

Speech by Commissioner Phil Hogan at Opening Ceremony of Business Event

- The Colombian Pacific and the EU: Partners for the agriculture rural development

9th February 2016, Cali, Colombia

- Check Against Delivery –

Introduction

- Mayor Armitage, Director Ossa, Governors, distinguished guests, ladies and gentlemen. I am delighted to be here with you in Cali today.
- We are here to discuss how we can work together to make agriculture an even greater creator of jobs and growth. In Europe, we strongly believe that the agri-food sector has huge potential in the 21st Century, and I know you feel the very same here in the great nation of Colombia.
- As you may know, I am from Ireland, a small country which suffered a severe recession during the global economic crisis. However, thanks to smart economic planning, our small, open economy is now the fastest growing in Europe. **And agriculture has played a huge part in this economic recovery.**
- Colombia, too, is looking to the future, and you have correctly identified that the agri-food sector can do great things in the coming years. The Colombia pacific region already relies on agriculture for its economic growth. In this department, for example, you are already very active in the production of sugar cane, cotton, soy, and sorghum crops, and there are coffee crops in the mountains.

- This is a very positive foundation to build on. As your country stabilises, thanks to the peace process which the EU is actively supporting, a whole range of new opportunities will arise.
- I recently met with Eamon Gilmore, the EU Envoy for the Peace Process in Colombia. Eamon is my former colleague in the government of Ireland, and he presented a very hopeful and positive picture.
- So we know the potential is there. Now we have to roll up our sleeves, and get to work so that we don't let these opportunities pass us by.
- As you are aware, today I have the pleasure of being accompanied by 12 representatives of EU agri-businesses active in sectors with large export-import potential in Colombia. Some of these companies represent large European concerns, others come from small enterprises, and many are keen to enter the Colombian market for the first time.
- These companies are also eager to build relationships with producers and operators right here in the Colombia Pacific region. This will benefit the local economy enormously – our companies are ready and willing to invest and share their expertise for our mutual economic benefit.
- As we explore the unique opportunities for trade and co-operation between our nations today, it is worthwhile reflecting on the immense progress made in recent years.

Free Trade Agreement / growth

- The first steps toward freer EU-Colombian trade were taken at the Guadalajara Summit in 2004. Since then, incredible progress has been achieved: the total value of EU-Colombian trade has trebled, and the transformation of the Colombian economy is growing stronger every year.

- Colombia is now the country with the highest growth rate in Latin America, growing by 3% in the first nine months of 2015 when the average for Latin America was a contraction of half a percent. Unemployment is falling, and inflation is at its lowest levels for more than 50 years.
- And the prospects for 2016 look no less impressive: ANDI, the National Business Association of Colombia, reports industrial sales are projected to grow by 10% this year.
- A large part of this positive story is related to the increasingly open character of the Colombian economy. Thanks to a growing export orientation on the part of Colombian producers, trade with the EU is today worth 14 and a half billion EUR, with a 1.8 billion trade surplus in favor of Colombia.
- The EU is, in fact, Columbia's second biggest trading partner, accounting for more than India and China combined. Indeed, the Free Trade Agreement's original Sustainability Impact Assessment forecast long term welfare gains for Colombia of 1.3% of GDP. **But we can do much more, and that's why we're here today.**

Geographical Indicators

- We want to share with you our experience in creating opportunities for investment and growth in the agri-food sector. **Agricultural products accounted for a quarter of Colombian exports to the EU last year, and we want this figure to grow and grow.**
- We are highly encouraged by the vital infrastructural investment the Colombian Pacific regions have made to connect rural communities to international markets.
- This will come as no surprise to the honourable Governors present here today. In the first quarter of 2015, when one fifth of Colombian containerized exports were

agricultural products, a new expansion to the Buenaventura Container Terminal came into operation.

- European producers might well take note; here is an example of forward thinking investment to promote future growth and investment. And this is far from the only lesson EU businesses can take from their Colombian counterparts.
- From our side, we want to tell you about our success stories. We have strong experience in what works and what doesn't work when it comes to agri-food exports. We are particularly proud of Geographical Indication products, which are valued by consumers throughout the world.
- This year is the tenth anniversary of Colombia's first EU recognised Geographical Indicator, *Café de Colombia*. This incredible success story is a testament to current EU export strategies, which emphasise quality and traceability in a global market place.
- The evidence is truly striking: up to March 2013 a total of 162,000 farmers were linked to different sustainable specialty coffee programs. And between 2009 and 2012, these producers received 266 billion pesos in premiums from those sales.
- **And as you know very well, the success story of Colombian GIs is not restricted to coffee. The EU-Colombia Free Trade Agreement includes specific rules and a register for geographic indications. In the coming years, I am confident that a number of other high-quality Colombian origin products will receive GI status. This will add enormously to their export potential.**
- They will create quality jobs in local areas, and enhance the viability of rural communities. They will make a real difference in keeping young people in their home regions.

Organics

- So by working together, we can further enhance the prospects for your world class produce on international markets.
- I will work closely with you to advance this agenda in a number of other ways: firstly, I want to explore cooperation in the area of rural development.
- We have a huge amount of experience in the EU in that field. This is precisely why I will visit local projects here in Cali co-financed by the EU.
- Secondly, we will start negotiations for an agreement on the equivalency of organic products between the EU and Colombia. The development of organic farming has a great potential in this country, and in the Pacific region. There is a lot of land which could not be used in the past because of the conflict, and many members of guerrilla organisations were previously farmers. And of course, the country is famous for its amazing biodiversity. **So the ingredients are there for rapid progress.**
- We have also co-organised with the Colombian authorities a high level event where the development of organics will feature prominently. I have brought with me to Colombia three of the best European companies in the field of organics – HIPP from Germany, EOSTA from the Netherlands and COATO from Spain - to share their experience with the participants.

Conclusion

- Indeed, here today, we have with us some fine examples of successful European companies and associations, and leaders from the Colombian public and private sector.

- So without further ado, I will now hand the floor over to my esteemed colleagues. Let's work together, starting NOW, to make the most of this unprecedented opportunity for contact and co-operation. Thank you, muchas gracias.