Basic information

2004/2265(INI) INI - Own-initiative procedure	Procedure completed
The future of the textile and clothing industry after 2005 **Subject** 3.40.10 Textile and clothing industry, leathers	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
INTA International Trade	SAÏFI Tokia (PPE-DE)	17/11/2004

Committee for opinion	Rapporteur for opinion	Appointed
ITRE Industry, Research and Energy (Associated committee)	CALABUIG RULL Joan (PSE)	27/01/2005
EMPL Employment and Social Affairs	SILVA PENEDA José Albino (PPE-DE)	16/12/2004
REGI Regional Development	GUERREIRO Pedro (GUE/NGL)	14/03/2005
JURI Legal Affairs	ZINGARETTI Nicola (PSE)	20/01/2005

Key events

Date	Event	Reference	Summary
13/10/2004	Non-legislative basic document published	COM(2004)0668	Summary
13/01/2005	Committee referral announced in Parliament		
13/01/2005	Referral to associated committees announced in Parliament		
14/06/2005	Vote in committee		Summary
16/06/2005	Committee report tabled for plenary	A6-0193/2005	
07/07/2005	Debate in Parliament		
06/09/2005	Decision by Parliament	T6-0321/2005	Summary

06/09/2005	Results of vote in Parliament		
06/09/2005	End of procedure in Parliament		

Technical information	
Procedure reference	2004/2265(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Initiative
Legal basis	Rules of Procedure EP 55
Stage reached in procedure	Procedure completed
Committee dossier	INTA/6/24908

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee opinion	EMPL	PE355.449	25/04/2005	
Committee opinion	ITRE	PE355.779	25/05/2005	
Amendments tabled in committee		PE357.988	01/06/2005	
Committee opinion	REGI	PE357.564	03/06/2005	
Committee opinion	JURI	PE357.738	07/06/2005	
Committee report tabled for plenary, single reading		A6-0193/2005	16/06/2005	
Text adopted by Parliament, single reading		T6-0321/2005 OJ C 193 17.08.2006, p. 0027-0110 E	06/09/2005	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2004)0668	13/10/2004	Summary

The future of the textile and clothing industry after 2005

2004/2265(INI) - 06/09/2005 - Text adopted by Parliament, single reading

The European Parliament adopted a resolution based on the own-initiative report drafted by Tokia **SAÏFI** (EPP-ED, FR) andexpressed its concern at the abnormally high growth in the amount of non-EU textile products, especially from China, imported into the EU since the WTO Agreement on Textiles and Clothing expired on 1 January 2005 and quotas were abolished. (Please see the summary of 14/06/2005.) World trade, including trade with China, can only be regarded as a ‘challenge’ rather than as a ‘threat’ by the European textile sector if there is a level playing field and both sides play according to the rules of trade, which has hitherto certainly not been the case.

Parliament felt that the central problem concerning trade with China is that China is by no means a free market and that most textile firms are still State-owned, receive interest-free loans via State banks, as well as systematic export subsidies, covert State aid and free electricity, which does not amount to a smooth functioning of the market.

Moreover, 70% of all counterfeit goods dumped on the European market come from China, and half of all European customs procedures against counterfeiting relate to textiles and clothing, with nearly 5 million counterfeit articles and accessories of clothing being confiscated by customs annually.

Parliament took note of the 'Memorandum of Understanding' concluded between the Commission and China on 10 June 2005, with regard to the limitation of certain Chinese textile exports. However, it called on the Commission and the Council to extend the coverage of that agreement to other categories of textiles where necessary and to ensure transparency as to the basis for the calculation of the export limitations. The safeguard clauses must be applied in the event of an inappropriate application of the agreement.

At the same time, the Commission is asked to protect intellectual property rights more securely in accordance with the WTO TRIPS Agreement so as to enable effective steps to be taken to combat counterfeiting and piracy. The Commission needed to take a forceful attitude so as to ensure compliance with the TRIPS Agreement (in particular Article 25(2)) as regards textile designs and models on markets outside the Community, and to provide for strict retaliatory measures in the event of non-compliance.

Parliament pointed to the importance of consolidating the principle of corporate social responsibility, strict respect for International Labour Organization rules and conventions on the environment and human rights. It called on China as a member of the ILO to comply with the agreed labour directives and basic environmental imperatives, and to punish infringements. It asked the Commission to propose that any enterprise wishing to export to the EU must declare its respect for international social and environmental rights, and that any imports into the EU of products that infringe such rights, particularly products made by prisoners, children or forced labour by workers without trade union rights will be prohibited.

Parliament also asked the Commission to do the following:

-to propose an amendment to Council Regulation 2913/92/EEC with a view to introducing customs checks to identify products accompanied by false declarations of origin;

-to maintain, after 2006, the European Structural Funds in all European textile-producing regions, intended to provide aid for research, innovation, vocational training and SMEs;

-to use any reserve in the Structural Funds for resolving unexpected local and sectoral crises and for facilitating business start-ups and supporting SMEs in the affected regions, in order to encourage job creation in other sectors;

-to conduct a new study to determine what measures might be taken to support the textile industry in developing countries and LDCs, for which textile exports are vital, to increase their production and boost their national and regional markets.

Parliament pointed out, as regards the GSP, that, to preserve the production and export capacity of the most vulnerable countries, preferences must continue to operate in their favour. There should be graduation mechanisms to withdraw tariff advantages from products originating in a beneficiary country which has reached a high level of competitiveness in a given section, precisely with the aim of helping the most vulnerable countries in the world textile and clothing trade.

Parliament advocated a Euro-Mediterranean partnership to boost cooperation in, and the competitiveness of, the sector by means of a pro-active policy in support of training, R & D, technological innovation, the dissemination of good practice, and the exchange of market intelligence. It called for a Euro-Mediterranean production area to be established, since this is the only way to ensure that countries on the southern as well as the northern shore of the Mediterranean will be able to stand firm against the American and Asian regional blocs and protect industrial manufacturing and jobs. Finally, Parliament stated that there should be adopted incentives and specific aid programmes to encourage SMEs in the textile and clothing sector to invest in their own R & D and non-technological innovation activities.

The future of the textile and clothing industry after 2005

2004/2265(INI) - 13/10/2004 - Non-legislative basic document

PURPOSE : to improve the framework enabling competition in the textile and clothing industry.

CONTEXT : the economic situation of the textiles and clothing sector in the EU continues to be difficult. After substantial falls in production and employment in the past three years, it is estimated that in 2003 production fell by a further 4.4% and employment by 7.1% (EU-25, source: Eurostat). This is due to a complex combination of factors. First, the sector has felt the full impact of the economic slowdown in the EU and in its major export markets. Second, the evolution of the US-dollar and Euro exchange rate has continued to have a negative impact on the price competitiveness of several

types of product. And, finally, the development of the Euro-Med Zone and preparations for the new economic realities post 2005 in the wake of quota elimination, has led to further relocation of production within and outside the EU-25.

CONTENT : with a view to eliminating quotas on the 1 January 2005 and following the report from the High Level Group for textiles and clothing, the Commission is proposing a series of actions in order to :

- stimulate research and innovation : the Commission should react positively to the proposal to consider setting up a European Technology Platform, to draw up and implement a strategic research agenda, whilst stressing the need for clear stakeholder commitment to lead and follow through such an initiative;

- improve social dialogue : the Commission recognises the importance of social dialogue as a driving force behind successful economic and social reforms and will continue to promote it.

In addition, as far as education and vocational training is concerned, the Commission can agree with the High Level Group's analysis of a need for a Europe-wide lifelong training strategy for the sector and to ensure a better match between supply and demand for training;

- examine the impact of the proposed new chemicals policy (REACH) on this sector is being closely examined by the Commission and, in co-operation with the textile and clothing industry, it is launching an impact assessment study on the potential impacts of REACH on the textile industry and its chemical suppliers. The results of this study are expected to be available by mid-2005;

- examine the area of intellectual property rights (IPR) : the Commission acknowledges the importance of improving the protection of rights and their enforcement in third countries, and to raise right holders' awareness of counterfeiting and the risks involved. The High Level Group calls for effective awareness raising activities, education of right-holders and for the provision of appropriate tools to combat counterfeiting and piracy.

- encourage the conclusion of agreements between partners in the Euro-Med zone and to strengthen the cooperation with China.

Lastly, the actions foreseen in the areas of research, education and training, and trade policy meet the competitiveness challenges faced by the EU textiles and clothing sector. However, the actions in the areas of research, education, training and employment in particular, need to be complemented by adequate support at national and regional levels to further the same competitiveness factors.