Implementation of the common commercial policy – annual report 2018

2019/2197(INI) - 07/10/2020 - Text adopted by Parliament, single reading

The European Parliament adopted by 431 votes to 140, with 24 abstentions, a resolution on the implementation of the Common Commercial Policy - Annual Report 2018.

Parliament reaffirmed its commitment to rules-based, value-based and predictable multilateral trading system. It pointed out that, despite a tense global economic climate, the EU has recorded a surplus of EUR 84.6 billion (in 2018) in trade in goods with its trade partners, compared with an overall trade deficit of around EUR 24.6 billion with the rest of the world. It pointed out that more than 36 million jobs depend on exports outside the EU.

EU trade strategy in the face of new challenges

In the face of new global challenges, Members insisted that the EU trade strategy must continue to promote the Union’s interests and values when contending with new challenges worldwide, increase the competitiveness of EU industry, and generate economic growth in line with the European Green Deal objectives.

Parliament therefore considered that the best way to strengthen the EU's competitiveness in a globalised world is to:

- build on an ambitious multilateral, plurilateral and bilateral agenda: in this context, international trading partners should work towards a functioning WTO dispute settlement system and an ambitious EU-led reform;

- conclude fair and mutually beneficial trade agreements that ensure strict reciprocity and respect European rules and standards in sensitive sectors: trade agreements should include chapters on sustainable development to encourage the EU's partners to meet the EU's ambitious environmental objectives;

- promote and effectively protect human rights;

- lifting unjustified trade barriers and using trade defence instruments where appropriate.

Trade

Deploring the gradual withdrawal of the United States from the multilateral trading system or the consolidation of China's state-run economy, Parliament called on the Commission to:

- engage with its US counterparts to seek to ease transatlantic trade tensions and restore mutual trust and close trade relations while ensuring respect for European standards; a limited trade agreement with the US could be an important milestone;

- constantly monitor the persistent acts of discrimination faced by European companies in China and conclude negotiations on an ambitious investment agreement with China, including an effective chapter on trade and sustainable development and removing all barriers to market openness in China.

While stressing that the EU's relationship with the two other trade superpowers, China and the US (which represent approximately 30 % of trade exchanges), are essential when it comes to relaunching EU trade policy, Parliament insisted that the EU should reinforce its relationships with other parts of the world, diversify and improve its trade relations with all partners, including developing countries and least developed countries.

Members called on the EU to deepen its dialogue with African countries with a view to establishing an effective and strong partnership, in line with the trade-related aspects of the trade-related aspects of the Agenda 2063 African Development Strategy, and capable of promoting sustainable economic development, growth and food security on the African continent.

The resolution also recalled the positive developments regarding the EU-Canada Trade Agreement (CETA), noting that in its first full year of implementation, bilateral trade in goods, including agri-food products, had increased by 10.3% compared to the average of the previous three years.

Impact of COVID-19 on world trade

Parliament stressed that the EU must learn from the current pandemic in order to reduce its vulnerability, especially in certain strategic sectors, and use trade policy as a tool to support the recovery of the global economy and mitigate the effects of the recession.

Members are convinced that the EU must improve its open strategic autonomy while ensuring rules-based trade in times of crisis and avoiding trade-distorting measures. They called for a review of negotiations with a view to the swift conclusion of a plurilateral agreement on the free circulation of medical equipment.

They highlighted the need for effective screening of foreign direct investment and cooperation in the post COVID-19 trade context as some strategic sectors of the Union could come under pressure.

Lastly, Parliament called on the Commission and the Council to propose negotiating a specific gender chapter in EU trade and investment agreements.