

Presentation by the Minister of Commerce, Industry and Tourism before the International Trade Committee of the European Parliament, 11 July 2012

Honourable Members of the European Parliament, Mr. Chairman,
Vice Chairmen and members of the INTA Committee,
Ladies and Gentlemen,

My presence today before the European Parliament and more specifically the INTA Committee is in line with the well established practice of briefings made by the Presidency of the Council on the priorities and the actions it undertakes to promote during its six-month term on questions pertaining to International Trade.

But in addition to complying with established practices, my presence here is indicative of my respect for the institution of the European Parliament and the crucial role it plays in preserving and strengthening even more the position of the EU on the global political scene, and in making the EU more democratic, closer to its citizens and listening to them. Besides, the central message and basic effort of the Cyprus Presidency is a Better Europe, first and foremost, for its citizens.

We are taking over the Presidency of the Council at a difficult economic conjuncture due to the global financial crisis. As a result of this crisis, we watch European citizens increasingly questioning even the very edifice of European integration. International trade, either in the framework of multilateral cooperation, or at a bilateral level, can play an important role in reversing this situation, as it is a growth pillar of strategic importance for the reflation of the economy.

At the same time it clear, that the European Union must preserve its leading role in the protection of universal principles and values, such as human rights, democracy, the rules of law, sustainable development and in reflecting these principles and values in the economic and trade agreements we conclude at a bilateral level and in our cooperation at the multilateral level. Besides, this is an obligation emanating from the Strategic Framework and the Action Plan we have recently adopted.

In my initial intervention I will make an outline of our basic policies and of the specific issues we shall manage in the coming six months, as these have been agreed in the context of the Presidency Trio. Availing myself of this opportunity, I would like to express my thanks to both the Polish and the Danish Presidency for their cooperation throughout this period and also to congratulate them on the successful management of the important dossiers they had undertaken.

Surely, it would not have been possible to achieve all this without the constructive cooperation and important contribution of the European Parliament and more specifically of the International Trade Committee and the Commission. We express our thanks and congratulations for your contribution.

In the context of the **Euro-Mediterranean Partnership** we consider that there is fertile ground to expand and deepen the trade relations between the countries of **Southern Mediterranean** and the EU. In addition to speeding up the on-going negotiations on sectoral agreements, we are looking forward to the successful conclusion of the on-going procedures so that negotiations may start soon on the conclusion of Comprehensive Free Trade Agreements with Jordan, Morocco and Tunisia.

As far as bilateral agreements are concerned, I believe we all agree that the Comprehensive Economic and Trade Agreement we are pursuing with Canada will be one of the most important agreements to be concluded by the EU, as it will be the biggest free trade agreement ever concluded all over the world.

Its scope and the multiple sectors it covers open up many roads for further economic cooperation and development between the two partners. Of course, we do not underestimate the outstanding matters that still remain on important subjects which are associated with the different economic structures between Canada and the EU. However, we are hopeful that with goodwill and a conciliatory spirit these outstanding issues will be solved, given that the two sides declare their commitment for the completion of the agreement.

Singapore, the biggest trading partner of the EU among the countries of the Association of Southeast Asian Nations (ASEAN) with which negotiations started for the conclusion of a Free Trade Agreement, has shown the necessary will and determination for the successful conclusion of negotiations. At the same time, negotiations with **Malaysia** are at an advanced stage, while **Viet Nam**, following a Council decision, will be the next ASEAN country with which negotiations have started.

As far as ongoing negotiations with **India** are concerned - a country which because of its size and high growth rate offers important opportunities for European businesses, especially in the sectors of services, investments and public procurement- for our part, we shall make every effort so that satisfactory progress is achieved and the negotiations lead to a balanced agreement. However, to achieve this, there is need for corresponding political will to be shown from the other side, something for which there are no signs at this moment.

Unfortunately negotiations with **Mercosur**, after their resumption, are facing important challenges, particularly due to the fact that Argentina has increasingly been taking protective measures against European firms. We have to continue and intensify our efforts for the abolition of these measures and for the continuation in a constructive climate of negotiations on the further reduction of protective barriers.

Furthermore, in the framework of the **Eastern Partnership**, we shall continue to support negotiations for Comprehensive Free Trade Agreements with **Armenia**, **Moldova** and **Georgia**, hoping that they will be concluded in due time.

The European Union has to continue to play an active role in combating poverty and in assisting the growth of developing countries.

Seeking to achieve a dual outcome, on the one hand to achieve the gradual integration of these countries into the world trade and on the other to strengthen their competitiveness through the conclusion of trade agreements, it is advisable to speed up the negotiations for the conclusion of Economic Partnership Agreements with the African, Caribbean and Pacific Group of States (ACP). Therefore, we are looking forward to making steady progress in the completion of Partnership Agreements with more than one regions of the ACP.

As you know, the scoping paper for a free trade agreement between the EU and Japan has been completed. Commissioner for Trade Mr. De Gucht at the latest meeting of EU Trade Ministers has informed the member states that the Commission intends to ask the Council for the negotiating brief for the start of negotiations. Subsequently, the Council will discuss the issue and take the necessary decisions.

As Presidency we shall ensure, acting as honest brokers, to work in such a way that the Council may reach the best possible result which would reflect the will of member states.

Turning now to the **United States**, our most important trading partner, we should continue our efforts to facilitate any form of cooperation which could bring benefits to both sides of the Atlantic.

The initiative to form a High-Level Working Group on Jobs and Growth is an example, I would say, of the possibilities for cooperation existing between the EU and the United States, which should be further elaborated and developed. In this context, we are waiting for the findings of the study of the Working Group and accordingly we shall be in a position to initiate negotiations for the conclusion of a Free Trade Agreement with the United States.

With regard to **China**, with which there are clearly great trade prospects, it appears that gradually the right climate is being created for a possible start of negotiations for a stand-alone investment agreement.

Of course, experience over the years has shown that the multilateral approach to trade matters in the framework of the World Trade Organisation could give another dimension both to multilateral trade relations and to the dynamism of bilateral relations.

For this reason we are hopeful that the suitable climate will be created in the last half of the year for the revitalization of the **Doha Round** during 2013, with emphasis on the agreement on measures which will be helpful to the Least Developed Countries in facilitating trade and in revising the provisions governing the Settlement of Disputes.

In addition to the above, I would like to underline the important role played by the European Parliament in a number of legislative proposals, as for example the Bilateral Safeguard Clauses in the Association Agreement between the EU and Central America and the Colombia - Peru Free trade Agreement, the Regulation on Market Access for the ACP countries, the **Omnibus I and II** proposed Regulations on the decision- taking process, as this should be adapted to provisions set by the Lisbon

Treaty. Our aim is to achieve agreement on these Regulations so as to ensure the unhindered functioning of the EU.

At this point I would like to thank you for your attention and I am at your disposal for any questions.