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REPORT

on Trade in services
(2008/2004(INI))

Committee on International Trade

Rapporteur: Syed Kamall

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on Trade in services (2008/2004(INI))

The European Parliament,

- having regard to the General Agreement on Trade in Services (GATS) entering into force in January 1995,
- 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 Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions entitled "Global Europe: A stronger partnership to deliver market access for European exporters" (COM(2007)0183),
- having regard to the proposal for a Council Decision on the signature and provisional application of the Economic Partnership Agreement between the European Community and its Member States, of the one part, and the CARIFORUM States, of the other part (COM(2008)0155),
- having regard to the proposal for a Council Decision concluding the Economic Partnership Agreement between the European Community and its Member States, of the one part, and the CARIFORUM States, on the other part (COM(2008)0156),
- having regard to its resolution of 22 May 2007 on the Global Europe - External Aspects of Competitiveness¹,
- having regard to its resolution of 19 February 2008 on the EU's Strategy to deliver market access for European companies²,
- having regard to its resolution of 13 December 2007 on the Economic and Trade relations with Korea³,
- having regard to its resolution of 8 May 2008 on the trade and economic relations with the Association of South East Asian (ASEAN)⁴,
- having regard to its resolution of 4 April 2006 on the assessment of the Doha Round

¹ OJ C 102 E, 24.4.2008, p. 128.

² *Texts adopted*, P6_TA(2008)0053.

³ *Texts adopted*, P6_TA(2007)0629.

⁴ *Texts adopted*, P6_TA(2008)0195.

following the WTO Ministerial Conference in Hong Kong¹,

- having regard to its resolution of 12 October 2006 on economic and trade relations between the EU and Mercosur with a view to the conclusion of an Interregional Association Agreement²,
 - having regard to its resolution of 1 June 2006 on EU-US transatlantic economic relations³,
 - having regard to its resolution of 13 October 2005 on prospects for trade relations between the EU and China⁴,
 - having regard to its resolution of 28 September 2006 on the EU's economic and trade relations with India⁵,
 - 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 Economic and Monetary Affairs and the Committee on Internal Market and Consumer Protection (A6-0283/2008),
- A. whereas the European Union is the most competitive actor regarding trade in services; whereas the Union is the world's largest exporter and the biggest service provider with more than 28% of the world total export and therefore has a strong interest in ensuring that new markets for goods, services and investments are opened,
- B. whereas the total percentage of the share of GDP in the EU 25 in 2007 was comprised of more than 75% for the service sector; whereas the share of GDP for services in 2007 was around 78% for North America, 52% for Africa and 60% for Asia, C. whereas trade in services so far amount to 25% of world trade, however the sector has a huge potential for increasing this share and continuing to contribute to the creation of new jobs in this sector of the economy,
- D. whereas the development of quality employment is accompanied by a quantitative increase in jobs; notes that it is in the services sector that the highest level of part-time employment is being created and that, for the development of this economic sector, account must be taken of ILO recommendations,
- E. whereas the multilateral trading system, embodied in the World Trade Organization (WTO), remains the most effective framework for achieving fair and equitable trade in goods on a global basis, by developing appropriate rules and ensuring compliance with those rules; whereas the role of the WTO with regard to the General Agreement on Trade in Services (GATS) has to take into account the different nature of the services sector which does not lend itself to quantitative measurements of its degree of liberalisation or remaining barriers to trade,

¹ OJ C 293 E, 2.12.2006, p. 155.

² OJ C 308 E, 16.12.2006, p. 182.

³ OJ C 298 E, 8.12.2006, p. 235.

⁴ OJ C 233 E, 28.9.2006, p. 103.

⁵ OJ C 306 E, 15.12.2006, p. 400.

- F. whereas GATS is and must be the multilateral framework for the regulation of trade in services; whereas this does not prohibit states and notably the EU from negotiating bilateral agreements which have further reaching schedules of specific commitments, taking however into account that bilateral agreements may impact negatively on the advancement and importance of the multilateral framework,
- G. whereas an efficient services infrastructure is a precondition for economic success; whereas access to world-class services helps exporters and producers of goods and services in developing countries to capitalise on their competitive strength; whereas a number of developing countries have also been able, building on foreign investment and expertise, to advance in international services markets; whereas services liberalisation has thus become a key element of many development strategies,
- H. whereas obstacles to trade and behind-the-border barriers not only limit damage trade in goods but also significantly affect trade in services and public procurement,
- I. whereas in opening up the services market a clear distinction should be made between industrialised countries and developing countries and between the individual developing countries in order to take into account different levels of development,
- J. whereas some developing countries, and in particular the least developed countries, should reinforce their governance and create efficient structures and infrastructures for enhancing trade and expanding services markets,
- K. whereas it is important that the Parliament has access, in due time, to the texts of the various negotiating mandates given to the Commission,

General remarks

1. Notes that international trade geared to development and poverty reduction must also contribute to social progress and quality employment; trade regulations must comply with ILO social standards; measures to combat all forms of exploitation at the workplace (prohibiting forced labour and child labour in particular), together with respect for trade union liberties, are essential for balanced trade in the interest of all; reaffirms the need to examine the interaction between trade and social issues;
2. Draws attention to the high level of external competitiveness of European services providers; calls on the Commission to pursue, in trade negotiations, both the progressive and reciprocal opening of access to the services market and a policy of increased transparency and predictability of rules and regulations, accompanied by strict rules and sanctions to fight against corruption and monopolies, in order that citizens and entrepreneurs of both parties to an agreement can have access to a wider range of services;
3. Fully recognises the existing distinction among the different nature of services, with or without economic and market value or based on the necessity of satisfying public and general interest needs;
4. Recalls that the Commission must take the different Member State interests and those of

the developing countries into account when negotiating commitment schedules;

5. Takes the view that an effectively functioning internal market in services is important for the global competitiveness of EU enterprises; stresses that the timely and correct implementation and transposition of Community legislation, including Directive 2006/123/EC on services in the internal market¹, is important to this end;
6. Underlines that the services sector can bring many solutions to environmental problems and believes they are one of the main elements of added value in the EU's exportation of know-how; underlines that the importance of the services sector needs to be taken into account when designing a policy for sustainable development;
7. Welcomes the Commissions' emphasis on ensuring that the positive effects of globalisation are passed on to consumers; stresses that, in combination with a high level of consumer protection, fair competition in services is crucial to ensure that consumers benefit from the European open market;
8. Is convinced that services play an important role in every economy and considers that a wider opening of access to the services market, which takes into consideration the different economic realities is therefore important not only for developed countries, but also for developing countries;
9. Emphasises the need for the European Union to take into account the different degrees of development when requiring deregulation and liberalisation of services, and therefore underlines that the EU cannot and should not impose a one-size-fits-all model on other countries;
10. Acknowledges states' sovereignty and thus their right to regulate in all areas of services in particular in the area of public services, irrespective of whether commitments have been undertaken in the framework of the GATS, provided that any such regulations are made in conformity with Article VI of GATS on Domestic Regulation; believes that service markets require clear and legally unequivocal regulations to operate efficiently;
11. Suggests that the efficiency gains that could be obtained thanks to opening markets to services competition, when accompanied by domestic regulatory measures, could allow less developed countries to provide a greater range of services for their citizens; stresses the importance of universal accessible and sustainable services with affordable prices and high-quality standards;
12. Underlines the need for rules and standards to govern liberalisation; encourages compliance with environmental and quality standards in a reasonable and objective manner, without constituting unnecessary barriers to trade;
13. Welcomes the fact that the Commission has publicised the Community's package of offers in the current GATS negotiations; considers, however, that the Commission should discuss current developments in greater detail with Parliament and its relevant committees;

¹ OJ L 376, 29.12.2006, p. 36.

14. Points out that trade in services is in large measure a transfer of expertise between countries and that, therefore, free trade in services is an important part of any development strategy since it enables know-how to be transferred in breadth in a swift and effective way;
15. Recognises that frequently some of the problems regarding fairness and transparency in the provision of services in some developing countries are brought about with the complicity of companies from developed economies.
16. Requests from the Commission a detailed overview about specific service sectors like software, film, logistics and financial services which play a crucial role in certain developing countries and which are provided and distributed worldwide; further requests from the Commission a detailed analyses how this effects the European service market;
17. Requests from the Commission a detailed overview about substantial data mining services which are operating on a global scale; further requests from the Commission detailed information about location, operators, size and quality of service;

The Doha Development Round and GATS

18. Recalls Article XIX of the GATS stating that members shall enter into successive rounds of negotiations, beginning not later than five years from the date of entry into force of the WTO Agreement and periodically thereafter, with a view to achieving a progressively higher level of liberalisation; recalls that such negotiations take place in the frame of the single undertaking principle and therefore have to be balanced against interests put forward in other areas of negotiations;
19. Recalls that the principles of GATS do not prohibit either privatisation or deregulation; underlines therefore that each state is free to liberalise any service sector; stresses that GATS schedules deal with the bound commitments of each WTO member in terms of trade in services and that each member is free to open its market beyond its GATS commitments provided that the Most Favoured Nation principle or Article V of GATS on Economic Integration is respected;
20. Recalls that the Doha Development Round must focus on development and, accordingly, that negotiations on trade in services must serve both the interests of the EU and the economic growth of the poorest countries;
21. Stresses the need to allow developing countries a degree of latitude regarding the level of reciprocity in the opening up of trade by enabling them to decide for themselves the speed at which liberalisation should be achieved;
22. Encourages a quick resolution on the package of modalities on negotiations on agriculture and on Non-Agricultural Market Access (NAMA) so as to move on with the negotiations on GATS; underlines the importance of WTO members presenting substantial offers; regrets that this has so far not been the case for most members;
23. Welcomes in this regard the announcement of a signalling conference to advance the stalled Doha Development Round negotiations on services; stresses the need for countries

like Brazil, India and China to improve their existing offers so as to reach a breakthrough;

24. Takes note of the request from developing countries on especially the EU and US to improve offers in Mode 4; considers it necessary to find the right balance in order to satisfy both sides; requests that the Commission inform it about any changes from the original requests;

Bilateral and Regional Agreements

25. Encourages a clear and ambitious level of commitments in the currently negotiated and upcoming bilateral and regional trade agreements;
26. Takes note of the results achieved in the Economic Partnership Agreement (EPA) with the Caribbean Forum of ACP States (CARIFORUM); believes that trade in services is a vehicle for development subject to the condition that sound and transparent domestic regulations to govern services are in place;
27. Supports specifically the agreement on Mode 4 in the EU-CARIFORUM agreement; considers this to be a means of avoiding a failure to utilise expertise;
28. Believes with regards to the negotiation of the EU-ASEAN Free Trade Agreement (FTA) that aspects of the agreement affecting public procurement, investments and services should recognise the varying level of development of ASEAN members and respect the right of all participants to regulate public services, particularly those relating to basic needs - this, however, should not prevent private companies filling in the gap where the state fails to provide services required by citizens;
29. Is concerned with regards to the negotiation of the EU-Korea FTA about the difficulties that foreign firms face in gaining access to the Korean market for services including banking, insurance, telecommunications, news agencies and legal advice; urges the Commission to address this issue in the negotiations on the FTA;
30. Stresses with regards to the negotiation of the EU-India FTA the importance of our partnership with India and the need to get an ambitious agreement with substantial and broad commitments, with the fewest restrictions on Indian market access possible across all modes of supply. Points out that liberalisation of trade in services should be at least 90% by both sectoral coverage and volume of trade as required by GATS Article V; Stresses that restrictions are particularly acute in financial services, securities, accountancy, telecommunications, distribution, postal and courier, and legal services;
31. Is concerned with regards to the negotiation of an EU- GCC FTA about the level of transparency and accountability in financial services and, in particular, in the area of investments made by sovereign wealth funds;

Specific sectoral issues

32. Takes note of the latest study by the World Bank showing that in some countries, such as Ethiopia, Nigeria, Kenya and Uganda more than 40 % of people in the lowest economic quintile receive their health care from private, for profit providers; underlines the necessity of investments being made in this sector in order to meet these needs; stresses

furthermore that the EU should support the development of sound domestic rules for the service sectors in these countries in order to enable them to open up their service markets at a later stage;

33. Notes that no WTO member has yet made any commitments on the water distribution sector; stresses that should a such commitment be made it does not prohibit the state from setting levels of quality, safety, price or other policy objectives as they see fit, and the same regulations would apply to foreign suppliers as to local suppliers;
34. Underlines the importance of cultural services, such as the audiovisual, musical and publishing sectors for both European industries and for our trading partners; calls on the Commission to ensure that trade in cultural services is therefore properly balanced, while respecting the protection of intellectual property rights;
35. Notes that in some countries such as Pakistan and India the private sector can help the public sector in providing education without higher costs;
36. Stresses that specifically the tourism sector contributes largely to the economy in a number of developing countries; considers it therefore vital that the Union assists through development cooperation and technical assistance;
37. Believes that, on the basis of prior established sound and transparent domestic regulation, a cautious and phased opening up of the market in financial services in developing countries may offer citizens and entrepreneurs access to funds in order to create local jobs and alleviate poverty since they are no longer forced to rely on state monopolies or institutions;
38. Considers, that, in order to increase its external competitiveness, the Union must take measures under its commercial policy to strengthen the security of electronic transactions and trade and to improve data protection;
39. Notes that services, in particular financial services, affect many fields of competence and underlines that the focus of this Resolution is on trade in services, i.e. achieving market access by the voluntary opening of markets through the request and offer method of negotiations; suggests that areas such as financial supervision, regulation and other issues dealing with different aspects of financial services should be dealt with in the appropriate forum;
40. Strongly supports the Commission's view that market access and free trade in services are an essential component of the Lisbon agenda for growth and jobs; underlines that open markets in combination with balanced and regulated free trade in services will benefit all participating countries and regions;
41. Notes that European companies are increasingly active internationally, that global economic growth is, to a large extent, driven by third countries, and that improved market access would therefore contribute towards strengthening the European Union's competitiveness;
42. Considers that trade in services is a necessary complement to trade in goods and that they

should not be considered as distinct from one another;

43. Considers that the service economy has become the most quantitatively important economic sector in the OECD economies and that increased trade and availability of services will increase economic growth and facilitates business growth and development, improving the performance of other industries, as services provide key intermediate inputs especially in an increasingly interlinked globalised world;
44. Recognises that achieving market access for services is a difficult process within the ongoing WTO Doha Development Agenda negotiations; calls on the Commission to pursue a balanced package with an ambitious offer in services, especially in financial services, where the European industry has competitive expertise and has a strong potential for growth; Notes that compliance with rules and standards is necessary in order to prevent non-tariff barriers, which may be sensitive in the area of services;
45. Calls on the Commission to take full account in trade negotiations of the existence of general interest services and the potential impact of market opening on their organisation;
46. Notes that with regard to financial services, the EU has one of the most open markets in the world, but underlines that the European Union has to pursue more offensive and balanced trade in services negotiations and endorse the principles of openness, development and reciprocity;
47. Stresses the importance of financial service authorities keeping pace with all developments on the European and global financial services markets; calls on the Commission and the Member States to enhance the European regulatory frameworks, as well as to intensify the regulatory dialogue between the European Union and its trading partners with the aim of reducing trade barriers;
48. Calls on the Commission to look into the "offshore" practices of third countries which jeopardise a mutually beneficial opening up of markets;
49. Calls on Member States to work towards a more integrated and coherent trade policy with the Commission, in particular in the area of investments; points out that Member States should not overstate the risks of foreign investment, but aim for effective openness of their economies, and for a common approach in the context of sovereign wealth funds; takes note of the need to evaluate issues such as security of supply, especially concerning foreign investments in the energy sector made by state-owned entities, recalls that such evaluation cannot be used as a protectionist measure;
50. Draws the Commission's attention to the potential risks, with regard to compliance with the competition rules within the European Union, due to the lack of reciprocity in the WTO agreement on public procurement;
51. Calls on the Commission to take stronger action against counterfeiting, particularly via the Internet, inter alia, by encouraging better cooperation between national administrations;
52. Supports the Commission's strong support for multilateral trade negotiations, but notes

that for trade in services, especially concerning financial services, free trade agreements may be better suited for achieving market access; strongly supports the achievement of full Economic Partnership Agreements with the ACP countries that cover not only goods but also services and investment, thus enabling those countries' integration in the global economy;

53. Underlines that effective market access for financial services creates better opportunities for competition, transparency and diversification; notes that, in the emerging economies in particular, effective market access could lead to a stronger local financial market development for the benefit of firms wishing to establish themselves, as well as provide consumers with more choice and better products;
54. Mindful of the weak financial, administrative and institutional capacity of the ACP countries, invites the Commission to ensure respect for the internationally agreed standards for regulation and supervision in the financial services sector when negotiating and implementing trade agreements with countries that are considered to be tax havens;
55. Considers that access to financial services (micro credits, access to bank accounts, basic banking services, mortgages, leasing and factoring, insurance, pensions and local and international transfers), in particular, is necessary for individuals in developing countries to engage in basic economic activities, and therefore asks the Commission to promote better market access for financial services in developing countries and to encourage sound prudential regulation, the development of competitive markets and financial services education.

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56. Instructs its President to forward this resolution to the Council and Commission, the governments and parliaments of the Member States, the World Trade Organization and to its member countries.

EXPLANATORY STATEMENT

INTRODUCTION

This report aims to highlight the importance of trade in services as a creator of wealth and jobs for all economies around the world, as well as a catalyst for development. Services provide the backbone to economies and trade around the world, not only as a means to creating wealth in itself, but also in providing vital support to the economy and industry as a whole through, for example, finance, logistics and communications.

The term "Trade in Services" covers a huge range of industries, making it impossible to try and incorporate them all into one report. Therefore, this report will focus on the broader themes of services, including GATS and bilateral and regional trade agreements, as well as a few examples of sector specific issues.

SERVICES AS PART OF AN ECONOMY

Today's level of globalisation and rapid technological advancement require more than ever that attention be given not only to trade in physical goods, but also trade in services. Studies repeatedly show that services make up an ever increasing percentage of GDP of nearly every economy, 75% for EU, 78% for North America, 52% for Africa and 60% for Asia.

While trade in goods relies to a great extent on an efficient services economy, this does not mean that trade in services should be treated in the same way. Indeed, because financial, communications, and professional services are key intermediate inputs into production in all sectors, technological improvements in these sectors could have the effect of upgrading overall productivity. Thus, whereas liberalising trade in goods moves an economy towards specialisation, opening up trade in services through permitting foreign investment could lead to increased and balanced output as well as better infrastructure for all sectors of the economy.

This report stresses that services are not the preserve of richer countries but are an important and growing part of any economy. The huge potential for growth through services in poor countries has been set an excellent example by the boom in African and South American telecoms, which has shown the progress that can be made through liberalisation and competition. The telecoms boom also highlights the knock on effects that liberalisation of services can have, boosting trade and facilitating globalisation giving entrepreneurs and citizens of poorer countries access to communications and information that would otherwise be unavailable.

It is important to stress that opening up trade in services does not mean privatisation. Individual governments of countries, should they so wish, can still offer a state-run bank, state-run telecommunications or state-run water services, yet they may still prevent local and foreign entrepreneurs or companies from offering competing services alongside, even though non-state provision of services could supplement rather than hinder many public services.

The author recognises that it is important that citizens are offered access and choice, particularly in poorer countries where the local or national governments do not have the funds or even sometimes the inclination for decent service provision. For example, in some cases, governments do not have the capacity to provide clean water to residents of slums. There have been studies which show that many of the poor who live in slums can and indeed do pay for privately provided water, even if tariffs might seem initially quite high. This is because it is often still lower than what they had to pay to middlemen for water that was unsafe and unreliable. However, alternative providers could simply be local entrepreneurs and not necessarily foreign providers. Furthermore, opening up of trade in financial services for example would mean that citizens would not have to rely on one single bank for a loan, which might be run by an associate or family member of a corrupt government. Likewise, citizens often welcome the opening of media services since this leads to user choice and increased freedom of expression. The author is critical of instances where the notion of cultural diversity is used as an excuse to shut out or shut down competing media service providers in order to maintain a monopoly state broadcaster churning out state propaganda.

GATS AND OTHER BILATERAL AND REGIONAL AGREEMENTS

The current Doha Development round of the WTO is currently in deadlock following disagreements over agriculture. This report reminds readers that agriculture - while an important sector for human survival - is but a small percentage of GDP and should not hold up the opening of other important sectors of the global economy. The EU should demonstrate moral leadership by cutting those tariffs and subsidies that hinder trade in physical goods and agriculture in order to achieve the bigger prize of trade in services, which is vital not only for EU producers and consumers but also for citizens of poorer countries.

The multilateral deadlock has meant that the many countries, including that EU are going ahead with bilateral and regional agreements. The commitments negotiated in the Economic Partnership Agreement signed with the CARIFORUM have shown a clear willingness to put services on the agenda. The agreements on mode 4 should hopefully address the brain drain, as well as the "brain in a drain" problem, where educated people in poorer countries are unable to apply their skills locally owing to lack of opportunities.

9.6.2008

OPINION OF THE COMMITTEE ON ECONOMIC AND MONETARY AFFAIRS

for the Committee on International Trade

on Trade in services
(2008/2004(INI))

Draftsman: Olle Schmidt

SUGGESTIONS

The Committee on Economic and Monetary Affairs calls on the Committee on International Trade, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Notes that services, in particular financial services, affect many fields of competence and underlines that the focus of this Resolution is on trade in services, i.e. achieving market access by the voluntary opening of markets through the request and offer method of negotiations; suggests that areas such as financial supervision, regulation and other issues dealing with different aspects of financial services should be dealt with in the appropriate forum;
2. Strongly supports the Commission's view that market access and free trade in services are an essential component of the Lisbon agenda for growth and jobs; underlines that open markets in combination with balanced and regulated free trade in services will benefit all participating countries and regions;
3. Notes that European companies are increasingly active internationally, that global economic growth is, to a large extent, driven by third countries, and that improved market access would therefore contribute towards strengthening the European Union's competitiveness;
4. Considers that trade in services is a necessary complement to trade in goods and that they should not be considered as distinct from one another;
5. Considers that the service economy has become the most quantitatively important economic sector in the OECD economies and that increased trade and availability of

services will increase economic growth and facilitates business growth and development, improving the performance of other industries, as services provide key intermediate inputs especially in an increasingly interlinked globalised world;

6. Recognises that achieving market access for services is a difficult process within the ongoing WTO Doha Development Agenda negotiations; calls on the Commission to pursue a balanced package with an ambitious offer in services, especially in financial services, where the European industry has competitive expertise and has a strong potential for growth; Notes that compliance with rules and standards is necessary in order to prevent non-tariff barriers, which may be sensitive in the area of services;
7. Calls on the Commission to take full account in trade negotiations of the existence of general interest services and the potential impact of market opening on their organisation;
8. Notes that with regard to financial services, the EU has one of the most open markets in the world, but underlines that the European Union has to pursue more offensive and balanced trade in services negotiations and endorse the principles of openness, development and reciprocity;
9. Stresses the importance of financial service authorities keeping pace with all developments on the European and global financial services markets; calls on the Commission and the Member States to enhance the European regulatory frameworks, as well as to intensify the regulatory dialogue between the European Union and its trading partners with the aim of reducing trade barriers;
10. Calls on the Commission to look into the "offshore" practices of third countries which jeopardise a mutually beneficial opening up of markets;
11. Calls on Member States to work towards a more integrated and coherent trade policy with the Commission, in particular in the area of investments; points out that Member States should not overstate the risks of foreign investment, but aim for effective openness of their economies, and for a common approach in the context of sovereign wealth funds; takes note of the need to evaluate issues such as security of supply, especially concerning foreign investments in the energy sector made by state-owned entities, recalls that such evaluation cannot be used as a protectionist measure;
12. Draws the Commission's attention to the potential risks, with regard to compliance with the competition rules within the European Union, due to the lack of reciprocity in the WTO agreement on public procurement;
13. Calls on the Commission to take stronger action against counterfeiting, particularly via the Internet, inter alia, by encouraging better cooperation between national administrations;
14. Supports the Commission's strong support for multilateral trade negotiations, but notes that for trade in services, especially concerning financial services, free trade agreements may be better suited for achieving market access; strongly supports the achievement of full Economic Partnership Agreements with the ACP countries that cover not only goods but also services and investment, thus enabling those countries' integration in the global economy;

15. Underlines that effective market access for financial services creates better opportunities for competition, transparency and diversification; notes that, in the emerging economies in particular, effective market access could lead to a stronger local financial market development for the benefit of firms wishing to establish themselves, as well as provide consumers with more choice and better products;
16. Mindful of the weak financial, administrative and institutional capacity of the ACP countries, invites the Commission to ensure respect for the internationally agreed standards for regulation and supervision in the financial services sector when negotiating and implementing trade agreements with countries that are considered to be tax havens;
17. Considers that access to financial services (micro credits, access to bank accounts, basic banking services, mortgages, leasing and factoring, insurance, pensions and local and international transfers), in particular, is necessary for individuals in developing countries to engage in basic economic activities, and therefore asks the Commission to promote better market access for financial services in developing countries and to encourage sound prudential regulation, the development of competitive markets and financial services education.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	3.6.2008
Result of final vote	+: 34 -: 1 0: 0
Members present for the final vote	Mariela Velichkova Baeva, Zsolt László Becsey, Pervenche Berès, Sharon Bowles, Udo Bullmann, Manuel António dos Santos, Jonathan Evans, Elisa Ferreira, José Manuel García-Margallo y Marfil, Jean-Paul Gauzès, Donata Gottardi, Benoît Hamon, Karsten Friedrich Hoppenstedt, Othmar Karas, Piia-Noora Kauppi, Wolf Klinz, Christoph Konrad, Guntars Krasts, Kurt Joachim Lauk, Andrea Losco, Florencio Luque Aguilar, John Purvis, Alexander Radwan, Bernhard Rapkay, Dariusz Rosati, Eoin Ryan, Antolín Sánchez Presedo, Olle Schmidt, Peter Skinner, Margarita Starkevičiūtė, Ivo Strejček, Ieke van den Burg
Substitute(s) present for the final vote	Mia De Vits, Harald Ettl, Margaritis Schinas

28.5.2008

OPINION OF THE COMMITTEE ON THE INTERNAL MARKET AND CONSUMER PROTECTION

for the Committee on International Trade

on Trade in Services
(2008/2004(INI))

Draftsman: Cristian Silviu Buşoi

SUGGESTIONS

The Committee on the Internal Market and Consumer Protection calls on the Committee on International Trade, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Recalls that services account for more than three quarters of the European economy and that many services are vital for competitiveness and innovation in other sectors of the productive cycle such as industry and agriculture;
2. Considers that, in establishing fair trade in services it is necessary to ensure compliance with the principles set out in Article 2 of the EC Treaty;
3. Takes the view that an effectively functioning internal market in services is important for the global competitiveness of EU enterprises; stresses that the timely and correct implementation and transposition of Community legislation, including Directive 2006/123/EC on services in the internal market¹, is important to this end;
4. Believes a balanced and ambitious enterprise policy, in particular the European Small Business Act, could reinforce the competitiveness of SMEs; calls for the forthcoming initiative to cover also the needs of the service sector and favours a legislative instrument;
5. Recalls the importance of services for the European economy and express concern at the lack of progress on services in the current negotiation round in the World Trade Organisation;

¹ OJ L 376, 29.12.2006, p. 36.

6. Notes that the lack of skilled workers is an emerging challenge for the service sector in Europe and that there is a need to develop measures to tackle this, inter alia by way of lifelong education and training for workers;
7. Underlines that the services sector can bring many solutions to environmental problems and believes they are one of the main elements of added value in the EU's exportation of know-how; underlines that the importance of the services sector needs to be taken into account when designing a policy for sustainable development;
8. Welcomes the Commissions' emphasis on ensuring that the positive effects of globalisation are passed on to consumers; stresses that, in combination with a high level of consumer protection, fair competition in services is crucial to ensure that consumers benefit from the European open market.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	27.5.2008
Result of final vote	+: 36 -: 0 0: 0
Members present for the final vote	Cristian Silviu Buşoi, Charlotte Cederschiöld, Gabriela Creţu, Janelly Fourtou, Evelyne Gebhardt, Martí Grau i Segú, Małgorzata Handzlik, Malcolm Harbour, Iliana Malinova Iotova, Pierre Jonckheer, Graf Alexander Lambsdorff, Kurt Lechner, Toine Manders, Nickolay Mladenov, Catherine Neris, Zita Pleštinská, Zuzana Roithová, Heide Rühle, Leopold Józef Rutowicz, Salvador Domingo Sanz Palacio, Christel Schaldemose, Andreas Schwab, Marianne Thyssen, Bernadette Vergnaud, Barbara Weiler
Substitute(s) present for the final vote	Emmanouil Angelakas, Wolfgang Bulfon, Colm Burke, Giovanna Corda, Jan Cremers, Wolf Klinz, Manuel Medina Ortega, Gary Titley
Substitute(s) under Rule 178(2) present for the final vote	Elisabeth Morin, Sirpa Pietikäinen, Nicolae Vlad Popa

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	24.6.2008
Result of final vote	+: 19 -: 11 0: 0
Members present for the final vote	Francisco Assis, Graham Booth, Carlos Carnero González, Daniel Caspary, Françoise Castex, Christofer Fjellner, Béla Glattfelder, Ignasi Guardans Cambó, Jacky Hénin, Syed Kamall, Marusya Ivanova Lyubcheva, Erika Mann, David Martin, Vural Öger, Georgios Papastamkos, Godelieve Quisthoudt-Rowohl, Tokia Saïfi, Peter Šťastný, Robert Sturdy, Gianluca Susta, Iuliu Winkler, Corien Wortmann-Kool
Substitute(s) present for the final vote	Vittorio Agnoletto, Eugenijus Maldeikis, Jan Tadeusz Masiel, Salvador Domingo Sanz Palacio, Carl Schlyter
Substitute(s) under Rule 178(2) present for the final vote	Marie-Arlette Carloti, Małgorzata Handzlik, Christopher Heaton-Harris