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MOTION FOR A RESOLUTION

further to Question for Oral Answer B6-0383/2007

pursuant to Rule 108(5) of the Rules of Procedure

by Kader Arif, Anne Ferreira, Glyn Ford, Erika Mann and Joan Calabuig Rull

on behalf of the PSE Group

on the future of the European textile sector in 2008

European Parliament resolution on the future of the European textile sector in 2008

The European Parliament,

- having regard to the Memorandum of Understanding concluded in June 2005 between China and the Commission, expiring on 1 January 2008,
 - having regard to the decision of the Commission and the Chinese Ministry of Foreign Trade on a system of joint import surveillance for the year 2008,
 - having regard to its previous resolutions on this matter, and in particular that of 6 September 2005 on textiles and clothing after 2005¹,
 - having regard to Rule 108(5) of its Rules of Procedure,
- A. whereas China is the world's leading producer and biggest exporter of textile and clothing to the European Union,
- B. whereas the Commission and China, following the end of the Multifibre Agreement at the WTO in 2005, concluded a 'Memorandum of Understanding' imposing restrictions on Chinese imports of certain textile categories for a transitional period, which will expire on 1 January 2008,
- C. whereas the European Union and the Chinese Ministry of Foreign Trade decided on a system of joint import surveillance for the year 2008,
- D. whereas, further to the accession of China to the WTO, the WTO members were authorised to adopt special safeguard measures in the form of quantitative restrictions on Chinese exports until the end of 2008 if the market were to be disrupted,
- E. whereas 70% of all counterfeit goods entering the European market come from China and half of all European customs procedures against counterfeiting relate to textile and clothing,
- F. whereas in most of the cases the textile sector in the EU is concentrated in regions strongly affected by economic restructuring and whereas the sector is mainly composed of SMEs,
1. Is aware that the lifting of the quota system is the result of a legally binding agreement when China joined the WTO system, but considers that the European Union should, if necessary, use the legal possibility of applying safeguard measures until the end of 2008;

¹ Texts adopted, P6_TA(2005)0321

External competitiveness

2. Calls on the Commission to guarantee the external competitiveness of the European textile sector as a whole, by securing better and reliable market access conditions in multilateral, regional and bilateral trade agreements;
3. Asks the Commission to take the opportunity of the negotiation of such trade agreements to encourage third countries to comply with environmental and social standards, such as decent work, in order to fight against environmental and social dumping and to guarantee fair economic development between partners;
4. Calls on the Commission and the Member States to actively promote the modernising of the EU-based textile industry by supporting technological innovation, research and development through the 7th Framework Programme, as well as vocational training, particularly for SMEs;
5. Considers that binding rules on origin marking for textiles imported from third countries should be applied and, in this respect, calls on the Council to adopt the pending proposal for a regulation on the 'made in' indication; notes that this regulation would help to provide better consumer protection and would support the European industry, based on research, innovation and quality;

Unfair trade and counterfeiting

6. Regards trade defence instruments as a fundamental regulating mechanism and a legitimate tool to deal with unfair trade practices from third countries, in particular for the textile and clothing sector; calls on the Commission to increase the transparency and predictability of TDIs in the EU in order to accelerate and simplify procedures, as well as to facilitate access to TDIs for SMEs;
7. Fears that unfair trade practices could push many companies in the sector to close their plants in Europe and transfer their activities outside the European Union with serious social and economic consequences in some traditional textile areas;
8. Calls on the Commission to exert political and economic pressure on the Chinese authorities for a relaxation of the artificially undervalued Chinese currency, which facilitates the massive flow of Chinese textile and clothing imports; calls on the Chinese authorities to review their euro/dollar foreign exchange balance;
9. Calls on the Commission to continue to address violations of Intellectual Property Rights, especially counterfeiting, and urges the Commission to tackle them more strongly at a multilateral and bilateral level;

Import surveillance

10. Expresses its concern at how the system of joint import surveillance is to be set up; calls on the Commission to guarantee proper implementation of this double checking and to evaluate its effectiveness; stresses that a system of double checking cannot be

implemented solely in 2008 and that an effective surveillance system should be guaranteed for a long period;

11. Calls on the High-Level Textile Group to ensure that the surveillance system for textile and clothing imports into the European Union is functioning properly;
12. Calls on the Commission to set up a monitoring system and to evaluate the results before the end of the first quarter of 2008 to ensure that the disruptive effects of a surge in textile imports are duly and promptly taken into account; asks the Commission to report to Parliament on the results;

Support for the EU textile industry and workers

13. Calls on the Commission and Member States, when the textile sector is negatively affected by the liberalisation of the market, to assist workers with social measures and to implement practical plans for companies facing restructuring measures; recalls that the Globalisation Adjustment Fund is one instrument to address such issues;

Security and consumer protection

14. Calls on the Commission to guarantee that imported textile products entering the EU market are subjected to security and consumer protection requirements identical to those for textile products manufactured inside the EU;
15. Asks the Commission to conduct a proper evaluation and study on the question of the alleged pass-through of price reductions to EU consumers;

Developing countries and EU Mediterranean partners

16. Emphasises that the termination of import restrictions on textile does not only give radical changes of import trends to the EU market, but also risks to have an impact on clothing and textile sectors of developing countries, including the EU Mediterranean partners;
17. Calls on the Commission to support the establishment of a Euro-Mediterranean production area in the textile sector, taking advantage of the geographical proximity of the Mediterranean and European markets in order to create an internationally competitive area which can ensure that industrial output and employment can be maintained;

Inform the European Parliament

18. Requests the Commission to provide Parliament with full information about any significant developments in the framework of international trade in textiles;
19. Instructs its President to forward this resolution to the Commission, the Council, and the governments and parliaments of the Member States.