

EUROPEAN PARLIAMENT

2004



2009

Session document

FINAL
A6-0193/2005

16.6.2005

REPORT

on textiles and clothing after 2005
(2004/2265(INI))

Committee on International Trade

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(*) Enhanced cooperation between committees - Rule 47 of the Rules of Procedure

MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on textiles and clothing after 2005 (2004/2265(INI))

The European Parliament,

- having regard to the Commission communication entitled ‘Textiles and clothing after 2005 – Recommendations of the High Level Group for textiles and clothing’ (COM(2004)0668),
- having regard to the Commission communication on the application of Article 10a of Council Regulation (EEC) No 3030/93 laying down special safeguard provisions concerning textile products¹,
- having regard to the Commission communication of 29 October 2003 on ‘The future of the textiles and clothing sector in the enlarged European Union’ (COM(2003)0649),
- having regard to the Commission communication of 11 December entitled ‘Industrial Policy in an Enlarged Europe’ (COM(2002)0714),
- having regard to the Commission communication on a ‘Plan of action to increase the competitiveness of the European textile and clothing industry’ (COM(1997)0454 – C4-0626/1997),
- having regard to the Commission report entitled ‘The impact of the internal market on the employment of women in the textile and clothing industries’²,
- having regard to the Commission’s ‘Guidelines for Member States’ Employment Policies’ (COM(1997)0497),
- having regard to its resolution of 14 November 1996 on the impact of international developments on the Community’s textile and clothing sector³,
- having regard to its resolution of 10 April 1992 on a Community initiative to assist areas highly dependent on the textiles and clothing industry – RETEX⁴,
- having regard to its resolution of 11 October 1990 on the possible renewal of the Multifibre Arrangement or the subsequent regime after 1991⁵,
- having regard to the report of the Committee on International Trade and the opinions of the Committee on Employment and Social Affairs, the Committee on Industry, Research and Energy, the Committee on Regional Development, and the Committee on Legal

¹ OJ C 101, 27.4.2005, p.2

² Social Europe, Supplement 2/91.

³ OJ C 362, 12.2.1996, p. 248.

⁴ OJ C 125, 18.5.1992, p. 276.

⁵ OJ C 284, 12.11.1990, p. 147.

Affairs (A6-0193/2005),

- A. whereas the Union's textile and clothing industry, which mostly consists of small and medium-sized firms, and which is highly labour-intensive, is a key sector that can look forward to a promising future if social and environmental rules, and guarantees of compliance with them, are brought in at the same time as markets are opened up, and if innovation takes place,
- B. whereas because import quotas have been abolished for good, the industry has had to contend since 1 January 2005 with soaring imports, not least from China, which has entailed unprecedented job losses both within the EU and in developing countries which traditionally supply the EU such as Sri Lanka, Pakistan, Morocco, etc.,
- C. whereas it is right in principle to abolish quotas, but fearing that a completely overheated growth of exports from China will lead to a return to protectionist restrictions both in the industrialised countries and in developing and threshold countries which, like the EU, are losing jobs as a result of China's massive export campaign;
- D. whereas the central problem concerning trade with China is that China is by no means a free market and that most textile firms are still state-owned, receive interest-free loans via state banks, as well as systematic export subsidies, covert state aid and free electricity, which does not amount to a smooth functioning of the market,
- E. pointing out that simultaneous massive reductions in the prices of particular product groups can indeed benefit European consumers, but that the combination of record imports and low prices may confront the indigenous clothing industry with an almost impossible task,
- F. whereas it is up to firms to tackle the challenges related to liberalisation but it is the task of public authorities to establish the conditions whereby firms can be competitive and markets genuinely opened up across the board, on a basis of reciprocity,
- G. recognising that China is well able to compete in many textile and clothing industry product groups and in many ways has developed its strengths (mass production, low wages) in close cooperation with the European industry,
- H. whereas there is a need to prevent the least developed countries from being the big losers in the ongoing liberalisation and to ensure that the working conditions and standard of living for their labour forces do not worsen, and whereas in poorer countries between 70 and 80 percent of the workers in the garment sector are women,
- I. whereas when China joined, the members of the World Trade Organisation (WTO) were authorised to lay down special safeguard provisions, to apply until the end of 2008, enabling quantitative restrictions to be imposed on Chinese exports if, for example, the market were to be disrupted or the 'orderly development of trade' impeded,
- J. whereas 70% of all counterfeit goods dumped on the European market come from China, and half of all European customs procedures against counterfeiting relate to textiles and clothing, with nearly 5 million illegally counterfeited articles of clothing and accessories

being confiscated by customs annually,

- K. having regard to the social and economic cost of piracy and counterfeiting and their harmful effects on creativity and innovation, particularly for European textile firms which have in recent years concentrated increasingly on products with a higher added value, and which are thus seeing inroads made into their creativity and innovation, one of the last areas in which our European textile sector had a clear advantage,
 - L. whereas, as the Barcelona Process approaches its tenth anniversary, the time has come to act to build a close relationship between the two shores of the Mediterranean and widen the range of winning strategies for sustainable development and to boost national and regional markets in this region, and ensure effective solidarity in the spirit of joint development,
 - M. whereas Member States may not adopt measures independently because they have delegated trade policy to the exclusive competence of the EU,
 - N. seeing in bilateral agreements between the EU and China an opportunity to overcome the enormous challenges in a fair and transparent way that points the way forward
 - O. having regard to the serious social and human difficulties created by the many closures of firms and job losses in the textile sector, particularly in recent years and even more since the beginning of 2005, and the very disturbing forecasts by the European Apparel and Textile Association (Euratex),
 - P. taking the view that the EU's policy to date of supporting structural change has been generally successful,
 - Q. having regard to the need for State action to continue modernising and redeveloping the textile industry as well as for innovation, research, training workers and social measures to assist with changes,
 - R. whereas the regions of the EU that are most affected by job losses in the textile sector are often already very disadvantaged in terms of unemployment and poverty, and whereas destabilising this economic sector will only increase inequalities between different areas in the EU,
1. Expresses its concern at the abnormally high growth in the amount of non-European textile products, especially from China, imported into the EU since the World Textile Agreement expired on 1 January 2005 and quotas were abolished, a fact which, combined with the prospect of still greater increases, will have far-reaching implications for employment in the European textile and clothing industry, a strategic sector with great potential for the future and marked by a high level of regional concentration, and one which consists primarily of small- and micro-scale enterprises and has a predominantly female workforce;
 2. Calls on the Commission to encourage all the WTO countries, apart from the most vulnerable developing countries, to use the Doha Development Agenda negotiations to secure fair and comparable market access conditions for large-scale textile and clothing

producers and recognition of ethical, social and environmental clauses;

3. Calls on the Commission to carry out a study on the way in which the gradual liberalisation of the sector within the framework of the WTO is affecting economic, social and regional cohesion, particularly in the less-favoured regions which are heavily dependent on the sector;
4. Calls on the Commission to step up economic and political pressure on third countries with the objective of achieving the progressive implementation of social and ecological standards in those countries;
5. Calls on the WTO to do away more quickly with non-tariff barriers to trade and harmonise the technical rules, for example by applying the principle of mutual recognition;
6. Calls on the Commission to draw up its future mandate for trade negotiations in such a way that trade can be organised to allow improvement of working conditions, protection and improvement of social rights and effective environmental protection;
7. Calls on the Commission to exert political and economic pressure to bring about the relaxation of the artificially undervalued Chinese currency, which is at odds with the gradual liberalisation of world trade;
8. Calls on the Commission to simplify the procedures designed to make anti-dumping arrangements easier for SMEs to use and calls for the anti-dumping procedure to be made more transparent;
9. Insists that the Commission enforce the regulation on barriers to trade when unfair practices are found to exist, and provide itself with an effective surveillance instrument enabling it systematically to identify such practices and to activate the necessary retaliatory measures very rapidly;
10. Stresses that world trade, including trade with China, can only be regarded as a 'challenge' rather than as a 'threat' by the European textile sector if there is a level playing field and both sides play according to the rules of trade, which has hitherto certainly not been the case;
11. Welcomes the 'Memorandum of Understanding' concluded between the European Commission and China on 10 June 2005, with regard to the limitation of Chinese textile exports; however, calls on the Commission and the Council to extend the coverage of the agreement to other categories of textiles where necessary and to ensure transparency as to the calculation basis used for the export limitations; insists that the safeguard clauses be applied in the event of an inappropriate application of the agreement;
12. Urges the Commission to remain vigilant in the face of the implications of the safeguard measures taken by the United States on textiles and clothing, and particularly on China's distortion of trade in textiles and clothing;
13. Calls on the Commission and the Member States actively to support research, innovation and lifelong vocational training through specific measures within the framework of the

EU Funds, with the aim of reinforcing competition in the EU textile and clothing sector and more particularly in SMEs affected by the abolition of quotas since 1 January 2005, and providing assistance to SMEs in order to alleviate the consequences of production transfers;

14. Stresses that, as well as the interests of European manufacturing industry, the long-term interests of European importers also need to be taken into account;
15. Urges the Commission at the same time to protect intellectual property more securely in accordance with the WTO TRIPS Agreement so as to enable effective steps to be taken to combat counterfeiting and pirating; calls also on the Commission to take a forceful attitude so as to ensure compliance with the TRIPS Agreement (in particular Article 25(2) thereof) as regards textile designs on markets outside the Community, and to provide for strict retaliatory measures in the event of non-compliance; considers that appropriate measures should also be taken against those who are complicit in the counterfeiting and piracy practices;
16. In this regard, considers that there is a need to go further than measures to raise awareness and inform enterprises within the China-Europe working group, and that the Commission could ensure that China imposes more severe penalties on counterfeiters and pirates;
17. Points to the importance of consolidating the principle of corporate social responsibility, strict respect for ILO rules and conventions and international conventions on the environment and human rights ensuring sustainable development by incorporating these principles into EU bilateral and multilateral trade agreements;
18. Calls on the Commission to upgrade the institutional framework of the WTO and bilateral trade agreements with a view to combating effectively all forms of modern slavery, child labour and exploitation and above all exploitation women working in the textile and clothing sector in third countries, to ensure compliance with the fundamental rights of workers and prevent social dumping;
19. Calls on China as a member of the ILO to comply with the agreed labour directives and basic environmental imperatives, and to punish infringements;
20. Calls on the Commission to launch an ambitious initiative at international level to achieve a better balance in the competences, power and strength of the various international organisations and calls for effective implementation of the treaties on social rights, human rights and environmental protection;
21. Maintains that support for modernisation and promotion of the sector must be regarded as an objective cutting across EU policies, including EU structural policy;
22. Is aware of the fact that the safeguard provisions, the immediate application of which is being called for as provided for under the WTO rules, apply only temporarily; calls on the Commission to implement a practical plan to assist restructuring and retraining for the entire textile and clothing sector, with a view to safeguarding its future and its competitiveness on international markets;

23. Stresses the need to consider a sectoral approach to the industry at Community level and urges the Commission to take this into account, given the exceptional nature and the urgency of the challenges facing the sector; points out also that dialogue between management and labour has a key role to play in matters related to modernisation and in coming up with ways to accommodate the changes needed to make the sector competitive;
24. Calls on the Commission to propose that any enterprise wishing to export to the EU must declare its compliance with international social and environmental rights, and that any imports into the EU of products that infringe these rules, particularly products made by prisoners, children or forced labour by workers without trade union rights will be prohibited;
25. Stresses the importance of introducing mandatory origin and company-name labelling for products in this sector to enable consumers to recognise the origin of products;
26. Calls on the Commission and the Member States to take stronger measures to combat the phenomenon of counterfeiting textile and clothing products and to protect European consumers;
27. Calls, therefore, on the Commission to amend Regulation (EEC) No 2913/92 and its later amending regulations with a view to introducing customs checks to identify products accompanied by false declarations of origin;
28. Calls for the EU to maintain the levels of the European Structural Funds after 2006 in all European textile regions and to set up a Community programme for the textile and clothing sector to provide aid for research, innovation, vocational training and small and medium-sized enterprises;
29. Calls on the Commission to use any reserve in the Structural Funds for unforeseen local and sector-related crises for business start-ups and supporting SMEs in the affected regions, in order to encourage job creation in other branches;
30. Repeats its view that EU support for companies under the numerous opportunities offered by the Structural Funds should depend on specific commitments regarding employment and local and regional development which accord with the thinking behind the Lisbon strategy;
31. Calls on the Commission to conduct a new study to determine what measures might be taken to support the textile industry in developing countries and the least developed countries, for which textile exports are vital, to increase their production and boost their national and regional markets;
32. Urges that the requisite facilities be set up in developing countries to improve their capacity to compete on international textile markets and to promote regional cooperation;
33. Calls on the Council to adopt without further delay the proposal for a Council regulation applying a scheme of generalised tariff preferences, taking into account the European Parliament's resolution of 9 March 2005, in order to no longer postpone measures

benefiting the tsunami struck countries;

34. Recognises that liberalisations affect men and women differently, and that the risk of collapse of the garment industry in many poor countries after the abolition of the quotas risks to severely weaken the position of women in these countries;
35. Points out, as regards the GSP, that, to preserve the production and export capacity of the most vulnerable countries, preferences must continue to operate in their favour, in line with the resolution adopted by Parliament on 9 March 2005, which envisages graduation mechanisms to withdraw tariff advantages from products originating in a beneficiary country which has reached a high level of competitiveness in a section, precisely with the aim of helping the most vulnerable countries in the world textile and clothing trade;
36. Advocates a Euro-Mediterranean partnership to boost cooperation in, and the competitiveness of, the sector by means of an active policy in support of training, R & D, technological innovation, the dissemination of good practice, and the exchange of market intelligence; recommends that a Euro-Mediterranean network of schools, training institutes, and technical centres with expertise in the textile and clothing sector be set up to promote technical partnership, training, and joint research programmes;
37. Calls on the Commission, in line with the criteria set out in its Communication on rules of origin in preferential trade agreements of 16 March 2005, to consider carefully how the preferential rules of origin might be simplified and warns against the risk that preferences might be misused; demands that an impact study be conducted of the simplified and made more flexible and the need for more effective monitoring of their application to prevent preferences being misused; and hopes that the new rules will guarantee compliance and fulfilment of its commitments to the Euro-Mediterranean area; demands that an impact study be conducted of the simplified preferential rules of origin for the textile and clothing industry sector in the EU and the least developed countries;
38. Urges the Commission to take rapid action and make an immediate commitment to setting up a consolidated market under the Euro-Mediterranean association agreements and that bilateral agreements between Mediterranean countries be concluded and implemented rapidly so as to facilitate free movement of goods within the Euro-Mediterranean area as a whole; advocates the establishment of a common customs framework for this zone;
39. Points out that lack of access to funding and the unsuitability of some financial instruments continue to be a major barrier to SMEs in the sector, as well as in many other sectors of the European economy; calls on the Commission to examine relevant measures and incentives to keep part of the production chain in the countries of the Euro-Mediterranean area, the enlargement countries, and the countries covered by the European Neighbourhood and Partnership policies;
40. Calls for the outcome of discussions among the Member States to be such as to enable cumulation of origin to be applied sooner to all vulnerable countries and the countries of the southern Mediterranean;
41. Calls for a Euro-Mediterranean production area to be established, since this is the only

way to ensure that countries on the southern as well as the northern shore of the Mediterranean will be able to stand firm against the American and Asian regional blocs and protect industrial manufacturing and jobs; considers that specific European appropriations are needed to support programmes for research, innovation or cooperation in this connection;

42. Calls on the Commission to study carefully the effects of the new policy on chemical substances (REACH) on the sector, particularly its impact on competitiveness, focusing more specifically on SMEs, and to adapt the proposals in such a way that imported goods do not have an advantage over those produced in the EU;
43. Urges the Commission to study all the parameters in connection with REACH, particularly the implications concerning increased costs, capacity for innovation and impact on competition between products manufactured in the EU and products imported from third countries, which must be subject to a detailed impact study taking account of the effects on SMEs;
44. Calls on the Commission to explore appropriate means and instruments for the support of Turkey's clothing industry and its integration in measures designed to strengthen an Euro-Mediterranean production area in the sector of textiles and clothing;
45. Calls for a European textile plan to be established defining a specific budget for research, innovation, training and support for SMEs and also for renovating sites and retraining workers, considers it essential to promote European social dialogue and consultation with both sides of industry to establish and follow up this plan;
46. Considers it essential to take measures in support of technological innovation and welcomes the launch of the European Technology Platform for textiles and clothing, which will draw up a long-term and innovative strategy for increasing the global competitiveness of the sector and encourage and coordinate research and development efforts;
47. Greatly welcomes the report of the High-Level Group in view both of the substance of its recommendations and of its realistic reading of the situation in the sector and its strategy proposal;
48. Calls on the Commission to ensure that the 7th Framework Programme of Research and Development focuses more closely on SMEs and helps to overcome the problems of transferring R & D to companies; calls in addition for favourable conditions to be established so that research and innovation can become a constant of business operations, whatever the size of company concerned;
49. Calls on the Commission and the Member States to lay down incentives and specific aid programmes to encourage SMEs in the textile and clothing sector to invest in their own R & D and non-technological innovation activities; points to the importance of investment in non-technological research and calls on the Commission to revise the legislation on State aid so as to enable investment in this category to be treated in the same way as R & D investment;

50. Urges regional and national authorities, working in close collaboration with economic and social players, to draw up local strategy plans for areas which are centres of the textile industry;

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

EXPLANATORY STATEMENT

1. Commercial policy aspect

The Agreement on Textiles and Clothing, which laid down a ten-year period for the abolition of quotas, expired on 31 December 2004. Since 1 January 2005 trade in textiles and clothing has been subject to general GATT rules, which prohibit quantitative restrictions from being imposed on imports.

In March 2004 the Commission, aware of the economic and social upheavals that the removal of quotas was destined to cause, set up a high-level group to consider the future of the sector in the enlarged EU.

In June 2004 the group submitted its recommendations on both industrial and trade aspects.

As far as trade is concerned, the right strategy for securing the sector's future is to focus on the competitive advantages that the European industry enjoys. If those advantages are to last, a free trade area has to be established to cover the entire Euro-Mediterranean area, and fair competition must be observed on the market.

The European textile and clothing sector has been hit by the economic slowdown in the EU and the rising value of the euro on its main export markets but it must continue to play its trading trump cards.

The issue today is the Commission's political commitment to the European industry in the decade ahead.

I. Opportunities for the European textile and clothing industry in international trade

A policy on textile and clothing trade with the rest of the world has to be based on fairness and reciprocity.

A. Access to third country markets

Europe is the world's second largest textile and clothing exporter. Its industry has been very largely opened up to competition: indeed, the customs duties that it levies on its textile imports are the lowest in the world.

Free access to third country markets is vital for the European textile industry in its drive for growth. That access needs to be improved is a point definitely worth repeating, bearing in mind that some emerging countries failed to comply with Article 7 of the Agreement on Textiles and Clothing.

B. A fair competition-driven market

The removal of quotas must not serve to destabilise the market, which must continue to be driven by competition. A firm line therefore needs to be taken against countries which are still closing their borders to European producers (non-tariff barriers). Trade protection and regulation instruments are an option that should be supported.

(a) Trade protection instruments

The Union has to employ the trade protection arrangements authorised by the WTO when European industry is adversely affected by unfair market practices.

The practical measures and trade protection instruments to be adopted should be simple, operational, and sector based (the sectors in question being dominated by SMEs). When the circumstances warrant it, the Union and the Member States must take the necessary retaliatory action, along the lines of a safeguard clause under a WTO agreement or the special safeguard arrangements laid down when China joined the WTO.

(b) Protection of intellectual property rights

The Union must consider how it can strengthen the measures to protect intellectual property rights. If it is accepted that creativity and innovation are the main sources of added value for the textile and clothing sector, then the Commission has to provide itself with the wherewithal to safeguard the sector's comparative advantages as effectively as possible.

As regards intellectual property rights (IPR), it is absolutely essential to improve protection and their enforcement in third countries and to make right-holders more aware of counterfeiting problems and the resulting risks.

II. Problems linked to the abolition of quotas on 1 January 2005

Since quotas were abolished, the European textile and clothing sector has been greatly alarmed by the rising imports of Chinese products. The Commission, however, is reluctant to apply safeguard provisions even though it is receiving evidence of severe market disruption.

A priori and a posteriori customs surveillance systems for imported textile and clothing products of any origin have been available for use since 1 January 2005, as has a surveillance system for imports of certain products originating in China, but the Commission has been very slow to publish the Community import figures and hence to react effectively.

Furthermore, the procedure based on the publication of guidelines makes it impossible act swiftly to cope with market distortions.

It is undoubtedly necessary to continue the dialogue with China, launched by the Commission on 6 March 2004, on trade in textile products, but it is likewise essential to bring about fair and healthy competition on the market. China has to abide by the WTO legal framework and exercise its worldwide responsibility on the textile and clothing market, especially in relation to its neighbours.

III. The Union's commercial policy initiatives and responses

A. Establishment of a full-scale Euro-Mediterranean area

The Euro-Mediterranean area is the Union's most important market. To make the area a reality, goods must be enabled to move more freely and to that end exempted from customs duties, and cumulation of origin must be brought forward in time for the southern Mediterranean countries.

From a strategic point of view, it is vital for the sector for a full-scale Euro-Mediterranean area to be established at an early date, by 2010. If that were to happen, the entire production chain could remain close to the European market, and the industry would be able to benefit simultaneously from advantages in terms of costs, quality, and proximity.

Establishing an area spanning both shores of the Mediterranean follows naturally from the special historic ties between the Union and its Mediterranean partners, as well as from the EU's Mediterranean neighbourhood policy: that is why preferences have to be accepted. Doing away with tariff preference would be tantamount to jeopardising numerous jobs in societies already undermined.

B. Supporting vulnerable developing countries

The least developed countries of the South are in danger of being the big losers in the ongoing liberalisation.

It is difficult for their main 'trump card', cheap labour, to compete with the emerging countries, which, as well as having low costs, have integrated production systems and can offer products of reasonable quality.

The pressure on prices exerted by Western customers has to be limited so as to avoid any levelling-down where labour is concerned. The modest social provisions in the poorest countries would be unlikely to withstand the weight of competition, and there is a real risk that working conditions might worsen.

2. The industrial policy aspect

In 2003 the textile and clothing industry in the 25 current Member States employed 2 500 000 workers in 170 000 firms, more than 95% of which were small and medium-sized enterprises; turnover totalled €214 000 m. The textile sector accounts for approximately 4% of the EU's total manufacturing output and between 7% and 8% of industrial employment (Euratex figures). In general terms, the European industry is the world leader and known for its creativity, innovativeness, and technology, as well as the high quality of its products.

The High Level Group for textiles and clothing, whose overall approach was endorsed by the Competitiveness Council at its meeting of 27 November 2003, recommends that the competitiveness of the industry be guaranteed

- through advances in manufacturing technology,

- by improving working techniques, facilitating conversion, and protecting intellectual property rights,
- by ensuring that the EU's internal legislative framework remains attractive for investment.

I. Points related to competitiveness

The textile and clothing industry is faced with highly specific competitive obstacles above and beyond the differences in pay and social security contributions. Some of these have to do with internal legislation, for example as the new proposal on chemicals, REACH (Registration, Evaluation and Authorisation of Chemicals), the implications of which in terms of higher costs, innovation capacity, and the impact on competition between products made in the EU and those imported from non-EU countries will need to be gauged in a detailed impact study that will need to take into account the effect on SMEs.

Although progress has been made, the fourth report on the implementation of the European Charter for Small Enterprises (COM(2004)0064 of 11 February 2004) indicates that access to funding still poses a serious obstacle to firms. The Commission and Member States should therefore assess the existing sources of financing and determine whether they are geared to the sector's needs.

II. Research and development, and innovation

Unlike other European industrial sectors, the textile and clothing industry is the world leader when it comes to the use of technology and product innovation, including design and other 'non-technological' innovation activities.

That is why it is vitally important to the sector for research and innovation to be constantly encouraged. The following measures are proposed to achieve that aim:

- technological advances in clothing manufacture to overcome the competitive disadvantage in relation to third countries,
- fashion and new services for consumers or industrial customers, bringing existing concepts and technologies to bear as soon as possible in the fields of customer fitting, virtual and prototype design, cooperation with suppliers, and product development. Technology transfer will offer new services to final consumers and meet individual demand, the motto being 'just in time',
- technical textiles for innovative applications,
- support for non-technological innovation, which, together with technological innovation, must be clearly defined and expressly encouraged,
- facilitating the involvement of industry and opening up public R & D and innovation programmes to SMEs by taking three kinds of measures:
 - improving the general conditions governing access to funds,

- introducing stricter requirements for SME participation in horizontal research projects under R & D FP6,
- in FP7, using clear-cut economic parameters to draw up priorities and budgets so as to increase the programme's impact on industrial competitiveness,
- doing away with fragmented research efforts and devising long-term business plans (European Technology Platform for the Textile and Clothing Sector) and innovative forms of organisation.

Conclusion

The Commission must pursue a practical policy in cooperation with Member States and European industry professionals to ensure that the textile and clothing industry remains a key Union industry. Industrial Europe today needs to pool its resources and work out a long-term perspective. The Union must help by speeding up change through a policy intended specifically to provide support, encourage innovation, and safeguard the industry's know-how, the hallmark of its originality as well as its competitiveness. Finally, it must ensure that its textile industry retains its commercial character by affording it the immediate means whereby it can continue to compete on the global market.

25.4.2005

OPINION OF THE COMMITTEE ON EMPLOYMENT AND SOCIAL AFFAIRS

for the Committee on International Trade

on Textiles and clothing after 2005
(2004/2265(INI))

Draftsperson: José Albino Silva Peneda

SUGGESTIONS

The Committee on Employment and Social 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 the abolition of quotas in the textile and clothing industry has far-reaching consequences, affecting mainly certain regions where most companies and workers are still concentrated in this sector of activity and the majority of whom are women with a low level of education, skills and qualifications;
2. Notes in addition that many companies are taking advantage of concessions applying to trade with non-member countries to relocate their labour-intensive production wholly or in part to regions where conditions as regards health and safety, working time, pay, social security, and employee representation are far poorer than in the EU and that this fact is not made clear to buyers and consumers, especially where semi-finished goods are concerned;
3. Calls on the Commission to verify that WTO commitments are scrupulously complied with and constantly monitored in order to avoid social dumping in the EU and, whenever justified, to activate the safeguard measures as a matter of urgency, as Euratex formally proposed to the Commission on 9 March 2005, taking into account the first import figures to have been compiled since 1 January 2005; and to continue the establishment of accountable statistical databases;
4. Notes in addition that, as a result of the Chinese textile export boom, the world textile market will very soon be controlled by China, but core labour standards and human rights will not be observed;
5. Believes that a comprehensive assessment is needed in order to gauge the social, economic, and territorial impact on the textile and clothing sector brought about by total liberalisation, enlargement, bilateral agreements, and the reciprocity principle;

6. Highlights the need for the Commission and the Member States to take special sector-specific support measures to promote employment, restructuring, and competition so as to avert the consequences of the relocation of the textile and clothing industry, which could very quickly halve the workforce; points out that customs penalties could be imposed at EU borders on the companies concerned;
7. Points out, as regards the terms and conditions for China's accession to the WTO, that Council Regulation (EC) No 138/2003¹ provides for a specific safeguard clause, applicable until 31 December 2008, concerning a WTO member country's imports of textiles and apparel products originating in China and covered by the Agreement on Textiles and Clothing, and that the Commission may invoke that clause at the request of any Member State or on its own initiative;
8. Points out that full and effective international competition in the sector puts pressure on labour markets; calls on the Member States to guarantee professional training and lifelong learning opportunities through the use of the Leonardo da Vinci programme and the European Social Fund, as well as broad labour adjustment programmes, in order to help workers adapt to industrial changes;
9. Points out that some non-EU leading players in international textile and clothing trade, Turkey being one such country, have already forged ahead by invoking safeguard measures within the WTO and other countries, for example the United States, have been indicating that they intend to do so, making it essential for the EU to follow suit without delay;
10. Stresses that the EU textiles and clothing industry, which currently employs 2.6 million workers and generates a turnover of EUR 230 billion, has faced permanent restructuring challenges and needs the joint support of the Commission and the Member States to strengthen its competitiveness, by promoting specific EU added values, such as logistical infrastructures, the geographical proximity of the EU markets, the rapid delivery of client requests, innovation in fashion and design, product quality and the role played by wholesale distribution;
11. Stresses that in order to ensure a competitive EU textile sector it is of vital importance to boost research and innovation through specific incentives linked to EU funds, designed to make the sector more innovative and knowledge based;
12. Is convinced that greater transparency regarding all the places where clothing and textile products are made and the labour standards in force, to be provided through, for example, a 'codex for working standards' and a 'fair trade codex', could help to influence buyers and consumers in their choice of purchases; maintains that all forms of production under licence should be covered by a codex of the above type and calls on the Commission to take the lead in devising such a codex, which should encompass the ILO standards and the minimum conditions for employee representation in cases where goods are produced wholly, in part, or under licence in non-member countries;
13. Stresses the importance of a positive entrepreneurship environment for SMEs, which are

¹ OJ L 23, 28.1.2003, p. 1.

predominant in the textile and clothing industries, providing stability and incentives for business strategies and to continue to assist and improve access for SMEs to innovations;

14. Recognises the importance of social dialogue when carrying out the economic and social reforms needed to respond to liberalisation of the markets and the challenges of modernisation;
15. Suggests that the Commission study the opportunity of applying the future reserve for unforeseen local and sectoral crises linked to economic and social restructuring provided for in Article 49¹ of the new Structural Funds regulation, in order to contribute to the development of economic, social and regional cohesion, and that a list of regions termed 'sensitive' be determined in advance so as to enable the Funds to be used more rapidly and effectively;
16. Calls on the Commission to consider whether it might establish an 'ethical tax' based on respect for human dignity as regards working conditions, thus providing an effective weapon against every form of modern slavery, child labour, and exploitation; believes that the tax could be used to finance a development aid fund and would ultimately help to improve working conditions throughout the world;
17. Calls on the Commission, the High Level Group, and the Member States to overcome the existing divisions and consider practical steps with a view to introducing indication of a product's country of origin and/or a 'Made in' label so as to make goods as readily traceable as possible and enable consumers to be fully protected.

¹ COM(2004)0492, Not yet published in the OJ.

PROCEDURE

Title	Textiles and clothing after 2005 - Recommendations of the High Level Group for textiles and clothing
Procedure number	2004/2265(INI)
Committee responsible	INTA
Committee asked for its opinion Date announced in plenary	EMPL 13.1.2005
Enhanced cooperation	-
Draftsperson Date appointed	José Albino Silva Peneda 16.12.2004
Discussed in committee	15.3.2005 19.4.2005
Date suggestions adopted	20.4.2005
Result of final vote	for: 22 against: 0 abstentions: 3
Members present for the final vote	Jan Andersson, Roselyne Bachelot-Narquin, Emine Bozkurt, Milan Cabrnock, Ole Christensen, Jean Louis Cottigny, Joel Hasse Ferreira, Ilda Figueiredo, Stephen Hughes, Sepp Kusstatscher, Jean Lambert, Raymond Langendries, Bernard Lehideux, Thomas Mann, Maria Matsouka, Ria Oomen-Ruijten, Csaba Óry, Marie Panayotopoulos-Cassiotou, Jacek Protasiewicz, José Albino Silva Peneda, Anne Van Lancker
Substitutes present for the final vote	Udo Bullmann, Elisabeth Schroedter, Marc Tarabella, Patrizia Toia
Substitutes under Rule 178(2) present for the final vote	-

25.5.2005

OPINION OF THE COMMITTEE ON INDUSTRY, RESEARCH AND ENERGY

for the Committee on International Trade

on the future of the textile and clothing industry after 2005
(2004/2265(INI))

Draftsman: Joan Calabuig Rull

(*) Enhanced cooperation between committees - Rule 47 of the Rules of Procedure

SUGGESTIONS

The Committee on Industry, Research and Energy calls on the Committee on International Trade, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Expresses its concern at the abnormally high growth in the amount of non-European textile products, especially from China, imported into the EU since the World Textile Agreement expired on 1 January 2005 and quotas were abolished, a fact which, combined with the prospect of still greater increases, will have far-reaching implications for employment in the European textile and clothing industry, a strategic sector with great potential for the future and marked by a high level of regional concentration, and one which consists primarily of small- and micro-scale enterprises and has a predominantly female workforce;
2. Considers that the Chinese authorities should adopt voluntary measures to significantly slow down the growth in exports to the EU;
3. Considers that it is right in principle to abolish quotas, but fears that a completely overheated growth of exports from China will lead to a return to protectionist restrictions both in the industrialised countries and in developing and threshold countries which, like the EU, are losing jobs as a result of China's massive export campaign;
4. Points, therefore, to the need to prepare for medium and long-term action; calls specifically for the Commission's inquiry to be followed by enforcement of the safeguard clauses provided for in the WTO agreement, applying urgent procedures where necessary;

5. Points out that simultaneous massive reductions in the prices of particular product groups can indeed benefit European consumers, but that the combination of record imports and low prices may confront the indigenous clothing industry with an almost impossible task;
6. Calls on the Commission and the Member States to negotiate with China as soon as possible and jointly adopt measures to facilitate restructuring of the sector and offset the social effects of this process; points out also that dialogue between management and labour has a key role to play in matters related to modernisation and in coming up with ways to accommodate the changes needed to make the sector competitive;
7. Urges the Commission to continue its efforts to make reciprocity the general rule in the Union's trade relations with its trading partners; considers it to be a matter of urgency that the Commission, working in tandem with the sectors affected, take further steps to draw up an action plan to enable trade barriers contrary to international trading rules, and especially non-tariff barriers, to be identified at an early stage;
8. Sees in bilateral agreements between the EU and China an opportunity to overcome the enormous challenges in a fair and transparent way that points the way forward;
9. Points to the need for policies to promote training at all levels, including lifelong learning, so as to match training supply with demand;
10. Urges the Commission to enforce the safeguard measures laid down in the Protocol for the accession of China to the WTO should Community textile industries prove to be severely damaged by any failure of negotiations, and to impose the import restrictions provided for under WTO rules;
11. Recognises that China is well able to compete in many textile and clothing industry product groups and in many ways has developed its strengths (mass production, low wages) in close cooperation with the European industry;
12. Is convinced that unilateral protectionist measures by the EU would not be the right way to overcome the crisis;
13. Points out that the European textile and clothing industry has shown on numerous occasions in the past that it can compete successfully, and that it will also be able to do so in the future if the framework conditions are right;
14. Considers it essential to take measures in support of technological innovation and welcomes the launch of the European Technology Platform for textiles and clothing, which will draw up a long-term and innovative strategy for increasing the global competitiveness of the sector and encourage and coordinate research and development efforts;
15. Greatly welcomes the report of the High-Level Group in view both of the substance of its recommendations and of its realistic reading of the situation in the sector and its strategy proposal;
16. Calls on the Commission to ensure that the 7th Framework Programme of Research and

Development focuses more closely on SMEs and helps to overcome the problems of transferring R & D to companies; calls in addition for favourable conditions to be established so that research and innovation can become a constant of business operations, whatever the size of company concerned;

17. Calls on the Commission to take measures to support non-technological innovation, which plays a vital role in meeting the competitive challenge, and large-scale investment in the human and financial resources needed for the organisation of trade fairs;
18. Calls on the Commission and the Member States to lay down incentives and specific aid programmes to encourage SMEs in the textile and clothing sector to invest in their own R & D and non-technological innovation activities; points to the importance of investment in non-technological research and calls on the Commission to revise the legislation on State aid so as to enable investment in this category to be treated in the same way as R & D investment;
19. Maintains that SMEs in the sector should have easier access to further professional training for their workers;
20. Points out that lack of access to funding and the unsuitability of some financial instruments continue to be a major barrier to SMEs in the sector, as well as in many other sectors of the European economy; calls on the Commission to examine relevant measures and incentives to keep part of the production chain in the countries of the Euro-Mediterranean area, the enlargement countries, and the countries covered by the European Neighbourhood and Partnership policies;
21. Points out that China must pay much greater attention in particular to the protection of trademarks and intellectual property rights, and calls on the Commission to introduce measures to promote awareness with regard to the protection of intellectual property as soon as possible; also calls on the Commission to assist the Member States in taking measures to combat trademark piracy and illegal trade;
22. Calls on China as a member of the ILO to comply with the agreed labour directives and basic environmental imperatives, and to punish infringements;
23. Points to the importance of combating unfair competition by tightening up supervision at the Union's borders;
24. Stresses the importance of introducing mandatory origin and company-name labelling for products in this sector to enable consumers to recognise the origin of products;
25. Calls on the Commission to ask Community customs services to carry out specific checks serving to identify products with a false declaration of origin or in breach of trademark protection rules;
26. Calls, therefore, on the Commission to amend Regulation (EEC) No 2913/92 and its later amending regulations with a view to introducing customs checks to identify products accompanied by false declarations of origin;

27. Stresses the need to consider a sectoral approach to the industry at Community level and urges the Commission to take this into account, given the exceptional nature and the urgency of the challenges facing the sector;
28. Takes the view that the EU's policy to date of supporting structural change has been generally successful;
29. Urges regional and national authorities, working in close collaboration with economic and social players, to draw up local strategy plans for areas which are centres of the textile industry;
30. Calls on the Commission to study carefully the effects of the new policy on chemical substances (REACH) on the sector, particularly its impact on competitiveness, focusing more specifically on SMEs, and to adapt the proposals in such a way that imported goods do not have an advantage over those produced in the EU;
31. Advocates a Euro-Mediterranean partnership to boost cooperation in, and the competitiveness of, the sector by means of an active policy in support of training, R & D, technological innovation, the dissemination of good practice, and the exchange of market intelligence; recommends that a Euro-Mediterranean network of schools, training institutes, and technical centres with expertise in the textile and clothing sector be set up to promote technical partnership, training, and joint research programmes;
32. Calls on the Commission to use any reserve in the Structural Funds for unforeseen local and sector-related crises for business start-ups and supporting SMEs in the affected regions, in order to encourage job creation in other branches.

PROCEDURE

Title	The future of the textile and clothing industry after 2005			
Procedure number	2004/2265(INI)			
Committee responsible	INTA			
Committee asked for its opinion Date announced in plenary	ITRE 13.12.2004			
Enhanced cooperation	Yes			
Drafts(wo)man Date appointed	Joan Calabuig Rull 27.1.2005			
Discussed in committee	2.2.2005	31.3.2005	25.4.2005	24.5.2005
Date suggestions adopted	24.5.2005			
Result of final vote	for:	39		
	against:	1		
	abstentions:			
Members present for the final vote	Ivo Belet, Jan Březina, Jerzy Buzek, Joan Calabuig Rull, Pilar del Castillo Vera, Jorgo Chatzimarkakis, Giles Chichester, Den Dover, Lena Ek, Adam Gierek, Umberto Guidoni, András Gyürk, Fiona Hall, Ján Hudacký, Romana Jordan Cizelj, Werner Langen, Anne Laperrouze, Nils Lundgren, Eluned Morgan, Reino Paasilinna, Pier Antonio Panzeri, Miloslav Ransdorf, Teresa Riera Madurell, Mechtild Rothe, Paul Rübig, Andres Tarand, Britta Thomsen, Patrizia Toia, Catherine Trautmann, Nikolaos Vakalis, Alejo Vidal-Quadras Roca			
Substitutes present for the final vote	María del Pilar Ayuso González, Etelka Barsi Pataky, Zdzisław Kazimierz Chmielewski, Neena Gill, Norbert Glante, Françoise Grossetête, Edit Herczog, Manuel António dos Santos, Hannes Swoboda			
Substitutes under Rule 178(2) present for the final vote				

31.5.2005

OPINION OF THE COMMITTEE ON REGIONAL DEVELOPMENT

for the Committee on International Trade

on textiles and clothing after 2005
(2004/2265(INI))

Draftsman: Pedro Guerreiro

SUGGESTIONS

The Committee on Regional Development calls on the Committee on International Trade, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Notes that, in some regions, there is a high concentration of companies in the textile and clothing sector and jobs and incomes are heavily dependent on that sector; considers this to be especially true of the EU's less-favoured regions, which are less economically developed and which are particularly affected by social and economic crises; notes that, in those regions, the industry employs mainly women having few qualifications and older people close to retirement, who may remain unemployed after the closure of textile companies; recognises that some Member States and regions, heavily dependent on the sector, may be drawn into a socio-economic crisis by the importation of textile products from third countries, given that these can be manufactured with lower labour costs; emphasises that the textile sector, in which SMEs predominate, has suffered from endogenous and exogenous pressures, which are forcing the sector to restructure;
2. Notes that the abolition of quotas in the textile and clothing sector may have harmful consequences in the least-favoured regions, possibly contributing to a reduction in regional per capita GDP, a situation which justifies an adequate response;
3. Points out that textiles and clothing are a strategic sector for the EU, with great potential for the future, that could also help to translate economic and social cohesion into reality;
4. Reaffirms that the EU must support the sector as an industry – both at national level and on Community territory as a whole – over and above the measures being taken by Member States by providing suitable financing from the Structural Funds (particularly through loan facilities), urging the Member States and the Commission to create more incentives to promote greater cooperation between the public sector and the financial

market, especially through public-private investment mechanisms to benefit SMEs;

5. Hopes, further, that it will be possible to establish a Community programme – involving the adoption of measures backed by the necessary resources – for the textile and clothing industry, and especially for the less-favoured regions – urban or rural – which are dependent on it, including those which will be affected by the statistical effect, and encompassing support for research and innovation (in accordance with the 7th framework programme), restructuring, vocational training, and small and medium-sized enterprises (SMEs), whilst respecting the Santa Maria da Feira Charter, together with Community initiatives to encourage the development of brands and promotion of the industry's products abroad, in particular at trade shows and international trade fairs, and to step up the fight against counterfeiting at European level;
6. Urges the Commission to support specific measures in the field of Article 6 of the European Social Fund which contribute to the sustainable restructuring of the textile and clothing sector by supporting programmes which promote lifelong learning, and through increased transfer of R&D among firms, particularly SMEs;
7. Welcomes the start of the European technology platform for textiles and clothing, which is to draw up a long-term global strategy for the sector and coordinate research efforts;
8. Calls on the Commission to focus more on SMEs in the 7th research and development framework programme and to seek to ensure that R&D results are passed on to firms;
9. Calls on the Commission to take action without delay to raise awareness for the protection of intellectual property rights;
10. Maintains that support for modernisation and promotion of the sector must be regarded as an objective cutting across EU policies, including EU structural policy, for which the necessary financial resources must be earmarked, and accordingly points to the importance of a sizeable Community budget for the next programming period, so that the regional policy objectives can be achieved;
11. Stresses the importance for the textile industry of the future national reserve for unforeseen circumstances proposed in the new regulations on the Structural Funds, since it could provide a response to sectoral or local crises linked to restructuring or to the consequences of trade opening;
12. Maintains that, bearing in mind the information available about the increase in imports to Member States from non-member countries and its serious consequences in socio-economic and regional terms, and to preserve the sector both at the present time and with an eye to the future, the safeguard clauses provided for in trade agreements need to be invoked as soon as possible and developments in this regard need to be constantly monitored in order to be able to react at any time in the most appropriate way;
13. Considers, therefore, that the 'emergency procedure' provided for in the guidelines for invoking the safeguard clause should now be launched, with all the categories affected being included, specifically those indicated by the Member States;

14. Repeats its view that EU support for companies under the numerous opportunities offered by the Structural Funds should depend on specific commitments regarding employment and local and regional development which accord with the thinking behind the Lisbon strategy;
15. Calls on the Commission to carry out a study on the way in which the gradual liberalisation of the sector within the framework of the WTO is affecting economic, social and regional cohesion, particularly in the less-favoured regions which are heavily dependent on the sector;
16. Invites the Commission and the High Level Group to work to complete a cost-benefit analysis of the contribution which the introduction of an indication of the country and region of origin of products and/or the 'made in' mark might make to regional competitiveness.

PROCEDURE

Title	Textiles and clothing after 2005
Procedure number	2004/2265(INI)
Committee responsible	INTA
Committee asked for its opinion Date announced in plenary	REGI 13.1.2005
Enhanced cooperation	-
Drafts(wo)man Date appointed	Pedro Guerreiro 14.3.2005
Discussed in committee	20.4.2005
Date suggestions adopted	24.5.2005
Result of final vote	for: 37 against: 3 abstentions: 0
Members present for the final vote	Stavros Arnaoutakis, Elspeth Attwooll, Jean Marie Beaupuy, Rolf Berend, Graham Booth, Bernadette Bourzai, Bairbre de Brún, Giovanni Claudio Fava, Gerardo Galeote Quecedo, Iratxe García Pérez, Eugenijus Gentvilas, Lidia Joanna Geringer de Oedenberg, Ambroise Guellec, Pedro Guerreiro, Gábor Harangozó, Marian Harkin, Konstantinos Hatzidakis, Jim Higgins, Carlos José Iturgaiz Angulo, Mieczysław Edmund Janowski, Tunne Kelam, Constanze Angela Krehl, Jamila Madeira, Sérgio Marques, Miroslav Mikolášik, Francesco Musotto, Lambert van Nistelrooij, István Pálfi, Markus Pieper, Francisca Pleguezuelos Aguilar, Elisabeth Schroedter, Alyn Smith, Grażyna Staniszevska, Catherine Stihler, Margie Sudre, Kyriacos Triantaphyllides, Oldřich Vlasák
Substitutes present for the final vote	Inés Ayala Sender, Brigitte Douay, Emanuel Jardim Fernandes
Substitutes under Rule 178(2) present for the final vote	

7.6.2005

OPINION OF THE COMMITTEE ON LEGAL AFFAIRS

for the Committee on International Trade

on the future of the textiles and clothing sector after 2005
(2004/2265(INI))

Draftsman: Nicola Zingaretti

SHORT JUSTIFICATION

As the High Level Group for textiles and clothing (HLG) made clear in its Recommendations¹, the European textiles sector is currently undergoing one of the most serious crises in decades. In fact, the most recent statistics indicate a further worsening of the situation, with a 73% increase in imports of textiles and clothing from China in January-February 2005 compared to the same period in 2004. Some sectors have experienced huge increases in imports from China (including increases in imports into the 15 pre-enlargement EU countries of 893% for pullovers, 1400% for socks and stockings and 530% for flax fabrics) together with sharply falling prices (down by 37% for pullovers and 38% for socks and stockings). But the problem lies not so much in the question of import/export liberalisation in the EU area but in the lack of targeted strategies for trade, industrial, social and regional development to help the European textile industry to adjust to the challenges of the free market.

First of all, the Commission should take action to implement the High Level Group's recommendations.

The figures show that, every day, 750 employees in the EU's textile and clothing sector lose their jobs, and 50 firms are forced to close. This affects the EU's global growth indicators, but the most serious damage is sustained in regions in which the textile and clothing sector has the most significant social and economic impact. Unless appropriate programmes are introduced to revitalise the sector, there is a serious risk of a rapid decline even in those areas, such as the Euro-Mediterranean zone, which currently still provide the most promising conditions for the industry to recover its competitiveness on the EU's external markets.

Furthermore, the crisis of the EU economy, unfavourable US dollar/euro exchange rates and the gradual relocation of the industry are additional threats hanging over the future of the EU's textile and clothing sector.

Against this background, the appropriate response is a strategy designed to exploit the specific

¹ *Recommendations of the High Level Group for textiles and clothing*, SEC(2004)1240

quality-related features of EU products, establish industrial cooperation networks inside and outside the EU and improve the arrangements whereby SMEs can obtain access to credit.

The Commission's 2003 report on *Implementation of the risk capital action plan (RCAP)*¹, its study of the state of integration of financial services in the EU² and its communication on *Access to finance of small and medium-sized enterprises*³ indicate, in addition to a general, if slow, improvement in credit access conditions, the need to remedy the lack of early-stage financing, with particular emphasis on guarantees and micro-credits. Closer attention should be paid to various interesting experiments involving public-sector provision of risk capital, which some countries have introduced via funding which has similar characteristics to venture capital and takes the form of conditional loans instead of capital as such.

The Commission's growth and employment strategy⁴ provides an initial instrument to streamline and improve access to finance (*Risk Capital Action Plan*), but does not yet meet all the various requirements of SMEs in terms of improving availability of equity finance and bank lending.

Some of the measures proposed in COM(2004)0668⁵ with regard to identifying eco-efficient processes, promoting research in multi-functional fibres, increasing consumer awareness and combating counterfeiting should be developed further, while setting a timetable for actions in the context of a strategy designed to check the conditions in which textiles and clothing are produced in the emerging economies, guarantee equal market access conditions and encourage the abolition of all non-tariff barriers. To that end, it would be appropriate to launch investigations into the conditions in which textiles and clothing are produced in countries whose exports have expanded most rapidly, while obliging the countries concerned to comply with the relevant WTO agreements.

At the same time, it must be stressed that innovation in the textiles sector should not be confined to high technology areas of production, but also to traditional production areas which could be made competitive by modernising their production and distribution methods.

SUGGESTIONS

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

1. Calls on the Commission to keep a close watch on the impact of the abolition of quotas in the textiles and clothing sector, particularly in regions where the majority of firms and workers are concentrated in this area of activity;
2. Urges the Commission, in order to protect quality, transparency and European consumers'

¹ COM(2003)0654, 4.11.2003

² *Financial Services: Nine months left to deliver the FSAP* (Financial Services Action Plan), 3.6.2003

³ COM(2003)0713, 1.12.2003

⁴ *Integrated guidelines for growth and jobs*, COM(2005)0141.

⁵ Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions on textiles and clothing after 2004, COM(2004)0668 of 13.10.2004.

right to access to consumer awareness information, to propose the introduction of an origin-marking protection system for all textiles and clothing produced in the EU and imported from non-EU countries for the EU market;

3. Considers it necessary to devise more effective measures to combat counterfeiting, on the one hand by improving the protection of intellectual property rights and launching information and awareness campaigns, and on the other hand by tightening up the penalties imposed on both retailers and purchasers of counterfeited items (or, as practised in some countries, by destroying counterfeited items seized by judicial authorities); also considers it essential, to combat counterfeiting effectively, to adopt a traceability system;
4. Calls on the Commission to verify whether its trading partners comply with their commitments under the WTO and ILO conventions with a view to avoiding economic and social dumping in Europe and, if they do not, to apply the requisite safeguard measures;
5. Considers it necessary to improve market access, first and foremost by establishing equal conditions for market participation and paying particular attention to action to combat unfair competition;
6. Encourages the Commission to continue negotiations with the countries belonging to the WTO with a view to reducing customs duties to the lowest possible common tariff and removing non-tariff barriers while providing for the possibility of derogations for developing countries whose national economies are particularly dependent on exports of textiles and clothing;
7. Believes it is necessary to consider and activate safeguard measures to impose quotas or duties on imports from countries which offer products at lower prices without ensuring acceptable standards of safety and social protection for workers or adopting production methods that respect the environment;
8. Considers that credit access conditions should be improved and guaranteed, particularly for small and medium-sized enterprises, by full transposition of the principles enshrined in the Basil II package, which are still widely disregarded;
9. Encourages the Commission to promote and strengthen the social dialogue at all levels, particularly in the new Member States;
10. Calls on the Member States to take the necessary steps to guarantee access to vocational training and improve the effectiveness of life-long training measures in accordance with the needs of the knowledge-based society and economy envisaged in the Lisbon strategy.

PROCEDURE

Title	The future of the textiles and clothing sector after 2005
Procedure number	2004/2265(INI)
Committee responsible	INTA
Committee asked for its opinion Announced in plenary	JURI 13.1.2005
Enhanced cooperation	no
Draftsman Appointed	Nicola Zingaretti 20.1.2005
Discussed in committee	6.6.2005
Date suggestions adopted	6.6.2005
Result of final vote	for: 11 against: 0 abstained: 7
Members present for the final vote	Maria Berger, Monica Frassoni, Giuseppe Gargani, Pii-Noora Kauppi, Kurt Lechner, Klaus-Heiner Lehne, Antonio López-Istúriz White, Antonio Masip Hidalgo, Aloyzas Sakalas, Francesco Enrico Speroni, Diana Wallis, Rainer Wieland, Nicola Zingaretti, Jaroslav Zvěřina, Tadeusz Zwiefka
Substitutes present for the final vote	Brian Crowley, Jean-Paul Gauzès, Evelin Lichtenberger, Manuel Medina Ortega, Marie Panayotopoulos-Cassiotou, József Szájer
Substitutes under Rule 178(2) present for the final vote	

PROCEDURE

Title	The future of the textiles and clothing sector after 2005			
Procedure number	2004/2265(INI)			
Basis in Rules of Procedure	Rule 45			
Committee responsible Date announced in plenary	INTA 13.1.2005			
Committee asked for its opinion Date announced in plenary	EMPL 13.1.2005	ITRE 13.1.2005	REGI 13.1.2005	JURI 13.1.2005
Not delivering opinion(s) Date of decision				
Enhanced cooperation Date announced in plenary	ITRE 13.1.2005			
Motion(s) for resolution(s) included in report				
Rapporteur(s) Date appointed	Tokia Saïfi 15.11.2004			
Previous rapporteur(s)				
Discussed in committee	23.5.2005			
Date adopted	14.6.2005			
Result of final vote	for: 25 against: 1 abstentions: 0			
Members present for the final vote	Kader Arif, Francisco Assis, Enrique Barón Crespo, Jean-Louis Bourlanges, Daniel Caspary, Françoise Castex, Christofer Fjellner, Glyn Ford, Jacky Henin, Caroline Lucas, Helmuth Markov, David Martin, Javier Moreno Sánchez, Georgios Papastamkos, Godelieve Quisthoudt-Rowohl, Tokia Saïfi, Peter Šťastný, Robert Sturdy, Daniel Varela Suanzes-Carpegna, Zbigniew Zaleski			
Substitutes present for the final vote	Bastiaan Belder, Margrietus van den Berg, Pierre Jonckheer, Jörg Leichtfried, Zuzana Roithová			
Substitutes under Rule 178(2) present for the final vote	Bill Newton Dunn			
Date tabled – A6	16.6.2005		A6-0193/2005	