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MOTION FOR A RESOLUTION

further to Oral Question 0000/2003

pursuant to Rule 42(5) of the Rules of Procedure

by Concepció Ferrer

on behalf of the Committee on Industry, External Trade, Research and Energy

on the future of the textile and clothing sector in the EU

European Parliament resolution on the future of the textile and clothing sector in the EU

The European Parliament,

- having regard to the conclusions of the Conference on the future of the textile and clothing industry in enlarged Europe, of 20 March 2003,
 - having regard to the conclusions of the Conference on the future of textiles and clothing after 2005, of 5-6 May 2003,
 - having regard to the Commission Communication of 29 October 2003 on the future of the textiles and clothing sector in the enlarged European Union¹,
- A. whereas the industry will have to face the final abolition of import quotas on 1 January 2005 and from that date it will therefore be subject to the same import and trading rules as any other industry; bearing in mind also the challenges and opportunities arising from the Doha Round negotiations on development, especially since China joined the WTO,
- B. whereas it is the primordial responsibility of businesses to face such challenges, but governments have a duty to establish framework conditions that will enable them to compete in the new environment in which they will have to operate, and must guarantee for them a general and effective opening up of markets in conditions of reciprocity,
- C. whereas the trend in factors of competitiveness is increasingly linked to innovation, research, technological development and quality, particularly in connection with the development of new fabrics, including technical textiles and smart fabrics,
- D. whereas a feature of this sector is its high regional concentration, and whereas the abolition of quotas and the challenges posed by liberalisation of the markets will be felt more keenly in regions with a high concentration of textile and clothing industries,
1. Welcomes with satisfaction the Commission Communication on the future of the textiles and clothing sector in the enlarged European Union, and supports the review of EU policies and instruments that it is proposing, with the aim of improving the industry's competitive position and securing its access to third countries' markets;
 2. Stresses the importance of implementing a horizontal industrial policy that takes account of the special needs of the textile and clothing industry and is designed to increase the efficiency of businesses in the industry, their innovative potential, creativity and comparative advantages;
 3. Underlines the importance of providing businesses with a clear, predictable and consistent framework, to enable business strategies and investment to be planned with ease for the medium and long term, which would also prove to the benefit of the workers whom the

¹ COM(2003) 649.

industry employs;

4. Urges the Commission and the Member States to encourage SMEs in the textile and clothing industry to invest in direct activities of R&D and non-technological innovation, by setting up specific incentives and aid programmes for the industry for this purpose; takes the view that it is important for research efforts to take place in a much more integrated way, to achieve a sufficient critical mass and be competitive in the global market;
5. Calls on the various relevant authorities to consider whether it would be appropriate to introduce measures to advise and support SMEs, to enable them to make more use of instruments to protect industrial property (particularly patents, trade marks and designs), as these are essential to support innovation and products with greater added value;
6. Highlights the importance of promoting the use of information technologies throughout the textile and clothing process, from manufacturing to distribution, to improve the efficiency and competitiveness of businesses;
7. Calls on the Commission to put in practice as soon as possible the measures it has announced to strengthen the protection and application of intellectual property rights and monitor their compliance with the TRIPS and WTO agreements, so as to give effect to the fight against counterfeiting and piracy; calls particularly for work on adopting and implementing the proposal for a directive on intellectual property to be stepped up;
8. Also calls for stronger customs controls at EU borders and customs cooperation at international level to eradicate the serious problem of piracy and counterfeiting;
9. Requests the Commission to encourage and assist manufacturers in establishing a surveillance and information network to identify and eliminate the sources of counterfeit products; considers that such an activity could also be a joint activity with other sectors, notably ceramics, glassware and leather goods;
10. Agrees on the importance of the social dialogue when carrying out the economic and social reforms needed to respond to liberalisation of the markets and the challenges of modernisation, and to effectively manage the changes that they will involve;
11. Calls for a special Regional Initiative for the industry to be introduced within the framework of the Structural Funds as soon as possible, designed to enable businesses to deal with the difficulties that the 2005 deadline will entail and when necessary help workers readapt to the employment market;
12. Reaffirms that the opening up of international trade in the textile and clothing industry should provide the European industry with a number of opportunities for growth; consequently expects the Commission to maintain in the Doha Development Agreement negotiations the commercial policy proposals it sets out in its Communication, thus safeguarding for the industry access to markets at world level that is comparable to the import conditions that the EU will be applying with effect from 2005;
13. Calls for the benefits derived from customs preferences to be applied as soon as possible solely to the LDCs and the less competitive developing countries;

14. Considers it essential to carry out a reform of commercial defence mechanisms to make them more flexible and effective; also believes there is a need to set up a clear, rapid and transparent procedure concerning the WTO general safeguard clauses and the special clauses applying to China under the Protocol on China's accession to the WTO;
15. Calls on the Commission to speed up the abolition of non-tariff barriers to trade, as also additional taxes and duties and other import charges, customs validation practices not based on the price paid for the imported product, onerous or *de facto* discriminatory labelling or marking requirements, import authorisation schemes, payable certification procedures, and so on; calls for the WTO dispute settlement procedure to be applied in cases where the existence of such barriers can be shown;
16. Calls on the Commission to pay particular attention to, and devise formulae to protect, finished products in the event of massive imports of products from third countries threatening or seriously damaging the European textile and clothing industry;
17. Calls on the Commission to set up a Textile and Clothing Industry Observatory, with tasks to include analysing the development of trade between China and the EU and monitoring compliance with the rules applying to the two regions;
18. Calls on the Commission to speed up the creation of a Pan-Euromediterranean free trade area, to ensure that accumulated origin is effective before the end of 2004, at least for textile and clothing products between the main countries in the area;
19. Stresses the importance of upholding the principle of businesses' social responsibility, respect for the WTO's fundamental rights and sustainable development by including these principles in bilateral trading agreements that the EU signs;
20. Draws attention to the value of finding solutions, for instance based on a voluntary labelling system, that will enable the consumer to identify products that have been manufactured in compliance with basic employment rights as defined by the WTO and with respect for the environment;
21. Stresses the importance of introducing measures to encourage the consumption of manufactured products that provide information on compliance with basic employment rights and respect for the environment; also considers it worthwhile to introduce a labelling system that enables consumers to identify the origin of products in a non-discriminatory way; therefore welcomes the Commission proposal on the 'Made in Europe' label;
22. Considers that it would be beneficial to set up a High Level Group for the sector, to discuss and formulate possible initiatives to help the sector adapt to meet major challenges in the future;
23. Calls on the Commission and Council to establish a limited and precise timetable for the scrutiny and rapid implementation of the main points in the Communication and the financial framework required to carry them out, so that action to apply them can be operational as soon as possible, and in any event before the end of 2004;
24. Notes that many of the strategies advocated in the Commission Communication, and this

resolution, also impact upon other long-established manufacturing sectors (such as ceramics and leather goods) facing problems of global competition and restructuring and invites the Commission to draw broader lessons from the textile sector for application in other areas;

25. Instructs its President to forward this resolution to Commission and Council.