World Trade Organisation (WTO): the Union's approach to the Millenium Round, 3rd conference of Seattle

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In adopting the report drafted by Mr. SCHWAIGER (EPP/ED, D) by 359 votes for, 62 against, and 57 abstentions, the Parliament sought to ensure that the Commission does not give its consent to a limited negotiating agenda which does not refer to the need for a broad negotiating round. It calls on the Council to consult Parliament prior to the conclusion of the agreements, whether they take the form of sectoral agreements or a single undertaking. It calls for changes to the Treaty at the next IGC to give a formal role to the European Parliament during the course of the WTO negotiations and to any WTO agreement automatically subject to Parliament's assent. Approach to the negotiations: The Parliament welcomes the Commission and Council proposal regarding a comprehensive trade round which would cover both the usual themes and new subjects and endorses the general approach to the negotiations for the Millenium Round. The Parliament agrees that the proposed fields for negotiation should be seen as a complete package, but does not consider that the negotiations should be limited to three years, as the Commission and the Council proposed. It also considers that the Millennium Round should not simply deal with the extension of world commercial exchanges but also with the improvement of the situation of developing countries and pay greater attention to the environment, public health and animal welfare. Agriculture: The EP believes that European farming must continue to participate in and benefit from international trade, without undermining the founding principles of the common agricultural policy. The Union should base itself on the decisions taken in Berlin regarding the reform of the CAP (Agenda 2000 package) and the precautionary principle should be explicitly mentioned in the WTO's rules. The Union's general objective should be to secure the European agricultural model based on family farms and characterised by multifunctionality, sustainable production of agricultural goods and management of the environment and preservation of the countryside. It points to the desire of the developing countries for free market access for agricultural products and believes that the EU should ensure that WTO rules relating to the agricultural sector do not have an adverse effect on the economies of developing countries and that security of food supply should be considered as a multifunctional aspect of agriculture. The Parliament calls urgently during the revision of the agreement on sanitary and phytosanitary measures (SPS) for food safety policy to be based on the precautionary principle, so as to enable the EU to continue to pursue its policy of a high level of food safety and consumer and environment protection. In addition, it notes that the definition of the precautionary principle as adopted at the Conference on the Environment and Development in Rio could become an internationally accepted model and calls for the recognition of this definition within the WTO. In the framework of the SPS and TBT (Technical Barriers to Trade) Agreements, the Ep calls for levels of acceptable risk to be subject to internationally agreed guidelines. For the Parliament,labelling is not a solution in disputes concerning food safety, even if it improves consumers' freedom of choice and contributes towards preventing trade disputes. Lastly, in the fishing sector, the Parliament wants the liberalisation of trade to take account of the existing legal framework, in particular the United Nations International Convention on the Law of the Sea and the objectives of international agreements on environmental preservation and natural resource management. It calls for a list of sensitive products to be drawn up in order to ensure that the international fishery industry complies with the principles governing responsible fishing methods. Services (GATS Agreement): For the Parliament, the negotiations should be comprehensive and bring about a deeper and broader package of improved commitments from all WTO members to market access and national treatment. The negotiations should also focus on unfinished discussions on specific issues (safeguards, subsidies, government procurement). In addition, progress towards further liberalisation should be made contingent on the ability of the contracting parties to regulate access to public services in order to guarantee universal coverage. It urges that sectors and services with a specific social mandate, such as health, education and cultural policy, should be dealt with

exclusively in a framework laid down by the state concerned and calls on the EU to ensure that these sectors are not dealt with in the context of the revision of the GATS Agreement. With respect to cultural services, and in particular the audiovisual sector, the Parliament takes the view that the GATS rules on cultural services should not jeopardise the cultural diversity and autonomy of the WTO contracting parties. It reaffirms its commitment to the freedom of action in the sphere of audiovisual policy obtained at the Uruguay Round. On the subject of public procurement, the Parliament takes the view that the substance of the Uruguay Round decisions on liberalisation must above all be consolidated and that, in addition, principles such as transparency, reciprocity and national treatment must be applied. It agrees that the provisions of the GATS Agreement should apply to electronic commerce. Investments and competition policy: The Parliament calls for the establishment, under the auspices of the WTO, of a multilateral legal framework governing direct foreign investment which takes account, on the one hand, of the interests of the developing countries in a manner acceptable to them and, on the other, of the Member States' social, environmental and cultural laws, and urges that the same problems should not arise as those created by the MAI, which had been prepared by the OECD. It proposes that the ILO's Declaration of Principles on Multinational Enterprises and Social Policy, the OECD's Guidelines for Multinational Enterprises and the Principles of Corporate Governance should be incorporated into the draft WTO Agreement on investment. In regard to competition, it calls for the establishment of uniform minimum standards for the prevention of anti-competitive practices (such as cartels), as well as the establishment of independent competition authorities in allWTO member states to enforce minimum competition law standards; steps must be taken to ensure that a situation does not arise in which companies would have to comply with differing national interpretations of competition law. Tariffs and technical barriers to trade: The EP calls for a further reduction in duty on industrial products and for the abolition of tariff peaks and tariff escallation, which is particularly disadvantageous to developing countries. It asks that procedures and rules in the field of customs and product certification be simplified for SMEs. It emphasises the need to dismantle existing non-tariff and technical barriers by means of an appropriate and legally binding process for monitoring and resolving such issues. It considers that the negotiations on tariff and non-tariff barriers must succeed in establishing conditions governing market access which enable European industry to compete on fair terms on a global basis, in particular in those sectors where differences in the conditions governing market access serve to distort competition. Trade and the environment: The EP regards it as essential to ensure the compatibility of trade policy rules with the requirements of sustainable development. The principle of environmental protection has to be taken into account in all the fields falling within the WTO's competence and in the agreements to be negotiated in the Millennium Round. It needs to be stated clearly to other Contracting Parties that the Union considers the health of its citizens at the top of its priorities. It approves of the EU initiative to proceed with an 'impact on sustainability assessment' in the new Round and advocates the setting up of a permanent impact assessment programme. For the Parliament, the precautionary principle has to be a limiting criterion integrated in the WTO's rules. It is aware that the WTO cannot be a substitute for the conclusion of multilateral environmental agreements (MEAs). It calls on the Commission to ensure that the question of processes and production methods (PPMs) is included in the negotiations. As the liberalisation of trade is also likely to have the effect of increasing traffic volumes, particular attention must be paid to transport-related environmental damage. Core labour standards: The Parliament welcomes the fact that the Commission has taken up its call for the ILO's core labour standards to be taken into consideration in the world trade system and supports the creation of a joint ILO/WTO Forum on Trade, Globalisation and Labour Issues to look at the relationship between trade policy, trade liberalisation, development and fundamental labour rights. It stresses the importance of granting the ILO observer status within the WTO. Intellectual property (TRIPs Agreement): The EP considers that the 'built-in agenda' on TRIPs concerning the extension of protection on the basis of indication of geographical origin and the filing of patents should be followed up and scrutinised. It draws attention to the need, in the context of the TRIPs Agreement, to improve protection of indications of geographical origin, a vitalcompetitive asset for European agricultural products. It takes the view that a cautious approach should be adopted on additional agreements to the TRIPs Agreement, taking into account the concerns and interests of all countries as well as users and rightholders. It is also aware of the objections to the patenting of living organisms raised by many countries and calls on the Commission to evaluate the existing TRIPs agreement; should such an evaluation necessitate changes, the Commission

should act accordingly. It is aware of the difficulties faced by many developing countries in implementing the undertakings entered into under the TRIPs agreement and it calls on the Commission to offer such contracting parties comprehensive technical aid in implementing an effective policy on the protection of intellectual property rights which require the preparation and implementation of effective framework conditions. It believes in granting the least developed countries longer transitional periods, but rejects the idea of any comprehensive renegotiation of the agreement. Trade and development: The Parliament calls for the specific requirements of the least developed countries to be better taken into account in the WTO. It is vital that these countries achieve practical benefits from the Millennium Round, such as free access to markets for their agricultural products. It endorses the objective of ensuring that the negotiations are genuinely a 'development round' and calls on the Commission to pay particular attention to development policy in all the areas covered by the Millennium Round negotiations. It also underlines the need to assist the developing countries in capacity building in order to enable them to participate fully in the WTO and the Millennium Round. It emphasises that different countries must be allowed to have different national development strategies which should not be hindered by WTO rules. It calls on the Commission to ensure that a worthwhile, effective and coherent EU development policy which exploits the full scope of the Lomé Convention remains possible under the new WTO rules. It calls for the System of Generalised Preferences to be used more effectively as an incentive system to ensure the necessary implementation of social and environmental clauses by developing countries and calls on other industrialised countries to adopt similar incentive schemes to encourage improved environmental and social standards. Dispute settlement procedure: The Parliament notes that the WTO's new dispute settlement procedure has proved successful in many cases, but that some of its rulings have caused a controversy over trade interests and non-trade concerns. It calls on WTO members to make proper use of the mechanism. It also calls for greater transparency in the WTO's dispute settlement procedures, particularly as regards public access to the proceedings.