

SPEECH BY H.E. JAN JAMBON AT THE AMBASSADORS' FIELDTRIP TO THE PORT OF ZEEBRUGGE

**Delivered by Mr Axel Buyse - General Representative of the Government of
Flanders at the Permanent Representation of Belgium at the European Union**

- When the British people voted to leave the EU in the referendum, there was a profound sense of surprise and sadness on our side. Even though we respected that decision, we still regret it to this day.
- The Government of Flanders lost a historical ally within the EU. The United Kingdom has always been one of our most valued partners:
 - Trade: 4th biggest export market;
 - Research & Innovation: high-level research projects on cutting-edge technologies;
 - Education: Ambitious cooperation between universities;
 - Culture: Strong cultural ties then and now, going from the exhibition of Flemish Masters paintings in renowned museums to state-of-the-art performances of contemporary theatre and dance."
 - Energy: Cooperation on offshore renewable energy in the North Sea region.

I. BREXIT AGREEMENT

- After lengthy and complicated negotiations, we were relieved when an agreement was finally struck. Thanks to Michel Barnier, the EU side remained calm and negotiated as one block.
- Studies showed that a 'no deal'-scenario would have severely damaged the EU-UK relationship for many years and would have had a detrimental impact on the Flemish economy.
- The Trade and Cooperation Agreement delivers quota and tariff-free trade, which is crucial for a trading nation like Flanders. The deal doesn't only safeguard trade flows, but it also protects the integrity of the single market.
- During the negotiations, Flanders continuously advocated for an ambitious agreement, with no tariffs or quota and as few non-tariff barriers as possible. Additionally, preserving a level playing field with the UK was and still is an

absolute priority for Flanders. We cannot afford a situation where the UK gains a competitive advantage due to its new status outside of the EU. The Trade & Cooperation Agreement includes specific provisions to try to ensure a level playing field. Therefore, it will remain important for Flanders to closely monitor the level playing field in the coming months and years to see how this develops in practice. We need to protect the European single market and the competitiveness of our businesses.

- Ten months after the entry into force, we are mainly positive about the Agreement. The Government of Flanders certainly hopes that we can build on this Agreement in the coming years and strive towards a more ambitious EU-UK agenda.
- Unfortunately, the Irish border area remains the subject of discussion and disagreement between both parties. A comprehensive Protocol was negotiated, taking into account the historical sensitivities and the integrity of the single market. It is up to the UK Government to honour its obligations under the Protocol. The EU side remains ready to look for practical solutions that can alleviate the concerns of Northern Ireland citizens and companies.
- In general, stable policies both on the EU and the UK side are necessary to succeed in further implementing the agreements. Stability for businesses and citizens should be a priority for both sides, and uncertainty for businesses and citizens should be avoided at all times. We hope this goal will be reflected in the UK's policy decisions in the coming months and years.

II. IMPACT ON BUSINESSES

- Throughout this period of political instability surrounding Brexit (and the global pandemic), Flemish businesses have shown a remarkable level of resilience over the last two years. Is this surprising? Not really.
- Flanders invested a lot of resources in raising awareness about the impact of Brexit and the ways businesses could prepare themselves. Over 100 webinars were organized with all relevant stakeholders. Even today, we are organizing events to ensure everyone is on board with the latest requirements.
- A dedicated Brexit Helpdesk and website were created to answer the hundreds of questions from companies and citizens. This approach ensured that we were able to support our stakeholders throughout this journey of transition. Most of

the questions focus on customs and sanitary checks, visa requirements, VAT, and e-commerce.

- We make clear to our companies and citizens that Brexit is not a one-moment event but a process that will continue to affect. Continued attention and adjustments are therefore necessary.
- We are pleased to note that - making use of this advice and support – most of our businesses continue to trade with the UK, even though the barriers have become more significant.

III. BREXIT ADJUSTMENT RESERVE (BAR)

- In this context, we welcome the creation of the Brexit Adjustment Reserve at the European level. This fund will help regions like Flanders, who are in the front line of the impact of Brexit, to take the necessary actions.
- Our main goal is to help adjust our businesses and sectors to the consequences of Brexit, and in the process, stimulate a futureproof transformation to increase their competitiveness and international ambitions.
- We are in the process of strengthening existing support mechanisms and developing new ones to ensure this goal is reached and our businesses, with particular attention to our many SMEs, are sufficiently supported to reinforce their growth, internationalization, and competitiveness.

IV. THE ROLE OF HARBOURS

- I want to take the opportunity to draw your attention to the vital role Zeebrugge and the other ports play in Flanders.
- Flanders is one of the most open economies in the world. Maintaining genuine trade relationships with the rest of the world is therefore of the utmost importance. Over the years, Flemish ports have established themselves as the maritime gateway into Europe and its single market. They facilitate and safeguard European supply chains that make all EU member states prosper.
- The UK is a significant market for our ports. It is only natural that there was a level of anxiety at first of the consequences of Brexit. Especially for a port as Zeebrugge, with a high dependency on trade with the UK. However, by investing in infrastructure, digitalization, and further internationalization, the Port of Zeebrugge has shown it has all the qualities to adapt to new, unexpected

circumstances and even create new opportunities. This approach should be applauded.

- I am very proud to say that all our ports have exceeded expectations over the last years. Not only have they coped well with the pandemic, but they also transformed Brexit from a liability into an opportunity. With a focus on diversification of markets and increased digitalization of the customs platforms, our ports have geared up for a future of growth.

V. VISION OF THE FUTURE FOR RELATIONS BETWEEN FLANDERS/EU AND THE UK

- Lastly, I would like to say a few words on the future of the EU-UK relationship.
- It is in the EU's interest to build an ambitious relationship with the UK, now more than ever. On the horizon, we see a whole host of global challenges heading in our direction – climate change, trade tensions, the role of technology, geopolitical tensions.
- Defending our way of life, stabilizing the multilateral order, maintaining open trade: all of those elements require a close partnership with the UK and other like-minded partners. We need to look past rhetoric and political posturing and have a long-term strategy in place.
- In turn, we need a stable UK partner who acts responsibly and constructively and values cooperation over conflict. Flanders certainly believes this is the way forward.