# New forward-looking and innovative future strategy on trade and investment

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The Committee on International Trade adopted the own-initiative report by Tiziana BEGHIN (EFDD, IT) on a new forward-looking and innovative future strategy for trade and investment.

The report recalled that the EU is the wealthiest economy worldwide. The economic importance of the EU will decline: by 2050, the EU-28 will represent only 15% of the world's GDP, down from 23.7% in 2013. The centre of wealth generation is shifting eastwards, towards the Asia Pacific-Region and the demographic development will also have a negative impact on the EU´s position in the world trade scene.

Doubts are being raised by EU citizens, companies and SMEs on whether large industry associations truly represent the interests of EU citizens, EU companies and generally, the European Union. Therefore, Members called for an effective, comprehensive and forward-looking trade and investment strategy.

Future trade agreements and negotiations should take into account and be consistent with the positions set out in Parliament's resolutions on the Transatlantic Trade and Investment Partnership (TTIP) and on the Trade in Services Agreement (TiSA).

**Changing trends and transparency**: Members stated that any future trade policy must fight forms of protectionism, including the reduction of unnecessary non-tariff barriers to trade, and ensure new market access, especially for SMEs. Members expressed support for the Commission's aim to enhance **synergies** between trade and internal market policies, and recommends that these policies award priority to measures aimed at creating jobs.

They called on the Commission to:

- regularly update its trade and investment strategy and to publicly present every two years a detailed implementation report to Parliament, starting in 2017, to ensure that it delivers on its promises;
- expedite its procedures so that negotiated trade agreements can be referred to Parliament within a shorter period of time, thereby allowing them to be applied provisionally or entered into force more swiftly.

Members welcomed the Commission's increased **transparency and openness** at all stages of trade negotiations, and supported the Commission's Transatlantic Trade and Investment Partnership transparency initiative stating that enlarged access to classified information by Members of Parliament in the TTIP negotiations has strengthened parliamentary scrutiny. In this regard, Members called for a widening of the Commission's transparency initiative to extend full transparency, and the possibility for **public scrutiny**, to all ongoing and future trade negotiations.

**Greater coherence between the EU's commercial objectives and other aspects of its external policy on trade for development**: Members recalled that consistency between external policies and internal ones having an external dimension must be ensured. Given that migration is one of the main challenges the EU is facing in the 21st century, the report emphasised that ensuring policy coherence of the EU's trade and investment is fundamental in order to tackle the causes of migration. Members regretted that this has not been sufficiently reflected in the 'Trade for All' strategy.

Members also stressed that provisions on human rights, social and environmental standards, commitments on labour rights based on the ILO's core conventions and principles of corporate social responsibility (CSR), including the OECD principles for multinational companies and the UN Principles on Business and Human rights, should be binding and must form a substantial part of EU trade agreements through enforceable commitments. Sustainable development chapters should be included in all EU trade and investment agreements and gender perspective should be included, horizontally, in all future trade agreements.

Underlining the importance of effective safeguard mechanisms in trade agreements, Members called for a mechanism according to which Parliament is able to request that the Commission commence an investigation into **violations** by a third party of its obligations under an essential elements clause.

**Transparent global value chains (GVCs) respecting fundamental values and standards worldwide**: although the expansion of global value chains (GVCs) has created job opportunities, the weak enforcement of existing labour laws and occupational safety standards – introduced to protect workers from exhaustive working hours and unacceptable conditions – in sourcing countries remains a pressing issue. The report noted that GVCs have also propelled some supplier firms to ignore labour laws, reallocate their economic activities outside the EU and engage workers in unsafe and unacceptable conditions. The Commission is called on to study the impact of the rise of GVCs and to present concrete proposals to improve conditions in them in close cooperation with the ILO and the OECD. Better protection of entire spectrum of intellectual property rights (IPR) and more effective enforcement is of fundamental importance for further integration into GVCs according to Members.

**Opposition to the granting of Market Economic Status (MES) to China**: Members reiterated the importance of the EU's partnership with China, in which free and fair trade and investment play an important role. They are convinced that, until China meets all five criteria required to qualify as a market economy, the EU should use a non-standard methodology in its anti-dumping and anti-subsidy investigations of Chinese imports when determining price comparability. The Commission is called upon to make a proposal in line with this principle, and recalled the need to coordinate closely with other WTO partners on the issue.

**Support for the Commission in its fight against corruption**: aware that the inclusion of provisions relating to financial services in trade agreements has raised concerns regarding their potential negative effects in terms of money laundering, tax evasion and tax avoidance, the Commission is urged to fight against corruption as a major non-tariff barrier in developed and developing countries.

Lastly, the Commission is also called upon to:

- address SMEs' needs horizontally in all chapters of trade agreements;
- go even further in seeking an ambitious and more reciprocal opening up of international public procurement markets
- set up a unified EU customs service for a more effective application of customs rules and procedures throughout the customs territory of the EU;
- push strongly in all negotiations for a limitation to geoblocking practices, for a reduction in international roaming fees, and for a reinforcement of passenger rights.