



EUROPEAN PARLIAMENT

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**A7-0066/2011**

18.3.2011

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## **RECOMMENDATION**

on the draft Council decision on the conclusion of an Agreement between the European Union and the Kingdom of Morocco establishing a Dispute Settlement Mechanism  
(13754/2010 – C7-0431/2010 – 2010/0181(NLE))

Committee on International Trade

Rapporteur: George Sabin Cutaş

***Symbols for procedures***

- \* Consultation procedure
- \*\*\* Consent procedure
- \*\*\*I Ordinary legislative procedure (first reading)
- \*\*\*II Ordinary legislative procedure (second reading)
- \*\*\*III Ordinary legislative procedure (third reading)

(The type of procedure depends on the legal basis proposed by the draft act.)

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## DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

**on the draft Council decision on the conclusion of an Agreement between the European Union and the Kingdom of Morocco establishing a Dispute Settlement Mechanism (13754/2010 – C7-0431/2010 – 2010/0181(NLE))**

### **(Consent)**

*The European Parliament,*

- having regard to the draft Council decision (13754/2010),
  - having regard to the draft Agreement between the European Union and the Kingdom of Morocco establishing a Dispute Settlement Mechanism (13973/2010),
  - having regard to the request for consent submitted by the Council in accordance with Article 207(4), first subparagraph and Article 218(6), second subparagraph, point (a)(v), of the Treaty on the Functioning of the European Union (C7-0431/2010),
  - having regard to Rules 81 and 90(8) of its Rules of Procedure,
  - having regard to the recommendation of the Committee on International Trade (A7-0066/2011),
1. Consents to conclusion of the Agreement;
  2. Instructs its President to forward its position to the Council, the Commission and the governments and parliaments of the Member States and of the Kingdom of Morocco.

## EXPLANATORY STATEMENT

To date, disputes arising from the Euro-Mediterranean Agreements relied solely on diplomatic approaches for a resolution. In practice, this is not efficient and has led to situations where disputes remained unresolved, as they could easily be blocked by the "injuring" party.

The Council authorised the Commission to open negotiations with its partners from the Mediterranean in 2006 with a view to negotiate a proper Dispute Settlement Mechanism. A draft agreement was initialled with Morocco at the Euro-Mediterranean Trade Ministerial Conference in Brussels on 9 December 2009, which was confirmed during the EU-Morocco Summit on 7 March 2010.

The creation of a standard dispute settlement mechanism is welcomed, as it should provide streamlined and effective redress procedures within firm time limits. The Rapporteur believes that these upgrades to the Euromed Free Trade Agreements can contribute towards economic and political stability in this key region with a view to consolidating a single shore of peace, development, justice, equality, freedom, plurality, democracy and respect. Furthermore, the proper application of such a mechanism could increase the security and the predictability of our bilateral trade relations and could represent a further step towards the setting up and the proper functioning of the Euromed Free Trade Area.

The proposed mechanism is modelled on the dispute settlement mechanisms of the most recent agreements concluded by the European Union and on the WTO Dispute Settlement Understanding. The Rapporteur agrees that bilateral trade agreements should always be fully compatible with the multilateral trading system. Moreover, the Commission needs to ensure that the implementation is effective and will, *de facto*, be used.

In light of the above, the Rapporteur proposes that Parliament gives its consent to this agreement. Lingering disputes have a negative effect on the business community and on end-consumers on both shores of the Mediterranean. With the entry into force of the Lisbon Treaty, Foreign Direct Investment became part of EU Trade Policy, and thus part of the Union's exclusive competence. In an era where Foreign Direct Investment plays an important role in the economic welfare of countries and regions, the Rapporteur hopes that a well functioning and effective dispute settlement mechanism will also serve to solve disputes in this area.

## RESULT OF FINAL VOTE IN COMMITTEE

<b>Date adopted</b>	16.3.2011
<b>Result of final vote</b>	+: 25 -: 0 0: 2
<b>Members present for the final vote</b>	William (The Earl of) Dartmouth, Laima Liucija Andrikiene, Kader Arif, David Campbell Bannerman, Christofer Fjellner, Metin Kazak, Bernd Lange, David Martin, Emilio Menéndez del Valle, Vital Moreira, Cristiana Muscardini, Godelieve Quisthoudt-Rowohl, Niccolò Rinaldi, Tokia Saïfi, Helmut Scholz, Peter Šťastný, Robert Sturdy, Gianluca Susta, Keith Taylor, Iuliu Winkler, Pablo Zalba Bidegain, Paweł Zalewski
<b>Substitute(s) present for the final vote</b>	Catherine Bearder, George Sabin Cutaş, Syed Kamall, Miloslav Ransdorf, Jarosław Leszek Wałęsa