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MOTION FOR A RESOLUTION

further to Question for Oral Answer B6-0382/2007

pursuant to Rule 108(5) of the Rules of Procedure

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on behalf of the GUE/NGL Group

on textiles and clothing

European Parliament resolution on textiles and clothing

The European Parliament,

- having regard to the expiry of the ‘Memorandum of Understanding’ on certain categories of Chinese textile and clothing products exported to EU Member States, which is due to occur on 31 December, and to the continuing all-out liberalisation of the textile and clothing trade,
 - having regard to the surveillance system whereby imports from China are to be double-checked – by the Member States’ customs services and by the Chinese authorities – and to the fact that in 2008 it will cover only eight out of the ten categories provided for in the memorandum,
 - having regard to Rule 108(5) of its Rules of Procedure,
- A. whereas the abolition of quotas in the textiles and clothing sector has been leading to serious social consequences, primarily for regions where the highest numbers of firms and workers – mainly women – are concentrated and wages are chronically low,
- B. whereas the EU regions hardest hit by the destruction of jobs in the textiles and clothing sector are those suffering severe disadvantages – be it in terms of employment, production, or social welfare – and whereas the failure to protect this industry serves only to exacerbate their socio-economic vulnerability and territorial inequalities within the EU,
- C. whereas in the last 15 years a great many firms in a number of Member States have relocated their production to other parts of the world, in particular North Africa and Asia, leaving a trail of unemployment and serious socio-economic crises,
- D. whereas the textiles and clothing sector is quite varied by nature; whereas it is an industry whose ramifications extend to other sectors and which consists mainly of a vast network of small and medium-sized enterprises (SMEs), often operating under subcontracting arrangements,
- E. whereas the textiles and clothing sector currently employs over 2.6 million workers and generates more than €230 000 million in turnover in the EU as a whole, accounting for a high proportion of GDP and employment in some Member States, for example Portugal,
- F. whereas the imminent demise of the Memorandum of Understanding between the EU and China will entail serious consequences for the less favoured regions; whereas the resulting possible fall in regional GDP per inhabitant demands an appropriate response,
- G. whereas although there are some large companies with a substantial workforce and a high turnover, the sector’s industrial fabric is made up mainly of micro- and small-sized enterprises, some of which are highly technology intensive,

- H. whereas no effective measures were taken to protect the EU's textiles and clothing sector from the consequences – already foreseeable at that time – of China's accession to the WTO, nor has anything been done since then to develop the sector industrially or commercially and hence minimise the repercussions that it is now undergoing,
- I. whereas if the market becomes distorted, members of the WTO will be allowed, up to the end of 2008, to adopt safeguard measures in the form of quantitative restrictions on products exported from China,
1. Maintains that the double-checking surveillance system will serve no purpose unless it prevents any repetition of the situation that occurred in 2005, when imports into the EU grew at an accelerating rate;
 2. Maintains that, above and beyond the projected double-checking surveillance system, new safeguard measures need to be enforced, covering, among other things, categories of products to be specified by Member States, so as to enable employment in, and the business of, the textiles and clothing sector to be safeguarded and promoted in the EU;
 3. Points out that some countries occupying an important place in the international textile and clothing trade have adopted safeguard measures applying until the end of 2008, and therefore fails to understand why the EU has not followed suit;
 4. Expresses its disquiet at the Commission's intentions, as announced by Commissioner Mandelson, to review trade defence instruments (TDIs) according to the interests of firms which are relocating their production to countries where, because of the low wages and social and environmental standards, production costs are lower; maintains that TDIs are an essential means of combating unfair trading practices, especially in the textiles and clothing sector;
 5. Maintains that textiles and clothing are a key sector for the EU, with great prospects for the future, and can also help to translate economic and social cohesion into reality;
 6. Reaffirms that the EU should support the sector as an industry – at both national and Community level – over and above the activities being promoted in Member States;
 7. Considers that, to protect jobs and develop and modernise the textiles and clothing sector in the EU, it is necessary, among other things, to
 - abandon the model based on low wages, low skills, and casual labour;
 - promote higher standards of training and qualifications for professionals in the sector;
 - promote measures to tackle the mountain of problems and the scale of the difficulties faced by families affected by unemployment because jobs have been destroyed and firms have closed down or relocated;
 - assess the areas and subsectors facing an imminent or potential threat of company closures, and hence unemployment, so as to enable preventive measures to be taken according to the circumstances;

- increase and adjust sources and terms of funding according to the needs of micro-, small-, and medium-sized textile firms, not least those which are starved of capital and structurally unbalanced;

8. Urges the Commission to draw up a new international trading policy to enable job-creating industries and economic activities, including textiles and clothing, to survive and develop, improve working conditions, safeguard, and build upon, social rights, and effectively protect the environment;
9. Believes that Member States should be allowed to take trading policy measures with a view to protecting sectors suffering on account of adverse cyclical trends;
10. Maintains that the textiles and clothing sector in the EU has had to contend with constant challenges where its modernisation is concerned and therefore needs Community support to promote added value, innovation in terms of fashion and design, and product quality;
11. Repeats its proposal that a Community programme – backed by the appropriate means of support – should be drawn up for the textiles and clothing sector, and especially for the more disadvantaged regions that depend on it, with a view to promoting research, innovation, vocational training, and SMEs, and should go hand in hand with a Community programme to help create new markets and boost external promotion of the sector's products, for instance at international trade fairs;
12. Maintains that support for modernisation and promotion of the sector should be regarded as an objective applying across the board to EU policies, not least EU structural policy, and that the necessary funding should be allocated accordingly;
13. Maintains that, to enable the textiles and clothing sector to be modernised, research and innovation need to be encouraged by means of incentives and specific Community aid programmes to help SMEs invest in direct R & D activities and non-technological innovation;
14. Calls on the Commission to provide under the Seventh R & D Framework programme for an approach to SMEs aimed at overcoming the difficulties involved in transferring R & D to firms, whatever their size;
15. Calls on the Commission to bring careful assessment to bear on the impact that the new chemicals policy (REACH) is having on the textiles and clothing sector, and more specifically on SMEs, and to adopt the proposals required to ensure that imported products are not placed at an advantage in relation to products manufactured in the EU;
16. Urges regional and national authorities, working closely together with economic and social stakeholders, to draw up local strategy plans for areas that are centres for the textiles and clothing sector;
17. Believes that studies, projects, and investment should be undertaken with a view to attracting other industries, including those linked to textiles and clothing, offering higher added value and a greater technology and innovation component, thus making for the necessary industrial diversification in regions in which the textiles and clothing sector is

highly concentrated;

18. Maintains that a regulatory framework needs to be laid down, at EU level, to penalise company relocations within and outside the EU; believes that public aid to businesses, at national and European level, must be subject to long-term commitments on their part regarding regional development and employment and that no aid of any kind should be granted if it could serve to encourage relocations; calls for a stronger role for workers' representatives in company boards and in fundamental organisational decision-making;
19. Calls on the Commission and the Member States to endeavour to completely do away with subsidies and forms of support for firms which relocate their operations and to lay down an arrangement whereby firms which have relocated would be obliged to pay back the aid granted to them;
20. Calls on the Commission to help the Member States take steps to combat trademark counterfeiting and customs fraud and to introduce specific customs checks to identify products accompanied by false declarations of origin or in breach of trademark protection rules;
21. Believes that imports from non-Community countries should be subject to binding rules on indication of the origin of textile and clothing products and calls on the Commission to adopt the proposal for a regulation on 'made in' labels;
22. Calls on the Commission to conduct a study on the impact which appreciation of the euro is having on EU textile and clothing exports;
23. Calls on the Commission to conduct a study showing how economic, social, and territorial cohesion, especially in less favoured regions highly dependent on textiles and clothing, is being affected by the gradual liberalisation of the sector being pursued in the WTO;
24. Calls on the Commission to conduct a study showing how added value is apportioned among the different elements of the sector's value chain, with particular reference to imported products;
25. Calls on the Commission to conduct a study showing how employment and the socio-economic situation in textile and clothing centres is being affected by the relocation of EU textile and clothing production to North Africa and in particular by the establishment of what is termed the 'Euro-Mediterranean market';
26. Instructs its President to forward this resolution to the Council, the Commission, and the governments and parliaments of the Member States.