Relocation to and investment in third countries

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The growth in the number of industrial relocations in recent decades and the economic and social repercussions thereof are examined in a report by André SAINJON (ERA, F) which was adopted by the Committee. The aim is to make practical proposals to European public authorities, who are called upon by the report to try and influence the behaviour of European multinational companies as well as the competitiveness and technological performance of firms under threat from relocation, and to create tax conditions which will guarantee fair competition within the single market and under the future EMU. The Committee is recommending that the Commission draw up a code of conduct for European multinationals, which would be based on four principles: - promoting trade union freedoms and collective bargaining, - combating forced labour, - combating child labour, - abolishing job discrimination and ensuring equal pay for men and women. In addition, says the report, the Member States and the Commission should take coordinated action to have the OECD investment code amended. If EU aid is granted for a company to set up business on a particular site, there should be a requirement that it remain on that site for a minimum period and the aid should be spread over that period. If this clause is flouted, all funds already granted should be reimbursed to the Commission. The committee also recommends that aid policies and tax incentives for multinational companies to set up in the Member States be coordinated, to prevent unfair competition. In addition, it calls on the Commission to open talks with the governments of the Eastern European countries about the fact that some of their currencies are undervalued, which is likely to result in relocations.