Basic information

2015/2105(INI) INI - Own-initiative procedure	Procedure completed
New forward-looking and innovative future strategy on trade and investment **Subject** 6.20 Common commercial policy in general 6.20.06 Foreign direct investment (FDI)	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
INTA International Trade	BEGHIN Tiziana (EFDD)	16/02/2016
	Shadow rapporteur CASPARY Daniel (PPE) MARTIN David (S&D) MCCLARKIN Emma (ECR) CHARANZOVÁ Dita (ALDE) SCHOLZ Helmut (GUE/NGL) SARGENTINI Judith (Verts/ALE)	

Committee for opinion	Rapporteur for opinion	Appointed
AFET Foreign Affairs	SAÏFI Tokia (PPE)	22/07/2015
DEVE Development	ZAHRADIL Jan (ECR)	21/10/2015
EMPL Employment and Social Affairs	SCHUSTER Joachim (S&D)	20/11/2015
ITRE Industry, Research and Energy	GRIFFIN Theresa (S&D)	02/06/2015
IMCO Internal Market and Consumer Protection	CHARANZOVÁ Dita (ALDE)	10/11/2015
AGRI Agriculture and Rural Development	HERRANZ GARCÍA Esther (PPE)	15/03/2016

European Commission	

Commission DG	Commissioner
Trade and Economic Security	MALMSTRÖM Cecilia

Key events

Date	Event	Reference	Summary
21/05/2015	Committee referral announced in Parliament		
16/06/2016	Vote in committee		
28/06/2016	Committee report tabled for plenary	A8-0220/2016	Summary
04/07/2016	Debate in Parliament		
05/07/2016	Decision by Parliament	T8-0299/2016	Summary
05/07/2016	Results of vote in Parliament		
05/07/2016	End of procedure in Parliament		

Technical information

Procedure reference	2015/2105(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Initiative
Legal basis	Rules of Procedure EP 55
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	INTA/8/02651

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee opinion	DEVE	PE575.219	16/03/2016	
Committee draft report		PE576.919	18/03/2016	
Committee opinion	ITRE	PE560.841	07/04/2016	
Committee opinion	AFET	PE573.135	18/04/2016	
Amendments tabled in committee		PE580.492	28/04/2016	
Amendments tabled in committee		PE582.126	28/04/2016	
Committee opinion	IMCO	PE576.695	02/05/2016	

Committee opinion	EMPL	PE576.819	26/05/2016	
Committee opinion	AGRI	PE580.516	07/06/2016	
Committee report tabled for plenary, single reading		A8-0220/2016	28/06/2016	Summary
Text adopted by Parliament, single reading		T8-0299/2016	05/07/2016	Summary

European Commission

Document type	Reference	Date	Summary
Commission response to text adopted in plenary	SP(2016)694	23/01/2017	

New forward-looking and innovative future strategy on trade and investment

2015/2105(INI) - 28/06/2016 - Committee report tabled for plenary, single reading

The Committee on International Trade adopted the own-initiative report by Tiziana BEGHIN (EFDD, IT) on a new forward-looking and innovative future strategy for trade and investment.

The report recalled that the EU is the wealthiest economy worldwide. The economic importance of the EU will decline: by 2050, the EU-28 will represent only 15% of the world's GDP, down from 23.7% in 2013. The centre of wealth generation is shifting eastwards, towards the Asia Pacific-Region and the demographic development will also have a negative impact on the EU´s position in the world trade scene.

Doubts are being raised by EU citizens, companies and SMEs on whether large industry associations truly represent the interests of EU citizens, EU companies and generally, the European Union. Therefore, Members called for an effective, comprehensive and forward-looking trade and investment strategy.

Future trade agreements and negotiations should take into account and be consistent with the positions set out in Parliament's resolutions on the Transatlantic Trade and Investment Partnership (TTIP) and on the Trade in Services Agreement (TiSA).

Changing trends and transparency: Members stated that any future trade policy must fight forms of protectionism, including the reduction of unnecessary non-tariff barriers to trade, and ensure new market access, especially for SMEs. Members expressed support for the Commission's aim to enhance **synergies** between trade and internal market policies, and recommends that these policies award priority to measures aimed at creating jobs.

They called on the Commission to:

- regularly update its trade and investment strategy and to publicly present every two years a detailed implementation report to Parliament, starting in 2017, to ensure that it delivers on its promises;
- expedite its procedures so that negotiated trade agreements can be referred to Parliament within a shorter period of time, thereby allowing them to be applied provisionally or entered into force more swiftly.

Members welcomed the Commission's increased **transparency and openness** at all stages of trade negotiations, and supported the Commission's Transatlantic Trade and Investment Partnership transparency initiative stating that enlarged access to classified information by Members of Parliament in the TTIP negotiations has strengthened parliamentary scrutiny. In this regard, Members called for a widening of the Commission's transparency initiative to extend full transparency, and the possibility for **public scrutiny**, to all ongoing and future trade negotiations.

Greater coherence between the EU's commercial objectives and other aspects of its external policy on trade for development: Members recalled that consistency between external policies and internal ones having an external dimension must be ensured. Given that migration is one of the main challenges the EU is facing in the 21st century, the report emphasised that ensuring policy coherence of the EU's trade and investment is fundamental in order to tackle the causes of migration. Members regretted that this has not been sufficiently reflected in the 'Trade for All' strategy.

Members also stressed that provisions on human rights, social and environmental standards, commitments on labour rights based on the ILO's core conventions and principles of corporate social responsibility (CSR), including the OECD principles for multinational companies and the UN Principles on Business and Human rights, should be binding and must form a substantial part of EU trade agreements through enforceable commitments. Sustainable development chapters should be included in all EU trade and investment agreements and gender perspective should be included, horizontally, in all future trade agreements.

Underlining the importance of effective safeguard mechanisms in trade agreements, Members called for a mechanism according to which Parliament is able to request that the Commission commence an investigation into **violations** by a third party of its obligations under an essential elements clause.

Transparent global value chains (GVCs) respecting fundamental values and standards worldwide: although the expansion of global value chains (GVCs) has created job opportunities, the weak enforcement of existing labour laws and occupational safety standards – introduced to protect workers from exhaustive working hours and unacceptable conditions – in sourcing countries remains a pressing issue. The report noted that GVCs have also

propelled some supplier firms to ignore labour laws, reallocate their economic activities outside the EU and engage workers in unsafe and unacceptable conditions. The Commission is called on to study the impact of the rise of GVCs and to present concrete proposals to improve conditions in them in close cooperation with the ILO and the OECD. Better protection of entire spectrum of intellectual property rights (IPR) and more effective enforcement is of fundamental importance for further integration into GVCs according to Members.

Opposition to the granting of Market Economic Status (MES) to China: Members reiterated the importance of the EU's partnership with China, in which free and fair trade and investment play an important role. They are convinced that, until China meets all five criteria required to qualify as a market economy, the EU should use a non-standard methodology in its anti-dumping and anti-subsidy investigations of Chinese imports when determining price comparability. The Commission is called upon to make a proposal in line with this principle, and recalled the need to coordinate closely with other WTO partners on the issue.

Support for the Commission in its fight against corruption: aware that the inclusion of provisions relating to financial services in trade agreements has raised concerns regarding their potential negative effects in terms of money laundering, tax evasion and tax avoidance, the Commission is urged to fight against corruption as a major non-tariff barrier in developed and developing countries.

Lastly, the Commission is also called upon to:

- address SMEs' needs horizontally in all chapters of trade agreements;
- go even further in seeking an ambitious and more reciprocal opening up of international public procurement markets
- set up a unified EU customs service for a more effective application of customs rules and procedures throughout the customs territory of the EU;
- push strongly in all negotiations for a limitation to geoblocking practices, for a reduction in international roaming fees, and for a reinforcement of passenger rights.

New forward-looking and innovative future strategy on trade and investment

2015/2105(INI) - 05/07/2016 - Text adopted by Parliament, single reading

The European Parliament adopted by 534 votes to 146, with 30 abstentions, a resolution on a new forward-looking and innovative future strategy for trade and investment.

Changing trends in global trade: Members recalled that the EU is the **wealthiest economy worldwide** controlling a third of world trade, and by 2020 this is projected to decrease to about 26 %. By 2050, the EU-28 will represent only 15% of the world's GDP, down from 23.7% in 2013.

The centre of wealth generation is shifting eastwards, towards the Asia Pacific-Region with China, which has already surpassed Japan and will probably overtake the US to become the world's largest economy in 2025. Emerging economies and developing countries are catching up with the group of industrialised countries and reaching the stage of mature economies. Moreover, the demographic development will also have a negative impact on the EU´s position in the world trade scene.

The **EU's trade and investment policy must be bolstered** by:

- ensuring beneficial outcomes in terms of employment and wealth creation for citizens and businesses, but also by strengthening environmental and social rights and guaranteeing the highest level of transparency, engagement and accountability;
- maintaining constant dialogue with businesses, consumers, social partners, all other relevant stakeholders and local and regional authorities, by setting clear guidelines in the negotiations.

Adapting faster to changes: Parliament welcomed Commission's new strategy which focuses on elements such as responsible management of supply chains, the global digital market, trade in digital goods and services, fair and ethical trade, and the social costs of trade liberalisation.

Parliament stated that any future trade policy must fight forms of protectionism, including the reduction of unnecessary non-tariff barriers to trade, and ensure new market access, especially for SMEs. It expressed support for the Commission's aim to enhance synergies between trade and **internal market policies**, and recommended that these policies award priority to measures aimed at creating jobs.

The Commission is called upon to:

- regularly update its trade and investment strategy and to publicly present every two years a **detailed implementation report to Parliament**;
- expedite its procedures so that negotiated trade agreements can be **referred to Parliament within a shorter period of time**, thereby allowing them to be applied provisionally or entered into force more swiftly.

Increased transparency: Parliament welcomed the Commission's increased **transparency and openness** at all stages of trade negotiations, and supported the Commission's Transatlantic Trade and Investment Partnership transparency initiative stating that enlarged access to classified information by Members of Parliament in the TTIP negotiations has strengthened parliamentary scrutiny. In this regard, Members called for a widening of the Commission's transparency initiative to extend full transparency, and the possibility for **public scrutiny**, to all ongoing and future trade negotiations.

Moreover, the Commission is called upon to ensure a strong and balanced involvement of civil society and social partners, including through appropriate, public, online consultations and communication campaigns, in order to improve the content of the EU's trade policy and orient it to the defence of citizen's rights, thereby strengthening its legitimacy.

Greater coherence between the EU's commercial objectives and other aspects of its external policy on trade for development: Parliament recalled that consistency between external policies and internal ones having an external dimension must be ensured. Parliament shared the Commission's view that the EU has a special responsibility as regards the impact of its trade policies on developing countries and in particular on least developed countries (LDC).

Given that migration is one of the main challenges the EU is facing in the 21st century, the resolution emphasised that ensuring policy coherence of the EU's trade and investment is fundamental in order to tackle the causes of migration. Parliament regretted that this has not been sufficiently reflected in the 'Trade for All' strategy.

Parliament also stressed that provisions on human rights, social and environmental standards, commitments on labour rights based on the ILO's core conventions and principles of corporate social responsibility (CSR), including the OECD principles for multinational companies and the UN Principles on Business and Human rights, should be binding and must form a substantial part of EU trade agreements through enforceable commitments. Sustainable development chapters should be included in all EU trade and investment agreements and gender perspective should be included, horizontally, in all future trade agreements.

Members called, at the same time, for the inclusion of an **effective enforcement mechanism for labour and environmental rights** to which the human rights clause does not apply. Parliament also called on the Commission to establish a structured and depoliticised process whereby consultations with a partner on suspected violations of obligations under trade and sustainable development chapters must be launched according to clear criteria.

Transparent global value chains (GVCs) respecting fundamental values and standards worldwide: although the expansion of global value chains (GVCs) has created job opportunities, **the weak enforcement of existing labour laws and occupational safety standards** – introduced to protect workers from exhaustive working hours and unacceptable conditions – in sourcing countries remains a pressing issue (around 780 million active women and men are not earning enough to be lifted out of poverty). The resolution noted that GVCs have also propelled some supplier firms to ignore labour laws, reallocate their economic activities outside the EU, engage workers in unsafe and unacceptable conditions, demand exhaustive working hours and deny workers their fundamental rights.

The Commission is called upon to present concrete proposals to **improve conditions** in them in close cooperation with the ILO and the OECD with the aim of creating sustainable and equitable growth, and **decent jobs**, in the EU and for its partners. Moreover, better protection of entire spectrum of **intellectual property rights** (IPR) and more effective enforcement is of fundamental importance for further integration into GVCs.

Effective trade defence instruments (TDIs): Parliament stressed that further trade liberalisation measures are require the EU to be able to respond even more effectively to unfair trading practices and to ensure a level playing field. It also stressed that the Union's trade defence system needs to be modernised urgently without being weakened and pointed out that EU trade defence law must be more effective. It regretted that the TDI modernisation proposal is blocked in the Council, which has been unable to deliver on this essential piece of legislation.

Opposition to the granting of Market Economic Status (MES) to China: Members reiterated the importance of the EU's partnership with China, in which free and fair trade and investment play an important role. They are convinced that, until China meets all five criteria required to qualify as a market economy, the EU should use a **non-standard methodology in its anti-dumping and anti-subsidy investigations of Chinese imports** when determining price comparability. The Commission is called upon to make a proposal in line with this principle, and recalled the need to coordinate closely with other WTO partners on the issue.

Support for the Commission in its fight against corruption: aware that the inclusion of provisions relating to financial services in trade agreements has raised concerns regarding their potential negative effects in terms of money laundering, tax evasion and tax avoidance, the Commission is urged to fight against corruption as a major non-tariff barrier in developed and developing countries.

Lastly, the Commission is also called upon to:

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- set up a unified EU customs service for a more effective application of customs rules and procedures throughout the customs territory of the EU;
- push strongly in all negotiations for a limitation to geoblocking practices, for a reduction in international roaming fees, and for a reinforcement of passenger rights.