

P6_TA(2008)0195

Trade and Economic Relations with the countries of South East Asia (ASEAN)

European Parliament resolution of 8 May 2008 on trade and economic relations with the Association of South East Asian Nations (ASEAN) (2007/2265(INI))

The European Parliament,

- having regard to its resolutions on bilateral trade negotiations and, in particular, that of 13 December 2007 on 'Trade and economic relations with Korea'¹,
- having regard to the ASEAN Charter, signed on 20 November 2007 at the 13th ASEAN summit in Singapore,
- having regard to its resolutions on Burma, most recently those of 6 and 27 September 2007²,
- having regard to its resolution of 15 January 2008 on CARS 21: A Competitive Automotive Regulatory Framework³,
- having regard to its resolution of 12 July 2007 on The TRIPS Agreement and access to medicines⁴,
- having regard to its resolution of 23 May 2007 on The EU's Aid for Trade⁵,
- having regard to its resolution of 23 May 2007 on Promoting decent work for all⁶,
- having regard to its resolution of 3 June 2003 on regional free trade areas and trade strategy in the European Union⁷,
- having regard to the proposal for a Council regulation establishing a Community system to prevent, deter and eliminate illegal, unreported and unregulated fishing (COM(2007)0602),
- having regard to the Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions entitled 'Global Europe: Competing in the World. A contribution to the EU's Growth and Jobs Strategy' (COM(2006)0567),
- having regard to the study entitled 'Economic Impact of a Potential Free Trade Agreement (FTA) between the European Union and ASEAN' by CEPII-CERIM of 3 May 2006,

¹ Texts adopted, P6_TA(2007)0629.

² Texts adopted, P6_TA(2007)0384 and 0420.

³ Texts adopted, P6_TA(2008)0007.

⁴ Texts adopted, P6_TA(2007)0353.

⁵ OJ C 102E, 24.4.2008, p. 291.

⁶ OJ C 102E, 24.4.2008, p. 321.

⁷ OJ C 68E, 18.3.2004, p. 126.

- having regard to the Ministerial Declaration of the Fourth World Trade Organization (WTO) Ministerial Conference, adopted on 14 November 2001 in Doha and in particular its paragraph 44 on Special and Differential Treatment (SDT),
 - having regard to Rule 45 of its Rules of Procedure,
 - having regard to the report of the Committee on International Trade and the opinions of the Committee on Foreign Affairs and the Committee on Industry, Research and Energy (A6-0151/2008),
- A. whereas the European Union should continue to give priority to a rule-based multilateral trading system, established through the WTO, which offers the best prospects for fair and equitable international trade by establishing appropriate rules and ensuring compliance with them,
 - B. whereas a successful, balanced conclusion of the Doha Development Agenda (DDA) offers the greatest hope of aiding developing countries' integration into the international trading system,
 - C. whereas inter-regional trade agreements can complement the multilateral system by promoting integration and addressing topics for which it is currently difficult to find multilateral agreement,
 - D. whereas, considered as a whole, ASEAN would be the EU's fifth largest trading partner and the EU would be ASEAN's second largest trading partner and the leading investor in the region,
 - E. whereas ASEAN is an extremely diverse region, with three of its members being "Least Developed Countries" (LDCs) while others have a higher per capita income than many EU Member States,
 - F. whereas the ASEAN countries have different economic profiles and those disparities will play an important role in finalising the EU-ASEAN FTA,
 - G. whereas studies show that an EU-ASEAN agreement ("the agreement") could produce substantial economic advantages for both parties but that additional measures may be required to promote an equitable division of such gains,
 - H. whereas a Partnership and Cooperation Agreement (PCA), containing enforceable human rights clauses, is a prerequisite for the Union to conclude an FTA with any country,
 - I. whereas adequate and reciprocal access to EU-ASEAN markets, fully respecting the differing economic positions of ASEAN members and in particular the poorest LDCs, will increase the flow of goods and services and will enhance innovation and boost economic growth on both sides,
 - J. whereas account should be duly taken of the effective protection of Intellectual Property Rights (IPRs), including geographical indications and appellations of origin, while favouring access to medicines and the transfer of technologies particularly in the field of sustainable development and the fight against climate change,
1. Believes that an ambitious agreement will greatly benefit both sides and, even though a high

quality agreement is more important than a rapid timetable, is nonetheless concerned about the slow pace of negotiations; emphasises the importance of achieving concrete results for EU businesses by improving market access;

2. Considers that a successful DDA remains the Union's trade priority and wishes negotiations with ASEAN to be complementary to it; considers that the proposed FTA has to fully respect WTO rules;
3. Calls on both sides to give priority in the negotiations to the need to stabilise the price of commodities, in particular the price of food, and to approach the issue of agro-fuels with great caution;
4. Believes that inter-regional agreements can usefully supplement the multilateral system, provided they are wide-ranging and ambitious, going well beyond tariff reductions and dealing with the qualitative conditions associated with trade, including effective provisions on human rights, and social and environmental standards; believes that, if an inter-regional agreement proved impractical, it would be essential for bilateral negotiations to have a common framework with only the coverage of the agreement and the transition periods varying;
5. Emphasises that future industrial growth in the Union is dependent upon openness to foreign trade and investment, governed by fair rules;
6. Regrets that, at the EU-ASEAN Summit held in Singapore in November 2007, certain provisions relating to business practices and conduct were not treated in depth, thus inhibiting EU investment in ASEAN countries;
7. Stresses the importance of strengthening regional economic integration between the ASEAN countries; calls on the Commission to provide technical assistance and further possible support to facilitate such a reinforcement;
8. Urges the parties to progressively reduce or dismantle all barriers to trade in goods and services, while fully respecting the differing economic positions within the ASEAN region and the need to ensure universal, accessible and sustainable public services with affordable prices and high-quality standards for all;
9. Urges the Commission, in the EU-ASEAN agreement, to ensure transparency and effective rules for public procurement, competition and investment, IPRs, state aid and other subsidies; stresses the importance of services in EU-ASEAN trade relations;
10. Stresses that an agreement with ASEAN should ensure:
 - (i) the improvement and simplification of rules of origin,
 - (ii) the harmonisation of standards, including product safety, child protection and animal welfare standards,
 - (iii) regulatory transparency and simplified bureaucratic procedures,
 - (iv) the elimination of discriminatory taxes;

Sectoral Issues

11. Regards the issue of non-tariff barriers as of no less importance than tariff reductions and is particularly concerned about restrictions on business services, where a reduction in unjustified constraints could lead to ASEAN firms having access to lower cost, more efficient banking, insurance and legal services;
12. Stresses the importance of IPRs and calls for their effective enforcement to be given priority, particularly for design, sound recordings and other cultural goods as well as geographical indications and appellations of origin; asks the Commission to tackle barriers notwithstanding the right of countries to regulate sectors - such as audiovisual - that play a key role in preserving cultural diversity;
13. Attaches particular importance to the fight against counterfeit pharmaceuticals which represent unfair competition and a danger to consumers; at the same time, points out that nothing in the agreement should create legal or practical obstacles to the maximum use of flexibilities set out in the Declaration amending the Trade-Related Aspects of Intellectual Property Rights Agreement (TRIPS agreement) and access to medicines and calls on the Commission negotiators to take full account of the points set out in its above mentioned resolution of 12 July 2007 on this topic;
14. Recalls the EU commitment to support the Doha Declaration and the use of TRIPS flexibilities in favour of public health and of access to medicines in developing countries; therefore calls on the Commission to do nothing that could undermine the Thai government's efforts to ensure access to medicines for all its residents;
15. Believes that aspects of the agreement affecting public procurement should recognise the varying levels of development of ASEAN members and respect the right of all participants to regulate public services, particularly those relating to basic needs;
16. Considers that the agreement should seek to promote increased transparency and accountability with regard to investments made by sovereign wealth funds;
17. Expresses concern about the consequences of higher rice prices, particularly for poorer households in rice-importing ASEAN countries;
18. Considers it necessary to focus in detail on the fishing industry, and in particular on the tuna sector, given the strong socio-economic impact that the full and immediate liberalisation of tariffs would have on this sensitive sector, as recognised by the Commission in its study on the sector drawn up at Parliament's request;
19. Stresses the importance of compliance with hygiene and health rules in the fishing industry as a means of achieving improved and increased development of the industry in these countries, as well as fair competition between them and the EU fishing industry; urges the Commission to provide the necessary technical assistance to enable the ASEAN fishing industries to achieve these targets;
20. Urges that inter-regional economic cooperation be extended to the field of macro-economics, including cooperation in matters of taxation and statistics, the adoption of international auditing and accounting standards and measures to combat corruption and money laundering;
21. Calls on the Union and ASEAN to enhance cooperation in combating human trafficking,

sex-tourism and counterfeiting; welcomes ASEAN members' commitments to tackle drugs while calling on them to uphold the United Nations (UN) death penalty moratorium; commends the Philippines for abolishing the death penalty;

22. Calls on the Union and ASEAN to enhance cooperation in the field of public health and in particular in combating diseases such as AIDS, SARS and avian flu, and in tackling climate change, as well as by promoting food safety;
23. Believes that the competitiveness of the Union with ASEAN countries is dependent upon improved education, training and research in the Union and the creation of innovative products and services;
24. Believes that trade, investment and scientific and research agreements should address sector-specific issues, such as:
 - (i) low energy light bulbs,
 - (ii) certification of sustainably grown and legally harvested timber products,
 - (iii) the prevention of and recovery following natural disasters,
 - (iv) the tourism sector, with special reference to small and medium sized enterprises,
 - (v) the free movement of researchers, business people and tourists,
 - (vi) cooperation between research centres in the Union and in ASEAN countries and the exchange of scientific research findings,
 - (vii) aerosol dispensers;
25. Recommends that the Union's energy policy, with respect to ASEAN countries, concentrates on:
 - (i) non-discriminatory licensing and trade conditions relating to energy products,
 - (ii) improvements in energy production and export capacity,
 - (iii) the development of transport infrastructure for energy products,
 - (iv) the diversification of energy sources,
 - (v) the elimination of border taxes on energy products,
 - (vi) mutual agreements on energy saving, mitigating climate change and reducing greenhouse gas emissions, including potential reciprocal emissions trading arrangements, so as to avoid damage to industries in the Union;
26. Would welcome the development of joint research projects conducted by research establishments in the Union and in ASEAN countries and urges the Commission to take steps to facilitate such arrangements;
27. Recalls the need to protect industry in the Union against dumping by ASEAN exporters and

to discourage such dumping by early intervention on the part of the Union's trade negotiators;

Country Specific Issues

28. Underlines that any schedule of tariff reductions should take full account of the differing economic positions of ASEAN members;
29. Considers that poorer non-LDC members of ASEAN should benefit from flexibilities that are broadly equivalent to those offered by the Economic Partnership Agreements to countries with comparable income levels;
30. Calls on the Commission, at an appropriate point during the negotiations, to invite Cambodia and Laos to indicate whether they would wish to be included in the agreement and, were the reply to be positive, to seek a revised negotiating mandate from the Council that would make this possible;
31. Believes that the current situation in Burma makes it impossible for that country to be included in the agreement;
32. Considers a resolution to the problem of banking secrecy in Singapore, which is blocking the conclusion of a PCA, to be essential if there is to be a real prospect of a region-to-region FTA;

Sustainable Development

33. Considers an ambitious sustainable development chapter to be an essential part of any agreement and emphasises that the enforcement of those agreed standards is essential; takes the view that this requires the chapter to be subject to the standard dispute settlement mechanism;
34. Calls for any agreement to incorporate binding social and environmental clauses, committing the parties to ratifying the core International Labour Organization (ILO) conventions and ensuring their effective implementation, particularly as regards child and forced labour, the eradication of which is a crucial challenge for the ILO, as it pointed out in its report entitled 'End of Child Labour: Within Reach' first published in 2006;
35. Invites the Commission to consider ways of providing incentives to countries that improve labour standards, so as to ensure that the spread of FTAs does not undermine the attractiveness of qualifying for the special incentive arrangement of the Generalised System Preferences ("GSP+") status, whilst also studying the possibility of introducing a clause involving ratification of the basic UN and ILO conventions on human and labour rights, particularly those relating to child and forced labour;
36. Stresses that, once the EU-ASEAN FTA is in force, measures should be adopted to avoid undermining the advantages enjoyed by the LDCs regarding access for their products to the Union;
37. Believes that a Trade and Sustainable Development Forum, made up of workers' and employers' organisations and civil society representatives, could play a valuable role in ensuring that greater market opening is accompanied by rising environmental and social

standards;

38. Proposes that a mechanism be established whereby recognised workers' and employers' organisations should be able to submit requests for action, which would be treated within a specified time period, and which could result in ongoing follow-up and review provisions, in order to maintain pressure against violations of workers' rights;
39. Looks forward to the early publication of a Sustainability Impact Assessment (SIA) which must be available in time to allow full public consultation so that its results can influence the outcome of the negotiations, particularly with regard to measures which may be required to mitigate the negative impact on certain groups or sectors;
40. Considers that the SIA should pay particular attention to the impact of trade liberalisation on gender equality, particularly in sectors such as agriculture, textiles and export processing;
41. Calls on the Commission and the representatives of ASEAN countries to pay particular attention to the consequences of the agreement on the small-scale farmers of the region and ensure that family and sustainable agriculture will be reinforced and not weakened;
42. Regards measures to combat deforestation and to protect and enhance tropical forests to be of great importance in the fight against climate change as well as contributing to the preservation of biological diversity; considers therefore that a PCA should only encourage trade in environmentally sustainable biofuels and that ASEAN countries should be assisted in their efforts to tackle illegal logging;
43. Calls on the negotiating partners to make sure that an agreement includes mechanisms to safeguard the traditional and customary rights of indigenous and local communities to use their forests when implementing forest management and licensing schemes, and to enhance the capacity of national parliaments and civil society, including local communities and indigenous people, to participate in decision-making regarding the conservation, use and management of natural resources, and to demarcate and defend their land rights;
44. Considers that both environmentally-friendly products and "Fair Trade" goods should have their tariffs reduced more quickly than other goods and be given early access to the EU market; requests that the Commission considers updating the customs nomenclature in order to take account of these specific products;

Political considerations

45. Recognises ASEAN's growing role as a force for regional stability and prosperity; welcomes the re-launching of EU-ASEAN relations in 2007 with the Singapore Summit; believes that the Union and ASEAN, which both have a commitment to regional integration, have great potential for cooperation;
46. Notes that measures to step up economic and trade relations between the Union and ASEAN will help to consolidate overall relations between the two regions and encourage further progress regarding political cooperation and security, the advancement of democracy and human rights, further progress in the field of energy/climate change and the environment, in the socio-cultural field and in the area of cooperation and development;

47. Welcomes progress on ASEAN integration and the signing of the ASEAN Charter in the hope that its provisions will enter into force as soon as possible;
48. Recalls that human rights and democracy are core EU values and demands that they form an integral part of the negotiations with ASEAN, especially in the PCAs; reiterates the importance that the Parliament attaches to political and civil rights reforms, and welcomes the establishment of the Human Rights Body in the ASEAN Charter and its explicit commitment to the strengthening of democracy, the enhancement of good governance and the rule of law, as well as the promotion and protection of human rights and fundamental freedoms; expects, therefore, that ASEAN can contribute constructively to the promotion of these values in the region;
49. Welcomes elections in Thailand restoring democracy; calls for a credible process of democratisation and national reconciliation in Burma, that must involve the full participation of the opposition and ethnic groups, and demands the immediate release of Aung San Suu Kyi and all political prisoners as well as the normalisation of activity of the political parties; supports the work of the UN and EU Special Representatives; asks the Council to maintain the restrictive measures against the Government of Burma, to follow the situation closely and, if developments in the country so require, to review those measures; asks ASEAN members, as well as China and India, to put pressure on Burma;
50. Stresses the importance of ongoing cooperation on counter-terrorism and crisis/disaster management, and welcomes recent cooperation on the Aceh Monitoring Mission;
51. In order to promote good governance, transparency and the rule of law, the Parliament wishes to see intervention from Member States and the Commission in cases where there is clear legal evidence that officials from ASEAN countries are involved in corruption cases related to natural resources; asks the Commission to report to the Parliament on any action it will undertake in this regard;

EP role

52. Expects the Lisbon Treaty to enter into force before the conclusion of the negotiations, which will remove any doubt about the need for Parliamentary assent for this type of agreement; calls on the Commission to make the negotiating mandate more widely available to Parliament and to consult Parliament regularly during the course of the negotiations to ensure that the outcome commands broad support;

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53. Instructs its President to forward this resolution to the Council and the Commission, the governments and parliaments of the Member States and of the ASEAN countries and to the ASEAN Secretary-General.