



TEXTS ADOPTED

P8_TA(2018)0439

Harnessing globalisation: trade aspects

European Parliament resolution of 25 October 2018 on harnessing globalisation: trade aspects (2018/2005(INI))

The European Parliament,

- having regard to the Commission reflection paper of 10 May 2017 entitled ‘Harnessing globalisation’ (COM(2017)0240),
- having regard to the Commission communication of 13 September 2017 entitled ‘A balanced and progressive trade policy to harness globalisation’ (COM(2017)0492),
- having regard to the Commission proposal of 13 September 2017 for a Regulation of the European Parliament and of the Council establishing a framework for screening of foreign direct investments into the European Union (COM(2017)0487),
- having regard to the Commission communication of 14 October 2015 entitled ‘Trade for all – Towards a more responsible trade and investment policy’ (COM(2015)0497),
- having regard to its resolution of 30 May 2018 entitled ‘Annual Report on the implementation of the Common Commercial Policy’¹,
- having regard to its resolution of 5 July 2016 on a new forward-looking and innovative future strategy for trade and investment²,
- having regard to its resolution of 12 December 2017 entitled ‘Towards a digital trade strategy’³,
- having regard to the Commission report of 13 September 2017 on the implementation of the trade policy strategy trade for all delivering a progressive trade policy to harness globalisation (COM(2017)0491),

¹ Texts adopted P8_TA(2018)0230.

² OJ C 101, 16.3.2018, p. 30.

³ OJ C 369, 11.10.2018, p. 22.

- having regard to the Commission report of 9 November 2017 on implementation of free trade agreements, 1 January 2016 – 31 December 2016 (COM(2017)0654),
- having regard to the resolution adopted by the UN General Assembly on 25 September 2015, entitled ‘Transforming our world: the 2030 Agenda for Sustainable Development’,
- having regard to resolution 26/9 of the UN Human Rights Council adopted on 26 June 2014, and in particular the decision therein ‘to establish an open-ended intergovernmental working group on transnational corporations and other business enterprises with respect to human rights, whose mandate shall be to elaborate an international legally binding instrument to regulate, in international human rights law, the activities of transnational corporations and other business enterprises’,
- having regard to the UN guiding principles on human rights impact assessments of trade and investment agreements,
- having regard to the State of the Union address by the President of the Commission, Jean-Claude Juncker, of 13 September 2017,
- having regard to its resolution of 12 September 2017 on the impact of international trade and the EU’s trade policies on global value chains¹,
- having regard to Regulation (EU) 2017/2321 of the European Parliament and of the Council of 12 December 2017 amending Regulation (EU) 2016/1036 on protection against dumped imports from countries not members of the European Union and Regulation (EU) 2016/1037 on protection against subsidised imports from countries not members of the European Union²,
- having regard to its position at first reading of 16 March 2017 on the proposal for a regulation of the European Parliament and of the Council setting up a system for supply chain due diligence self-certification of responsible importers of tin, tantalum and tungsten, their ores, and gold originating in conflict-affected and high-risk areas³,
- having regard to its position at first reading of 4 October 2016 on the proposal for a regulation of the European Parliament and of the Council amending Council Regulation (EC) No 1236/2005 concerning trade in certain goods which could be used for capital punishment, torture or other cruel, inhuman or degrading treatment or punishment⁴,
- having regard to its resolution of 25 November 2010 on human rights and social and environmental standards in international trade agreements⁵,
- having regard to its resolution of 25 November 2010 on international trade policy in the context of climate change imperatives⁶,

¹ OJ C 337, 20.9.2018, p. 33.

² OJ L 338, 19.12.2017, p. 1.

³ OJ C 263, 25.07.2018, p. 371.

⁴ OJ C 215, 19.6.2018, p. 261.

⁵ OJ C 99 E, 3.4.2012, p. 31.

⁶ OJ C 99 E, 3.4.2012, p. 94.

- having regard to Articles 2 and 21 of the Treaty on European Union (TEU),
- having regard to the non-paper of the Commission services of 26 February 2018 entitled ‘Feedback and way forward on improving the implementation and enforcement of Trade and Sustainable Development chapters in EU Free Trade Agreements’,
- having regard to the Commission staff working document of 14 July 2015 entitled ‘Implementing the UN Guiding Principles on Business and Human Rights – State of Play’ (SWD(2015)0144),
- having regard to the OECD Due Diligence Guidance on Responsible Business Conduct published on 31 May 2018,
- having regard to the Alliance for Torture-Free Trade launched at the UN General Assembly on 18 September 2017,
- having regard to the opinion of the European Union Agency for Fundamental Rights (FRA) of 10 April 2017 on improving access to remedy in the area of business and human rights at the EU level (1/2017),
- having regard to the Convention for the Protection of Human Rights and Fundamental Freedoms (ECHR), in particular Article 4(1) thereof, prohibiting slavery and servitude,
- having regard to the policy paper of the International Monetary Fund, the World Bank and the WTO published on 10 April 2017 entitled ‘Making trade an engine of growth for all: the case for trade and for policies to facilitate adjustment’,
- having regard to the OECD key issues paper of June 2017 entitled ‘Making globalisation work: better lives for all’¹,
- having regard to the 1970 UNESCO Convention on the Means of Prohibiting and Preventing the Illicit Import, Export and Transfer of Ownership of Cultural Property and the 1995 UNIDROIT Convention on Stolen or Illegally Exported Cultural Objects,
- having regard to the joint communication from the Commission and the European External Action Service entitled ‘Towards an EU strategy for international cultural relations’ (JOIN(2016)0029),
- having regard to the EU’s General Data Protection Regulation, which has been in force since 25 April 2018²,
- having regard to Articles 10 and 11 of the Charter of Fundamental Rights of the European Union of 2010,

¹ OECD, C/MIN(2017)2.

² Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (OJ L 119, 4.5.2016, p. 1).

- having regard to Articles 167, 207, 208 and 218 of the Treaty on the Functioning of the European Union (TFEU),
 - having regard to Rule 52 of its Rules of Procedure,
 - having regard to the report of the Committee on International Trade and the opinions of the Committee on Development, the Committee on Agriculture and Rural Development, the Committee on Culture and Education and the Committee on Legal Affairs (A8-0319/2018),
- A. whereas globalisation is a perpetual process that has created a new set of political, economic and social challenges for the future due to rapid technological advancement, and whereas virtually all sectors will change; whereas the regulatory and legislative framework is lagging behind these developments, putting significant social achievements at stake;
 - B. whereas income inequality has remained at historic highs, but whereas the share of world population living in extreme poverty has decreased from 44 % in 1980 to 10 % in 2015; whereas Parliament agrees with the Commission that globalisation poses challenges also because its benefits are spread unequally among people and regions, and whereas unless active steps are taken, there is a risk that globalisation will compound the effect of technological advances and the recent economic crisis and contribute to further widening inequalities and social polarisation;
 - C. whereas global trade openness and globalisation have had positive effects, lifting millions of people out of poverty and as such can contribute to the economic growth, prosperity and competitiveness of countries; whereas globalisation also poses challenges and its benefits are spread unequally among people and regions; whereas globalisation should not come at the expense of the environment; whereas EU citizens are increasingly demanding that the Union's trade policy ensure that goods entering the EU market have been produced under decent and sustainable conditions and that, in the changing global context, the EU promote a values-based trade agenda;
 - D. whereas values-based 'open and fair trade' and investment policies need a range of effective flanking policies in order to maximise the gains and minimise the losses of trade liberalisation for the EU and for the populations and economies of third countries; whereas the implementation of the UN Sustainable Development Goals (SDGs), aimed at ending poverty and achieving social and environmental progress, should become the benchmark for the success of the Union's trade policy;
 - E. whereas protectionism is a simplistic and weak answer to the challenges posed by globalisation; whereas protectionist policies that are not implemented in line with WTO rules will have a domino effect on all, hurting importers, exporters and consumers; whereas fair and ethical trade relations should become the norm in international economic relations;
 - F. whereas climate change caused by human activity is leading to an acceleration beyond the worst predictions of the IPCC of the collapse in biodiversity and the medium-term threat to the survival of ecosystems – especially marine ecosystems – by pollution, particularly in connection with the exploitation of hydrocarbons;

- G. whereas the EU has the right to adopt policies on trade in cultural and audiovisual services with the aim of protecting and promoting the diversity of cultural expressions as well as cultural heritage, and contributing to the achievement of Sustainable Development Goal 4 on quality education; whereas these other provisions include the common commercial policy, as defined in Article 207 of the TFEU;
- H. whereas Article 3(3) TEU states that the EU must respect its rich cultural and linguistic diversity and ensure that Europe's cultural heritage is safeguarded and enhanced;
- I. whereas Europe has a rich variety of traditions and strong cultural and creative industries, small and medium-sized enterprises and different systems of public media bodies and public film funding, and whereas the promotion of cultural diversity, access to culture and democratic dialogue must remain a guiding principle, in accordance with the EU international trade approach;
- J. whereas the cultural and creative industries contribute to the creation of decent jobs and to economic prosperity and account for approximately 2.6 % of the EU's GDP, with a higher growth rate than the rest of the economy and representing one of the most resilient sectors during the financial crisis; whereas the development of trade in cultural and creative industry goods and services will constitute an important driver of sustainable economic growth and job creation in Europe;
- K. whereas the General Data Protection Regulation lays down high standards of personal data processing, which require a certain level of responsibility on the part of platforms and streaming services in the regulation of international trade;
- L. whereas the harnessing of globalisation in trade aspects concerning cultural goods implies strict compliance with all international conventions on the protection of cultural heritage, in particular the provisions of the 1954 Hague Convention, the 1970 UNESCO Convention and the 1995 UNIDROIT Convention;
- M. whereas intercultural dialogue fosters respect and mutual understanding, and encourages fairer social and economic exchanges, including trade, helping to develop practices that promote the interests of all parties in a more balanced and respectful way and to fight unfair practices such as abusive clauses and imposed unilateral conditionalities;

Harnessing globalisation

1. Welcomes the Commission reflection paper on harnessing globalisation and its focus on easing access to the positive effects of globalisation while pointing out the need to counter the negative effects;
2. Stresses that international trade not only plays a decisive role in economic development and cooperation between countries in the globalised economy, but also has a fundamental influence on peace, socially and ecologically sustainable growth, employment, the eradication of poverty and food insecurity, human rights and the fight against climate change; recognises, therefore, the growing responsibility of the EU to contribute to answering these challenges in its global trade and external relations;
3. Points out the need to effectively strengthen controls on the trading of dual-use goods, and consequently calls for the implementation of the Union's obligations under the International Arms Trade Treaty;

Taking stock

4. Notes that through globalisation, countries and economies are becoming increasingly interconnected; notes that this has led to the emergence of international value chains and points out that these value chains restructure the international division of labour as well as the interdependence of countries; recalls that their extremely complex nature, lack of transparency and dilution of liabilities may lead to a higher risk of human and labour rights violations, factual impunity for environmental crimes and large-scale tax avoidance and tax fraud; reiterates the benefits of a common rules and values-based EU trade policy, including on issues such as human rights, working conditions and environmental protection;
5. Notes that the benefits of globalisation are unequally distributed between regions and within societies, with some regions and sectors profiting to a large extent, while others suffer from structural changes and rising unemployment; notes that this, together with technology shifts such as automation and digitalisation, is a reason for the rising scepticism towards or rejection of globalisation in parts of society; notes that the financial and economic crises affected the distribution of income and aggravated the problem of poverty; takes note that in 2014 the average Gini coefficient of disposable household income reached the highest value on record in the last 30 years but showed a particularly negative trend in modest and mid-range incomes; observes that the middle class has shrunk in many EU Member States, while its share of overall income has equally decreased; expresses the view that the combination of a declining middle class, citizens' fears over losing their social and economic position and scepticism towards globalisation can lead to protectionism, which is a simplistic answer to common fears; notes that in this context, neither nationalist-protectionist nor business-as-usual policies are an adequate response;
6. Points out that the outlook of a sustainable and thriving domestic future supports the reduction and facilitates the management of illegal migration flows to Europe;
7. Notes that where the economy fails, democracy also suffers; observes that democracy is now in decline almost everywhere; underlines that citizens are more empowered than ever but that many feel that democracy no longer serves them well; points out that this trend leads to autocratic and undemocratic states successfully weaponising our societies and capitalising on the popular backlash against globalisation;
8. Notes that the economic importance of China and other Southeast Asian countries is growing significantly; stresses the increasing trade and investment flows within this region; points out that this trend will persist over years to come; notes that this will lead to a relative loss of importance for the present global economic centres of Europe and North America, as well as to new challenges as regards the preservation of a values-based international trade policy; stresses the importance of adapting to these new economic challenges; reiterates, therefore the need to further strengthen the rules and values-based multilateral system; stresses that these developments are likely to compromise European strategic interests;
9. Notes that globalisation has led to a faster and wider spread of technology and innovation, and that technology can be a key enabler of trade; highlights the fact that the EU has yet not delivered on a digital trade strategy or addressed the benefits that the internet and digital ledger technologies can bring to international trade;

10. Notes that the Chinese economy is growing significantly and increases its market share at the expense of Europe and North America; notes that China's new Belt and Road Initiative is its attempt at becoming the world's leading economic power; underlines that China's influence, which is not just economic but has strategic and security-related dimensions, is spreading to Europe itself; sees the 'America First' policy as an attempt to confront the downturn of the United States' and that it represents a destructive force for the rules-based world economic order;
11. Stresses that the transatlantic axis has in recent decades always been a guarantor of global free trade based on values and that it can again assume this role in future; notes in this connection that a transatlantic agreement could provide a new impetus;
12. Points out that the multilateral world economic order with the WTO at its centre is struggling to incorporate these profound changes, as well as the changing interests of countries in international agreements; notes that increasing protectionism in the United States and beyond, as well as the lack of consideration for the needs and expectations of developing countries in international agreements, weakens the WTO; considers the WTO appellate body to be particularly important for reconciling trade disputes and is gravely concerned by the blocking by the United States of the appointment of members of the body, which undermines the functioning of the WTO; calls on the Commission to show flexibility when it comes to reforming the WTO appellate body but to insist on a two-step settlement mechanism; regrets the lack of integration of the SDGs in the world trade agenda and the failure adequately to take them into account; expresses the view that the needs and expectations of developing countries should be better reflected in international agreements, as well as in the DOHA Development Round;

European policy

13. Notes that the EU is presented with the challenge of functioning successfully in this changing global economic setting, meaning that it needs to assure its competitiveness while preserving social and environmental standards, increase its cooperation with the rising economies in Southeast Asia as well as India, China and Latin America, and address the increasing arbitrary protectionism of the United States; notes the importance of engaging in the restructuring of the world economic order and respecting the needs of developing countries as well as of the economically and socially deprived in developed countries; stresses that the aims of fulfilling the SDGs and implementing the Paris Agreement must serve as the overarching framework for pursuing this engagement, with policy coherence for development being of utmost importance; underlines that public finance, official development assistance and domestic resource mobilisation are necessary tools for achieving the SDGs;
14. Stresses the importance of flanking policies to support the positive effects and opportunities provided by globalisation; underlines the need for structured, well-balanced free trade agreements; reiterates its support for the Commission's trade policy and the promotion of trade policy tools and instruments in order to regulate and tackle the challenges of globalisation;
15. Considers that the European Union offers an appropriate support framework for elaborating progressive rules on trade and investment, encouraging economic cooperation, solidarity between peoples and the fight against climate change; encourages the Union to

further develop its initiatives in order to better regulate globalisation through effective support measures;

16. Notes the difficulties encountered by Member States in dealing on their own with transnational challenges such as migration flows, financial crises, tax evasion, terrorism and climate change; emphasises the shared responsibility and role of regions and cities in harnessing globalisation; notes that the effectiveness of European actions depends on the efforts of Member States’;
17. Points out that disputes between the EU and the US create new challenges for the EU but also generate opportunities to seek new ways to manage, shape and take responsibility for globalisation;

Europe’s internal response

18. Agrees with the Commission that preserving international competitiveness while guaranteeing high social and environmental standards is a prerequisite for a successful European strategy; welcomes the further strengthening of the EU’s internal market as well as the consolidation of the economic union through the harmonisation of standards on social protection, wages and standards of living; believes that such harmonisation is vital, as a solid internal market is a prerequisite for the successful implementation of international strategies;
19. Points out that being internationally competitive depends strongly on successfully shaping automation and digitalisation in a socially and environmentally responsible manner, while preserving the protection of European citizens’ private lives; notes that new technologies, especially blockchain, will transform the nature of international trade; notes the importance of achieving our climate policy goals and that the shift to renewable energies needs to happen as soon as possible; is of the view that the EU urgently needs to develop a real and effective industrial strategy with a view to reducing external vulnerabilities while fostering the transition to a low-carbon economy; considers that the opportunities and challenges that globalisation entails, as well as recent actions by certain third countries, should be met with an EU trade policy that favours open and fair trade with transparent rules and a strong multilateral system within the WTO;
20. Points out that in accordance with Article 12 TFEU, which recognises that consumer protection requirements must be taken into account in defining and implementing other Union policies and activities, a dedicated chapter on consumer protection could contribute to achieving a high level of consumer protection by means of legal safeguards, for instance on the right to regulate and the precautionary principle, but could also deliver tangible benefits to consumers and foster consumer trust, including in online services, promote sustainable consumption, integrate the consumer interest in the implementation of whole trade agreements and contribute to the effective enforcement of consumer law, including in cross-border situations;
21. Points out the need to ensure a more level playing field for SMEs; asks the Commission to create a European trade strategy for SMEs in order to integrate SMEs into international value chains and overcome trade-specific hurdles such as non-tariff barriers; points out that access to information is one of the biggest obstacles to market participation for SMEs, meaning that transparency and support need to increase; demands that the Commission develop instruments in this context to facilitate the handling of rules of origin and the use

of preferences for SMEs; points out the large potential of unused preferences and demands that the Commission set ambitious targets for increasing utilisation rates; notes the importance of SMEs for the achievement of the SDGs; calls for the inclusion of dedicated chapters in trade agreements on the needs and interests of SMEs, especially with regard to market access facilitation;

22. Notes that effective trade defence instruments are needed, welcomes the recent reform of trade defence instruments, which must be effectively and proportionately implemented in order to protect industries and jobs from dumped and unfairly subsidised imports; affirms that trade defence instruments should not be used for protectionist purposes; supports the measures put in place by the Commission following the imposition of steel and aluminium tariffs by the US; points out that rules on investment screening need to be put in place as soon as possible in order to prevent foreign investments that are merely motivated by industrial policy and serve to acquire European technologies; recalls the need for a strong International Procurement Instrument; welcomes the bold steps taken in integrating the dimension of social and environmental dumping into those instruments and calls on the Commission to continue developing solid methods in order to fully take those dimensions into account, including with regard to social and environmental standards applicable in exporting countries;
23. Notes that, as a response to globalisation-induced job losses, Member States need to strengthen their labour market policies and their offer of training; notes, however, that a reform of the European Globalisation Adjustment Fund (EGF) is needed in order to meet the new challenges of globalisation, including a reform of the preconditions for receiving support; stresses that the EGF must become a more proactive tool aimed at preparing workers and companies to fight the negative impacts of globalisation; notes that smaller enterprises must have access to EGF funding; points out that the scope of the EGF should be widened to include other policy-induced adjustments and that it needs an adequate budget as well as an appropriate monitoring and evaluation mechanism;
24. Recognises the positive steps undertaken by the Commission to increase transparency in free trade agreements (FTAs); calls on the Commission to meet scepticism towards globalisation by means of further strengthening transparency in trade agreements, improving the monitoring of EU rules and legislation, and increasing inclusiveness for citizens; calls on the Commission to conduct negotiations in full transparency, through constant dialogue with the European Parliament, national parliaments, social partners and civil society; calls on the Council to inform and involve national parliaments and civil society before the approval of negotiating mandates and during negotiations; regrets that the Council decided, in its conclusions of 22 May 2018, to maintain the status quo by deciding to publish the negotiating directives of EU FTAs on a case by case basis; calls on the Council to make all negotiating mandates public;
25. Stresses the need for more global governance and rules in order to better harness globalisation; underlines the importance of supportive domestic policies to boost the EU's competitiveness and resilience;
26. Points out that EU agri-food products meet the highest standards in the world; asks the Commission to ensure that imported agricultural products meet EU standards and to strengthen checks on imported agri-food products at their place of origin and upon their arrival in the EU;

27. Recalls the importance of efficient implementation of trade agreements concluded in order to ensure that our farmers can benefit to the full extent from the export opportunities provided by these agreements, such as the EU-Canada Comprehensive Economic and Trade Agreement (CETA);
28. Highlights the need to develop new trade rules and regulations at a global level in order to regulate and harmonise production, social and environmental standards in the agri-food sector;
29. Welcomes the EU trade agreement with Japan, the EU's fourth biggest agriculture export market, which will provide good export opportunities for many EU agri-products, such as dairy products;
30. Stresses the importance, firstly, of including effective and readily available bilateral safeguard clauses allowing the temporary suspension of preferences if, as a result of the entry into force of the trade agreement, an increase in imports were to seriously damage – or risked seriously damaging – sensitive sectors and, secondly, of revising the existing multilateral safeguard mechanisms set out in Regulation (EU) No 1308/2013 (Single CMO Regulation)¹, which should play a preventive role for sensitive sectors on the basis of reference volume and price thresholds allowing the automatic triggering with suspensive effect of the safeguard mechanisms where these thresholds have been reached;
31. Highlights the strategic importance for the EU of maintaining a high level of food self-sufficiency; takes the view that the globalisation of trade should not jeopardise the viability of EU agri-food producers, since in the long term this could lead to the kind of external dependence already seen in the energy sector;
32. Notes that the Commission reflection paper on harnessing globalization is the first such paper to mention the importance of enhancing animal welfare standards through the EU trade and investment agenda; welcomes the willingness expressed by the Commission to work towards enhanced global governance in the field; calls on the Commission to expressly include animal welfare in its next trade policy strategy and to use the review clauses in existing FTAs to further improve animal welfare provisions; calls on the Commission to ensure trade preferences are conditional upon compliance with EU animal welfare standards, guaranteeing a more level playing field and respecting the wishes of most EU citizens; calls on the Commission to recognise the important role higher animal welfare standards can play in achieving several SDGs, notably on health in connection with antimicrobial resistance, and on climate change;
33. Stresses that culture and education, including lifelong learning, are common goods, that access to culture and education is a human right and that culture and education can therefore not be considered or managed in the same way as a discretionary good or service, but rather as commons to preserve and continually improve; calls, therefore, for cultural, audiovisual and educational services, including those provided online, to be clearly excluded in trade agreements between the Union and third countries, such as the Transatlantic Trade and Investment Partnership (TTIP) with the United States;

¹ OJ L 347, 20.12.2013, p. 671.

34. Insists therefore on the key role played by the 2005 UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions among international trade treaties, which must take into account and respect the relevant provisions thereof;
35. Considers that it is essential to balance trade negotiations concerning copyrights in order to ensure that they are not negotiated down to the lowest common denominator but aim to secure the best possible rules for protecting cultural heritage, promoting cultural diversity and ensuring an income for those working in culture and the media, that they favour and enhance creativity, the dissemination of knowledge and content as well as users' rights in the digital age, and that they constitute an open, rules-based trade environment, which is essential for the European Union's cultural and creative industries to prosper;
36. Reiterates its call for the EU to exercise its right to adopt or maintain measures (in particular of a regulatory and/or financial nature), including a legally binding general clause with respect to the protection and promotion of cultural and linguistic diversity, cultural heritage, freedom of expression, media pluralism and media freedom, irrespective of the technology or distribution platform used, in trade negotiations with third countries;
37. Recognises data protection as a fundamental right in the European Union; calls for high standards of data protection in trade agreements to be guaranteed through a so-called mutual adequacy decision between the European Union and non-EU countries;
38. Stresses the importance of further promoting the European Union's schemes of geographical indications and traditional specialities and of continuing to conclude the relevant bilateral agreements with third countries;
39. Welcomes the Council's recent mandate given to the Commission to negotiate, on behalf of the European Union, a Convention establishing a multilateral court for the settlement of investment disputes (MIC) in order to address the limitations of the existing Investor-State Dispute Settlement system; notes that the MIC will serve as a permanent body to settle investment disputes and will represent a more transparent, coherent and fair system, which will be extremely beneficial for investors; further welcomes, in this context, the fact that the Council has also decided to make the negotiation directives publicly available, which was a longstanding request by Parliament in its efforts to push for more transparency in the field of international negotiations;

Europe's external response

40. Calls on the Commission to make the SDGs and the Paris Agreement the guiding principles of EU trade policy; notes that in order to do so, reforms that were mentioned in the 'Trade for all' strategy are not sufficient; calls on the Commission to consider sustainability as an overarching principle for all trade agreements, including through sustainability-related obligations in every chapter, and to include a specific chapter which contributes to supporting and promoting international conventions on social, labour and human rights, and multilateral environmental agreements; notes that the application of these binding and enforceable provisions must be appropriately monitored in order to launch government consultation procedures and trigger the special dispute resolution mechanisms, if needed, as established within the framework of Trade and Sustainable Development (TSD) chapter; calls on the Council and the Commission to be more ambitious when negotiating with industrialised partner countries regarding the ILO conventions to be referenced in the agreement;

41. Calls on the Commission to include solid and comprehensive sustainable development chapters in FTAs in order to support international trade; welcomes the Commission's 15-point plan to make EU trade and sustainable development chapters more effective;
42. Notes the importance of a balanced and progressive trade policy in meeting the challenges of globalisation through balanced FTAs already concluded or still under negotiation, for example with Canada, Japan, Singapore, Australia, New Zealand, Vietnam and Mexico;
43. Asks the Commission to pursue an ambitious trade policy and maintain an open investment environment; adds that the ratification of concluded and signed trade agreements should take place swiftly in order to uphold commitments to our partners;
44. Calls on the Commission to include rules relating to digital trade in EU FTAs, including cross-border data flows, in order to demonstrate that trade in digital goods and services can bring real benefit to businesses and consumers;
45. Congratulates the Commission for its decision to establish the new EU Fair and Ethical Trade City Award;
46. Calls on the Commission to assess how distributed ledger technologies (DLTs) and blockchain can be used to enhance international trade, and address issues such as transparency and flexibility, and tackle counterfeiting;
47. Underlines that the UN's 2030 Agenda for Sustainable Development and the Paris Agreement on climate change provide the benchmarks against which to measure the contribution of EU trade policy to agreed global sustainable development goals; notes that impact assessments conducted before the start of negotiations must take the fulfilment of the SDGs into account; notes that national sustainability strategies and implementation plans for the Paris Agreement must be one of the essential points for impact assessments; points out that trade agreements and their possible impacts should respond to the demands of the SDGs; urges the Commission in its future reports on the implementation of free trade agreements to provide an evaluation, including data, of their impact on the fulfilment of the SDGs and the Paris Agreement; notes that if parts of an agreement hamper the fulfilment of the SDGs or the Paris Agreement, adjustments must be made;
48. Notes that the Commission's system on implementing policy coherence for development should be brought in line with SDG 17; points out that the reciprocal effects of policy areas such as trade, agriculture, external policy, fisheries, environment and tax must be evaluated coherently between civil society, the Commission and national parliaments; notes that breaches of sustainability provisions must be counterweighted by corrective measures; calls for a policy coherence for development (PCD) assessment, in line with the provisions of the Lisbon Treaty on trade-related legislative proposals; notes that responsible business conduct and the responsible management of global value chains are essential for achieving the SDGs and that the 2030 Agenda emphasises that there is an urgent need for an EU action plan on responsible business conduct that would foster policy coherence and consistency at EU level;
49. Points out that the ratification and implementation of the ILO's core labour standards must be a priority for the implementation of any FTA; notes that organised civil society and social partners should be included in the formative stages of agreements, the implementation phase and the monitoring phase after implementation via bilateral

meetings with the negotiating partners; notes that an effective and workable dispute settlement mechanism should be put in place as well as effective monitoring bodies which involve civil society;

50. Notes that the EU has regulated the supply chains of timber, fish and conflict minerals and that several Member States have developed due diligence frameworks in different sectors, showing the need to develop a broad framework in order to ensure a level playing field; asks the Commission therefore to meet the growing complexity of value chains and the increasing interdependence of producers with clear transparency and due diligence obligations for the whole supply chain, since the weak enforcement of existing labour laws and occupational safety standards in sourcing countries remains a pressing issue; calls on the Commission to build on existing EU legislation in the area of conflict minerals and timber as well as the recently published OECD Due Diligence Guidance on Responsible Business Conduct; notes that global value chains (GVCs) have also led some supplier firms to ignore labour laws, relocate outside the EU and engage workers in unsafe and unacceptable conditions; recalls that these practices create unfair competition for suppliers that are compliant with labour laws and international standards, and for governments that want to improve wages and living standards; stresses the importance of decent wage levels and decent standards of safety at work for a sustainable global trading system and new GVCs; calls on the Commission to study the impact of the rise of GVCs and to present concrete proposals to improve conditions within them and to work towards a multilateral and legally binding framework for corporate accountability and responsible business conduct with regard to decent work, environmental sustainability and respect for human rights, in close cooperation with the ILO and the OECD; recognises that for the EU to pursue such a binding framework in multilateral negotiations is preferable to unilaterally imposing major rules; calls for the EU and the Member States to show leadership and step up their engagement in deliberations at the UN regarding a binding treaty on business and human rights; calls on the Commission to commit, in accordance with the four strategic objectives of the ILO Decent Work Agenda, to respecting, promoting and realising international labour standards and the fundamental principles and rights of workers;
51. Points out that active measures aiming to enhance opportunities for women to benefit from the opportunities provided by FTAs are necessary in order to reach the goal of gender equality; calls for trade agreements to include a specific chapter on trade and gender equality and women's empowerment, providing for measures aimed at, inter alia, better work-family life balance and access to social and health services, to pursue the enhanced participation of enterprises led by women (particularly micro-enterprises and SMEs) in public procurement, to support the internationalisation of enterprises led by women and the participation of women in Mode 4 opportunities;
52. Notes that, in view of attacks on the multilateral world economic order, it is vitally important to preserve this order, as any backsliding into protectionism would be damaging and would lead to trade war; notes that the multilateral order can only be upheld if it is reformed; is of the view that, in order to preserve this order, the UN 2030 Agenda and the Paris Agreement on climate change should be better integrated therein; calls on the Commission to actively engage in unblocking the appellate body of the WTO and asks the Commission to promote international cooperation on fighting unfair competition and protectionism, which are detrimental to both businesses and citizens; notes that open and fair trade that fulfils the SDGs and provides room for the needs of developing countries, as referenced in the 'Trade for all' strategy, should be the EU's primary objective; notes

that, since multilateral initiatives currently bear little chance of success, the EU should in the meantime strive for bilateral and plurilateral agreements, in which fair trade is one of the guiding principles, but considers that the current situation provides the EU with the opportunity to show strong leadership in reforming the multilateral trade order in a sustainable and viable manner;

53. Notes that open, fair and sustainable trade is economically desirable and has vital political implications; notes that in light of the ‘America First’ policy, as well as the new Belt and Road Initiative, it is of vital strategic importance for the EU to use trade as an instrument for the promotion of democratic and sustainable development as well as to strengthen dialogue and technical assistance, especially in the states of the Eastern Partnership and with its African partners; points out that trade and investments in partner countries need to be interlinked with strategies for sustainable development; calls on the Commission to push for coherent implementation of the Association Agreements with the states of the Eastern Partnership; calls on the Commission to develop in the medium term a strategy with a view to building stable relations with the Commonwealth of Independent States (CIS); notes that in the implementation of Economic Partnership Agreements (EPAs) with the African regions and states, trade is not the only important aspect but that interlinking them with the requirements of sustainable development in the African states is vital; asks the Commission to work on increasing the capacity of governments to incorporate issues linked to sustainable and inclusive economic development into their national trade strategies and programmes; recalls the importance for the EU of deepening its cooperation with international organisations such as the UN, ILO, OECD, and World Bank on trade matters, in view of the challenges of globalisation; deplores in this context the fact that the Union and most Member States have failed to reach the target of 0.7 % of GNI for the financing of development cooperation;
54. Stresses that global trade governance should enable trade integration that creates real opportunities for sustainable development; points out, in this context, that the current special and differential treatment (SDT) architecture in the WTO is failing to deliver the expected results; stresses the need to make the SDT provisions more effective and operational for developing countries;
55. Highlights the fact that trade agreements can negatively impact food security in developing countries; calls for the EU to protect local food production and prevent harmful effects of cheap imports, including in the remit of EPAs;
56. Deplores the fact that at least 218 million children are exploited as child labour, mainly with the aim of reducing costs; calls for the EU to ensure that goods circulated in the EU under ethical certification schemes are free from forced and child labour, to guarantee the reliable use of the labels fair and ethical, and help consumers make informed choices;
57. Notes that only one comprehensive EPA has been concluded until now; calls therefore for the EU to acknowledge the EPA-related difficulties encountered by developing countries in the post-Cotonou process; stresses, in particular, the need to conduct an in-depth analysis on their impact on African economies and their respective labour markets, and for the promotion of intra-regional trade in Africa;
58. Deplores the fact that, each year, a sum exceeding the total annual ODA is drained out of Africa in the form of illicit financial flows; highlights the damaging impact of tax evasion on developing countries, which are deprived in this way of substantial amounts of public

money that could be used, for example, not only to improve economic growth, environmental protection and public services but also to promote social cohesion; calls on the Commission, in negotiating trade agreements, to prioritise combating this serious problem, using all the tools at its disposal; insists on the inclusion of strong provisions to tackle tax evasion and avoidance in EU FTAs and preferential trade regimes;

59. Reiterates its call to create effective tools to combat tax evasion and avoidance globally and to enhance cooperation on tax matters with developing countries, including mobilisation of domestic resources;
60. Recalls the need to establish a UN intergovernmental body to engage on an equal footing with developing countries in the reform of global tax rules;
61. Strongly supports the further mainstreaming of digital technologies and services in the EU's development policy; calls on the Commission to increase investment in developing digital infrastructure in the Global South;
62. Welcomes the EU's external investment plan with the aim of fostering sustainable growth, investment and job creation within developing countries; calls for the current EIB external lending mandate to be expanded to increase its role in achieving sustainable development – through blending, co-financing of projects and local private sector development – with a focus on least-developed countries and fragile states;
63. Welcomes the Commission's 'Aid for Trade' updated 2017 strategy aimed at strengthening and modernising EU support to developing countries; calls for more efforts and increased EU financial commitment to Aid for Trade initiatives in order to help developing countries, especially LDCs, achieve prosperity through trade and investments, and to support their actions towards realising the SDGs;

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64. Instructs its President to forward this resolution to the Council and the Commission.