Resolution on the Fifth Ministerial Conference of the WorldTrade Organisation in Cancun

2003/2566(RSP) - 25/09/2003 - Text adopted by Parliament, topical subjects

The European Parliament adopted a resolution on the outcome of the Fifth Ministerial of the WTO Conference in Cancun. It regretted that WTO members missed the opportunity to implement the Doha Development Agenda and establish a framework for its conclusion by 2004 - this will be to the detriment of the world economy but not least to the developing countries. However, the Doha Development Round continues and Parliament confirms that the EU offer in the negotiations still stands. Parliament did welcome the new level of organisation and assertiveness of developing countries. It felt that a deal was within reach at Cancun, which would have brought benefits to developed, and developing countries and LDCs through reduction and elimination of trade-distorting farm subsidies, as well as fairer access to industrial, agricultural and services markets. Multilateral trade agreements are the best mechanism for promoting free and fair trade to the benefit of all, not least for the developing countries. Parliament warned WTO members against the risks for developing countries, and especially less developed countries, inherent in unilateral trade policies. It asked its President to set up a small reflection group within Parliament to consider the WTO reforms necessary for maintaining the multilateral character of the world trading system. Parliament went on to emphasises the need for confidence-building measures in order to revive the negotiations and called on the WTO to put into operation the agreed measures on "implementation issues" and to reach early agreement on the remaining issues. The experience of Cancun demonstrates the need for far-reaching reform both of the WTO itself and of its place in the wider framework of global governance. WTO rules, working methods and decision-making procedures should be reformed to create a more efficient, rule-based, open and inclusive organisation. Cancun also highlighted the difficulty of finding solutions within a purely WTO framework to the problems of poor countries in coping with the transitional impact of trade liberalisation and responding to the opportunities for export growth. On specific issues, Parliament regretted particularly the failure in Cancun to agree on the abolition of trade-distorting subsidies, particularly the USD 3.5 billion subsidies paid to US cotton producers, which threaten the livelihoods of 10 million African cotton farmers. It asked the Commission, in close cooperation with the ACP and other developing countries, to table proposals for an early agreement on a fair deal for cotton producers, as well as to press the USA to respond positively with an early reform of its cotton sector. Parliament also commended the flexibility demonstrated by the EU's negotiators in moving towards developing country positions on the key issues of agricultural trade, investment and competition rules. Parliament had previously expressed doubts about the existence of the necessary support among WTO Members for the launch of negotiations on the Singapore issues. The reform of the Common Agricultural Policy proved to be the right starting point for discussions. other major players, notably the USA, should undertake similar ambitious reforms. The last CAP reform laid a solid foundation for a flexible EU negotiating position. The Commission is asked to continue its planned reform of the CAP with a view to eliminating trade-distorting subsidies and in time to find a formula whichmaintains the multi-functional character of agricultural activity and supports the way of life and employment in agricultural areas.