Developing countries: trade-related assistance

2002/2282(INI) - 09/07/2003

The committee adopted the own-initiative report by Luisa MORGANTINI (EUL/NGL, I) on the Commission communication. It noted that the poorest countries' share in world trade had fallen back over the last decade and that their dependence on low-value-added products had increased. It also pointed out that the benefits generated by trade did not reach all countries equally and that the overriding priority of the WTO Doha Round must be to redress North-South imbalances in the world trade system in the interests of sustainable development and the fight against poverty. The report added that trade was one development tool among others, which could not and should not replace development aid. MEPs said that the EU must pursue a consistent policy on development aid by reforming its agricultural and trade policies, as well as its fisheries policy. In line with the commitments undertaken at Doha, there was a need to improve market access for those products where the developing countries enjoy a real advantage, essentially labour-intensive agricultural and industrial products. Moreover, fair trade meant paying a fair price for those countries' resources and products, i.e. a price which reflects internal and external production costs, whilst respecting minimum criteria for working and wage conditions among the workforce and for environmental protection. Stressing that EU commercial exchanges must foster such fair trade, the report called on the Commission to provide financial support for undertakings and associations which practise and promote fair trade in the EU. It also called for acceleration of the timetable for phasing out export subsidies under the Doha agreements. The report said that the EU must defend, above all in the WTO, the position that certain essential goods such as water and land cannot be left to market forces alone. The Commission was urged to reduce its pressure on developing countries to indiscriminately liberalise and deregulate their markets. The committee supported the efforts being made by the Commission and Brazil to secure a compromise in the WTO's TRIPS Council on access to medicines for developing countries, and deplored the obstructive attitude of the US on this issue. In addition, the Commission was urged to strengthen, or where necessary re-establish, the systems guaranteeing minimum prices for certain products, such as coffee and cocoa, crucial to the livelihoods of many people in the developing countries. In this connection MEPs called for a policy paper on primary products setting out "appropriate and realistic" solutions to the volatility of markets in commodities and agricultural products. Lastly, the committee urged the Commission to support the detailed proposals put forward by 22 countries in April 2002 for democratising the workings of the WTO. It called for a review of the Commission's negotiating mandate with the WTO, which dates from 1999, in order to take account of new development objectives and the EU's new international commitments made at Bangkok, Monterrey, Johannesburg and the G8 summit.