Indo-Pacific strategy in the area of trade and investment

2021/2200(INI) - 05/07/2022 - Text adopted by Parliament, single reading

The European Parliament adopted by 458 votes to 51, with 124 abstentions, a resolution on the Indo-Pacific strategy in the area of trade and investment.

Parliament welcomed the EU's strategy for cooperation on sustainable and fair trade and investment in the Indo-Pacific region. It believes its main focus on inclusiveness and cooperation based on shared values and principles, including a commitment to respecting democracy, human rights and the rule of law, is essential. Members called for the EU's strategic approach to, and dialogue with, the Indo-Pacific region to be based on a **multilateral international order**, founded on rules and principles of an open environment for trade and investment, a level playing field, reciprocity and mutual benefit.

Ocean governance and stability in this region being a shared concern and area of cooperation, the resolution underlined the need to maintain a free and open Indo-Pacific for all and to preserve free and open maritime supply routes in full compliance with international law, in particular the United Nations Convention on the Law of the Sea, and the principle of freedom of navigation.

Parliament called on the Commission to **strengthen partnerships with all relevant actors in the Indo-Pacific**, taking into consideration sub-regional dynamics and specificities and called on it to work closely with its like-minded partners in the Indo-Pacific to reinforce value chains. It suggested diversifying trade relations in order to reduce strategic dependencies in critical supply chains with a particular focus on technologies, raw materials and agricultural products, by working towards the full implementation and better enforcement of existing trade agreements, by finalising ongoing trade negotiations and by developing cooperation in strategic sectors.

Members also stressed that the **EU should make better and more strategic use of its economic leverage** while respecting the political and economic specificities of its partners and their interests in order to reach its geopolitical and transformational goals, by deploying its full, integrated range of policy instruments, including the Generalised Scheme of Preferences mechanism, for this purpose and to promote global standards on sustainable development, the 2030 Agenda and the Sustainable Development Goals, the circular economy, human rights, including the rights of ethnic and religious minorities, labour rights, International Labour Organization (ILO) conventions, gender equality, good governance, the fight against climate change and the implementation of the Paris Agreement, combating deforestation and biodiversity loss, and sustainable fishing.

Free trade agreements and international partnership agreements in force in force: enforcement, implementation and upgrading

Parliament welcomed the substantial growth in bilateral trade between the EU and **South Korea** since the FTA entered into force in 2011. It supports further cooperation between the EU and South Korea on semiconductors. It also called on the remaining EU Member States to proceed with the internal ratification of the EU-**Singapore** IPA and Partnership and Cooperation Agreement (PCA), signed in October 2018.

Members consider that the **EU-Japan** Economic Partnership Agreement (EPA) has been instrumental in creating more sustainable trade. It welcomed the increase in the preference utilisation rates for EU exports to Japan in 2020 and called for the start of negotiations for including data flow provisions in the EPA. They reiterated their call for an early review of the trade and sustainable development chapter in order to

strengthen its enforcement provisions. Member States are also called on to ratify the EU-Vietnam IPA so that it enters into force and creates favourable conditions to boost EU investment in **Vietnam** and in the region, in particular in areas promoting green transformation and the circular economy.

Bilateral FTA in negotiations and/or under ratification (positive trade agenda)

Parliament called for substantive progress in negotiations on the EU-**Australia** and EU-**New Zealand** free-trade agreements aiming to conclude by mid-2022. It welcomed the decision to resume negotiations with **India** on a comprehensive and mutually beneficial trade agreement with a focus on combating climate change and biodiversity loss and welcomed the decision to launch negotiations for a separate investment protection agreement and for an agreement on geographical indications.

Members underlined the need for the EU to engage in a comprehensive dialogue with **China** that firmly defended the EU's interests and values, taking into account the present geopolitically challenging global context, including the Russian invasion of Ukraine. Parliament highlighted that China is a **cooperation and negotiating partner for the EU, but it is also a competitor in an increasing number of areas, and a systemic rival**. It called for the EU to develop a more assertive, comprehensive and coherent EU-China strategy based on the three principles of cooperating where possible, competing where needed, and confronting where necessary.

Parliament recalled that it cannot start the consideration and ratification process for the comprehensive investment agreement until the Chinese sanctions against Members of the European Parliament and EU institutions have been lifted.

Members urged the EU to launch a structured dialogue with **Taiwan** on cooperating in green technology and the digital economy, including the semiconductor industry, with a view to signing a memorandum of understanding that benefits both the EU and Taiwan.

Parliament recalled that negotiations on a bilateral trade and investment agreement with the **Philippines** have been put on hold and should resume only once the worrying and critical situation concerning human rights, good governance and the rule of law has improved. The human rights situation in **Malaysia** must also improve significantly before negotiations on a bilateral trade and investment agreement can be resumed. The Commission and the **Cambodian authorities** should jointly define the measures to be taken in order to create the conditions for the restoration of the trade preferences that had been granted to Cambodia under the everything but arms arrangement.

EU attitude towards regional and multilateral relations and negotiations

Parliament called for **further engagement with ASEAN** and its member states and for the development and promotion of the EU-ASEAN strategic partnership. It called on both sides to use the momentum of the planned EU-ASEAN Summit in 2022, to present a new EU-ASEAN action plan for the upcoming period to promote increased multifaceted cooperation in key areas. It also called for a **new strategic approach towards the comprehensive and progressive agreement for trans-pacific partnership** as a core element of the EU's Indo-Pacific strategy which aims to secure a level playing field and a rules-based trade environment in the Indo-Pacific and provides a model of regional trade integration.