

Speech by Commissioner Phil Hogan
at the British Irish Chamber of Commerce Lunch

London, 8 December 2015

Ladies and Gentlemen, I want to thank you very much for the invitation to be your guest at today's lunch. But, as there's no such thing as a free lunch, I guess I'd better say a few words as well.

Before getting into any specific issues, I was very impressed to see last week that the event was already 'booked out'. I presume that this reflects the quality of Richard Corrigan's cuisine rather than people's desire to listen to me, but I'm afraid that you're going to have to for a few minutes anyway.

Earlier this morning, I spoke in Chatham House at a Food Security Conference and, as we reflect on our lunch today and our personal and collective circumstances, it is worth reflecting on the issue of food security. This planet of ours is facing a number of enormous challenges, not alone for today and for the next decade, but for the rest of this century. And a number of these challenges are inter-related. For example, we cannot divorce the issues of food security from the necessity of meeting the climate challenge.

You are all familiar with the projections in population growth over the next 40 years or so, as well as the growing middle classes in places like Africa, the Middle East and South-East Asia. Indeed, I'm sure that at least some of you here today are already identifying the possibilities that these developments present. In preparing for a conference in Brussels last week, I was very struck by the statistic that the world's population grows by 84,500 people every single day – that is approximately equivalent to the population of Limerick or Bath !

According to the UN's Food and Agricultural Organisation, the world will have to increase agricultural production by 60 per cent by 2050. And this has to be done at a time when we are experiencing very significant water challenges worldwide as well as significant soil degradation even here in Europe. Though it may not seem obvious in the lush pastures of the Golden Vale or the English Shires, the fact is that only 13-18 per cent of the surface area of the world is fertile and that area is being reduced day-by-day.

I realise that this is a rather serious topic for a convivial lunchtime discussion, but it something upon which we all need to reflect, whether as individuals, politicians, business people or policy-makers. As the Director General of the Commission's Joint Research Centre put it last week, *"agriculture is at a huge crossroads."*

That huge crossroads essentially reflects the enormous climate challenge that we are all facing. Agriculture emissions account for 10 per cent of total greenhouse emissions in the EU and, interestingly enough, a similar proportion of emissions in the United States. I'm sure we all hope that negotiations in Paris conclude with a successful outcome but, either way, we cannot ignore the reality of the need to reduce emissions. All sectors, whether energy, industry, transport, construction or agriculture, must play their parts. Agriculture and forestry must make their fair contribution to delivering the EU's commitments.

The emissions reduction targets present a challenge for every country, and often for a variety of reasons. In some cases there are economic considerations in terms of investment in alternative energy sources. In others, rapid economic growth has led to increases in emissions from the transport and constructions sectors. And in some countries, emissions coming from agriculture are problematic.

In that regard, I agree with the Irish Agriculture Minister, Simon Coveney, when he said recently that there can be no "free pass" for agriculture, but that every available tool must be used to reduce or offset emissions.

It cannot just be a matter of using the tools currently available to us. We must also invest in agricultural innovation to develop new and more advanced tools that allow us not alone to further reduce emissions, but to produce food more sustainably. The expert advice that I've heard recently, whether from the Joint Research Centre or the World Bank all points in the same direction – we are simply using too much water and land and we are wasting too much food. Those of you who watched the BBC's two-part series on food waste last month will have been horrified by the extent to which food is wasted right along the value chain. I'm sure that there are people in this room today who must see perfectly good food wasted, perhaps because a 'use by' date has expired or simply because of our personal undisciplined consumer habits.

The issue of food waste neatly brings me back to that of food security. At a time when we are going to put the planet under so much pressure to increase food production by 60 per cent, can you imagine how that pressure could be relieved if we make headway in reducing the amount of food waste, which is estimated to account for up to a third of the food we produce. Just as with meeting the climate change, we all have a contribution to make – individually and collectively – person-by-person, business-by-business, sector-by-sector, country-by-country. None of us are exempt from our responsibilities.

Responsibility is often a heavy burden, which brings me to another issue I'm sure is on your minds. Next year the people of the United Kingdom will bear a heavy responsibility when they decide whether to continue the UK's 40+ year membership of the European Union. Having come through a number of EU-related referenda in Ireland, I know all about the sensitivities and emotions that come with such campaigns. Any comments I would make or observations I would make are with that experience in mind, fully recognising that this is a decision for the people of the UK and them alone.

However, like many others, I have more than a passing interest in this debate and its outcome. That interest reflects my Irishness, my genuine support for and belief in the EU and, of course, my experience as a Commissioner for over a year now. Indeed, as the head of the Commission's Task Force on strategic issues related to the UK referendum, Jonathan Faull, said recently in Dublin, it is acknowledged *"that Ireland has a very specific and important stake in the outcome"* of the ongoing discussions on the issues raised by the Prime Minister.

It is worth noting that this was Professor Faull's only appearance before a national parliament to date. He told TDs and Senators that *"the Irish dimension is clearly under discussion and understood"*.

As an Irishman, I don't want to see Ireland becoming a Member State of the EU with a land frontier with a third country. Moreover, I don't want to see anything jeopardising the relationship between Ireland and the UK. That relationship is, for many of us, a personal one, whether that is because we live in one another's countries or because, like me and hundreds of thousands of Irish people, you have family living here in the UK. Of course, I'm sure that there are those who will say that a Brexit need not compromise that relationship, but I don't see how it can be helpful.

Let's look at trade alone between Ireland and the UK - the most recent figures from the Department of Agriculture in Dublin show that the UK continues to be the main destination for Irish agri-food and drink exports, accounting for 40 per cent of all exports in 2014. Figures show that Ireland is Britain's sixth largest export market worldwide, with exports of £1.5 billion in September alone and imports of £1.1 billion in the same month.

Looking more specifically at agricultural trade in the UK, figures for 2013 show that the UK exports €22.6 billion worth of agricultural products (5.6 per cent of total exports) of which €13.8 billion is exported to the EU. So, almost 63 per cent of UK agricultural exports go to EU markets. Similarly, the UK imported €48.6 billion worth of agricultural products in 2013, of which €36.1 billion worth or 74 per cent came from the EU. I quote these figures only to demonstrate not so much an interdependence but an incredibly strong relationship between the UK and the rest of the EU. My

view and that of the European Commission is that we want to see the United Kingdom staying in the European Union and believe that this outcome is best for the EU and best also for the UK.

Of course, so much will depend on the response to PM Cameron's letter to President Tusk in which he listed a series of issues he wants to see resolved. These are currently being discussed by Heads of State and Government as well as with the European Commission. Based on yesterday's reply from President Tusk, it now seems that the timetable has shifted and his assessment now is that *"based on a substantive political discussion, we should be able to prepare a concrete proposal to be finally adopted in February."*

Ultimately however, the issue will come down to the recommendation the Prime Minister believes he can put to the British people in response to any *"concrete proposal"* whenever the referendum is called. I do not propose to comment specifically on the issues raised by Mr Cameron, other than to say, as others have, that some of these issues will be more easily resolved than others. That said, I would have to say that the Juncker Commission is very much of the same mind as the UK in terms of doing what the UK does best – cutting red tape, freeing-up business and trading more freely with the world.

In terms of an outcome to the negotiations, I would also add that the Commission supports a *"fair deal with Britain"* and that means a deal which is acceptable to Britain and the British people, as well as the rest of the European partners. I am also encouraged by President Tusk when he says that there is *"a strong will on the part of all sides to find solutions that respond to the British request while benefitting the European Union as a whole."*

There are those who claim to predict the future after a UK departure from the EU but the reality is that nobody knows because this has never happened before and we would, therefore, be in uncharted waters. Nobody can foresee the outcome of the negotiations which inevitably follow a vote to leave.

What I would say, with the benefit of 30+ years of experience in Irish public life at all levels and on the basis of my dealings with and within the European institutions, is that I don't know of any bureaucracy that can't do its business better and more efficiently. And we should remember that when large organisations, whether in the public or private sectors, do their business better, their clients benefit. If the EU can do its business more efficiently, it is you the members of the British Irish Chamber of Commerce who will be among those who benefit, as will the citizens of this country and the other Member States of the EU.

Without in any way prejudging the outcome of the ongoing negotiations and the referendum to follow, I think that I could summarise my view about the UK's continued membership of the UK by echoing the comments of the Irish Minister for Foreign Affairs, Charlie Flanagan, who said "*I want the UK in the EU because our Union is stronger on account of Britain's presence. Because businesses and citizens benefit from the UK's membership. And because it reinforces and enriches the remarkably deep bond between our two countries and peoples.*"

Finally, I'd like to thank the Chamber for the invitation to be here this afternoon. Thank you too for your attention and I hope that, after an excellent lunch and despite the seriousness of some of the issues I've covered, that I've given you some further food for thought !

I wish you all a very Happy Christmas and a prosperous New Year !

Ends.