New trade policy for Europe under the Europe 2020 strategy

2010/2152(INI) - 27/09/2011 - Text adopted by Parliament, single reading

The European Parliament adopted by 526 votes to 108, with 9 abstentions, a resolution on a New Trade Policy for Europe under the Europe 2020 Strategy, in response to the Commission Communication entitled 'Trade, Growth and World Affairs on the future commercial strategy of the EU.

The resolution stresses that **the world has seen some profound changes over the last few years.**

- **The Union's and the United States' share in the world's relative GDP is declining** while the emerging countries are rapidly increasing their performance: while the two biggest developed economies, the Union and the United States, accounted for 48% of world GDP in the year 2000 (at PPP), it is now estimated that they will account for 35% of world GDP in the year 2020, signifying a decline of 27% in their relative joint economic performance. The Union accounted for 19% of world exports of goods in the year 1999 and whereas it accounted for 17.1% of world exports in 2009, signifying a decline of 10% in its relative export performance.
- **Demographic changes also have an influence on economic performance**: the Union's population is projected to increase by almost 5% by the year 2035, followed by a steady decline thereafter, and the Union's working age population is expected to start declining from the year 2010 onwards.
- **The Union's economy is highly dependent on participating in external growth**: by 2015, 90% of world growth will be generated outside the Union. 18% of the Union's labour force, or 36 million jobs, are dependent on the Union's trade performance. It is paramount to harness, and benefit from, the growth potential inherent in increasing productivity, and the growth potential inherent in external trade.

A coherent long-term trade strategy: Parliament regrets that many targeted goals of the Global Europe Strategy have not been reached as yet and would have expected a more critical analysis of the Strategy. It insists that the Union needs a coherent long-term trade strategy in order to take account of the challenges ahead and in particular of the major emerging countries. Furthermore, a future European Strategy on Trade Policy should take the specific features of EU industries, territories and dependence on external growth into account. Parliament expected to receive a real future trade strategy, which took account of mid- and long-term developments and did not build on the false assumption of a continuing status quo on the world trade stage. Regretting that the Communication fails to deliver a profound forecast of how the 'world of trade' could look in a policy-planning perspective of 15 to 20 years, Parliament asks the Commission to deliver such a forecast as a basis and to present a revised mid-and long-term trade strategy by **summer 2013**.

The resolution makes the **following principal recommendations**:

(1) A modern trade policy is required to take into account other policy areas such as human rights, securing and creation of jobs, labour rights and ILO core labour standards, agricultural policy, climate change, the fight against poverty, development policy, security of raw materials and energy supply, and the protection of intellectual property rights. Parliament calls on the Commission to give high priority to the EU's trade interests vis-à-vis its trading partners when negotiating trade agreements and to achieve a better intra- and inter-institutional coordination when dealing with trade issues.

(2) Multilateral approach within the WTO: the multilateral trading system, embodied in the WTO, remains by far the best framework for achieving free and fair trade on a global basis. However, the WTO system, in particular the Dispute Settlement Body, should be reformed in order to increase its effectiveness. It states that even after 10 years, it has still not been possible to complete the Doha Round and that the necessary and reasonable conclusion of these negotiations seems currently to be highly unlikely

(3) Free Trade Agreements (FTAs) are important instruments for market access: Members reiterate that all new FTAs concluded by the EU should be WTO-compatible, comprehensive, ambitious including with regard to sustainable development, balanced and lead to real reciprocal market access. It must go beyond both existing multilateral commitments and those expected to result from a successful conclusion of the DDA. The resolution reminds the Commission to carry out – within a framework defining trade priorities in terms of timetables and strategic geographical areas – a thorough, impartial and unprejudiced ex-ante evaluation of European interests before deciding on future FTA partners and negotiation mandates.

(4) High-level dialogues with major trading partners such as the US, China, Japan and Russia must produce more and better results: the Commission is asked to conduct more proactive negotiations with a view to successful progress in our trade relations with these countries aimed at eliminating tariff and non-tariff barriers, in particular in respect of technical standards, intellectual property rights, market access, public procurement and supply of raw materials.

Members suggest that the European Union and the United States both work to develop the evolving, comprehensive '**Transatlantic Growth and Jobs Initiative**', which would include plans for the removal of remaining non-tariff barriers to trade and investment by 2020.

In addition, the Commission and Member States must to do more to promote the use of existing initiatives and tools available such as the 'market access database' and the 'export helpdesk', so that citizens and SMEs can take full advantage of the EU's trading relations.

(5) The Union as a relatively open economy needs effective trade defence instruments: Parliament reiterates that the pursuit of further trade liberalisation still requires an ability to protect European producers against unfair trading practices.

The resolution also stresses that EU competitiveness and economic success cannot exist without services and **well-protected foreign direct investments**. Parliament asks for positive reciprocity in international public procurement markets. Members call on the Commission to work towards positive reciprocal access in that important economic sector, bearing in mind that the clear priority in reciprocal access is not to close our markets, but to open up foreign public procurement markets.

Parliament also asks for an ambitious attempt to **tackle regulatory barriers** within and outside Europe. It asks the Commission to include the aspect of international competitiveness in all impact assessments related to new legislative proposals and reminds it to pay particular attention to the 'non-tariff barriers' and regulatory barriers used by many countries, including WTO members, vis-à-vis EU exports.

Lastly, recalling its commitment to the **fight against poverty** within and outside the EU, Parliament stresses the need for:

- a sustainable and undistorted supply of raw materials;
- better customs cooperation inside and outside the EU;

- adequate intellectual property rights protection which also bears in mind the interests of the poorest. Parliament regards the appropriate protection of IPRs, especially trademarks and geographical indications by our main trading partners as an indispensable requirement for preserving and improving the EU's competitiveness.