# Resolution on the future of the textile sector after 2007

2007/2664(RSP) - 13/12/2007 - Text adopted by Parliament, topical subjects

Following the debate held in plenary, the European Parliament adopted a resolution on the future of the textile sector after 2007. It states that it was aware that the lifting of the quota system is the result of a legally-binding agreement made when China joined the WTO, but recalls that the Protocol on the accession of China to the WTO enables all WTO members, including the EC, to apply safeguard measures against imports from China until the end of 2008, if necessary. The double-checking surveillance system will serve no purpose unless it prevents any repetition of the situation that occurred in 2005, when imports into the EU grew at an accelerating rate. Parliament stresses that new safeguard measures need to be enforced, covering, among other things, categories of products to be specified by Member States, so as to enable employment in, and the business of, this sector to be safeguarded and promoted in the EU.

**External competitiveness of the EU-based textile sector**: Members express their concern over high tariffs and non-tariff barriers in many third countries. The Commission, in its bilateral, regional and multilateral agreements with third countries, should secure better market-access conditions in such countries, as this is vital for the future of the EU-based textile and clothing industry, especially SMEs. Parliament asks the Commission to take the opportunity presented by the negotiation of trade agreements to promote and strengthen environmental and social standards, such as decent work, in third countries, in order to guarantee fair competition. It calls on the Commission and Member States to promote the modernisation of the EU-based textile industry by supporting technological innovation, research and development through the Seventh Framework Programme, as well as vocational training, particularly for SMEs. The Commission should conduct a proper and global investigation into this serious issue. Parliament considers that binding rules on origin marking for textiles imported from third countries should be applied and, in this respect, calls on the Council to adopt the pending proposal for a regulation on the 'made in' indication. This regulation would help to provide better consumer protection and would support a European industry based on research, innovation and quality.

**EU textile industry and workers** : the Commission must ensure that a substantial part of the Globalisation Adjustment Fund will be used for the restructuring and retraining of the textile sector, in particular SMEs heavily affected by the liberalisation of the market. Parliament repeats its proposal that a Community programme should be drawn up for the textile and clothing sector, with a view to promoting research, innovation, vocational training, and SMEs. It should go hand in hand with a Community programme to help create new markets and boost external promotion of the sector's products, for instance at international trade fairs. The Commission and Member States must also assist the textile and clothing sector's workers with social measures and plans for companies facing restructuring.

**Unfair trade and counterfeiting:** trade defence instruments are legitimate tools to address both legal and illegal imports from third countries, especially in the textile and clothing sector, which is now an open market without quota protection. Parliament calls on the Commission to encourage the Chinese authorities to align their currency exchange rates and to review their euro/dollar foreign exchange balance, which are now facilitating a massive flow of Chinese textile and clothing imports. It expresses its concern over systematic violations of intellectual property rights, and urges the Commission to combat these violations, in particular counterfeiting, at multilateral, regional and bilateral level, including every form of unfair trade.

**Import surveillance**: whilst Parliament welcomes a system of joint import surveillance that will ensure double checking of Chinese exports to the EU of eight textile and apparel products, it expresses its deep concern about the manner in which the system is to be set up. It calls on the Commission to guarantee proper implementation of this double checking and to evaluate its effectiveness, so as to ensure a smooth transition to free trade in textiles. A double checking system cannot be implemented in 2008 alone and an effective surveillance system should be guaranteed for a longer period of time. The High-Level Group should ensure oversight of a surveillance system for textile and clothing imports into the EU. Parliament calls on the Commission and the US to engage in consultations on the issue of textile imports from China. The Commission should also set up a monitoring system and evaluate the results before the end of the first quarter of 2008 in order to ensure that the disruptive effects of a surge in textile imports are promptly taken into account. The Commission must report to Parliament on its findings.

**Security and consumer protection**: the Commission is urged to use its powers to ban unsafe products from the EU market, also in the textile and clothing sector. Parliament calls on the Commission to guarantee that imported textile products entering the EU market, particularly those imported from China, are subject to security and consumer protection requirements identical to those for textile products manufactured inside the EU. It asks the Commission to conduct a proper evaluation and study of the question of the alleged pass-through of price reductions to EU consumers.

**Developing countries and the EU's Mediterranean partners**: the Commission was asked to support the establishment of a Euro-Mediterranean production area in the textile sector, in order to create an internationally competitive area capable of ensuring that present levels of industrial output and employment are maintained. Parliament emphasises that the termination of import restrictions on textiles will not only bring about radical changes in import trends on the EU market, but also risks having an impact on clothing and textile sectors in developing countries, including the EU's Mediterranean partners. It calls on the Commission to study the impact of the full liberalisation of the textile and clothing sector on the least developed countries (LDCs), being particularly concerned about the disregard of basic social and labour rights by some LDCs in order to remain competitive. Lastly, it calls on the Commission to evaluate the usefulness of supply-side management tools for the clothing sector, in order to level off global competition and prevent a lowest-common-denominator approach to social and environmental standards.