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MEMO

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EU-Japan Free Trade Agreement: Commissioner De Gucht welcomes Member States' green light to start negotiations

Remarks by EU Trade Commissioner Karel De Gucht following the Foreign Affairs Council (Trade)

I am delighted that the Council has today decided to give the Commission 'the green light' to start trade negotiations with Japan. We now have a clear mandate – confirmed by all the Member States – which sets out Europe's objectives.

Just to give you several examples:

- The mandate sets out a strict and clear parallelism between the elimination of our duties and non-Tariff Barriers in Japan. 'Like for like' if you will.
- There's a safeguard clause to protect sensitive European sectors.
- We explicitly reserve ourselves the right 'to pull the plug' on the negotiations after one year if Japan does not live up to its commitments on removing non-tariff barriers.

Furthermore, in the last few months, we tested just how serious our Japanese partners were about opening up their market. I am happy to tell you that we got results – including the removal of a number of key non-tariff barriers up front – such as granting liquor licenses to European operators.

Such moves have given us all the reassurance we could reasonably expect before a formal negotiation is opened. And no other partner has ever gone as far as Japan *before* we sat down at the negotiation table together.

So, let us not be anxious. Europe is not naïve. Europe is going into these negotiations with our 'eyes wide open'.

This is an important political decision – and necessary – if we want to foster growth and jobs in Europe. Forecasts for the successful conclusion of an ambitious free trade agreement with Japan show it could deliver around 0.8% of GDP growth for the EU and more than 400,000 jobs. That's exactly what our economies need. And we will do it by ensuring we open up the Japanese market and by ensuring we give European business real opportunities in Japan.

Trade talks with Canada

We are close to an important and ambitious trade agreement with Canada. The Council discussed the issues that remain open and I'm pleased that the EU is united in working together with Canada to close the gaps on the final issues.

The majority of the deal is about setting the future framework for the innovative high-tech trade between two developed economies.

Of course I'm not interested in a paper deal but one that would bring real and meaningful benefits. One study has pointed to the potential increases in bilateral trade by some 25 billion Euros.

I am not prepared to give you a date for conclusion today – but the message was clear today: keep-up the current momentum and conclude the deal as soon as possible.

Trade talks with Singapore

We are also close to a final deal for a Free Trade Agreement with Singapore. Here we want to get better access to Singapore's market – where currently the US enjoy preferential access – and additionally, we want to set a good reference for other FTAs with Asian countries.

Singapore is already today the EU's largest trading partner of the Group of Association of South-East Nations – with one third of this trade, 60 % of its investment and over 8000 EU companies. Of course in the long run we want to have an agreement with the whole ASEAN group – but first we need to make more progress on FTAs with the other front runners (Malaysia, Vietnam) as well as completing the deal with Singapore.

The Council of Ministers today discussed in more detail where we are and welcomed the fact that a good FTA is taking shape – of a similar calibre to the EU-Korea trade Agreement. Again, everyone is on the same line – let's bag this deal - still this year if possible.

Southern Mediterranean

The Council issued negotiating directives for deep and comprehensive free trade areas with Southern Mediterranean partners in 2011. Since then the Commission has been engaged in a preparatory process with Morocco, Tunisia, Jordan and Egypt – and today I reported to the Council on the progress made, meaning that in the coming weeks and months, the negotiations can start with Morocco and Tunisia.

Legislative files - Regulation on Financial Responsibility in Investor-State dispute settlements

Finally, we also had the chance to discuss technical, but important, trade legislation which follow on from the changes made by the Lisbon Treaty to trade policy.

The Regulation on Financial Responsibility in Investor-State dispute settlements, provides the framework to accompany future EU agreements on investment protection. When agreed, it will regulate how future investment disputes in cases against the EU or individual Member States would be handled. Council had a first discussion on the proposal which was presented by the Commission earlier this year.