



EUROPEAN PARLIAMENT

2009 - 2014

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*Plenary sitting*

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7.1.2014

B7-0003/2014

## **MOTION FOR A RESOLUTION**

to wind up the debate on the statement by the Commission

pursuant to Rule 110(2) of the Rules of Procedure

on EU trade relations with the Euromed countries  
(2013/2739(RSP))

**Vital Moreira**

on behalf of the Committee on International Trade

**European Parliament resolution on EU trade relations with the Euromed countries (2013/2739(RSP))**

*The European Parliament,*

- having regard to its previous resolutions on the Union for the Mediterranean and the countries of the Southern Neighbourhood, and in particular its resolution of 10 May 2012 on ‘Trade for Change: The EU Trade and Investment Strategy for the Southern Mediterranean following the Arab Spring revolutions’<sup>1</sup>,
- having regard to the Barcelona Declaration of 28 November 1995, which established a partnership between the EU and the southern Mediterranean countries (SMCs),
- having regard to the Euro-Mediterranean Association Agreements between the Community and its Member States, of the one part, and Tunisia<sup>2</sup>, Israel<sup>3</sup>, Morocco<sup>4</sup>, Jordan<sup>5</sup>, Egypt<sup>6</sup>, Lebanon<sup>7</sup> and Algeria<sup>8</sup>, of the other part, and to the Euro-Mediterranean Interim Association Agreement on Trade and Cooperation between the Community and the PLO (for the benefit of the Palestinian Authority)<sup>9</sup>,
- having regard to the Regional Convention on pan-Euro-Mediterranean preferential rules of origin,
- having regard to the Agadir Agreement signed by Jordan, Egypt, Tunisia and Morocco on 25 February 2004,
- having regard to the 2006 European Union Sustainability Impact Assessment Study of the Euro-Mediterranean Free Trade Area,
- having regard to the Declaration of the Paris Summit for the Mediterranean, held in Paris on 13 July 2008,
- having regard to the Joint Communications of the European Commission and of the High Representative of the European Union for Foreign Affairs and Security Policy of 20 March 2013 on ‘European Neighbourhood Policy: Working towards a Stronger Partnership’ (JOIN(2013)0004), of 25 May 2011 on ‘A new response to a changing Neighbourhood’ (COM(2011)0303), and of 8 March 2011 on ‘A partnership for democracy and shared prosperity with the southern Mediterranean’ (COM(2011)0200),

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<sup>1</sup> OJ C 261 E, 10.9.2013, p. 21.

<sup>2</sup> OJ L 97, 30.3.1998, p. 2.

<sup>3</sup> OJ L 147, 21.6.2000, p. 3.

<sup>4</sup> OJ L 70, 18.3.2000, p. 2.

<sup>5</sup> OJ L 129, 15.5.2002, p. 3.

<sup>6</sup> OJ L 304, 30.9.2004, p. 39.

<sup>7</sup> OJ L 143, 30.5.2006, p. 2.

<sup>8</sup> OJ L 265, 10.10.2005, p. 2.

<sup>9</sup> OJ L 187, 16.7.1997, p. 3.

- having regard to the Commission communication of 20 May 2008 on ‘The Barcelona Process: Union for the Mediterranean (UfM)’ (COM(2008)0319),
  - having regard to the Joint Communication of the European Commission and of the High Representative of the European Union for Foreign Affairs and Security Policy of 17 December 2012 on ‘Supporting closer cooperation and regional integration in the Maghreb: Algeria, Libya, Mauritania, Morocco and Tunisia’ (JOIN(2012)0036),
  - having regard to the final statement issued at the meeting of the Ministers of Foreign Affairs of the Union for the Mediterranean held in Marseille on 3 and 4 November 2008,
  - having regard to the ongoing negotiations on a Deep and Comprehensive Free Trade Area (DCFTA) between the EU and Morocco, launched on 1 March 2013,
  - having regard to the trade sustainability impact assessments carried out by Ecorys in support of negotiations on a DCFTA between the EU and Morocco and in support of a DCFTA between the EU and Tunisia,
  - having regard to the proposal for a decision of the European Parliament and of the Council, providing macro-financial assistance to the Hashemite Kingdom of Jordan (COM(2013)0242),
  - having regard to the conclusions of the ministerial meeting held on 5 November 2013,
  - having regard to the Deauville Partnership with Arab Countries in Transition, launched by the G8 at its leaders’ meeting held in Deauville on 21 May 2011,
  - having regard to the three EU task forces: EU-Tunisia, EU-Egypt and EU-Jordan,
  - having regard to Rule 110(2) of its Rules of Procedure,
- A. whereas the Arab Spring has brought about significant changes and challenges for the peoples of the countries concerned, and whereas there is considerable expectation that the EU will respond in a manner commensurate with the commitments it has entered into towards its southern neighbours in the framework of the European Neighbourhood Policy, and in line with its commitments under the Lisbon Treaty for EU policies to promote peace, democracy, development and social justice, and in particular the ‘more for more’ principle for developing civil society;
- B. whereas the EU should use its exclusive competence for trade and investment policy to foster closer links and greater social and economic integration and development assistance in the Mediterranean area;
- C. whereas the evolving political landscape in the SMCs necessitates a clear and supportive response by the EU in order to consolidate the democratic gains achieved to date and support those whose achievement is still under way; whereas a pro-development trade policy can contribute to lifting countries out of poverty and creating new opportunities;
- D. whereas the use of DCFTA agreements, where the economic and political requirements are met, offers a means of furthering the economic links between the EU and the Euromed

SMCs, particularly as regards regulatory convergence;

- E. whereas trade liberalisation in the Mediterranean area, in particular in the agricultural sectors, should be beneficial to all Mediterranean regions and not undermine EU regions' economies;
  - F. whereas many SMCs suffer from serious economic weaknesses and obstacles to development, such as poor governance and chronic unemployment, with large sectors of the population, especially young people, being excluded from the job market; whereas according to the International Labour Organisation, Euromed countries have the highest ratios of women to men in low-quality jobs;
  - G. whereas association agreements (AAs) and free trade agreements are not a goal in themselves, but rather instruments for promoting profound and sustainable reform, systemic transformation and closer alignment with the Union and its founding values and standards; whereas their due and timely implementation is therefore an overriding criterion in assessing the situation in the countries concerned;
  - H. whereas SMEs in the Euro-Mediterranean area employ 25 % of the regional labour force, and whereas 70 % of informal employment is accounted for by non-agricultural SMEs operating on the black market, given that they have not been officially registered by the national authorities;
  - I. whereas the free trade area, if it is to have real positive effects, should boost the integration of the SMCs into international trade and ensure their economic diversification, with fair sharing of the resultant benefits, in order to achieve the main objective of the Euro-Mediterranean economic and trade partnership, namely the reduction of the development gap between the northern and southern shores of the Mediterranean;
1. Believes that the already strong trade links existing between the EU and the SMCs through the association agreements need to be further strengthened by exploiting the possibilities and opportunities offered by those agreements; in particular, is of the opinion that economic diversification is key and, given that the services sector is becoming increasingly significant for the SMCs, supports offering them greater integration into the EU's internal market for services; considers, likewise, that SMEs are a key tool for supporting such diversification;
  2. Calls for regulatory convergence where appropriate in areas that have an impact on trade and investment, but also more generally on economic governance and on the business climate, such as competition, intellectual property rights, customs and trade facilitation;
  3. Notes that Euro-Mediterranean textile producers face major difficulties as a result of growing global competition; draws attention to the need to strengthen the North-South partnership in order to keep Euro-Mediterranean textiles and clothing production and trade competitive, and to promote activities in the SMCs that offer higher added value, based on creativity and innovation and not only on business outsourcing;
  4. Stresses that any specific request for a relaxation of the rules of origin should be addressed in the framework of the revision of the pan-Euromed convention on rules of origin, and

that cumulation can only work if the same rules are applied by all pan-Euromed countries; also emphasises, however, that the EU should be as flexible as possible in reaching a mutually satisfactory agreement with any third country requesting a relaxation of the rules;

5. Expresses its willingness, in the context of the DCFTAs, to look also at non-tariff measures for specific sectors;
6. Welcomes the future establishment of the Euro-Mediterranean trade and investment facilitation mechanism (TIFM), which should provide economic operators, in particular SMEs, with the necessary information on doing business in the region, including, inter alia, on regulations and trade and investment flows;
7. Stresses the need to foster investment security in the Mediterranean region through a system which coordinates SME-targeted strategies and covers multiple fields, namely safeguards, financing, information and networking of SMEs;
8. Believes that in addition to the bilateral approach, the EU should focus on region-to-region integration, notably through joint projects and an emphasis on investment and infrastructure projects; welcomes in this regard the decision in 2012 to extend the mandate of the European Bank for Reconstruction and Development (EBRD) to the region; calls on the EBRD to focus its support on projects aimed at tackling poverty and creating high-quality jobs and to undertake regular monitoring of the effectiveness of those projects;
9. Calls for the launch of negotiations for further agreements on conformity assessment and acceptance of industrial products (ACAAs) with as many SMCs as possible, given that these agreements offer a means to eliminate trade barriers and make products more mutually acceptable, thereby allowing the reciprocal opening of industrial markets; believes that where possible such ACAAs should be incorporated into DCFTA negotiations, in order to avoid overstressing the negotiation capacity of the target countries and forestall the existence of overlapping provisions;
10. Takes note of the strategic projects led by the Union for the Mediterranean with a view to strengthening the region and making a greater contribution to its social development and economic growth;
11. Welcomes the success of the EU initiative of convening task forces for Tunisia, Jordan and Egypt, and stresses that these meetings between private stakeholders, public authorities and international organisations should ensure greater opportunities for trade and investment in order to promote economic growth and job creation;
12. Highlights the importance of greater regional economic integration between the SMCs themselves, in particular by creating and strengthening regional value chains, which should be encouraged; regrets the fact that the Agadir Agreement has not delivered on its objectives, particularly with regard to SMEs, while trade between the signatories remains limited; recommends, in this connection, greater emphasis on visa facilitation, which would allow SME business representatives to travel for business purposes; highlights the importance of developing bilateral chambers of commerce, which are largely absent

within the region but could contribute to cooperation in joint trade activities and mutual exchanges between economic partners, including seminars and business fairs; believes that the Euro-Mediterranean investment facilitation mechanism could greatly strengthen the Euromed trade partnership by enhancing transparency and facilitating trade in products covered by Euro-Mediterranean free trade agreements;

13. Wishes to see progress made with regard to cultural services which have significant potential benefits, particularly in the tourism sector; notes the broader importance of cultural exchanges such as fellowships for SMC students, of both genders and from all socio-economic and ethnic backgrounds, particularly in the fields of economics, business studies, IT, communications and trade; reiterates its call for the establishment of Euromed Erasmus (including Erasmus for Entrepreneurs) and Da Vinci programmes; believes that such exchanges can create lasting connections with future business partners in the SMCs;
14. Underlines that DCFTAs represent, where appropriate, a good opportunity to enhance bilateral trade and investment, addressing issues of concern to both sides, such as promoting sustainable economic growth, providing technical assistance to SMEs and supporting young entrepreneurs in tackling the crippling problem of youth unemployment, as well as significant projects in strategic sectors such as infrastructure and renewable energy sources;
15. Notes the progress made by Morocco in opening up its economic relations with the EU, and in this context welcomes the launch of the DCFTA with Morocco and the progress made to date in the negotiating rounds; believes that the agreement being negotiated with Morocco could serve as a model for the DCFTAs with Tunisia, Jordan and Egypt, while nonetheless taking account of the specificities of each trading partner;
16. Welcomes the mobility partnership agreement signed with Morocco in June 2013, the first of its kind between the Union and a Mediterranean partner, which will facilitate the issuing of visas for certain groups of people such as business professionals and researchers; hopes that the ongoing negotiations on mobility partnerships with Tunisia and Jordan will be concluded in the near future; reiterates the importance of visa facilitation, and stresses that ordinary citizens, including trade unionists and political activists, along with SMEs and entrepreneurs, encounter enormous difficulties when applying for visas to enter the EU; stresses that this situation is unsustainable, and wishes to see greater progress in this regard throughout the region;
17. Calls on the Commission and the Council to consider creating a specific budget heading or setting up a fund in order to finance trade fairs reserved exclusively for SMEs, micro-enterprises and craft industries in the Euro-Mediterranean area, so as to encourage mobility among business professionals, foster the understanding and development of local activities and attract the investment necessary for achieving economic growth and eliminating the black market;
18. Reiterates its request to the Commission to provide a detailed impact assessment of the EU-Morocco Protocol on further liberalisation of agricultural and fishery products, one year after its entry into force, focusing on the EU's most vulnerable Mediterranean regions and their most sensitive sectors; considers that the EU should be kept regularly informed (every six months), and recalls that the agreement includes mechanisms that

should be used in the event that agricultural sectors suffer serious disturbances and injuries as a consequence of massive flows of imports, including the temporary suspension of the protocol in the event of serious and systematic violations;

19. Is concerned at the instability of the Tunisian democratic process; recalls that stable democratic transition is a precondition for economic development and social reforms and, ultimately, for attracting international investment and generating sustainable growth;
20. Welcomes the signing at the EU-Tunisian Association Council in November 2012 of a 'Privileged Partnership' agreement, including financial support amounting to EUR 400 million, which paves the way for further economic integration with the EU, especially in the areas of services and investment and in the agricultural sector; calls on the Tunisian authorities to consider engaging more fully with regard to starting negotiations with the EU for a DCFTA agreement;
21. Underlines the importance of concrete progress on sectoral agreements between Tunisia and the EU; expresses, in this context, the hope that the negotiations on trade in agricultural products will be relaunched; requests the Commission to carry out an impact assessment before the relaunch of negotiations regarding the effects of further trade liberalisation with Tunisia in the agriculture and fisheries sectors on the economies of EU Mediterranean regions; further requests the Commission to carry out an impact assessment of the cumulative effects of trade liberalisation in agriculture and fisheries in the Mediterranean basin;
22. Welcomes the resumption of talks by the Algerian authorities on accession to the World Trade Organisation (WTO), which is a prerequisite for negotiations for a DCFTA; calls on the Algerian authorities to reform their foreign ownership legislation and in particular the Complementary Finance Law; regrets the fact that there has been little progress as regards Lebanon's accession to the WTO, despite more than 15 years of talks; believes that technical assistance can help facilitate the accession of both countries, but that in itself it will not be sufficient without the necessary willingness on the part of the countries themselves to join the WTO;
23. Recalls the significant influence of and active role played by Turkey in the economic integration of the SMCs; notes that a report is currently being produced by the World Bank on a possible revision of the Customs Union between the EU and Turkey; expresses the hope that such a study could provide useful ideas in order to pave the way for improving the Customs Union, notably as regards the elimination of the remaining barriers to the free movement of goods and in the fields of services, public procurement, investment and trade dispute resolution; calls, in this context, on the World Bank to take into account Turkey's ongoing concerns over the impact on its economy of free trade agreements negotiated by the EU with significant third countries, given that the Customs Union agreement between Turkey and the EU provides for free movement of goods, including goods imported from third countries;
24. Welcomes the EU's decision to grant loans of up to EUR 180 million to Jordan in support of its economic adjustment and reform programme; calls on the ministers concerned to explore ways of achieving further progress in this area at the Union for the Mediterranean trade ministerial to be held in February 2014;

25. Notes the unilateral publication by the Commission in July 2013 of guidelines on the eligibility of Israeli entities for EU grants, prizes and financial instruments; considers that in order to facilitate legitimate trade in both Israeli and Palestinian products with other Euro-Mediterranean partners on a bilateral and regional basis, the EU should engage constructively with all parties involved so as to work out an effective labelling scheme; calls, therefore, on the ministers concerned and on the Commission to build on and strengthen the 2010 action plan aimed at facilitating trade in Palestinian products with other Euro-Mediterranean partners on a bilateral and regional basis, in order to contribute to this objective;
26. Urges the SMCs and the Commission to use the opportunity offered by the ministerial conference in February 2014 to look afresh at the challenges faced by the SMCs, with a view to identifying concrete actions in the short, medium and long term;
27. Instructs its President to forward this resolution to the Council, the Commission, the European External Action Service, the heads of state and government and the parliaments of the EU Member States and the SMCs, and the Secretariat and Parliamentary Assembly of the Union for the Mediterranean.