



A7-0023/2012

1.2.2012

RECOMMENDATION

on the draft Council decision on the conclusion of an Agreement in the form of an Exchange of Letters between the European Union and the Kingdom of Morocco concerning reciprocal liberalisation measures on agricultural products, processed agricultural products, fish and fishery products, the replacement of Protocols 1, 2 and 3 and their Annexes and amendments to the Euro-Mediterranean Agreement establishing an association between the European Communities and their Member States, of the one part, and the Kingdom of Morocco, of the other part
(15975/2010 – C7-0432/2010 – 2010/0248(NLE))

Committee on International Trade

Rapporteur: José Bové

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 in the form of an Exchange of Letters between the European Union and the Kingdom of Morocco concerning reciprocal liberalisation measures on agricultural products, processed agricultural products, fish and fishery products, the replacement of Protocols 1, 2 and 3 and their Annexes and amendments to the Euro-Mediterranean Agreement establishing an association between the European Communities and their Member States, of the one part, and the Kingdom of Morocco, of the other part (15975/2010 – C7-0432/2010 – 2010/0248(NLE))

(Consent)

The European Parliament,

- having regard to the draft Council decision (15975/2010),
 - having regard to the draft Agreement in the form of an exchange of letters between the European Union and the Kingdom of Morocco concerning reciprocal liberalisation measures on agricultural products, processed agricultural products, fish and fishery products, the replacement of Protocols 1, 2 and 3 and their Annexes and amendments to the Euro-Mediterranean Agreement establishing an association between the European Communities and their Member States, of the one part, and the Kingdom of Morocco, of the other part (15974/2010),
 - having regard to the request for consent submitted by the Council in accordance with Articles 207(4) first subparagraph and Article 218(6), second subparagraph, point (a)(v), of the Treaty on the Functioning of the European Union (C7-0432/2010),
 - having regard to Rules 81 and 90(7) of its Rules of Procedure,
 - having regard to the recommendation of the Committee on International Trade and the opinions of the Committee on Agriculture and Rural Development and the Committee on Fisheries (A7-0023/2012),
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

Following the launch of the Barcelona Process in 1995, the European Union signed Association Agreements with around a dozen southern Mediterranean countries, the aim being to enhance dialogue and cooperation and thereby establish an area of peace, security and prosperity.

Subsequently, the focus changed to establishing a free trade area, beginning with the liberalisation of agricultural trade. In 2005, in accordance with the Rabat road map, the European Council authorised the Commission to conduct negotiations with several countries in the Mediterranean region with a view to establishing conditions for the liberalisation of trade in agricultural and fishery products. The Kingdom of Morocco was one of these countries.

The Association Agreement between the European Union and Morocco came into force in 2000. In December 2010, the Council of the European Union signed the document that would authorise a second phase, once this had been ratified by Parliament, in the liberalisation of trade between the European Union and the Kingdom of Morocco in agricultural and fishery products.

Considering the events that occurred in Tunisia, Egypt, Libya and Syria in spring 2011, the rapporteur notes that the liberalisation agreements in force at that point have not achieved their declared aims and wonders whether there is any point in pursuing a policy that favours the economic interests of influential parties but does not assess its repercussions on the social welfare of the populations affected or the environmental harm done.

As regards agriculture and fishing, this new agreement encourages both sides to concentrate on capital-intensive corporate farms at the expense of family and peasant farming. The rise in the number of quotas at reduced rates for a wide range of fruit (oranges, clementines, melons, strawberries) and vegetables (tomatoes, aubergines, courgettes, garlic, cucumbers) will make it difficult for EU producers to continue to compete, but at the same time will not help sustain the development of balanced agriculture in Morocco.

Labour costs are the principal factor determining the price of fruit and vegetables. Agricultural workers in Morocco earn around EUR 5 per day. Their rate of pay is so low because Morocco's labour law does not permit agricultural workers to form trade unions and so they cannot engage in collective bargaining.

The low pay rates are also explained by the continued existence of child labour. According to UNICEF, in Morocco over 1.5 million children of school age are denied their right to education and most of these children deprived of schooling are at risk of economic exploitation, through the work they do in the craft industry or agriculture, in conditions that are not always what they should be for the good of their health or their psychological wellbeing.

Recognition of and respect for trade union rights and the implementation of a voluntarist policy to fight child labour are among the essential preconditions for ratification of a trade agreement with Morocco.

Achieving a reliable system of entry prices for fruit and vegetables is a problem. The circumventing of the system for import entry prices is considered by a large number of producer organisations to be a matter of deep concern for the sector, particularly in regard to fresh tomatoes. Operators profit from problems with the system, making improper use of current provisions on the customs valuation, to cut the import duties due on fruit and vegetables. FEPEX (the Spanish Federation of Fruit and Vegetable Producers and Exporters) has even filed a complaint with Parliament's Committee on Petitions regarding this very problem.

Before opening up the markets any further to additional quotas, there must be effective tariff protection and verification of imported values.

In Morocco, export quotas are managed by a national body, the EACCE (Autonomous Body for Export Control and Coordination) set up in 1986 which favours large jointly owned (Morocco-France in the main) exporter groups. Seventy per cent of Morocco's tomatoes are exported by just three groups. Moroccan family-run farms will draw very little benefit therefore from this agreement.

Morocco's Green Plan aims to develop export crops by attracting foreign investors who are given the best irrigated land. Many of Morocco's key figures and researchers are heavily critical of the lack of resources for family-run and subsistence farming.

Details of the most significant example can be found in the study conducted by 'Invest in MED' for the EU funded European Neighbourhood and Partnership Investment (ENPI) programme (Survey No 14/April 2010 - page 83). There can be little doubt about the validity of the information which concerns investments by the Abu Dhabi TIRIS EURO ARAB (TEA) financial fund which was granted 700 000 hectares close to the town of Guelmin in the south of Morocco to plant and harvest citrus fruits, olives and market-garden crops. The development of a project of this kind demonstrates how the prospect of a free trade agreement has encouraged financiers to look ahead and establish themselves at the gates of the European Union.

Turning to the environment, the outlook here is also negative and calls into question the European Union's principle of protecting the environment and minimising likely climate change. According to a comparative study by INRA (the National Institute for Agronomy Research), 100 litres of water are needed to produce one kilo of tomatoes in Morocco as opposed to only 10 litres in France.

Exporting 250 000 tonnes of tomatoes is equivalent to exporting 25 million m³ of water. A study by the Humboldt University in Berlin shows that following successive years of low rainfall in the Souss region, where tomato growing is concentrated, the water table is falling by between 1 and 2 metres per year. The annual deficit is estimated to be 260 million m³. Tomato exports account for nearly 10 % of this deficit. This resource which is being depleted is being used at the expense of local subsistence farms.

Agri-businesses have been setting up since 2006 on the outskirts of Dakhla (Western Sahara) where they are drawing on coastal ground water. Overexploitation of these reserves will, in the long term, result in the salinisation of fresh water, jeopardising the local population's water supply.

The social, environmental and economic impacts of this agreement have not, so far, always been assessed by the Commission, which has concentrated on the questions of tariffs. An in-depth study is required to allow Parliament to reach a decision in full knowledge of the facts.

When the European Union signs free trade agreements this has an automatic direct impact on own resources in the EU budget, due to loss of customs revenue. The rapporteur regrets that the Commission has only provided vague estimates concerning this point. The rapporteur would like the Commission to produce a study without delay and put forward solutions to ensure the integrity of the European Union budget.

Several times over the past few months, the rapporteur has raised the question of the territorial range of the agreement between the European Union and Morocco. A number of countries, including the United States, have signed free trade agreements with the Kingdom of Morocco from which Western Sahara was expressly excluded. This was done so as not to influence the outcome of international negotiations being held under the aegis of the United Nations to enable the various parties to find a peaceful settlement. As the Commission and Parliament's Legal Service hold diverging views on this issue, the rapporteur feels unable to guarantee that this free trade agreement will comply with the international treaties binding the European Union and all its Member States.

In order to comply with Rule 52 of Parliament's Rules of Procedure, the rapporteur is required to inform you that the recommendation of the Committee on International Trade is to approve the agreement between the European Union and Morocco, contrary to the opinion adopted by the Committee on Agriculture and Rural Development and to my arguments set out in this explanatory statement.

13.7.2011

OPINION OF THE COMMITTEE ON AGRICULTURE AND RURAL DEVELOPMENT

for the Committee on International Trade

on the draft Council decision on the conclusion of an Agreement in the form of an Exchange of Letters between the European Union and the Kingdom of Morocco concerning reciprocal liberalisation measures on agricultural products, processed agricultural products, fish and fishery products, the replacement of Protocols 1, 2 and 3 and their Annexes and amendments to the Euro-Mediterranean Agreement establishing an association between the European Communities and their Member States, of the one part, and the Kingdom of Morocco, of the other part
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Rapporteur: Lorenzo Fontana

PA_Leg_Consent

SHORT JUSTIFICATION

The draft agreement will allow Morocco to immediately liberalise 45% of the value of imports from the European Union while the Community will liberalise 55% of its imports from Morocco. The agreement also provides for increased concessions in the fruit and vegetable sector, in which Moroccan products account for 80% of the EU's imports.

Any endorsement of such an agreement would subject the Community market to risks caused by potential negative economic repercussions on regions which specialise in vegetable cultivation. Given the serious market crisis affecting the fruit and vegetable sector, even modest quantities of products from third countries could lead to further instability.

Of particular concern is the Community system's ability to monitor and enforce time frames and tariff quotas, which are often ignored by Moroccan operators, as reported by a number of trade associations between 2009 and 2010.

Essentially, there is an objective imbalance in the tariff reductions agreed upon by the two parties.

High Community standards in environmental protection, working conditions, trade union protection, anti-dumping rules and food safety are not reciprocated in Moroccan products

imported into the EU.

As far as environmental protection is concerned, there is strong discrimination against European products compared to Moroccan ones, in terms of sanitary and phytosanitary provisions.

The draft agreement does not settle the issues relating to geographical indications (GI), which have been postponed to future negotiations to be opened after the agreement enters into force.

The issue of the Western Sahara territories, with regard to which Parliament's legal services have been asked for an opinion, calls for careful assessment. Regardless of whether or not the territories can be included in the agreement, there continues to be a problem with human rights, which are systematically infringed. In order to protect such rights in full, the EU could consider using arguments of an economic and commercial nature, making the signing of such agreements subject to the genuine respect of human rights.

More specifically, the agreement highlights the already serious competitiveness problems caused by labour cost differentials between the EU and Morocco, the latter's food and agriculture policy being geared to development and to the export of large quantities of products.

Moreover, Community producers already have to deal with the substantial quota increases resulting from agreements with other Mediterranean countries.

European producers are penalised by the fact that Moroccan products, such as tomatoes, enter the Community market at different times compared to normal EU marketing periods; this has a serious impact on market development and, first and foremost, on price volatility.

Parliament should also be put in a position – as provided for in the Lisbon Treaty – to offer the Commission greater input, based on synergy, collaboration, problem sharing and exchange of good practices throughout the entire legislative process.

In this case, the agreement could be given greater balance by incorporating it into the reform of the entry price regime, by ironing out the sanitary, phytosanitary and environmental differences and by inserting the necessary social and anti-dumping clauses.

The Committee on Agriculture and Rural Development calls on the Committee on International Trade, as the committee responsible, to propose that Parliament withhold its consent.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	12.7.2011
Result of final vote	+ : 24 - : 14 0 : 2
Members present for the final vote	Richard Ashworth, Liam Aylward, José Bové, Luis Manuel Capoulas Santos, Vasilica Viorica Dăncilă, Paolo De Castro, Albert Deß, Herbert Dorfmann, Lorenzo Fontana, Iratxe García Pérez, Béla Glattfelder, Sergio Gutiérrez Prieto, Martin Häusling, Esther Herranz García, Peter Jahr, Elisabeth Jeggle, Jarosław Kalinowski, Elisabeth Köstinger, Agnès Le Brun, George Lyon, Gabriel Mato Adrover, Mairead McGuinness, Mariya Nedelcheva, James Nicholson, Georgios Papastamkos, Marit Paulsen, Britta Reimers, Ulrike Rodust, Alfreds Rubiks, Giancarlo Scottà, Czesław Adam Siekierski, Sergio Paolo Francesco Silvestris, Alyn Smith, Marc Tarabella
Substitute(s) present for the final vote	Luis Paulo Alves, Salvatore Caronna, Spyros Danellis, Giovanni La Via, Maria do Céu Patrão Neves
Substitute(s) under Rule 187(2) present for the final vote	Oreste Rossi

28.9.2011

OPINION OF THE COMMITTEE ON FISHERIES

for the Committee on International Trade

on the draft Council decision on the conclusion of an Agreement in the form of an Exchange of Letters between the European Union and the Kingdom of Morocco concerning reciprocal liberalisation measures on agricultural products, processed agricultural products, fish and fishery products, the replacement of Protocols 1, 2 and 3 and their Annexes and amendments to the Euro-Mediterranean Agreement establishing an association between the European Communities and their Member States, of the one part, and the Kingdom of Morocco, of the other part

(15975/2010 – C7-0432/2010 – 2010/0248(NLE))

Rapporteur: Carmen Fraga Estévez

PA_Leg_Consent

The Committee on Fisheries calls on the Committee on International Trade, as the committee responsible, to propose that Parliament give its consent.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	26.9.2011
Result of final vote	+: 12 -: 8 0: 2
Members present for the final vote	Josefa Andrés Barea, Alain Cadec, João Ferreira, Carmen Fraga Estévez, Pat the Cope Gallagher, Marek Józef Gróbarczyk, Carl Haglund, Iliana Malinova Iotova, Werner Kuhn, Isabella Lövin, Gabriel Mato Adrover, Guido Milana, Maria do Céu Patrão Neves, Crescenzo Rivellini, Ulrike Rodust, Struan Stevenson
Substitute(s) present for the final vote	Luis Manuel Capoulas Santos, Diane Dodds, Matthias Grootte, Raül Romeva i Rueda, Nikolaos Salavrakos
Substitute(s) under Rule 187(2) present for the final vote	Iratxe García Pérez

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	26.1.2012
Result of final vote	+: 21 -: 7 0: 1
Members present for the final vote	William (The Earl of) Dartmouth, Laima Liucija Andrikienė, María Auxiliadora Correa Zamora, Marielle De Sarnez, Christofer Fjellner, Yannick Jadot, Metin Kazak, Bernd Lange, Emilio Menéndez del Valle, Vital Moreira, Paul Murphy, Cristiana Muscardini, Godelieve Quisthoudt-Rowohl, Niccolò Rinaldi, Helmut Scholz, Peter Šťastný, Gianluca Susta, Keith Taylor, Jan Zahradil, Paweł Zalewski
Substitute(s) present for the final vote	Amelia Andersdotter, José Bové, George Sabin Cutaş, Mário David, Syed Kamall, Silvana Koch-Mehrin, Inese Vaidere
Substitute(s) under Rule 187(2) present for the final vote	Véronique De Keyser, Jutta Haug, Younous Omarjee, Pier Antonio Panzeri, Jean Roatta