Uzbekistan. He pointed out that Kazakhstan was the biggest country in Central Asia and had trade relations with several EU countries. The EU would be able to boost its political and trade relations with Kazakhstan once the financial and cooperation partnership was concluded. Therefore he requested the European Parliament's support for approval of the terms of the agreement. He mentioned Kazakhstan's strategy of economic transformation and diversification based on foreign investment in areas such as innovation, sciences, education and R&D, and of administrative reforms (public administration, the rule of law, transparency and accountability).

There was a lot of scope for cooperation with Kazakhstan, particularly in the energy sector, and it was important to keep an eye on developments regarding the cotton harvests. According to the International Labour Organisation (ILO), the trend towards increased mechanisation in the country after the Soviet period and the conversion of the cotton sector towards fruit and vegetable production was changing the situation slowly and leading to less exploitation of forced labour (including child labour).

- Mr BOGE (EPP, DE), chair of the monitoring group on Central America and Cuba, announced that the group had held its first meeting in the presence of representatives from the Commission and the European External Action Service (EEAS) with discussions focusing on Cuba. He referred to some progress in terms of political dialogue with Cuba and underlined the country's objective to provide Internet access for fifty per cent of its households by 2020. He said that together with Venezuela, the EU was Cuba's most important trading partner. The EU imported agricultural products, food and beverages, tobacco and mineral products from Cuba and exported, machinery, appliances, and chemical and vegetable products. Mr BOGE noted that Cuba was in some respects in a leading position as regards the medical sector and that there was room for cooperation in this field provided there was an agreement on intellectual property. Cuba had not signed the Cotonou Agreement and had been outside the programme of Generalised Scheme of Preferences (GSP) since January 2014. It was not expected that Cuba would soon join any international financial instruments or any trade facilitation agreements. Irrespective of the developments in Cuba, the European Development Fund (EDF) and the Development Cooperation Instrument (DCI) were not expected to receive any new financial commitments from the EU side. The Cuban authorities did not specify the identity of foreign investors to protect them and the socialist nature of the Cuban economy did not allow for comparisons with the EU economy.

He also mentioned the construction of a large port (Mariel), with capacity for 1 million containers, near the capital Havana. He informed the Committee that the next meeting would take place at the beginning of September and would focus on talks with the Rotating Presidency of the Central American Integration System which was presently held by El Salvador.

22. Date of next meeting

The next meeting would be held in Brussels on 31 August 2015.

Speech by Commissioner Cecilia Malmström

Ladies and gentlemen,

Ten months ago at my hearing to become Trade Commissioner in this House, I referred to trade as an important contribution to our economic success. I also referred to the need for the trade policy to be inspired by our democratic values, transparency and accountability.

The forthcoming trade strategy will highlight precisely these areas:

One: the benefits of trade for all: our economy in general, consumers, entrepreneurs, SMEs and the poorest countries.

Two: trade policy's commitment to our values in the world, supporting our foreign policy, promoting the respect of human rights, social and environmental rules.

Three: transparency and accountability: I have made transparency one of the top priorities for this mandate. Many trade documents, including the trade negotiating mandates that were secret in the past are now publicly available.

The trade strategy will confirm this trend and will move further on transparency, with more dialogue and consultation with the European Parliament, national parliaments and civil society.

Therefore, our approaches to put these principles into practice need to be adapted and to reflect new realities. That is why I am preparing an updated trade strategy. It's still a work in progress, which is why we're here today to get your views.

I have already had many conversations with people interested in trade policy, including several of the members of this committee.

And we have done quite a bit of thinking and travelling around Member States listening to different ideas.

I would like to share some of that thinking with you now, starting with the new context and then how we propose to react to it.

The new trade policy context has three characteristics:

First, trade must remain an engine for growth and jobs, creating new economic opportunities.

One in seven jobs in Europe today depends on exports. Those jobs are highly skilled and better paying than the average. We need more of them.

In the future, 90% of world growth is going to happen outside Europe. We need to be connected to that growth.

Trade agreements still help us do that. To give one example, since the EU-South Korea free trade agreement entered into force in 2011 our exports are up by 35%.

What has changed is that today's global value chains connect economies more tightly and in different ways than ever before. That is the second piece of context for our new trade strategy. Today, global trade flows of goods and services are equivalent to 32% of world GDP.

80% of Europe's imports are of parts, components and raw materials. And we use many of them, to make the products we export to the world.

So to provide jobs in Europe, companies have to be able to move finished products but they also need to move parts and equipment.

Thousands of jobs also depend on imports, with European companies leading the way in sectors such as retail, transport and logistics.

Equally important, they need to provide services easily across borders. We need to facilitate the movement of people – technicians, engineers and service providers.

There is still a lot of untapped potential in the development of trade in services, which represent 40% of the value we add to EU exports of goods.

Eliminating barriers in countries outside the EU to services and investment will be key in the years to come. Opening up our borders and increasing mobility to attract new ideas, skills and innovation will also be a vital tool to sustain our European competitiveness.

The third aspect of the trade policy context is a new political environment.

Some of that change comes from the intense debate about the Transatlantic Trade and Investment Partnership. This new trade strategy communication will not be about TTIP. But of course we are drawing lessons from the debate for the rest of our work, especially when it comes to transparency and the necessity to explain and to engage, showing with facts and figures what negotiations are about.

Today, consumers do not only demand lower prices: European consumers care about how products are made: whether products are made under decent conditions, whether people are paid a decent salary, whether they respect human and social rights and the environment. Consumers have the right to know in order to take well informed decisions. Trade policy must respond to these concerns. And many surveys show that more and more consumers are willing to pay more for fair trade products.

We must make sure that our work is aligned with the EU's core values on issues like human rights and sustainable development in particular. And that, in turn, means being part of and supporting the EU's wider foreign, neighbourhood and development policies.

Making these changes will be a challenge. I look forward to your suggestions today about how to approach it.

But let me give you some ideas of what we are thinking about so far.

There are three potential sets of actions:

First, we need to make sure that trade policy is effective in today's global economy.

That means tackling new kinds of trade barriers. We should work harder to open services markets. We live in a digital age, and digital trade is global by nature. The openness of the European internal market should be maintained and developed further in the digital world, allowing consumers and business to access a broadened global digital market, with the only limit being the protection of personal data. The global e-commerce market is now estimated to be worth over 12 trillion euro.

A more effective policy also means doing more for SMEs. They already account for 30% of our exports. But only a small percentage of all EU SME's export beyond our borders. We have taken an ambitious approach to help SMEs gain from TTIP. We are now considering expanding this to other negotiations.

A more effective policy also means a new focus on implementation of trade agreements. We have to make sure that the benefits actually reach consumers, companies, and workers. To do this, we need a closer partnership between the Commission and Member States, who control trade and investment promotion. I hope that Parliament will support us too, particularly when it comes to provisions on sustainable development.

My second goal is that the new trade strategy makes trade policy more responsible. We need to do more to fulfil our broad treaty mandate to promote EU values around the world.

That starts with the process. Democracy is perhaps our most fundamental value and it has been questioned when it comes to trade. So we must be more transparent. We have already opened up the Transatlantic Trade and Investment Partnership and the Trade in Services Agreement.

Our mandates from the Council and the EU's text proposals for both of these negotiations are now online. In the new strategy I will propose to extend these practices to other negotiations.

We also have to go beyond the process.

The EU's rules on health, safety, workers' rights, consumer protection and the environment are an expression of our values. Our high standards show our respect for human dignity and the environment.

But many people are worried that EU policies on investment protection and international regulatory cooperation are undermining those achievements.

This is not the case. The new communication should seek to make very clear that regulatory cooperation is not about lowering protection.

On investment, I have proposed a deep reform of the current system, including setting up an International Investment Court. The communication should set out how we will take this idea forward.

Integrity in government is also a European value. That's something I worked a lot on in my previous role as Home Affairs Commissioner, for instance by fighting corruption. I believe trade policy can be used to advance this same cause. The communication will set out how, reinforcing our provisions on government procurement, transparency in trade and investment relations and looking at dedicated provisions against corruption in our trade instruments.

Sustainable development is certainly also an area where the EU has and should continue to show leadership. And we should bring other countries, especially emerging countries, on board. We want trade to give new economic opportunities to the world's poorest people. And we want them to have safe and dignified working conditions and a clean environment.

The communication should promote responsible supply chain strategies that support these objectives. I believe that the Commission can do more to promote the broad fair trade movement, supporting the good work carried out by many NGOs and many cities.

Ambitious provisions on trade and sustainable development should be the norm. And we should use the institutional structures of our FTAs to support and boost our partners' efforts in this respect.

By the way, we don't have to wait until the communication is published to take action to support the world's least developed countries. They have requested an exemption from the WTO's intellectual property rules on access to medicines, for as long as they remain LDCs. Provided I have the backing of the College of Commissioners, the Council and this Parliament, I want to respond positively to that request.

My final goal for the new strategy is to bring our negotiating agenda up to date.

In a world of more and more bilateral agreements, the EU has to remain a strong defender of the multilateral system.

That's because multilateralism is a value enshrined in our treaty.

But it's also because multilateral trade deals are the best response to a world of global value chains. Trade rules that apply in 161 WTO countries are much easier to use than a web of subtly different bilateral agreements.

That means working hard to deliver the Doha Round in Nairobi. But it also means looking beyond Doha.

A key step towards this and one of the major challenges for trade policy in the coming years will be to simplify the system of bilateral agreements we are now creating. That means we may need to negotiate more open bilateral negotiations towards becoming plurilateral deals.

We are looking at ways to do that. For example, we could make it possible for other countries to join existing EU FTAs, including TTIP, once they are completed. We could also try to make the rules of origin in our different trade agreements more compatible with each other.

We will also focus on some specific geographical regions.

Asia-Pacific is an obvious candidate. We need to deepen our relationship with China, we need to move ahead quickly with our ASEAN partners and plan new investment agreements in other parts of Asia. We will look at deepening our ties with partners like Australia and New Zealand with which we share so many values.

Africa is also vital. The conclusion of Economic Partnership Agreements has established a new dynamic process and partnership between our two continents. It paves the way for even closer cooperation to implement them. It also prepares us to go beyond EPAs on issues like investment with the right partners.

We need to complete and strengthen the network of agreements we have built in Latin America. I have begun work within the Commission to allow us to soon start modernising our agreements with Mexico and Chile.

In our neighbourhood, we will be looking at how to reinforce cooperation, starting with a negotiation on DCFTAs with Morocco and hopefully launching negotiations with Tunisia, this autumn.

Honourable Members,

To do all of this we will need to cooperate.

Since the Lisbon treaty, we have come up with creative, intense and effective ways of working together. This is not always easy but when we do it we achieve results for the best EU interests.

To modernise EU trade policy...

... to make sure that is effective, to make sure it is responsible and to make sure our efforts are targeted at the right partners ...

... we will need more of those efforts.

Your ideas, your drive, your input and your close connection to the people you represent will all be vital to our success.

So I look forward to our discussion now and in the days to come to deliver a better trade policy for our citizens.

Thank you.
