

THURSDAY, 1 FEBRUARY 2007

IN THE CHAIR: MRS WALLIS

Vice-President

1. Opening of the sitting

(The sitting was opened at 09.05)

2. Documents received: see Minutes

3. The European private company statute (debate)

President. The first item is the report by Klaus-Heiner Lehne, on behalf of the Committee on Legal Affairs, with recommendations to the Commission on the European private company statute (2006/2013(INI)) (A6-0434/2006).

Klaus-Heiner Lehne (PPE-DE), rapporteur. – (DE) Madam President, Commissioner, ladies and gentlemen, I feel particularly honoured to be able to see this topic discussed today, when you, Madam President, are chairing a sitting of this House for the first time.

The action plan on company law already envisaged examination of which additional forms of company might be considered as subjects for legislation within the European Union. As a result of the studies carried out at that time, these questions were, in essence, left open. Now, the Commission, a number of years ago, invited discussion of the company law action plan and subjected it to a wholesale revision. This House made a full contribution to this debate, and, following on from it, decided to produce and discuss an own-initiative report on the European private company.

Such is the background to this item on today's agenda. We have considered this question carefully and organised in this House a hearing on the subject, which drove home the fact that there is a real need for that sort of European private company and for the Commission to initiate legislation to create it. Smaller industrial companies in particular – export-driven businesses that are at present obliged to set up subsidiaries and companies in other Member States and in accordance with those states' laws on companies – would welcome with great enthusiasm the creation of a European legal form whereby they could organise their subsidiaries throughout the European Union. At present, they are in serious need of advice, which may well be good for the lawyers, but it does cost a lot of money, since there has to be, again and again, examination of individual cases to ascertain what rights and duties their directors and members of their supervisory boards actually have and what they have to do in order not to end up at odds with the law.

I think they will be able to avoid that if they can be offered a single European legal form that regulates a number of core matters, in particular directors' powers and questions of liability, in one way at the European level and thus offers something to businesses. There is, then, absolutely no question of additional bureaucracy, for companies can decide for themselves whether they want this legal form or not; it is simply something of which they can avail themselves, something that plugs a real hole in the law left over after we created the European Limited Company for bigger firms.

Let me also say, by way of an aside, that the insufficient progress made in the past in the development of European company law is one explanation for the European Court of Justice's rulings in such cases as *Inspire Art*, and this is where we can help to provide and create an exemplary structure in the European Union.

I believe that the Committee on Legal Affairs – which adopted this report by a large majority, or, indeed unanimously – has succeeded in finding a suitable compromise between the different approaches to the structure of such companies found in continental Europe on the one hand and in British legal thinking on the other, especially on the issue of equity, where we achieved a good compromise on the basis that equity ought, as a matter of principle, to exist, but without the obligation to make cash payments, which, as a means whereby registration may be made easier, is, in my view, a step in the right direction and

also shows how it is possible for the Commission to submit a proposal with the Council then being able to find a rational compromise between the various legal traditions.

What we in the Committee on Legal Affairs – and I think, after today's vote, this House too – expect of the Commission is that it should, in accordance with the provisions of the Treaty, with our Rules of Procedure, and with the interinstitutional agreement, stir itself into action and, within the foreseeable future, take definite steps to put a definite proposal for legislation before this House and the Council.

As I draw to a close, I would like to mention another consideration that has had some input into the amendments, that being the debate on workers' participation in decision-making. Let me make perfectly plain something that was not a bone of contention in our deliberations, namely that nobody is seeking to restrict workers' rights in any way whatever. In so far as they are guaranteed at the national level, they are also to be guaranteed and maintained when this legislative project is put into effect. This is something on which there have been a number of amendments, which I do not regard as crucial, for they all have the same end in mind, that of protecting workers' rights.

One final comment – and yes, I do mean final, for I will then have used up my five minutes: I note with pleasure that the German Presidency of the Council has declared the European Private Company to be one of its priorities, and so I assume that the Council, too, will be as supportive of this as – I hope – an overwhelming majority in this House is about to be.

Charlie McCreevy, *Member of the Commission*. Madam President, firstly I would like to thank the Committee on Legal Affairs, and in particular the rapporteur, Mr Lehne, for the excellent work done in the preparation of the report on the European private company statute on which you will vote today. My departments are already studying in detail the suggestions and recommendations proposed in this report.

We need to make it easier and cheaper for small and medium-sized companies to conduct cross-border business. It is important to take action that will help small and medium firms to reap fully the benefits of the single market.

The growth of small businesses is crucial for the competitiveness of the European economy. One means of facilitating the expansion of small businesses is to simplify the current legal framework and reduce unnecessary administrative burdens. These burdens are particularly onerous for SMEs that do not have big legal departments at their disposal. That is why I have decided to present a communication on the simplification of EU company law in the spring of this year. This fits in with the broader programme of the Commission on simplification of the *acquis communautaire* which provides for a 25% reduction in administrative burdens by 2012.

I am all for initiatives that will give European firms, and in particular small and medium companies, a flexible regulatory framework. The European private company statute could be a useful option for them in this respect. The idea was supported by industry in the recent public consultation on future priorities for the action plan on company law and corporate governance. Many respondents stressed that such an option would create more choice for companies and reduce compliance costs for firms which wish to operate in several Member States. However, a number of our respondents also questioned the usefulness of such a measure and, as you know, in accordance with better regulation principles the Commission must carry out an impact assessment before any initiative is proposed. Accordingly, my departments are now examining the costs and benefits of such a statute, as well as alternative measures to address the problems at stake. I would only propose a European private company statute if the impact assessment clearly shows that this is the most appropriate instrument to tackle the problems SMEs face today and that the European private company form would be useful to them in expanding their activities and developing their businesses across borders.

Experience with the European company statute has shown that creating a new European corporate form can be a very long and complex process. The end result may be legal instruments that are not always easy to use. If a European private company statute is to be worthwhile, then agreement would need to be found swiftly. The end result would have to be simple for SMEs to use, thereby bringing real added value.

I note that your report and associated resolution are based on Article 192 of the Treaty calling on the Commission to submit a legislative proposal. Under the framework agreement, the Commission undertook to take account of any such request made pursuant to Article 192 of the Treaty. I intend to live up to

these commitments. We will assess the practical suggestions set out in the report in detail. I want my departments to take the time necessary to consider carefully all possible options in order to provide the best balanced solution for SMEs. Upon conclusion of the impact assessment, I will report back to you on its results and the policy conclusions we draw from it.

Andreas Schwab, *on behalf of the PPE-DE Group*. – (DE) Madam President, I, too, as a former fellow-member of the Committee on the Internal Market and Consumer Protection, wish you every success in the exercise of your functions. If every President were to keep the Chamber as quiet as you have done this morning, our deliberations would indeed be much more constructive, and so I can only ask you to carry on the way you have begun.

I can tell the Commissioner that small and medium-sized enterprises are the driving force behind the European internal market. That may well be reiterated time and time again, but the progress towards the achievement of this goal is often too slow. I, too, therefore, am among those who believe that the creation of a European legal framework with the interests of the self-employed and smaller businesses particularly in mind is an extremely important matter, not least for the Committee on the Internal Market.

Mr Lehne's own-initiative report is much to be welcomed, not least on the grounds that it sends an important signal to the Commission – and, let me add, to the Presidency of the Council too – and I would like to thank him for the splendid work he has done in this regard.

It is cause for thanksgiving that many small and medium-sized businesses already work across borders, and you, Commissioner, were able to see that for yourself when you visited Offenburg, my own electoral district. In many instances, though, their dedication and growth are hampered by bureaucratic restrictions and the lack of experience of the local legal situation, and small and medium-sized enterprises from the new Member States have hitherto been put at a considerable competitive disadvantage by this.

Offering in future a European legal form in parallel with the legal forms of the nation states therefore not only serves to further the completion of the European internal market, but also makes it easier for small and medium-sized enterprises to set up subsidiaries in European countries other than their own, and hence to develop their activities beyond their own country's borders.

What is of the essence in this is that the consultancy and administrative costs involved in setting up and running a company can be reduced to a considerable degree and that cross-border business activity no longer involves the laws of more than one Member State being applicable.

A survey conducted by the German International Chamber of Commerce – I can refer only to German businesses – showed that enterprises were very keen that there should be a European legal form that met the needs of small and medium-sized businesses, and the businesses that responded said that they saw this as being a 'little sister' to the European Limited Company and believed that it needed to be slimline, practicable and – above all else – European.

I can therefore tell the Commissioner that what this House is saying by means of this report is that it wants to see the Commission presenting a legislative proposal on the basis of Article 308 before this year is out. We are of course pleased to hear you advocating the impact assessment, but we have also seen, from the example of other directives relating to the internal market and consumer protection, that, where the political will is present, an impact assessment can either be carried out briskly or limited to specific individual questions, and so I would ask you to move the impact assessment forward with some speed in order to arrive at a legislative proposal as soon as possible. I would also ask the German Presidency of the Council to process this dossier as soon as possible and with vigour.

Manuel Medina Ortega, *on behalf of the PSE Group*. – (ES) Madam President, I believe that this is the first time that I have had the opportunity to speak while you are presiding over the sitting and I would like to congratulate you on your appointment. I am sure that you will do your duties in your characteristically independent manner.

Secondly, I would like to thank Mr Lehne for his report. I believe that he has done a good job, but I would like to point out a couple of problems that we have.

Firstly, I do not believe the Committee on Legal Affairs' current approach of presenting reports on an issue of legislative initiative with an annex which has not been sufficiently discussed to be the appropriate legislative technique.

We are talking about an initial phase of legislative proposals. What we are doing is asking the Commission to look into the possibility of presenting a report, and I believe that at this stage we should restrict ourselves to the first part of the resolution.

I do not believe that the annex to the motion for a resolution has been sufficiently debated. We cannot therefore take the view that these conclusions of the annex genuinely reflect the will of the Committee on Legal Affairs.

Secondly, I believe that Mr McCreevy was absolutely right to point out that we should not be legislating for the sake of legislating — our failure in relation to the European Company should give us cause for concern in this regard — and the impact study is therefore clearly necessary.

Furthermore, it is clear that we in this House believe that it is necessary to draw up a statute to enable small businesses to operate and that we should work towards achieving that.

In doing so, we are faced with certain difficulties: for example, the problem of worker participation. We have held discussions on the text of recital H. In my political group, there have been certain reservations about the way Mr Lehne had worded it.

I believe that the final formula proposed by Mr Lehne is satisfactory and I hope that we in my group can approve it.

In short, I believe that Mr Lehne's proposal is a good one. We are not demanding that the Commission accept it, but we are asking it to look into this possibility.

I hope that Mr McCreevy will do everything he can to ensure that this Parliament's will in this regard is implemented.

Sharon Bowles, *on behalf of the ALDE Group*. – Madam President, first let me also extend my congratulations to you on your appointment and the conduct of your first debate.

I must also start with an apology to the rapporteur because, although I attended the hearing on this subject, I was unable to participate in the debate in committee and I know it is a bit irritating when somebody then pops up in Plenary.

I broadly welcome the underlying idea in the proposal, but I have some concerns that I hope the Commission will investigate further during future work on this matter. Mr Lehne, you have said in your explanatory note to the report – and indeed the Commissioner has also said just now, and I agree – that the statute will need to focus on the needs of SMEs. But that of course covers just about all companies except multinationals. To me it is clear that if we follow all of the recommendations in the annex, those that are likely to benefit or choose this option are towards the medium rather than the small end of the spectrum of companies. They certainly would not be start-up companies. The suggested capital requirements ensure that is the case. I do not want people to say ‘here you are standing there as a Brit not wanting any capital requirement’. I recognise that the capital does not necessarily have to be paid in and I welcome attempts to find a compromise on that, but it will still have an impact, especially on small businesses.

Smaller businesses, whether at the start-up or whether trying to expand, have enough cost and difficulty trying to give belt-and-braces guarantees to banks without there being an added tier of financial expectation. And, make no mistake, the fact that shareholders could potentially lose EUR 10 000, even if not paid in at the start, does add an extra tier of financial expectation.

Now, that may not matter at all since it is optional, and if you do not like the statute, you do not have to use it, but I would prefer that if you propose something, it would be liked and used and accessible to all companies.

While I have said that there may be little incentive in some quarters to choose this, that does not mean it is because small companies do not conduct cross-border business or do not aspire to do so. Many quite small companies do engage in significant cross-border business and European Court of Justice decisions make it clear that they can do so. But, as it is optional, maybe that is no matter. Or is that really the case? I would not like to see the situation where the new statute introduced a factor of discrimination where consumers were concerned that if you were not big enough to consider it worth being a European private company, you are not big enough to do business in Europe. That would run

completely counter to the notion of a single market and the mutual importance of fostering and nurturing small businesses within that market. In a single market, size must not matter.

Marek Aleksander Czarnecki, on behalf of the UEN Group. – (PL) Madam President, I fully support the view that the European Private Company Statute should be based on Community legislation and dispense with references to national law. The aim is to create a new legal form for small and medium-sized enterprises, which are the driving force behind all European economies. A new legal form will help to foster cross-border activity too.

We must also keep in mind joint activities when it comes to promoting the development of the internal market, and consequently economic growth. If a single European legal form is created, consultancy costs will be cut. In the many countries involved, the law will no longer apply to cross-border activities. Instead, we shall have a single, uniform statute. For this type of company to be competitive on the market, it must be flexible and able to adjust to market requirements. This could be achieved by endowing such a company with a wide range of possibilities for transforming itself.

In this context, the issue of legal harmonisation arises, for instance, with regard to the cross-border transfer of registered offices. For an undertaking of this nature to be able to operate with maximum efficiency on the market, however, it must focus primarily on the security of business transactions and on protecting the company's creditors. We still need to give further consideration to these issues.

Godfrey Bloom, on behalf of the IND/DEM Group. – Madam President, I find this absolutely fascinating! Every time I come here I have to smile. What this place knows about running small businesses is absolutely unbelievable. When I look up the CVs of Members of this Parliament, I find that nobody has ever had any serious responsibility for a small company in their lives. It is amazing what we all know about these things!

In 1992 I started a small business. I thought about it and I bought some old-fashioned, second-hand furniture. I sucked my pencil and thought, 'My goodness me, what have I done? I have left a big corporation, where do I go from here?'. That business now has branches in Hong Kong, Jersey, the Channel Islands and South Africa, as well as London and York, which is my constituency.

I really do not think I could do that again. There are *so many* regulations, it is unbelievable. If you really want to fire up small business in the European Union, and particularly the United Kingdom, I would suggest that these people here and the Commission get their blasted noses out of everybody else's business and stop trying to tell us how we should run our businesses! Just let us get on with it, because if you do not, more and more businesses are going to go to Dubai, Bermuda and the Channel Islands – I am moving half my business to the Channel Islands as it is.

I would counsel you and the Commission to please keep your ill-informed noses out of small businesses!

Ashley Mote, on behalf of the ITS Group. – Madam President, this report is a contradiction in terms. Governments cannot micro-manage enterprise. Since when has the European Union initiated anything that improves trade, minimises costs, cuts red tape, generates new wealth, creates new jobs, frees up enterprise? When ever? Most governments can hope to contribute to economic growth only by clearing the decks of obstacles and creating an enterprise-free environment. Government ought to be about enabling people and their initiative to thrive. After that it should stand well back.

The UK has a huge, permanent and growing deficit with the EU. Does anyone here seriously imagine that by seizing control over company law relating to SMEs, the European Union will change or improve that situation? Do you really imagine that possible, especially as these proposals are based on German and French ideas of a social market?

I endorse what Mr Bloom has just said. How many of you here have ever started a new business at your own risk? Created jobs? Funded it for yourselves and successfully run it for, let us say, 20 years? How many of you have done that? How many people on that committee have done that? How many of you know what it takes to start a new business in the UK? Well, I will tell you. Less than a hundred pounds, ten minutes on the phone and you can do business anywhere. Compare that with these proposals. We have centuries of company law in the UK, thank you very much. And it works just fine. We also have SMEs trading all over the world and they do just fine. Most of their nightmares come from past misguided attempts by the EU to 'help' with trade on the Continent. Most of that 'help' merely interferes with their activities, and the idea of yet more 'help' will be greeted with horror.

Over the years we have seen masterpieces of unintended consequences from this place. There is the Working Time Directive, which finally proved to a business friend of mine that the EU was clinically insane. There is the drive for a level playing field, the very antithesis of wealth and job creation, which totally depends on finding differences. And now we have got the licensing of authorised economic operators, which hugely benefits those who qualify and undermines everyone else with extra costs and bureaucracy. Even the Socialist British Government has figured out that this proposal is expensive and dangerous nonsense and it belongs in the bin.

Małgorzata Handzlik (PPE-DE). – *(PL)* Madam President, I should like to thank the rapporteur for a very sound and detailed report. In my view, it sends out an important message to small and medium-sized enterprises, indicating that their development and activity on the common European market will soon become much more straightforward. It also sends out a further message to SMEs, namely that European legislators recognise the role of SMEs on the Union's market and are making an effort to improve their situation.

The main aim of our activities relating to the common market should be to create an optimum situation whereby European enterprises are not hindered by unnecessary red tape or commercial and technical obstacles when they move from one country to another, or set up branches in various Union countries. It should be just as easy as if they were moving from one part of their own country to another. All companies should be able to operate on the same principles across the length and breadth of the Union. Only then will it really be possible to speak of a common European market with benefits for all.

Mr Lehne's report is a further step in developing legislation designed to enhance the efficiency of the SME sector's activities on the common market. Its implications will certainly significantly contribute to increasing the economic activity of European companies, and consequently to improving all our lives and meeting one of the aims of the Lisbon Agenda. I was actually a businesswoman myself in the past. I ran my own business for 15 years, and employed some 100 people. I am well aware of the problems entrepreneurs face and am convinced that the proposal to develop a European Private Company Statute represents an excellent and much-needed solution for undertakings conducting cross-border business.

It is important, however, to proceed with caution and learn from the mistakes made when developing the European Company Statute. Companies of that type do not fully fulfil their role as European Companies because of the large number of references to national law. That is why the European Private Company Statute must be based mainly on Community law, with minimum reference to national law. Such an approach will result in a more uniform text and legal provisions. In addition, it will provide legal certainty, which is crucial to entrepreneurs. We must make every effort to ensure that the Statute is as uniform as possible, and that it makes minimal reference to individual legal systems whilst referring to Community law as much as possible.

Andrzej Jan Szejna (PSE). – *(PL)* Madam President, I should like to begin by thanking Mr Lehne, the rapporteur, for all the work he has undertaken on a matter which is of such vital importance to the future of European integration and the development of economic cooperation within the framework of the internal market. The current situation regarding the internal market is that we already have a European Company. It is intended for large capital-based companies. A legal form which will also make it easier for small and medium-sized enterprises to conduct cross-border business is therefore essential.

It is important to bear in mind that SMEs are the main driving force behind the European economy and the main source of employment for Union citizens. That is why further efforts should be made to enhance the economic activities undertaken by these companies. However, the new legal solutions we are proposing to our entrepreneurs do call for detailed consideration. We should learn from the experience gained when introducing the legal form for the European Company on to the common market. That statute took a long time to draw up and was the result of a compromise. In fact, the final compromise has not proved entirely satisfactory. We should therefore learn from our mistakes, as Mrs Handzlik suggested earlier.

As far as is possible, the European Private Company Statute should be a uniform European legal form. It must provide for the simplification of the principles of establishment and organisation. It will be important to retain a balance between protecting creditors, a flexible company structure, and ensuring the security of business transactions. In the interests of protecting the flexibility of such undertakings, provision must be made for ensuring ease of transformations such as mergers or changing the registered

office. Therefore, there is every justification for the European Parliament's initiative containing recommendations to the Commission on the European Private Company Statute.

Zbigniew Krzysztof Kuźmiuk (UEN). – (PL) Madam President, there are several reasons why the development of a European Private Company Statute is such a crucial project for accelerating the economic growth of the European Union.

Firstly, measured in terms of GDP growth, the rate of economic growth of the United States is more than twice that of the European Union. This has been the case for many years. In addition, the rate of economic growth of the countries of South-East Asia is several times higher than that of the Union. Secondly, many internal barriers still persist within the common market created by the free movement of capital, goods and services. Thirdly, the draft European Private Company Statute is aimed at small and medium-sized enterprises, which are the cornerstone of the economies of all the Member States of the European Union. Fourthly, a European Private Company would be a very useful instrument for the implementation of the Lisbon Strategy, which places great emphasis on eliminating obstacles to the development of European entrepreneurship.

These reasons alone justify supporting the development of a European Private Company Statute. It is important, however, not to repeat the mistakes made when drawing up the European Company Statute. The market has refused to accept the European Company as a company form, despite the long and difficult process involved in developing this statute. An effort must therefore be made to ensure that the European Private Company Statute contains the minimum number of references to the national legislation of individual Member States, so that it is relatively flexible in nature and provides security for both owners and contractors.

Achille Occhetto (PSE). – (IT) Madam President, ladies and gentlemen, this legislative proposal on the European private company statute is very important. It is, in fact, crucial not only to remove barriers to trade but also to develop the factor of production at Community level. To that end, there is undoubtedly a need to create unitary legal entities in order to overcome the current legal uncertainty.

It should not be forgotten, however, that, as well as trying to make markets transparent and to protect savers, the company law reform will also directly affect the future of the European social model. Therefore, if allowing companies to move wherever they like in order to take advantage of the single market is a legitimate aim, it must be fulfilled by giving our workers the same transnational rights.

That was the thinking behind some of my amendments, certain of which were accepted, which were aimed at safeguarding the rights to codetermination, information and consultation that exist at the time of a company's turning into a European private company. We are talking here about an important adjustment that will mean more careful attention being paid to aspects relating to the strengthening of social Europe, one of the fundamental elements of which must be worker participation.

We therefore endorse this important proposal and we thank Mr Lehne for his work. We would point out to the Commission that, if allowing companies to move wherever they like in order to take advantage of the single market is a legitimate aim, it must be fulfilled without the demands of the market prejudicing those of social equality.

Charlie McCreevy, Member of the Commission. Madam President, I should like to thank the Members very much for their comments on this important topic. The growth of small and medium-sized enterprises is crucial for the competitiveness of the European economy. It is, therefore, necessary to facilitate the expansion of these small businesses. Looking at the legal form of companies that operate across borders can make an important contribution to this.

I will take Mr Lehne's report into account. As it is under Article 192 of the Treaty, we are bound to do it in a prompt manner. But even if it was not under that article, I will still deal with it in as prompt a manner as possible. I give you that commitment.

President. Commissioner, I should like to thank you for your participation in the debate.

The debate is closed.

The vote will take place at 11.30 today.

Written statements (Rule 142)

Dominique Vlasto (PPE-DE). – (FR) The creation of the European private company statute has the support of both the Member States and industry, and I congratulate the rapporteur on his excellent report and his pragmatic recommendations.

I am very much in favour of the creation of this statute for at least two reasons. Firstly, because the adoption of this statute will help remove one of the obstacles to SMEs' mobility. All too often, company founders are reluctant to do business because they do not understand the legal environment very well, particularly when they establish themselves in another Member State.

Next, this statute will enable us significantly to enhance legal transparency and thus to build confidence among the various economic players. The fact is that confidence is crucial in trade relations and forms the basis for a prosperous economy.

I am therefore in favour of Mr Lehne's report, with one exception: its recommendation 7. Including legally reprehensible behaviour in the private company statute would mean amending Title VI of the Treaty and unnecessarily complicating the link between the statute and our national laws.

I therefore feel that this provision runs counter to the objectives of the European private company statute: to produce better legislation and to make European entrepreneurs' lives easier.

4. Government Procurement Agreement (GPA) (debate)

President. The next item is oral question to the Commission on the renegotiation of the Government Procurement Agreement (GPA) by Daniel Varela Suanzes-Carpegna, on behalf of the Committee on International Trade (O-0128/2006 – B6-0450/2006).

Daniel Varela Suanzes-Carpegna (PPE-DE), author. – (ES) Madam President, Commissioner, ladies and gentlemen, we are putting this oral question on the renegotiation of the Government Procurement Agreement, which will end in March, because we are at a crucial moment. Furthermore, in view of the importance of that agreement and its period in force, which will once again be ten or twelve years, it became necessary to raise the issue with the Commission here in Parliament.

The government procurement markets are becoming increasingly important in the world, in view of their volume, which may be up to 25% of world GDP and, furthermore, because they represent a comparative advantage for the European Union, since at the moment we can be competitive in this sector compared to the competition that we are facing from other countries in other sectors, such as agriculture and industry. If we want to adapt to globalisation, therefore, it is important that the European Union develop the sectors in which it can be competitive internationally and thereby create fair and favourable conditions for European companies.

In most countries, these markets are reserved for national companies, which is one of the main non-tariff barriers to international trade. There are two aspects in this renegotiation that I would stress in particular. Firstly, the geographical extension of this agreement, with the entry of significant players, such as China and the developing countries, and, secondly, the need to ensure fair, balanced and reciprocal conditions for the companies of the different countries.

With regard to the first point, the greater the geographical area covered by this agreement on government procurement the more valid it is. Parliament therefore wishes to know whether any new countries are interested in signing up to the agreement in the short term, and particularly whether we can expect substantial commitments from China in relation to the opening up of its public markets. Let us not forget that China committed itself to opening up its government procurement market – which largely remains closed, or has requirements that are unacceptable to European companies – and to beginning negotiations in 2008 on accession to the Government Procurement Agreement, following its accession to the World Trade Organisation.

Secondly, with regard to fair and reciprocal conditions, we must remember that the European Union's public markets are already very much opened up to international competition. This has considerable advantages for the public bodies awarding contracts, since this openness gives them greater choice and therefore makes it possible for them to find better quality goods and services at lower cost. Let us not forget, however, that this may harm European companies in cases where foreign competitors are preferred.

The Union's trade policy is geared towards greater opening up of all aspects of the international markets. The solution is not therefore to close the public markets to foreign companies. For this reason, we have the legitimate right to demand that our companies enjoy similar conditions of access to the public markets of our main trading partners, whose companies currently enjoy access to our public markets. That is not currently the case, however, since the commitments made by our trading partners are very limited compared to those made by the European Union.

Commissioner Mandelson also referred to this imbalance in his communication on a competitive Europe in a globalised economy. In it, he suggests the possibility of introducing concrete restrictions to access to certain sections of the Union's public markets, with the aim of persuading our trading partners to open up their markets in a reciprocal manner.

Having said all of that, I consider this oral question on behalf of the Committee on International Trade to the European Commission, calling upon it to explain its strategy in this renegotiation of the agreement, to be timely – and hence more than appropriate. I would repeat that we are at a crucial time, since we need to reach an agreement over the coming weeks.

How is the Commission going to defend the interests of European companies in the markets of sectors in which we are highly competitive, such as transport, energy and public works, within the context of the objective of continuing along the path towards greater commercial openness, and not the reverse? Within this context, how are we going to deal with the situation of European SMEs, which are already at a disadvantage compared to large companies, compared to the situation of other SMEs in other countries whose governments reserve a proportion of their public contracts for them, as in the case of the United States?

In view of the lack of reciprocal arrangements, the disadvantages faced by European SMEs and their importance in terms of the main objectives of the Lisbon Strategy, we would call upon the Commission to demand that the other parties in the negotiation remove their exceptions or, if that is not possible, to accept our application of an exception of this same kind in favour of European SMEs. In any event, we need that kind of reciprocal arrangement since European companies are currently at a disadvantage.

I would therefore ask the Commission to tell us how the negotiations are progressing, particularly with regard to the issues that I have raised and those referred to in the text of our question. I would also ask the Commission to take note of the concerns expressed by the European Parliament and to take them into account in its negotiations in Geneva.

Charlie McCreevy, *Member of the Commission*. Madam President, the issue of the renegotiation of the WTO Government Procurement Agreement, known as the GPA, is important for Europe as it should provide our companies with future opportunities outside the Community. Last December, after many years of long and difficult negotiations, the GPA parties reached a provisional understanding on a new revised text. I consider this to be a major achievement in the current context of the Doha Round. It demonstrates that the political will to reach an understanding on sensitive issues remains alive.

The new text provides for more clarity and transparency, as well as better guarantees for equal treatment in the procurement procedures. It includes, for the first time, provisions for conducting electronic procurement.

The European Community played an important role during the negotiations. The existing agreement is unbalanced, both in terms of procedural guarantees and coverage. Our main objectives were to fill the gaps and to eliminate ambiguities.

We wanted to obtain better legal guarantees for our suppliers, similar to those offered by our internal regime. At the same time we sought to make the new agreement more attractive for developing countries via new specific measures. The final agreement on the new text is subject to a satisfactory outcome of the market access negotiations which are ongoing. Here as well, we need to rebalance the situation in favour of the Community. Hence the coverage our partners currently offer should be extended to the level the Community has offered and it should be more uniform.

We all want to see improved access for our companies to foreign countries' procurement markets. The Council emphasised in its recent conclusions on the Commission's communication 'Global Europe – Competing in the World' that we need to achieve additional improvements in market access with our future major trading partners, namely in public procurement.

The Community has submitted a comprehensive request and offer which will give the other GPA parties all the necessary incentives to offer significant additional procurement opportunities. Should we fail to get a substantial improvement from other GPA parties, we will consider taking the necessary measures to adapt the Community commitments in the new GPA accordingly.

In the absence of improved access for the EU to third-country procurement markets, Commissioner Mandelson and I are reflecting on a market-opening instrument to enhance EU access.

The case of our SMEs certainly deserves particular attention. It will specifically benefit from the new text, with the introduction of rules on electronic procurement and, if negotiations are completed successfully, the lowering of thresholds of some parties. However, let me remind you that the agreement deals with rather large procurement contracts which are mainly undertaken by big companies. SMEs certainly have an important role to play, but mostly as subcontractors. This is why we have asked our GPA partners who currently maintain specific derogations for their domestic SMEs to abandon them.

On the prospects of extending the geographical scope of the agreement, eight WTO members are in the process of acceding to it. Among those, Jordan is the most advanced. China has indicated that it will start accession negotiations by December this year and, following my visit there last year, we are already preparing this important accession. As already mentioned, the Community has pushed for better provisions on the special and differential treatment for developing countries. I believe we have achieved a good result with tailor-made new rules that fully take their specific needs into account.

I am confident that if we succeed, this new agreement will constitute a milestone for international trade and create new opportunities for our companies.

Jean-Pierre Audy, *on behalf of the PPE-DE Group*. – (FR) Madam President, Commissioner, ladies and gentlemen, I shall start by congratulating my esteemed colleague, Mr Varela Suanzes-Carpegna, and by thanking him for having asked, on behalf of the Committee on International Trade, this oral question on the negotiations under way at the World Trade Organisation regarding the rules on access to public contracts. We need derogations for small and medium-sized enterprises, Commissioner.

The subject bringing us together today is a crucial issue as far as growth and employment in Europe are concerned. The WTO rules on trade in goods and services do not apply to purchases made by a State for its own use, that is to say to public procurement. That is why some countries, operating just outside the Marrakech agreements of April 1994, have voluntarily signed a special annex containing an agreement on public procurement. With the exception of the European Union, all the major countries participating in this agreement – Canada, Korea, the United States and Japan – have excluded from their offer contracts that they reserve for their SMEs. This imbalance is unacceptable, and the public contracts that have thus been excluded are precisely those that concern our small and medium-sized enterprises, while the SMEs from those countries have unrestricted access to all our public contracts.

Our SMEs are thus under-represented where public procurement is concerned, and we need to launch a broad debate on the reasons for this. We need to put right this imbalance by obtaining a derogation on public procurement that favours European SMEs. We cannot accept distortions of this kind.

Commissioner, ladies and gentlemen, over and above this negotiation, the issue at stake is the will of the European Union to provide small and medium-sized enterprises with the favourable environment that they need and to use access to public procurement as an extraordinary lever for growth and employment; also at stake is the need to provide legal certainty, within the European Union, between the international legal system, European law and national laws. We are not talking here about protectionism; quite the contrary, we are talking about increasing the supply by having more businesses to meet the demand.

Commissioner, there are three areas on the planet today: Asia, excluding Japan, which has poor countries but strong growth; the United States, which is a rich country with strong growth; and Europe, which has rich countries but weak growth. We need to reflect. When we regulated the internal market by voting for the Services Directive, we built this market on the laws of competition, and the European Union took a great interest in consumers. We now need to take an interest in our manufacturers. The renegotiation of the multilateral agreement on public procurement that is currently under way at the WTO is, in our view, an extraordinary opportunity to act and to reflect on the place occupied by SMEs in terms of accessing public contracts.

We need, Commissioner, to give the internal market the gift of a European Small Business Act that includes social market economy considerations. The debate is open, and I welcome that.

Erika Mann, *on behalf of the PSE Group*. – Madam President, it is a pleasure to see you in the Chair.

What is interesting and fascinating about this debate is that we are talking about a plurilateral agreement that is very specific in character. It is, of course, part of the multilateral framework but, as it is plurilateral in character, it allows much more flexibility for those Member States that are part of this agreement.

With regard to this, and as it is its tenth anniversary, could the Commissioner tell us a little bit about it: how it worked in the past, whether he is satisfied with it and thinks it is a worthwhile undertaking that is worth renegotiating. It is not part of his portfolio, but does he consider that it is also worthwhile renegotiating the telecoms agreement, which is also ten years old this year?

With regard to the agreement on government procurement – which Mr Audy mentioned – we are very concerned about SMEs, because we know by experience that they are definitely having much more difficulty in accessing international markets. What is the Commission going to do about it beyond what has been done in the past?

China is of great concern. We are happy to have China as part of the global environment, but it puts a lot of pressure on some companies. So once China becomes a member of the plurilateral agreement, what safeguards will the Commissioner put in place to safeguard the interests of European companies and workers? How much is this exercise part of global Europe? How much is it related to the new approach from the Commission agreeing on different bilateral agreements and what will be part of this connection?

With regard to services of general interest, how, again, will the Commissioner ensure that European interests will be safeguarded? Can the Commissioner tell us more about that? He has not touched on that.

Finally, can the Commissioner ensure that Parliament will be kept informed? Can he promise that the Committee on International Trade, which has just elected its new chairman this morning, will also be kept informed?

Ryszard Czarnecki, *on behalf of the UEN Group*. – (PL) Madam President, it is entirely appropriate for the House to be dealing with the question of the greater liberalisation of public procurement markets today, and I believe it is regrettable that the same determination was lacking when we debated the liberalisation of services across our continent. Essentially, the issues are the same. It is right to consider extending the geographical scope of the GPA, and it is unfortunate that we did not seize the opportunity of significantly deepening our services market a few months ago.

Both cases involve more than just measures to help the operation of the larger European companies. There is a particular emphasis on promoting the interests of small and medium-sized enterprises. I support contract negotiations that will allow us to participate in the Chinese public procurement market, but it is also important to bear in mind the actual opportunities for participation in the European market for the other side, as Mrs Mann just mentioned. As far as our Chinese partners are concerned, there are two sides to this coin, and it seems to me that we should also take into account the specific challenges that exist for the European market in this area.

Caroline Lucas, *on behalf of the Verts/ALE Group*. – Madam President, congratulations! It is very good to see you in the Chair.

Commissioner McCreavy, I too should like to start off by talking about how best we support small and medium-sized enterprises. I am very pleased that there seems to be a concern right across the different political groups of this House. I think we all share that.

I would like to ask first of all for some clarification of remarks made by the French Trade Minister, Christine Lagarde, when she came to Parliament's Committee on International Trade just last week. She spoke very passionately and rightly, I believe, about the importance of defending small and medium-sized enterprises in Europe. And yet you, Commissioner, seem to have a very different view of the role of SMEs and how best to support them.

Guaranteeing better access to public procurement contracts for innovative small and medium-sized enterprises is essential. They represent 75 million jobs in the Union and 50% of Community GNI, and they are a vital component of thriving local and regional economies all around the EU.

But it seems that the Commission is voluntarily giving up the right to support its SMEs. There are already five countries— Canada, the US, Israel, Japan and South Korea – that will introduce provisions into their legislation which give privileged access to SMEs for public procurement, and yet the EU, bizarrely, has decided it has no interest in standing up for its own SMEs.

So Commissioner, can you really justify this position? For the EU to forego the right to a level playing field which would allow SMEs to have an equal opportunity to compete like the large multinationals seems both extraordinary and indeed unacceptable. Surely we too should be using the renegotiation of the GPA in Geneva to break down the WTO barriers which prevent Member States from implementing a privileged access measure for SMEs should they so wish. We too should be arguing for derogations as part of the revised GPA to allow us to bring in preferential measures, and by doing this we are simply restoring equality of treatment in order to prevent the large multinational corporations from having all of the advantages.

I very much regret as well that we have not had the opportunity for a prior debate really in Europe about whether it is appropriate to try to extend international trade rules to cover government procurement at all. Many would argue that government procurement has little or nothing to do with traditional matters of trade, tariffs and quotas, and that it is an unacceptable area for negotiations at the WTO, because subjecting government procurement at the national, local or regional level to one-size-fits-all rules at a global level on how taxpayers' funds are spent I think destroys citizens' reasonable expectations that they should have a level of democratic accountability over how their money is spent. Essentially, taxpayers' money is different from private, corporate money, and citizens rightly expect that they should have the right, for example, to lobby to cut off expenditure on companies that were doing business in South Africa when there was apartheid, or to disqualify companies with bad labour or environmental records.

I believe we have a really important role to play in defending local sourcing and procurement as a vital instrument of local employment and industrial policy.

Helmuth Markov, *on behalf of the GUE/NGL Group*. – (DE) Madam President – with my warm congratulations on your election, Commissioner, the Government Procurement Agreement has hitherto applied only to the OECD states, and their expenditure on public contracts in respect of supplies, services and building works make up something between 10% and 25% of their GDP.

China has now been giving consideration to the possibility of joining them. The renewed negotiations currently in progress are, in general, aimed at extending the scope of the Agreement, and that would, of course, give it a vast amount of added significance in terms of the international exchange of goods and services.

While the Commission must certainly, in the revision process, seek to improve transparency and combat corruption in international public procurement, the urgent environmental challenges mean that ecological sustainability in the public sector must be given high priority, and that, as I understand it, means that regulation is needed to deal with it. It must, for example, be lawful and legitimate, when awarding state contracts, for preference to be given to environmentally friendly goods and services, even if they are minimally more expensive.

One crucial question is how one deals with developing countries. It needs to be ensured that public procurement, in the same way as the other Singapore issues, is dealt with absolutely independently of the current Doha development round negotiations, the need for which was expressed very clearly by the developing countries at Cancún.

The document that we are talking about – the one that is due to be renegotiated – can in fact only apply to partners of comparable strength, and so I see something problematic in the idea of non-discrimination or reciprocity, which seem to me once more to tend towards treating highly industrialised countries and developing countries in exactly the same way, which does not work.

The proposed provisions for developing countries, involving a transitional period of three years – or five for the least developed – are quite utterly inadequate when it comes to persuading them to sign up to the Agreement. I think one regrettable consequence of this is that many of these countries will give

this Agreement a wide berth, which I, in principle, regard as a disgrace when this is meant to be being handled plurilaterally.

Graham Booth, *on behalf of the IND/DEM Group*. – Madam President, the debate we are having about this oral question epitomises so much of what is wrong with the European Union. Firstly, we have to deal with the WTO through one man who represents no less than 27 nations. He has no popular mandate and in the light of his record in British politics would not have been chosen to run a village fête. I do not want an EU representative to speak for my country at the WTO. I want a representative of Her Majesty's Government who not only knows my country but cares for it too.

Then there is the whole issue of competitive tendering. China was mentioned as a potential provider in the oral question and it may well be highly competitive. Whilst I condemn the suppression of individual freedoms and rights in China, the Chinese know a few things about running a successful economy. Government spending is only some 20% of GDP, whereas in the eurozone it was 47.5% in 2005. In China, business runs with a light regulatory touch. In the European Union, we are regulating ourselves to death.

In 2005 Mr Blair promised that the British Presidency would cut red tape. It did nothing of the sort. How many thousands of pages did it add to the mountain of legislation? My country was hoodwinked into joining the European Union in 1973 on the basis of it being just a free trade area. This is all it should be: no Parliament, no Commission, no directives. Instead it has become a bureaucratic monster which is wrecking our economy.

IN THE CHAIR: MR MARTÍNEZ MARTÍNEZ

Vice-President

Georgios Papastamkos (PPE-DE). – (*EL*) Mr President, provisional agreement has already been reached on the revised text of the Public Procurement Agreement and is expected to be reached on the final agreement.

I respect the need for negotiations to be carried out in secret, but do you not think, Commissioner, that you have been late informing the European Parliament about the priorities, demands and offers of the Union during the renegotiation of this important agreement?

I think that the Union's basic negotiating principle should be reciprocity and the achievement of a balanced result between the trading partners. The balanced result should not be at the level of theoretical commitments between the trading partners on behalf of the other partners. It must be evaluated at the level of the real facility to make full use of the volume of invitations to tender subject to cross-border competition. Has the Commission prepared studies on the real access of European undertakings to the market of the other states from the application of the agreement so far? The USA, Canada, South Korea and Japan – the parties to the agreement – have already safeguarded preferential access for small- and medium-sized enterprises to the public procurement market. Paradoxically, however, the Union has not.

I believe the European Union should demand an exemption within the framework of the application of the Public Procurement Agreement for small and medium-sized enterprises. This demand is reasonable, especially as our partners have already acted.

Small- and medium-sized enterprises are the backbone of the European economy and an important source of development and employment, as both Mr Varela, the author, and Mr Audy have emphasised. They contribute to economic and social cohesion. We have an obligation to take initiatives that will safeguard their dynamic role.

David Martin (PSE). – Mr President, I should like to congratulate you on your appointment.

I am not going to speak about SMEs because many of my colleagues have already done so, but I want to emphasise and agree with them that this is an extremely important issue.

Government procurement accounts for 20% of GDP in developing countries and around 15% of GDP in developed countries. I feel a little bit Janus-faced on this issue, because intuitively I am in favour of opening up public procurement to competition. It should in theory reduce government costs and increase transparency in government procurement and therefore cut out corruption. That should bring benefits both to the developed and the developing world and, in the developing world, would free up resources

for health and education. However, if you look at the list of those who have signed up for GPA, there is not a single African country among the 36. It is clear that the African countries and other LDCs feel that the costs potentially outweigh the benefits of signing up to this agreement.

I would ask the Commission what support could it plan to give, firstly, African and other LDC countries to enable them to compete in the European market and the other developed markets on a fair footing and what assistance can they be given to develop their own industry so that they can sustain competition inside their own country if they sign up for opening of the government procurement contracts.

I also worry, as Mrs Lucas has indicated in a slightly different way, how non-trade issues will be taken into account in GPA and the application of GPA, how issues like the environment, human rights and labour rights will be taken into account. I agree with Mrs Lucas that this is public money and that there is a danger, if we simply have GPA without any conditions, that labour and environmental standards could be driven down. On the one hand I can see the advantage of opening up public procurement, but it is fraught with dangers and I hope the Commission will examine these issues.

Syed Kamall (PPE-DE). – Mr President, I should like to congratulate you once again, and to thank the Commissioner.

In Britain, SMEs are unfairly shut out of public procurement due to well-meaning requirements such as corporate social responsibility and environmental standards; quite often a requirement for three years of audited accounts, which many small businesses cannot meet; a lack of competitive tendering; the bundling of contracts that become too big for SMEs and favour the large companies; and secrecy and a lack of transparency.

We know that the EU directive requires transparency and competitive tendering, but most contracts that SMEs bid for are quite often below the threshold. So when you speak to SMEs and ask them what they want to see, they say they want to see a cut in bureaucracy and paperwork. They want to see authorities avoiding the one-size-fits-all requirement for certification. They want to see contracts advertised on websites such as 'supply2.gov', and they also want to see unbundled contracts. But we have to recognise that government departments are not commercial organisations and will often want to seek to avoid the extra work involved in multiple tenders, so we therefore need to provide incentives for governments and local government.

In America, targets have been provided as to whether fair competition actually does or does not exist. SMEs do not require quotas, but they need a performance metric to see whether there is fair competition. Also in America there are small SME advisers helping the government to enable SMEs to have fair access. These requirements – benchmarks and competition advocates – would probably not be allowed under the WTO agreement, and I understand the reason, but it does unintentionally forbid measures which ensure fair competition.

The WTO agreement is actually generally positive, as it is anti-protectionist, but it forbids measures which are needed to help small businesses. So while some Member States want an opt-out, others rightly fear that this would increase protectionism. Therefore, let us call on the Commission to seek a compromise whereby an opt-out is secured, but a new agreement is drafted to allow SME-friendly measures and to greatly extend anti-protectionist measures. If we allow SME-friendly measures, the agreement would remove America's reasons for its opt-out, which has been used to retain the Buy America Act. It would also help British and European SMEs to compete globally.

Margrietus van den Berg (PSE). – (NL) Mr President, a Government Procurement Agreement could mean more transparency and thus less corruption. It could also mean fair prices – which is not unimportant given that public service contracts involve taxpayers' money – with the right, though, to include social and environmental criteria at the tendering stage. Developing countries could also benefit enormously from all these advantages. Needless to say, their participation in the international Government Procurement Agreement in future cannot be ruled out, but the Commission should ensure that they can implement this method – and the same applies to fair competition rules – nationally or regionally at first, just as we did in Europe, and do not need, therefore, to allow in the entire world and the large monopolies straight away. It would then have to be up to the developing countries to determine when they would feel sufficiently developed. Something that, in fact, applies the world over, is that forced large-scale tenders, as a result of which the small and medium-sized enterprises are pushed out of the market, should be avoided at all costs. Unfortunately, I have first-hand experience of exactly that at a train station in Amsterdam where the train station's security service was put out to tender. The company

that was previously responsible for the station's security was a small company and was doing an excellent job. During tender, however, this company proved too small to compete for the total tender for many of those stations and was elbowed out of the market, therefore.

My fellow Members have undoubtedly come across similar examples, and that is why we would like to ask the Commission how the SMEs can be guaranteed better access to procurement contracts.

Finally, the forced break-up of the national and semi-public provisions for the sake of large foreign suppliers is fundamentally wrong. Every country has the right to regulate publicly what the public would like to retain. We are talking about basic provisions here, like education and water, provisions that are at the heart of society and that should not be messed with.

Andreas Schwab (PPE-DE). – *(DE)* Mr President, Commissioner McCreevy, ladies and gentlemen, it is because the question raised by the Committee on International Trade on the problem of procurement at WTO level directly affects the European internal market that I believe that we have to consider these more closely. Of course, on the one hand, it is the WTO agreement that is at issue here, but, on the other, it must also be clear to us that these international treaties – as is the way of things with globalisation – have direct effects on the European internal market.

Mr Kamall pointed out that, in a number of WTO member states, the United States of America being one of them, certain quotas are to be adhered to even now in the award of national contracts to small and medium-sized enterprises, which means, at the end of the day, nothing other than that the scope of the procurement regulation laid down by the WTO is being restricted. I would like to see an impact assessment indicating whether or not this is of any long-term benefit to small and medium-sized enterprises; that it is, in any case, not certain.

As long as we do not know that for certain, we do not need to worry about the limitation of scope, for it is of course the case that small and medium-sized enterprises live from markets that are as transparent as possible and that they find easiest to access, and if the WTO member states reduce the scope by a quarter, I do not know whether small and medium-sized businesses actually derive any benefit from that.

It would surely be a worthwhile exercise – and it is with this in mind that I, too, support this question – if the Commission were to be able to examine this closely and show us whether this does have positive effects on small and medium-sized businesses.

In the Council, of course – none of whose representatives are, alas, present – a balance must be found between those who would favour an approach like that of the USA and those who want to see the precise opposite of that, that is to say, the reduction of quotas to create a free and open market right across the WTO, giving small and medium-sized enterprises a chance everywhere.

It is for that reason that I believe that the crucial problem for small and medium-sized enterprises in this respect is much more that we have not yet really got a handle on the problem of sub-contractors, for it is in that capacity that small and medium-sized enterprises are often used, being in that way able to create jobs and have the chance to earn money, but they are, ultimately, managed from higher up and that often puts them in a difficult position, with their feet in two different camps.

What I think we should do is give this problem, in particular, closer attention, and so I would be glad if the Commission were to give some thought to this and keep us up to speed with what is going on. In other words, it should start by addressing the problem to which this question refers and then we can make definite demands of the Commissioner.

Stefano Zappalà (PPE-DE). – *(IT)* Mr President, ladies and gentlemen, I should like to congratulate Mr Varela Suanzes-Carpegna and to thank him for having submitted his question, which gives us a means of addressing the issue at stake. I was rapporteur in this House on the reform of contracts, supplies and services, in this case Directives 17 and 18.

Even though there is very little time, I think that it is worth pointing out the main aspects of the problem. As I have heard some speakers say this morning, Parliament has very much focused Directive 18, or the general directive on contracts, on environmental issues, the updated system of electronic contracts, the social sphere and the issue of thresholds, and I therefore believe that we have legislation that is without doubt exceptional, but that does not actually concern this morning's subject matter.

The issue raised is completely different: a review is under way of an international agreement that places EU countries – and therefore EU businesses – at a disadvantage compared with others. What is the problem? In 1994 and in subsequent years, very different types of activity were planned worldwide through plurilateral agreements. The United States, China and other countries in reality enjoy privileges that are not enjoyed by EU businesses. This system is now being reviewed, but the methods of reviewing it need to be laid down, because, as my fellow Members and I myself should recall, the United States alone has an annual output of almost USD 200 billion, a sum that actually remains within the United States.

The point is that, while anyone can come and work in Europe, our small and medium-sized enterprises cannot go and set up business in the rest of the world. The GPA agreements are, among other things, agreements that deny European businesses access to the international system.

What decisions can therefore be made today? As I see it, the Commission believes that, by abolishing the privileges of others, we can compete once again on an equal footing. That is not so. I believe that we need instead to protect Europe's small and medium-sized enterprises, by guaranteeing them the same privileges within the European Union and thus with regard to the European Union that are enjoyed by small and medium-sized enterprises from the United States and from other countries in the world.

Therefore, not only am I grateful to Mr Varela Suanzes-Carpegna, but I am also of the opinion that the argument being upheld by France at the moment within the Council should definitely be favoured and supported over the European Commission's position.

Charlie McCreevy, *Member of the Commission*. Mr President, I should like to thank all Members for their comments.

I attach the utmost importance to public procurement. Proper, fair and transparent procedures are crucial not only for businesses that want to bid for projects but also for authorities that would be able to save themselves and taxpayers huge amounts of money if they applied the procedures properly.

Getting commitments from our trading partners to open their procurement market for European bidders is essential. Our companies have something to offer. They are competitive, but too often they are simply not allowed or invited to make a bid.

SMEs benefit from public procurement. They already have a big share of the market, but I do not think that setting aside quotas or giving preferential treatment is the answer. If we were to do that, so would more of our trading partners and the result would be that European companies would lose out. I believe that all sides are best served by open markets. Our SMEs are dynamic and strong. They will benefit as well.

Mrs Mann asked to be kept informed. I shall ask my officials to keep her committee closely informed. They will attend meetings of the committee and will answer your questions about the details of the negotiations.

Various Members referred to special arrangements for SMEs and that this should be part of our negotiating stance. As I have said, I do not agree. I agree with a lot of what Mr Kamall said, and his observation that Member States themselves could do a lot to assist their SMEs in the area of public procurement without contravening any rules at all. If they unbundled some of their contracts and cut out a lot of the bureaucracy, that would benefit SMEs substantially, and would not require the setting-aside of quotas. Where I would disagree is with the conclusion drawn by some people that the way to do this better for SMEs is to set aside quotas.

Mr Kamall also raised the issue of the United States having a Small Business Act and an agency to deal with these matters. However, the figures show that, either in volume or in quantity terms, SMEs in Europe get a far higher percentage of contracts than they do in the United States. That should be of some interest to people.

Therefore, I say – and people are entitled to disagree with my views on this – that public procurement is all about competing: the best goods and services for the lowest amount. That means value for money. Reserving parts of the market underlines this. We were also discussing SMEs in an earlier debate this morning. Members said that SMEs need opportunities. I certainly agree. However, protectionism is not the answer. But, of course, we will not be naive: we expect our trading partners to open their markets as well.

President. We shall suspend the sitting and resume at 11.00 a.m. for the formal sitting with the President of Bulgaria.

(The sitting was suspended at 10.25 a.m. and resumed at 11.00 a.m.)

IN THE CHAIR: MR POETTERING

President

5. Formal sitting - Bulgaria

President. President Parvanov,

(BG) Господин Президент, топло Ви приветствам в Европейския парламент!

(DE) I am greatly honoured to be able to welcome you to the European Parliament. Although this is not the first time you have visited this House, it is the first time you have done so as the President of a new Member State, and it is as such that I welcome you to our European family.

On behalf of the citizens of the European Union, whom we in this House represent, I wish once more to express my joy at your country's accession to the European Union, and would also again like to highlight the historic significance of the enlargement of the European Union that occurred on 1 January this year. It took over sixty years for your country to be restored to a free Europe and for our continent to be reunited.

Bulgaria's culture is an ancient one, and the country is situated at a crossing point between East and West. It is claimed to be the site of the oldest state in Europe, founded by Tsar Asparuch in 1681. Bulgaria is the country of Orpheus and Eurydice, the home of the Thracians and of Dionysus, yet there is such great longing for Europe expressed in the words of Elias Canetti, the Nobel prize winner for literature, who was born in Rustchuk in Bulgaria, and who wrote: 'there, the rest of the world was called Europe, and when someone travelled up the Danube to Vienna, people said he gone to Europe, for that was where Europe began'.

This longing for Europe is combined, in the hearts of Bulgarians, with the profound awareness of having been at its heart since time immemorial. By telling the story of his childhood, Canetti sought to bring forward the reunification of Europe. Your country's accession symbolises once more what Europe is in essence, the experience, made tangible in day-to-day life, of possessing a common soul, that European soul that disregards borders in giving meaning to the European project.

Your country, President Parvanov, brings with it a rich cultural and intellectual heritage, thereby contributing to the mutual enrichment of the European Union and of Bulgaria. Your country, and, above all, its people, deserve particular thanks for the great efforts made over recent years and for the willingness to undertake reforms. They have made great progress. Many reforms were accomplished in a relatively short period of time. These advances and triumphs deserve to be honoured today, but there is one thing I would like to add: it is that we hope, and are convinced, that the reforms that remain necessary will be implemented with the same determination.

Mr President, the European Parliament takes pride and rejoices in its eighteen new Bulgarian Members. I am also glad to be able to welcome the new Bulgarian Commissioner. We are also all looking forward to welcoming the Members that your country will be electing in its first elections to this Parliament in May. Together with the Bulgarians in the Commission and the Council, our new Members will be working on the further development of our European home.

(BG) Добре дошли на България и българския народ в Европейския съюз!

Георги Първанов, президент на Република България. *(BG)* Уважаеми господин Председател, уважаеми членове на Европейския парламент, дами и господа. От 1-ви януари 2007 г. България е част от Европейския съюз — може би най-амбициозният политически, икономически и културен проект в историята на човечеството. Като продължавам онова, което Вие любезно казахте, г-н Председател, искам ясно да кажа, че 1-ви януари 2007 г. е триумф на историческата справедливост.

Корените и предпоставките на това явление са във вековното развитие на българската духовност и държавност. По дух и самочувствие българите винаги са били европейци. Нашата култура

действително е във фундамента на европейската цивилизация. И затова исторически оправдано е днес, чрез българското членство, в Европейския съюз да звучи езикът на светите братя Кирил и Методий, обявени за небесни съпокровители на Европа, което без съмнение ще обогати още повече културното многообразие на европейския континент.

Но ние, уважаеми членове на Европейския парламент, добре съзнаваме, че членството ни не е заради историческата традиция, а защото българските институции проведоха онези така необходими реформи във всички сфери. Осъществена беше една историческа трансформация на страната ни в демократична страна с функционираща и конкурентноспособна пазарна икономика, с работещо и ефективно законодателство. Успехът стана възможен и заради високата обществена подкрепа, заради съпричастността на гражданските структури. Успяхме, защото години наред следвахме и правехме европейска политика. Защото доказахме, че на нас, българите, може да се вярва. За мен е чест, че имам възможността да се обърна от високата трибуна на Европейския парламент още в първите седмици на нашето членство.

Използвам случая, за да благодаря на Европейския парламент за подкрепата, която оказваше на България в целия процес на присъединяване, за конструктивната критика и насърченията за продължаване на проевропейските реформи. Важността на тази подкрепа се определя от нарасналата роля на Европейския парламент, като пряк изразител на волята на почти половин милиардното население на обединена Европа.

Искам да поздравя, също така, г-н Пьотеринг за избирането му за председател на Европейския парламент, да поздравя българския и румънския комисар, както и 18-те български депутати и техните румънски колеги и да им пожелаем ползотворна и успешна работа за общото ни благо.

Ние, уважаеми госпожи и господа, отдавна сме се отказали от патетичното отношение и от пропагандните свръх очаквания от членството ни в Европейския съюз. Съзнаваме, че заедно с несъмнените позитиви за икономиката ни, тя ще бъде изправена пред сериозни предизвикателства, особено с оглед на постигането на по-висока конкурентноспособност. Проблемите се засилват от това, че задълженията към Европейския съюз влизат в сила веднага, а ползите ще дойдат с повече или по-малко закъснение. И затова е много важно ние бързо да формираме и реализираме стратегия и политика на ускорено развитие с оглед успешно адаптиране на страната ни към европейската социално-икономическа среда.

Петото разширяване на Европейския съюз беше съпроводено с не малко реални опасения и измислени страхове, изкуствено насаждани понякога. Много от тях не се оправдаха. Масовите миграционни вълни, които някои предричаха, не се състояха. Очакванията за тежко напрежение в социалните системи се оказаха преувеличени. В този смисъл, за нас остава неразбираемо защо някои от държавите-членки не отвориха трудовите си пазари за българи, както направиха това за страните, присъединили се през 2004 г. Смятам, че от премахването на последните бариери пред моите сънародници ще спечели и Европейският съюз и европейската идея. От друга страна, аз очаквам младите българи, които потърсиха и получиха по-високо образование, част от тях и добра реализация навън, в Европейския съюз, да се завърнат работейки за по-големи западни инвеститори или започвайки свой бизнес.

Ние добре съзнаваме, че членството в Европейския съюз не е еднократен акт, че това е един продължителен процес. Един процес, който ще изисква от нас в следващите месеци и години допълнителни усилия, за да отговорим на препоръките на европейските институции. Да поемем допълнителни отговорности вследствие на членството ни. Необходими са усилия за да се впишем реално в европейския икономически и социален модел, за да издигнем жизнения стандарт на българина до този на водещите европейски страни и народи. Това действително, г-н Председател, означава безусловно продължаване на реформите, особено в съдебната система, за постигане на видими и необратими резултати в борбата с корупцията и престъпността, за прозрачно и ефективно усвояване на средствата от европейските фондове.

Ние сме амбицирани да постигнем, да покажем един солиден капацитет за поемане на задълженията, произтичащи от членството и от общите политики в различните сфери. Убеден съм, че разширяването на Европейския съюз е от взаимен интерес, както за новоприетите, така и за досегашните страни-членки.

Новите членове получават възможността да участват в определянето, във формирането на политиките и програмите на Европейския съюз, да ползват фондовете на общността. Но искам

ясно да кажа, че ние влизаме в Европейския съюз, не за да бъдем консуматори, а с желанието, със стремежа да засилим реално Съюза със стабилните си макроикономически показатели, с динамичното си развитие в последните години, със способността ни да генерираме сигурност, особено за един труден, сложен регион какъвто е този на Балканите.

България влиза в Европейския съюз с намерението да играе активна роля в дебата по целия дневен ред на Съюза: по конституционния проект, по постигането на едно много ефективно взаимодействие между институциите, по финансирането, по провеждането на единна външна политика и политика на сигурност и отбрана.

Искам ясно да изразя подкрепата ни за инициативата на германското председателство и лично на канцлера, госпожа Ангела Меркел, за консултации, за своеобразна пътна карта по придвижването на конституционния проект. България влиза с амбицията да отстоява, уважаеми госпожи и господа, своя национален интерес — от културата до проблемите на енергийната сигурност. Но в същото време и със съзнанието, че можем и трябва да бъдем един солидарен член на Европейския съюз, че можем и ще правим своите необходими жертви и компромиси тогава, когато става дума за общия европейски интерес. България ще бъде стабилен, предсказуем, последователен член на Европейския съюз и това е мнението на всички български институции. Вярвам, че то достойно е представено от нашите депутати тук.

България влиза в Европейския съюз с най-добрите традиции на етно-религиозната си толерантност, утвърдени през десетилетията. Ние можем да предложим една солидна, работеща, аргументирана експертиза при вземането на европейските решения, засягащи проблематиката на Балканите. В тази връзка, искам още веднъж ясно да подчертая, че членството на България и Румъния в Европейския съюз е важен политически знак за необратимата европейска перспектива на Балканите. Това мотивира възможно най-силно народите и правителствата за запазването на трайния мир на Югоизточна Европа. Няма по-силна, по-убедителна мотивация от съхраняването на тази перспектива за народите от Западните Балкани. Затова България ще продължи да подкрепя нашите съседи, морално-политически и експертно, в техните усилия да изпълнят конкретните изисквания и критерии за членство, да решат предварително проблемите си, а не да ги „внесят“, образно казано, в организацията на демократичните страни.

Трябва да развием европейската визия за Западните Балкани, залегнала в „Солунския дневен ред“. И трябва да признаем, уважаеми госпожи и господа, че много от добрите идеи и проекти за Югоизточна Европа останаха само на книга. Време е да разберем, че има една особено важна инвестиция в мира и сигурността на региона, и това е развитието на инфраструктурата — на модерната, транспортна, комуникационна и енергийна инфраструктура. Това е най-късият път за преодоляването на икономическата и социалната му изостаналост и за пълноценното му интегриране. Решаването на този проблем не може да стане без привличането на инвестиции от страна на Европейския съюз, като естествен икономически партньор и притегателен център за страните от региона.

И затова не са необходими подаръци. Има работещи схеми за публично-частно партньорство, които ние неведнъж сме обосновавали, и чрез които бихме могли да деблокираме работата по европейските коридори №4, №8 или №10, добавената стойност на българското присъединяване към Европейския съюз, възможностите за укрепването на общата външна политика и политиката на сигурност, преди всичко с акцент върху Западните Балкани, Черноморския басейн и Кавказ. Региони, които са приоритетни и за външните отношения на Съюза. Нещо повече, тяхната стратегическа тежест в международните отношения обективно ще нараства.

Имаме готовност и желание да участваме активно със своите знания и опит в определянето и провеждането на политиката на Европейския съюз в тази част на Европа. Впрочем, България вече доказва способностите си да действа активно в провеждането на някои от основните акценти на тази политика — енергийната сигурност, по отношение на инфраструктурата, превенцията на тероризма, нелегалната миграция и екологията. В същото време, нашата обща визия следва да включва и конкретни мерки за подобряването на взаимодействието между Европейския съюз и Организацията за Черноморско икономическо сътрудничество.

Уважаеми госпожи и господа, България е готова да участва в дебата по общата енергийна сигурност на Европа. Ние ще имаме своята активна позиция, не само защото в енергийната сфера плащаме най-високата цена на присъединяването ни към Европейския съюз. Ние влизаме със самочувствието на страна, която е фактор на енергийната сигурност в региона, не само защото

досега покривахме една не малка част – 45% – от енергийния дефицит на нашите съседни. Определено смятам, че документът на Европейската комисия от м. януари т.г. относно енергийната политика на Европа създава солидна основа за изработването на обща енергийна политика. Оценяваме високо приноса на германското председателство с ясно формулираните акценти за екологично съобразно снабдяване с енергия в рамките на Европейския съюз.

България, от своя страна, ще има своя принос, своя европейски принос, като възлов център на транзита на петрол и газ от Изтока към Запада, в търсенето и развитието на възобновяеми енергийни източници, с постиженията и възможностите в областта на изследванията за енергетиката.

Смятам за особено важни, уважаеми госпожи и господа, обосноваването в новите европейски документи изводи и намерения относно развитието на ядрената енергетика. Реших да говоря по-обстойно по този въпрос тук пред вас по няколко причини.

Първо, защото Европейският парламент е институцията, която е проявявала особено осезателно разбиране към енергийните проблеми в Югоизточна Европа, в частност към българските. И използвам случая да благодаря на комисията по външна политика, на г-н Джефри ван Орден, докладчик за България, на г-н Ари Ватанен, който инициира писмото до Европейската комисия, на всички депутати, които участваха активно, ангажирано в дискусиите по съдбата на малките реактори на АЕЦ „Козлодуй“. За съжаление, за приемането на този текст не достигнаха 4-5 гласа.

Впрочем, струва си да си зададем въпроса какви са реалните последици от това, че 3-ти и 4-ти блок на нашата атомна централа бяха изведени от експлоатация. Регионът се изправи пред сериозна енергийна криза. Сега някои от страните изпитват остър недостиг, има страна с тежък режим на тока. Това, заедно с повишаването на цените, може да доведе до икономическа и политическа нестабилност на региона.

На второ място, трябва да призная, че бях провокиран от изказването на комисаря по енергийната политика за това, че 3-ти и 4-ти блок били спрени поради съмнения в тяхната безопасност. Нека да е ясно, уважаеми госпожи и господа, ние повече от всеки друг държим на изискването за безопасност на нашата ядрена централа. Това обяснява и факта, че затворихме първите два реактора на АЕЦ „Козлодуй“ още на 31 декември 2002 г. Спрямо 3-ти и 4-ти блок, обаче, беше извършена мащабна модернизация, която приведе тези блокове в качествено ново състояние, различно от проектното.

Многобройните проекти на Световната асоциация на ядрените оператори, на Асоциацията на западноевропейските органи за ядрено регулиране, на групата по атомните въпроси на Съвета на Европейския съюз, на Международната агенция по атомна енергия доказваха, че не съществуват никакви технически причини, възпрепятстващи нормалната експлоатация, и доказаха високото ниво на безопасност съгласно международните стандарти.

Впрочем, на вниманието на всички европейски депутати ще бъде предложен материал, който съдържа основната част от тези изводи. И аз не възразявам, в един непредубеден дебат, да видим кои са контра аргументите, да видим на какви факти се базират съмненията. Нещо повече, искам ясно да кажа, че ако нашите партньори от Европейския съюз сметат за необходимо, България би приела една нова партньорска проверка на блокове 3 и 4 на атомната ни електроцентрала, която да се извърши със съдействието на всички гореспоменати органи, имащи отношение към ядрената енергетика. Разбира се, при ясно определяне на мандата на една такава проверка.

Ние, уважаеми членове на Европейския парламент, стриктно се придържаме към утвърдения принцип в международните отношения, че договорите трябва да се спазват. И България коректно изпълни своите ангажименти. Ако има воля сега да се оцени сложната ситуация и в региона, заплахите за отделните страни, в това число и за България, решение може да се намери в рамките на Договора за присъединяване, като се позовем на член 3б. Защото, докато вземаме солидарни решения за бъдещето на европейската ни енергийна сигурност, нека помислим и за нейното настояще.

Уважаеми г-н Председател, госпожи и господа, накрая бих желал да засегна един важен и болезнен въпрос, както за българите, така и, вярвам, за всички вас — въпроса за съдбата на осъдените в Либия медици. Защитата на техните права се превърна в кауза не само за българското общество, но и за международната демократична общност. В това отношение за нас е от особена важност,

че броени дни след приемането на България в Европейския съюз получихме пълна подкрепа и солидарност от страна на Европейския парламент. Благодарим за тази солидарност и разчитаме, че тя ще се запази и ще допринесе за бързото и справедливо решение на този проблем. Оценяваме в не по-малка степен и съчувствието, което европейските институции и страните-членки проявяват към засегнатите деца от трагедията и техните семейства.

(Аплодисменти)

Необходими са по-активни действия, повече усилия и по плана за действие и по осъществяването целите на международния фонд за Бенгази. Впрочем, искам да кажа, че намирам участието на големите петролни фирми, които имат своя добър бизнес в Либия, за твърде символично в този фонд. България, от своя страна, ще продължи да бъде съпричастна към тези усилия. Успоредно с това ние ще търсим изход и по линия на двустранния диалог с либийската страна, както и в активно взаимодействие с Европейската комисия, Председателството на Европейския съюз и страните-членки. Очакваме разрешаването на този въпрос да остане приоритет в отношенията между Европейския съюз и Либия.

Уважаеми г-н Председател, уважаеми членове на Европейския парламент, силна Европа е възможна само ако има силни лидери – държавници и политици, способни да налагат визия и да вземат конкретни решения, за да преодолеем стъписването пред конституционния проект, за да не се губи перспективата за разширяването на Европейския съюз, за приемането на необходими стъпки по формирането на общата енергийна политика. България ще даде своя принос, за да стане всичко това възможно.

Благодаря ви!

(Събранието аплодира на крака оратора)

President. Mr President, we thank you for this speech. It was one that gives us courage, for you said that you are determined to carry on with the work of reforming Bulgaria, that you want to redouble your efforts towards the necessary reforms, and you have also given an unconditional commitment to supporting the reforms that are needed within the European Union, in other words to promote our shared constitutional project. You also mentioned solidarity and trust in the European Union; solidarity and trust are of paramount importance. We are grateful for Bulgaria being in the European Union, and there is one thing we can promise you, namely that the European Parliament will be campaigning for the freedom of the Bulgarian nurses until they have returned home from Libya, so you can tell your countrymen that!

(Applause)

We thank you for your visit and for coming all the way to Brussels just to address our House, without any other engagements here. For that, we are grateful to you, wish you a good journey back to Sofia, a good future for Bulgaria and all the best for your Presidency.

(Applause)

Bruno Gollnisch (ITS). – *(FR)* Mr President, my point of order is based on Rule 182 of the Rules of Procedure. We have just received information for the first time about the election of the committee bureaux. This election of the committee bureaux was arranged by a conference of the group secretaries-general, which, on the basis of the D'Hondt rule, arrived at a proportional distribution of seats, enabling it to ensure that all views are represented – a point on which this Parliament prides itself both internally and externally and on which it does not fail to give advice to political bodies worldwide.

No one challenged this agreement, especially not at the Conference of Presidents. It has been outrageously violated – as one might certainly have expected – to the detriment of my group, and of my group alone. It is quite clear that my group has not put forward any candidates, including against fellow Communist, Socialist, Liberal and Christian-Democrat Members, because it believes or it pretended to believe in honesty, in impartiality and in promises being kept by fellow Members. Obviously, these promises were not kept. These tactics are vile, they are petty and they are unworthy of a Parliament that claims to set an example for the whole world.

To be truthful, fraudulent tactics are being employed here, and are such as to undermine the integrity of the election. We take note of that, and we reserve the right to exercise our rights by any other means

and, in particular, to call on the citizens of our countries to act as witnesses. Thank you, ladies and gentlemen, for the publicity that you have just given us!

President. Mr Gollnisch, we have a very full programme, and we can come back to this issue after the votes. You have been given the floor and have spoken for 1 minute and 53 seconds, whereas you would normally have one minute's speaking time. You can take that as an example of especially fair treatment, and I trust you will take note of that accordingly. We will vote first, and then come back to this matter.

6. Approval of Minutes of previous sitting: see Minutes

7. Voting time

President. The next item is voting time.

(For results and other details of the vote: see Minutes)

7.1. Protection of passengers against displaced luggage (vote)

7.2. Approval of motor vehicles with regard to the forward field of vision of the driver (vote)

7.3. EC-Korea Agreement on scientific and technological cooperation (vote)

7.4. Mainstreaming sustainability in development cooperation policies (vote)

7.5. Draft Amending Budget No 1/2007 (vote)

7.6. Human rights of the Dalits in India (vote)

Hartmut Nassauer (PPE-DE). – *(DE)* Mr President, I would like to suggest that we avail ourselves of the option provided by Rule 168(2) of our Rules of Procedure and send this report back to the committee. The reason I have for saying this is that I am familiar with the problem of Article 90 and that this report surely describes the situation of the Dalits, India's so-called untouchables, in accurate terms, it is no less apparent that nobody among us finds these conditions tolerable, and we are obliged to do whatever we can about them. However, it also appears that India has raised serious objections to this report on the grounds that it discusses the caste system in India and hence something that is part and parcel of that country's traditions and culture.

I would, then, ask that consideration be given to whether it might be well-advised, in the interests of what we are trying to do, to discuss this again in the committee, even if what emerges from it later on differs from the present motion for a resolution in no respect whatever. We would, however, be well advised to talk to the Indian authorities again, since it is all too often we Europeans who wag the finger at others and tell them what to do, which tends to hinder us from achieving the objectives we seek, so I put it to the House that this would be a wiser course of action.

Hannes Swoboda (PSE). – *(DE)* Mr President, unless my ears deceive me, you said that this act, under Rule 90, is adopted, in the absence of any objection to it.

Secondly, embassies keep on interfering in what we do; in this instance it is the Indian embassy doing it, but we speak for a people rather than for any embassy, and so we should stick with the resolution as it stands.

Charles Tannock (PPE-DE). – Mr President, I have an altogether different point to make. I was the Vice-President of the Human Rights Sub-Committee and the deputy coordinator in the Committee on Foreign Affairs at the time when this report went through the Development Committee. It is primarily a human rights report. The opinion of neither Foreign Affairs nor Human Rights was sought on this. We have had no opportunity to amend it. It is a human rights report going through Development. It is not within that committee's remit.

It is not just a question of the Government of India, it is a question of procedure. How can we have a report going through Plenary without a vote or an opportunity to amend it when the committees with the main responsibilities for the issue have never seen the report, have never had an opportunity to correct factual inaccuracies? It is not factually correct!

(Applause)

Daniel Cohn-Bendit (Verts/ALE). – *(DE)* Mr President, as Mr Swoboda has said, it has already been adopted, so the debate is over, and all other deliberations are superfluous. If Mr Nassauer and Mr Tannock want to produce another report, they will have to start from the very beginning, and we will vote on it five years from now.

Nirj Deva (PPE-DE). – Mr President, as a negotiator on this report in the Development Committee, I recognise the point made by my colleague Mr Tannock, because if we have a Human Rights Sub-Committee, this report should have gone to that committee for comment. It only went through the Development Committee, but it should have gone to the Human Rights Sub-Committee because this is fundamentally a human rights report. Therefore I recommend that we send the report back to committee and ask the Sub-Committee on Human Rights of the Foreign Affairs Committee to give an opinion on it.

(Applause)

Neena Gill (PSE). – Mr President, speaking as chair of the SAARC Delegation, I recognise that this is a very delicate report. However, we also have to recognise that there are factual inaccuracies in here.

For procedural reasons, this report was approved in the Committee on Development on 19 December 2006 and the deadline was 15 January 2007. Most of the intervening period was taken up by the Christmas break. We have looked into the issues; we have had several meetings; we have opinions; and I would ask, as a delegation chair, that we have an opportunity to make our view heard. I would support referral back to committee. You cannot have a report without any debate or any vote. It is short-circuiting the democratic scrutiny process and I think it is important that we do credit to this House.

(Applause)

Luisa Morgantini (GUE/NGL). – *(IT)* Mr President, ladies and gentlemen, I am deeply saddened by the example we are setting regarding a resolution that we have debated thoroughly within the Committee on Development and on which we have had time to table amendments. This is an issue that does not interfere – certainly no more so than many other far more forceful resolutions adopted by this House – in China's internal affairs.

We know perfectly well that the caste issue is an extremely sensitive one, but we have listened to the Dalits, who do not just live in India, but in many other countries too: we are talking about millions of people who live in degrading and inhuman conditions.

I am sorry but I really think that our Parliament is setting a very bad example and, as with all the other resolutions that are being voted on, I believe that this resolution, being, as it is, a resolution voted on by the Committee on Development, should be voted on in Parliament, since it concerns a problem of human dignity and of the right of millions of people to live, and to have their lives and their dignity respected.

(Applause)

President. Ladies and gentlemen, we must do as the law says. I shall now read out to you Rule 90(4), and I ask you to listen carefully, for this is pretty difficult legalese, but this is the Rule to which the President has to keep, for the President must be guided by the law as it stands.

Rule 90 (4) states that: 'Recommendations drawn up in this way shall be included on the agenda for the next part-session. In urgent cases decided upon by the President, recommendations may be included on the agenda of a current part-session. Recommendations shall be deemed adopted unless, before the beginning of the part-session, at least forty Members submit a written objection, in which case the committee's recommendations shall be included on the agenda of the same part-session for debate and voting. A political group or at least 40 Members may table amendments.'

I have to say at this point – and I am keeping to the law, as I am required to do – that no written motion has been submitted by 40 Members prior to this sitting, and so my recommendation is that the relevant committee should continue to discuss this issue – which is a very delicate one – and, should they come up with another result at some other point in time, that is in order, but right now, I have to do as the House's rules require.

(Applause)

7.7. EC-Gabon Fisheries Partnership (vote)

7.8. Moratorium on the death penalty (vote)

– *Before the vote on paragraph 2:*

Hélène Flautre (Verts/ALE). – *(FR)* Mr President, we would ask you to add to paragraph 2, after 'the universal moratorium on executions', the phrase 'with a view to the universal abolition of the death penalty'.

(The oral amendment was accepted)

Before the vote on recital H:

Marios Matsakis (ALDE). – Mr President, I should like to move the following small addition to recital H, which deals with the execution of Saddam Hussein: 'and deploring the way it was carried out'.

(The oral amendment was accepted)

7.9. Promoting healthy diets and physical activity (vote)

– *Before the vote:*

Philip Bushill-Matthews (PPE-DE). – Mr President, I have a small point concerning Amendment 1, which I tabled as shadow rapporteur on behalf of the PPE-DE Group. That was correct, but I should have also said that the original author was Professor Trakatellis. I apologise to him for not including his name. I would hope that the inclusion of his authorship will encourage wider-spread approval across this House for a good amendment.

7.10. Limitation periods in cross-border disputes involving personal injuries and fatal accidents (vote)

7.11. Discrimination against young women and girls in the field of education (vote)

– *Before the vote on recital G:*

Zbigniew Zaleski (PPE-DE). – *(DE)* Mr President, I have just a brief statement to make on the amendment.

(PL) The report refers to many negative aspects of so-called feminism and segregation, and I therefore consider it is worth highlighting a positive example. Marie Skłodowska-Curie could serve as an inspiring example of a woman, mother, wife, scientist, Nobel prize-winner and exemplary European. That is why I am surprised that Mrs Flasarová, the rapporteur, is opposed to Marie Skłodowska-Curie and I cannot understand why. Is it a case of woman against woman? Is it politically and psychologically correct?

– *Before the vote on the amended motion for a resolution:*

Věra Flasarová (GUE/NGL), rapporteur. – *(CS)* Thank you for giving me the floor, Mr President. I feel that in terms of women who have made a significant contribution to our European Union and to Europe, there are too many to name. I therefore feel that it is not only Marie Curie-Skłodowska, a woman for whom I have great admiration, who should be on the list. This report, in my view, deals with the issues that have been mentioned here. Thank you.

7.12. Strategy for a strengthened partnership with the Pacific Islands (vote)

7.13. The European private company statute (vote)

President. That concludes the vote.

8. Explanations of vote

Barón Crespo Report (A6-0473/2006)

Jörg Leichtfried (PSE), in writing. (DE) I cast my vote for the recommendation on the approval of partitioning systems to protect passengers against displaced luggage, supplied as non-original vehicle equipment, since this, firstly, makes easier trade in motor vehicles between one contracting party and another and, secondly, also guarantees a high standard of safety and environmental protection.

With these considerations in mind, I can do no other than support the harmonisation of the rules applicable to motor vehicles.

Barón Crespo Report (A6-0472/2006)

Jörg Leichtfried (PSE), in writing. (DE) I cast my vote in favour of a regulation concerning the approval of motor vehicles with regard to the forward field of vision of the motor vehicle driver. The harmonisation of regulations applicable to motor vehicles will, on the one hand, reduce obstacles to trade between various contracting parties and, on the other, guarantee high safety standards.

The draft guarantees an adequate field of vision through the windscreen and other windows on the motor vehicle, which, from the point of view of general safety, is to be endorsed without exception.

Chichester Report (A6-0470/2006)

Glyn Ford (PSE), in writing. I will be supporting this report which reinforces our agreement with the Republic of Korea on scientific and technological cooperation. Seoul is an increasingly important global industrial player and it is vital that the EU engages with this country which traditionally has been closer to the US rather than us. I presume that this agreement will cover scientific and technological research in the Kaesong Industrial Zone jointly administered by North and South Korea, and in that I am sure the Republic of Korea will welcome our commitment that is currently withheld by Washington.

Georgios Toussas (GUE/NGL), in writing. – (EL) We are radically opposed to the Council proposal on scientific cooperation between the EU and Korea, because the orientation and fragmentation of research contributes to the profitability of the monopoly groups of companies and to capital in general. It is contrary to the real needs of the workers. It is in the people's interest to fight this reactionary choice for research and similar agreements and the anti-labour policy overall and the EU itself and to fight for radical change so that research can be oriented towards satisfying the contemporary needs of the working and grass-roots classes.

Budreikaitė Report (A6-0474/2006)

Jean-Pierre Audy (PPE-DE), in writing. – (FR) I voted in favour of the excellent report by Lithuanian MEP Mrs Budreikaitė, on mainstreaming sustainability in development cooperation policies. She rightly points out that sustainable development is based on the idea that the needs of the current generation should be met without compromising the ability of future generations to meet their needs. It is right to mainstream sustainable development concepts in public policy at European and Member State level, concepts that include economic prosperity, social cohesion and respect for the environment. This is essential when it comes to development cooperation, which is very difficult to achieve given the planet's demographic development and the need to eradicate poverty. The EU should be at the forefront of the worldwide affirmation of sustainable development concepts. This, after all, is one of the EU's key missions.

Pedro Guerreiro (GUE/NGL), in writing. (PT) The report omits to mention the underlying causes of the increasingly deep social inequality and disparity in development, of the unchecked exploitation of natural resources and of the massive destruction of the environment around the world, and fails to

mention the real culprit, which is capitalism. Despite this, it does contain a wide range of proposals and points that we welcome, such as the call for the target of 0.7% GNI to be met in order to achieve effective development cooperation characterised by solidarity.

However, we cannot accept the following points, for example:

- because 'local authorities in developing countries are not always in a position to provide the volumes of financing required to make major investments in the construction and maintenance of infrastructure networks, for example to supply water or provide sanitation', the report concludes that the solution is 'only supplementary injections of private capital, through public-private partnerships, will be able to provide the requisite volume of funding', thus handing this fundamental resource for life on a plate to private capital;

- and making the reduction – rather than the cancellation – of the debts of the least-developed countries contingent on what is termed 'good governance', the criteria for which are dictated by the whims of the major powers.

Hence our vote.

Andreas Mölzer (ITS), in writing. (DE) Over the past fifteen years we have made progress in combating poverty, albeit far from to the extent we had hoped, for even if we manage to drive a country's economic development forward, this does not mean by a long chalk that poverty has thereby been reduced. Funds intended for those in disadvantaged circumstances must not be allowed to seep away into corrupt systems or be able to be used even for such things as the purchase of weaponry or the shoring up of dictatorial regimes.

It is here that effectiveness needs to be better monitored if development funds are to be applied in the right place and for the right purposes. It might also be worth considering concentrating them on what are termed 'anchor countries', which are capable of fast-forwarding a whole region's development, and we should also be open to new approaches, including the use of microcredit as a means of getting the poor permanently back on their own feet.

Resolution: Human rights of the Dalits in India (B6-0021/2007)

Charles Tannock (PPE-DE). – I just wanted to expand on what I said earlier regarding the way the resolution on Dalits' human rights went through the House without an opportunity to amend it, and in particular to point out a number of factual inaccuracies in the report which never came before either the Foreign Affairs Committee or the Human Rights Sub-Committee for an opinion. I would like to protest at the way in which Rule 90(4) is being used by certain Members of this House. For instance, the resolution highlights the incidence of crimes against the Dalits and talks about frequent heinous crimes against them, e.g. murders. Well, I would like to point out that in fact the incidence of murders in India against Dalits is 2.04%, whereas they constitute 14% of the population. So actually, if you are a Dalit, you have a safer lifestyle than if you are somebody from one of the other castes.

The resolution makes no mention of the workings of the Prevention of Atrocities Act, which was designed to help convict those who have attacked Dalits, and in addition it makes no mention of the fact that the rate of literacy, although very low for Dalits, is extremely close to the national average. It does not mention that there is a national reward from the government, basically designed to eradicate untouchability, and there are cash incentives given to encourage inter-caste marriages.

This report is very unbalanced; it is full of factual inaccuracies and I lament the fact, Mr President, that you were not in a position to refer it back to committee, but my case rests.

Jean-Pierre Audy (PPE-DE), in writing. – (FR) I voted in favour of the motion for a resolution tabled by the European Parliament's Committee on Development on the human rights situation of the Dalits in India. Although I believe that the European Union should be very careful when it comes to interfering in countries' constitutions, I support this resolution denouncing the unacceptable situation of the Dalits, which is due to the non-application of various provisions prohibiting caste discrimination.

According to the report and numerous studies, the Dalits are the victims of unpunished crimes and offences. Added to this are the abuses of children and women, who are the victims of two forms of discrimination – caste and gender discrimination – throughout their lives, with sexual abuse being included in this. Yes, the European Parliament was right to denounce this disgraceful situation.

David Martin (PSE), in writing. The treatment of the Dalits in India presents some serious human rights concerns. There should be a universal right to decent work and non-discrimination and the caste system as it currently exists in India guarantees neither of these right to Dalits. As the EU and the European Parliament's very foundations are based on shared values, of which non-discrimination is a key element, then it is our duty to voice concern where we see these values being violated and these rights denied to others in third countries.

Margrietus van den Berg (PSE), in writing. (NL) The huge problem involving people who are, to this day, considered outcasts and therefore 'untouchable' is disturbing. The social segregation experienced by Dalits can be likened to Apartheid as it used to be in South Africa.

The largest group of these 'untouchables' live in India, where more than 160 million people are affected. They are often excluded from basic provisions, such as education, health care and clean drinking water, are not allowed to own land and are regularly at the receiving end of violence and exploitation.

This is why I intend to vote in favour of this resolution which insists on the Indian Government stepping up its efforts in effectively stamping out caste-based discrimination and in promoting equal opportunities. It is to be welcomed that the European Parliament is making specific proposals in order to counter this structural discrimination against a people.

As the Indian Prime Minister himself said on 27 December 2006: 'Dalits have faced a unique discrimination in our society that is fundamentally different from the problems of minority groups in general. The only parallel to the practice of 'untouchability' was Apartheid in South Africa.' I hope that the EU will be discussing this in its relations with India and will help stamp out this gross social injustice.

Arnautakis Report (A6-0477/2006)

Josu Ortuondo Larrea (ALDE). – (ES) Mr President, I would like to express my support for the Fisheries Partnership Agreement between the European Community and Gabon, as well as the other similar agreements with other ACP countries (Africa, the Caribbean and the Pacific) and with certain other States.

These agreements are based on the principle of reciprocal cooperation and are in line with the partnership approach which is being applied to the external dimension of our common fisheries policy. By means of these agreements, we achieve a twin objective: firstly, we guarantee that the interests of the Union's deep-sea fishing fleet are protected and, secondly, we improve the conditions with a view to achieving sustainable fisheries in the waters of the partner countries.

In this regard, I would like to end by stressing that the Union and our deep-sea fishing fleet, in contrast to others that operate illegally – has committed itself to ensuring that world fishing activities are sustainable and has accepted the United Nations Food and Agriculture Organisation's Code of Conduct for Responsible Fisheries.

We must support this and other agreements, because they promote the development of our partner countries.

Pedro Guerreiro (GUE/NGL), in writing. (PT) The new Partnership Agreement with the Gabonese Republic, which entered into force on 3 December 2005, is valid for six years and contains a protocol that will lead to a 40% reduction in the fishing opportunities available to the various fleets of the EU Member States operating in these waters, including the Portuguese fleet.

Furthermore, in common with other tuna fishing agreements, fees for ship-owners have increased from 25% to 35% of the total cost, obviously with the reduction in the Community contribution.

What may now happen is low uptake of the opportunities offered by the agreements, and the scrapping of many long-distance fishing vessels, which is already happening in Portugal.

This situation leads us to question the actual impact of these agreements, the costs of which to the fleets are rising while fishing opportunities are falling.

It is alarming, not least for the Portuguese fleet, that this agreement will undermine the proportionality and the relative stability of the previous one in terms of the distribution of fishing opportunities with other fleets.

Portugal is to lose 50% of the fishing opportunities for surface longliners, with only three licences as opposed to the six under the previous agreement.

David Martin (PSE), in writing. I support this report amending the Fisheries Partnership Agreement. I particularly support the call for greater parliamentary involvement prior to any extension of the agreement. I am also glad that the development needs of coastal populations are addressed.

Resolution: Moratorium on the death penalty (B6-0032/2007)

Frank Vanhecke (ITS). – (NL) Mr President, I have, needless to say, voted in favour of the resolution on a worldwide moratorium on the death penalty, because I am a staunch opponent of capital punishment, not least at a personal level.

I do want to make myself absolutely clear though. I may be opposed to capital punishment, but I do firmly believe that we should come down hard on crime. What I am trying to say here is that it is because of the apathy and cowardice on the part of many European governments that, as is the case in my country, serious common law criminals, assassins and child rapists, are systematically given early release, and so it is because of this laxity and this cowardice that people are calling for the reintroduction of capital punishment in Europe. As an opponent to capital punishment, I can see where these people are coming from, and my view is that proper account should be taken of the complaints lodged by them.

Jean-Pierre Audy (PPE-DE), in writing. – (FR) I voted for the joint motion for a resolution that was tabled by five political groups and that concerns an initiative in favour of a universal moratorium on the death penalty. At a time when the third international congress against the death penalty is being held in Paris, it made sense for the European Union to restate its convictions and to ask that everything be done to obtain a universal moratorium on executions, with a view to the complete abolition of the death penalty.

I write this with a certain sense of pride in belonging to a Member State that, on the proposal of its President, the President of the French Republic, Mr Chirac, and thanks to the wisdom of its elected representatives, will shortly be amending its Constitution to include a ban on the death penalty, as is already laid down in law.

Edite Estrela (PSE), in writing. (PT) I voted in favour of this resolution, because I am opposed to the death penalty, which, in the 21st century, is an appalling example of barbarity and a violation of human dignity.

This state of affairs cannot be allowed to go on. I therefore agree with the proposal to call for a universal moratorium on the death penalty at the United Nations General Assembly.

Hanna Foltyn-Kubicka (UEN), in writing. (PL) I did not sign the draft joint resolution, tabled by several political groups, on a global moratorium on the death penalty, nor do I intend to vote in its favour.

I fully endorse the undertakings Poland entered into under international law on joining the Council of Europe and the European Union, but I do not consider that the abolition of the death penalty in other parts of the world is a solution to the problem of violence and brutality.

I believe it is right to condemn the abuse of capital punishment and its barbaric implementation, as was the case at the execution of Saddam Hussein and of Barzan Ibrahim al-Tikriti.

Nonetheless, the total abolition of the death penalty for criminals, terrorists and bloodthirsty dictators in the most unstable and violent parts of the world is an irresponsible, nonsensical and harmful proposal.

As it seeks to achieve the introduction of this global moratorium, the European Union is unable to offer countries ravaged by violence any significant aid in the area of public security. Consequently, the Italian Government's initiative, which is to receive the European Union's support today, may also be deemed hypocritical.

Glyn Ford (PSE), in writing. The EU has as part of its requirements for membership for Member States that they do not exercise or have on their statute books the death penalty. It is only right that we try to promote this around the globe.

It is a disgrace from the US to China, from Central Asia to Central Africa. The problem is that we exhibit a degree of hypocrisy when some executions are more acceptable than others. It is just as wrong to execute Saddam Hussein and Timothy McVeigh, the Oklahoma Bomber, as Ken Sara-Wiwo, the Nigerian human rights activist, or the hundreds of victims of Saddam Hussein's brutal, totalitarian regime. I can only hope that in future we oppose those barbaric public spectacles in the same way we oppose China's executions, as now modern technology allows public executions to be replaced by execution broadcast via mobile phone.

Marcin Libicki (UEN), in writing. (PL) I did not sign the draft joint resolution, tabled by several political groups, on a global moratorium on the death penalty, nor do I intend to vote in its favour.

I fully endorse the undertakings Poland entered into under international law on joining the Council of Europe and the European Union, but I do not consider that the abolition of the death penalty in other parts of the world is a solution to the problem of violence and brutality.

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Nonetheless, the total abolition of the death penalty for criminals, terrorists and bloodthirsty dictators in the most unstable and violent parts of the world is an irresponsible, nonsensical and harmful proposal.

As it seeks to achieve the introduction of this global moratorium, the European Union is unable to offer countries ravaged by violence any significant aid in the area of public security. Consequently, the Italian Government's initiative, which is to receive the European Union's support today, may also be deemed hypocritical.

David Martin (PSE), in writing. Fundamental human rights are a core part of the European Union's role and identity. As an institution of the EU, the European Parliament has a duty to support efforts to spread these values outside of the borders of the Union. Supporting the moratorium on the death penalty sends out the message that certain human rights should be upheld universally. I particularly support the reference in the resolution to the disgraceful manner in which the execution of Saddam Hussein was carried out.

Jean-Claude Martinez (ITS), in writing. – (FR) Of course, there is France with its judicial imbroglios; yes, there is Iraq, where those charged with judging the Head of State turned up astride the missiles of the invaders; and, naturally, there is China, where everything is up for sale, even bullets for people to blow their brains out with. Then there is Libya and the case of the Bulgarian nurses.

In the 21st century, where, increasingly, the issues are wilfully confused, the death penalty is now carried out in French hospitals, where the old are finished off in order to free up beds and balance the accounts. It is carried out in the Europe of Maastricht where, by pulling the plug on vital investment, we have killed off our future.

The ideological scourge of the Reverend Malthus - of zero growth and sustainable underdevelopment - has infected our decision-makers. There would seem not to be enough room at the banqueting table of the human race. So we leave the old to the mercy of heatwaves and lethal injections, and we retire folk early and reduce their working hours. Tax law exerts its stranglehold, labour law may leave no room to breathe and budgetary law short-changes us. Meanwhile, at the top of this ladder of Malthusian penalties, criminal law tops off this society of ours with the culture of death. In the Malthusian economy, the 'euthanazi state', the 'precautionary principle' and the ultimate penalty of execution are the bedfellows of pride and complacency.

Frédérique Ries (ALDE), in writing. – (FR) There is a long list of countries that permit the death penalty, and the list of victims is longer still. In 2005 alone, 2 148 people were executed.

So what about Europe? Is it possible to be a European state and, at the same time, to permit the death penalty? No, it emphatically is not. Moreover, countries that are candidates for accession to the European Union are actually obliged to abolish it.

We MEPs even think that there is a need to go further than that. That is the objective of the resolution against the death penalty, adopted today by Parliament. With the predictable exception of the extreme right, all the political groups in Parliament had already signed the declaration in favour of a moratorium on the death penalty with a view to its universal abolition.

The majority required for the adoption of the resolution has been obtained, constituting an unusual consensus in Parliament. This majority makes it clear that being a Member of the EU is not only about agreeing to fishing quotas. Above all, it makes it clear that Europe does not compromise on its basic values. Europe is at the forefront of the fight to abolish the death penalty, a fact worth pointing out.

Konrad Szymański (UEN), in writing. (PL) I did not sign the draft joint resolution, tabled by several political groups, on a global moratorium on the death penalty, nor do I intend to vote in its favour.

I fully endorse the undertakings Poland entered into under international law on joining the Council of Europe and the European Union, but I do not consider that the abolition of the death penalty in other parts of the world is a solution to the problem of violence and brutality.

I believe it is right to condemn the abuse of capital punishment and its barbaric implementation, as was the case at the execution of Saddam Hussein and of Barzan Ibrahim al-Tikriti.

Nonetheless, the total abolition of the death penalty for criminals, terrorists and bloodthirsty dictators in the most unstable and violent parts of the world is an irresponsible, nonsensical and harmful proposal.

As it seeks to achieve the introduction of this global moratorium, the European Union is unable to offer countries ravaged by violence any significant aid in the area of public security. Consequently, the Italian Government's initiative, which is to receive the European Union's support today, may also be deemed hypocritical.

Ries Report (A6-0450/2006)

Christofer Fjellner (PPE-DE). – (SV) Mr President, Mrs Ries's report and the fight against obesity make serious inroads into issues that I think come within the competence of the Member States. Moreover, the report addresses issues with which politicians ought not to concern themselves at all. In my view, the individual's perspective is entirely missing.

To state that obesity is a chronic disease is not only mistaken, it is to accept responsibility for people who are overweight or, worse still, to deprive a great many overweight people of the hope of being able to influence their own situation. Being overweight can, in fact, be a symptom of a chronic disease, but to assert anything more is to create the stigma that the report maintains it wants to do away with.

What, in my view, is most serious, however, is something quite different: namely, the desire to steer the media in a direction that, in the present situation, is opportunistic. That is unacceptable, and it is not what politicians should be doing. It amazes me that so many of my fellow Members from Sweden have voted in favour of this report. We Swedish Conservatives obviously voted against the report.

Jan Andersson, Anna Hedh, Inger Segelström and Åsa Westlund (PSE), in writing. (SV) We do not believe that the assessment of what may be referred to as chronic obesity is a political issue. That needs to be a task for medical science. We therefore abstained in the vote on this issue.

Jean-Pierre Audy (PPE-DE), in writing. – (FR) I voted in favour of the excellent report by my fellow Member, Mrs Ries, on a European dimension for the prevention of overweight, obesity and chronic diseases. The number of people in Europe who suffer from obesity has increased spectacularly over the last 30 years. This development is comparable to what happened in the United States during the 1990s: today, in Europe, 27% of men and 38% of women are classed as overweight or obese.

The European Parliament's proposals are based on healthy eating, physical activity and treatment from childhood and throughout adulthood. Health professionals, sport, the quality of agricultural produce, school canteens, education, communication and nutritional labelling are all factors, among others, on which the European Union must rely in order to fight this scourge.

It is very important for the European Commission to carry out a socioeconomic study into the consequences of diseases linked to a person's being overweight, not only at the level of health care spending, which we know represents between 4% and 7% of total spending, but also at the level of employment: unemployment, lost time and invalidity.

Liam Aylward (UEN), in writing. Earlier this week I called on the Irish Government to bring forward proposals which will have the effect of totally banning television adverts of food and drink products that are high in fat, salt and sugar and which specifically target children under the age of 16.

Child obesity is a serious problem in Ireland and in Europe and this problem must be effectively tackled head-on.

A ban such as that to which I am referring is being introduced in Britain after four years of extensive research and consultation. This research included 2000 interviews with children, parents and teachers as well as details of family eating habits drawn from a panel of 11 000 people. This research clearly found that television advertising does have an effect on the dietary preferences of children.

It is estimated by the British Government that in households where children's viewing includes a large number of programmes targeted at adults as well as at children and young people, children would see 41% fewer adverts of food and drink products that are high in fat, salt and sugar.

We are talking about the protection of our children, and that must be our overriding interest at all times.

Lena Ek and Olle Schmidt (ALDE), in writing. (SV) Public health issues are very important, and people with health problems need all the support they can get.

In our opinion, this resolution oversteps the limits of subsidiarity, however. The issues concerned should instead be dealt with at national and regional levels, which is why we chose to abstain in the vote.

Edite Estrela (PSE), in writing. (PT) I voted in favour of this report, because the fight against obesity should be a political priority for the EU. After all, 27% of men and 38% of women in Europe are overweight.

More worrying still is child obesity. More than 5 million children (in the EU-25) are obese and around 300 000 new cases come to light every year. This is a trend that, as a matter of urgency, must be reversed.

I endorse most of the measures proposed, for example informing consumers from childhood; restrictions on television advertising; nutrition and health claims on food labelling; and greater consistency between the common agricultural policy and health policies.

Ilda Figueiredo (GUE/NGL), in writing. (PT) We welcome the adoption of this report, which, among other points, includes the following key issues: the recognition that promoting a healthy diet and physical activity should be a political priority for the Member States and the EU as a vital component in the fight against obesity, and the recommendation that obesity be officially recognised as a chronic disease.

Obesity is the most common form of malnutrition and arises from an excessive storage of fat. It is associated with progressive debilitating diseases and constitutes a greater risk of death rate among the rest of the population. As such it is a growing public health problem.

As the report says, according to data from 2006, more than 300 million people around the world are obese, a figure that has more than doubled in the last 15 years.

Accordingly, in addition to boosting the fight against the disease in terms of providing patients access to healthcare, medicine, psychological advice, and so forth, a prevention strategy must be adopted that involves promoting healthy diet and lifestyles, with particular focus on women and children because, as studies have shown, they are particularly vulnerable to this disease.

Christa Kläß (PPE-DE), in writing. (DE) Everything that we try to do on the environment and health fronts is aimed at protecting health. Responsibility for this rests with the Member States, and that is where it must remain. The idea of prevention is becoming ever more prominent. The Ries report describes the health risks involved in obesity, excess weight and chronic illness. Why is it that our children are overweight?

What are the causes? These issues need to be discussed in order to raise awareness, particularly in families. The ability to keep our bodies healthy on a day-to-day basis is something that must be communicated through school and general education. Preventing these illnesses will, of necessity, involve social changes, but that will be accomplished not merely through bans on advertising, providing information relating to health and giving children sports bags when they start primary school. We live in a fast-living society; when both parents work, time for the family, for bringing up children and for cooking is often lacking.

This makes it ever more important that society should take preventive action, and schools and educational facilities must be entrusted with the communication of day-to-day life skills. Even so, we must not stop

reminding families of those tasks and duties that are inherently their own, and empower them to perform and fulfil them. Not even the EU can make people be slim and enjoy life and health. The Member States must produce action plans and measures, but people have to put them into practice themselves.

Astrid Lulling (PPE-DE), in writing. – (FR) It is to its credit that, in order to combat excessive weight, obesity and chronic diseases, the European Commission is concerned that everyone should have a healthy diet and engage in physical activity.

The marathon motion for a resolution, with its 18 recitals and 53 paragraphs, produced by the Committee on the Environment, Public Health and Food Safety is, however, unacceptable inasmuch as it proposes provisions recommending dubious interference in the competences of the Member States, partly in the form of a Community legislative framework.

I do of course sympathise with the warning that we wish to sound, faced with the epidemic of obesity affecting three million children and between 20% and 30% of adults at a time when 14 million children and half the adult population are overweight.

In the fight to promote healthy eating habits and the use of high-quality products, we have high-calibre allies in the form of the Eurochefs – an association bringing together 4 000 cooks from 17 Member States who stick to a code of honour, championing the intrinsic quality of food and acting to safeguard rural products.

I believe that we should do well to benefit from their knowledge and their readiness to promote best practices ...

(Explanation of vote abbreviated in accordance with Rule 163(1) of the Rules of Procedure)

David Martin (PSE), in writing. I strongly support this report as well as the Commission Green Paper entitled ‘Promoting healthy diets and physical activity: a European dimension for the prevention of overweight, obesity and chronic diseases’, which the report addresses. Public health issues are of increasing concern in Europe, and this report provides a welcome contribution. The report’s emphasis on the key role played by schools is to be welcomed, as is the call for action to be taken to address the alarming decline in the nutritional value of fruit and vegetables.

Andreas Mölzer (ITS), in writing. (DE) The fact of the matter is that we all know what is healthy and what is not, even without labels prescribed by the EU, yet our eating and living habits have changed to such a degree that obesity, with all its consequences for our health, has assumed disturbing proportions. However, the combination of lack of movement, poor nutrition and too much television also makes people more aggressive.

Various action plans on health have been running for some time, and it is only right that they should start in children’s early school years, since it is then that the risk of compulsive over-eating is very great, but nutritional certificates, health-oriented playgroups and even bans on advertising will not get us where we want to be. It is in the family that the love of sport, which is so important in reducing stress and aggression, and healthy eating habits, must be experienced and encouraged.

Yet it is this, the fundamental building block of our society, that is under constant bombardment from the modern working world, with its flexible working hours, weekend and shift working patterns, and the constantly-renewed call for longer opening times. When people are tired to the point of exhaustion from a long working day, it is easier for them to grab fast food than to make the effort to cook; they find themselves wanting to flake out in front of the television with crisps and a fizzy drink, and their children imitate their behaviour.

While preaching that people should exercise more, we reduce sports lessons on budgetary grounds or excuse foreign children from them on religious grounds, and sports clubs see their support ebbing away.

Catherine Stihler (PSE), in writing. I support the report by Mrs Ries on promoting healthy diets and physical activity. I agree the fight against childhood obesity should be a political priority of the European Union and its Member States. We should take urgent steps to encourage children to enjoy a healthy lifestyle and to urge Member States to increase the amount of physical education available in schools.

I am glad to see the report recognises the importance and potential of food signposting systems in place in several Member States. I welcome calls to the Commission to research and develop a scientifically

based EU-wide 'front-of-pack nutrition labelling scheme'. I feel this is a straightforward but very effective way of encouraging people to choose healthier options. We must act urgently in informing people that their health and that of future generations is in their own hands.

Marianne Thyssen (PPE-DE), in writing. (NL) Long-term bad eating habits and a lack of sufficient exercise result in thousands of people in the European Union being faced with obesity every year. This increases the risk of numerous serious diseases, including heart diseases, higher blood pressure and respiratory disorders.

Not only does this affect public health, it also increases the cost to health insurers in the Member States. I would therefore argue in favour of an integrated way of addressing the problem. Providing information, as well as educating, consumers, exchanging best practices among Member States, clear labelling on foodstuffs or campaigns in schools in order to promote healthier life styles: these are all ways of bringing about the necessary behavioural changes.

The battle against the bulge transcends borders. We in Europe can make a positive contribution and learn from each other's ways of addressing the problem. Cooperation with the Member States, industry, the media, education and civil society strikes me as being the right way.

Lars Wohlin (PPE-DE), in writing. (SV) There is no doubt that obesity and excessive weight are a major public health problem in Europe too, and one that must figure high on our agenda. It ought not, however, to be regarded, as it is in the report, as a chronic disease. It is also important that school children be given opportunities for sports education and for physical activity during breaks. However, it is for each Member State to determine what priority to give to this issue. In view of the principle of subsidiarity, it cannot be transferred to EU level. I have therefore chosen to vote against the report as a whole.

Wallis Report (A6-0405/2006)

Jean-Pierre Audy (PPE-DE), in writing. – (FR) I voted in favour of the excellent report by Mrs Wallis, which contains a range of recommendations on limitation periods in cross-border disputes involving injuries and fatal accidents. As part of the construction of our European area, we should do everything we can to make our fellow citizens' lives easier. This applies to the timeframes for harmonising limitation periods. The introduction of the country of origin principle, at least provisionally, is a very interesting idea insofar as it would confer on victims rights with which they are familiar. This report sends a strong message to the Commission, and demonstrates that Parliament is expecting a legislative proposal that should be preceded by a study into this issue.

Ilda Figueiredo (GUE/NGL), in writing. (PT) As cross-border traffic has increased, so has the number of accidents involving people from other EU Member States. An inquiry into the effects of the existence of differing limitation periods and in particular into the number of personal injury cases involving citizens in cross-border areas and differing limitation periods may help us understand the situation.

There are limitation periods that vary from as little as 12 months in some countries to 30 years or more in others. This may lead to injured people having their right to compensation denied because they did not initiate legal proceedings in accordance with the applicable foreign law on limitation.

The most vulnerable members of society are thus at great risk of seeing their rights curtailed. That includes those who have been most seriously injured or those who for some reason are incapable of protecting their own rights adequately.

It might therefore be appropriate to find a fair and workable solution that helps the victims and their representatives without insurance costs becoming prohibitive and without undermining the principle of subsidiarity, or that of seeking countries in which the costs to insurers is lower, as may happen when the country of origin principle is applied to them.

David Martin (PSE), in writing. I have voted in favour of the proposals on limitation periods in cross-border disputes involving injuries and fatal accidents. I believe it is essential that Europe's citizens can enjoy the freedom to travel in the European Union, and be safe in the knowledge that should problems arise they will not face unnecessary constraints in getting proper legal redress across borders. This report will play a part in ensuring that. It calls for the European Commission to carry out an inquiry into the effects of the existence of differing limitation periods on the internal market, and particularly on citizens exercising their freedoms under the Treaty. It is important that any new legislation in this area is based on sound evidence, not least to ensure that any future law brings forward specific and focused measures

to tackle the problems. I have therefore voted in favour of the Wallis report, which demands that the Commission bring forward the evidence to enable this law to go ahead.

Flasarová Report (A6-0416/2006)

Nina Škottová (PPE-DE). – (CS) Mr President, Commissioner, ladies and gentlemen, what struck me in the report was the emphasis on the fact that women achieve significantly fewer academic qualifications than men. Only 15% of full professors are women, whereas the number of women graduating from university is higher than that of men, at 59% of the total. The low proportion of women with academic qualifications cannot be put down to discrimination against young women and girls concerning access to education. There are a number of other factors behind this low figure. If we really want to reverse the trend, it is crucial that we define and analyse these factors, and try to address the matter in a targeted fashion. For example, take the need to eliminate stereotypes in organisational hierarchies. Women are very much welcomed and accepted as members of research teams. Their capabilities are less trusted, however, when it comes to being team leaders. Yet it is precisely these positions which enable and allow the formation of scientific schools and contribute to the development of various disciplines and specialisations in university faculties. Declaring from time to time that the number of women in academia should be increased is all very well, but it falls a long way short of what is required. What we need to do is to define the conditions of the process carefully and to work on optimising them in such a way that women become more involved. Thank you.

Jean-Pierre Audy (PPE-DE), in writing. – (FR) I voted in favour of the report by Mrs Flasarová on educational discrimination against young women and girls. The current situation, in which fewer women than men obtain post-graduate level qualifications and go on to pursue lifelong learning for reasons of gender, is one that we must combat collectively. Education is one of the essential prerequisites – albeit not the only one – for citizens to enjoy all their other social, economic, cultural and political rights, and to assume all their duties as citizens. I have high hopes for the activities of the future Institute for Gender Equality. It is also essential to fight against the discrimination with which women, and in particular the youngest women, have to contend when they live in communities where gender equality is not respected, by rejecting all forms of cultural and religious relativism which could violate women's fundamental rights. Young girls, as well as boys, should have access to compulsory schooling.

Ilda Figueiredo (GUE/NGL), in writing. (PT) As the rapporteur says, although there has for a long time been evidence to show that young women and girls are no less capable than men and boys when it comes to education, there is a series of factors that continues to place them at a disadvantage, especially in higher education and lifelong learning.

In 2004, eight out of ten girls studying in higher education in the EU Member States completed their studies. This figure is higher than that for boys, of whom only three out of four completed their studies, which proves that girls are no less motivated or capable when it comes to education.

Yet the proportion of girls who took their studies further or embarked on an academic career is lower. Although women outnumber men in university education 59% to 41%, only 43% of PhD graduates and only 15% of full university professors are women. These figures demonstrate the major inequality between the sexes in terms of lifelong learning and in the continuing vocational education of women outside the academic world, thereby confirming that both phenomena are rooted in the continued inequality between the sexes, which can clearly be seen in pay discrimination.

David Martin (PSE), in writing. I voted in favour of this report as it seeks to address the inequalities for women which still persist, mainly in gaining access to and obtaining higher academic qualifications, including at postgraduate level and in scientific research, and in the area of lifelong learning.

There is a need to reform the content of school textbooks and to ensure that the training of educational workers be directed towards fulfilling the requirements of a balanced gender policy. I think it is important that the Commission and the Member States implement a policy towards national, ethnic and cultural minorities, paying particular attention to a multicultural approach and allowing access to quality education in order to avoid double discrimination.

I voted in favour of this report as it has the potential to eliminate stereotypes discriminating against women in the workplace.

Bernadette Vergnaud (PSE), in writing. – (FR) The progress made when it comes to equality between men and women in the field of education is mainly quantitative. From now on, we need to fight for a

qualitative improvement and for a change in attitudes, paying particular attention to the situation of girls and young women, who are the victims of two-fold discrimination.

I therefore voted in favour of the report by Mrs Flasarová, which recommends to the Commission and the Member States that they put in place a policy targeted at national, ethnic and cultural minorities, ensuring in particular that a multicultural approach is adopted and permitting access to high-quality education, and this with a view to preventing two-fold discrimination. The report also asks the Member States to make the option of lifelong education available to women and men who choose to look after their children and to make it easier for women to obtain jobs involving responsibility and decision-making.

Finally, the Member States and the Commission should use all the means available to them to eliminate the stereotypes that contribute to discrimination against women in the workplace.

Deva Report (A6-0325/2006)

Jean-Pierre Audy (PPE-DE), *in writing*. – (FR) I voted in favour of the excellent report by United Kingdom MEP Mr Deva on EU relations with the Pacific Islands, calling for a strategy for a strengthened partnership. The EU has a significant presence in the Pacific Islands, against a backdrop of the majority of island states in the Pacific having recently gained their independence. The policy of helping the poorest island countries achieve the Millennium Development Goals is a decent and legitimate ambition for the EU. Whether we are talking about issues such as fisheries, the problem of climate change, the protection of biodiversity, farming and tourism, providing funding for infrastructure, support for education, the fight against corruption, support for democracy in the parliaments of these countries and the use of the euro, there are many areas in which the presence of the EU can bring unquestionable added value, but much remains to be done.

Marie-Arlette Carlotti (PSE), *in writing*. – (FR) After 30 years of EU-Pacific cooperation, it is now time to move up a gear. That is why I am delighted about the adoption of this ‘strategy for a strengthened partnership’.

It entails a strengthening of political dialogue inasmuch as we have to support our Pacific partners in their efforts to overcome ethnic tensions, as in Fiji, or to promote reconciliation after a civil war, as in the Solomon Islands or in Timor Leste. Over the next few years, this political dialogue must also enable us to face a major challenge together: that of global warming. In order to launch this enhanced political dialogue, we can join with our regional partners in organising the ‘regional conferences’ provided for by the new Cotonou Agreement.

The strategy involves common responses to the economic and social problems of the region and, here too, the priority is to attain the Millennium Development Goals within the timescales set. The ongoing negotiations on the conclusion of an EU-Pacific regional partnership agreement appear to have got off to a bad start in this respect.

Most of the proposals of the countries in the region have been rejected by the Commission. It would be paradoxical to vote today in favour of a strategy for a strengthened partnership aimed at development only to find that, tomorrow, the conclusion of a bad economic partnership agreement emptied it of all content.

David Martin (PSE), *in writing*. I voted in favour of this report and welcome the fact that it calls for the banning of nuclear tests and that the Pacific region should be made nuclear-free.

José Ribeiro e Castro (PPE-DE), *in writing*. (PT) In view of the fact that some EU Member States have a historical relationship and continued links with this region, either in political or in cultural and economic terms, the EU as a whole should strengthen these ties for the mutual benefit of both the countries in the region and EU Member States.

Given the heterogeneity of the region, the dispersal of its communities and the specific problems arising from the insular nature of many of the countries in the region, there needs to be a European approach that is both flexible and balanced, with Europe already one of the biggest international donors.

Coming from Portugal as I do, I can only welcome the rapporteur's calls for the Commission to set up programmes aimed at combating malaria in East Timor. I feel, though, that this call should be extended to other infectious and contagious diseases that are also devastating the country.

I also welcome the attention drawn to the particular problems of Timor and endorse the call for the Commission to support the Timorese leaders in their efforts to build a democratic, stable, peaceful, free, prosperous and fair society.

Margie Sudre (PPE-DE), in writing. – (FR) In the Pacific Ocean, fishing constitutes a vital resource for the local economies, and ships from all over the world, and in particular from Europe, operate there. That is the justification for consulting the Committee on Fisheries, of which I am a member, on this report.

The Committee on Development and its rapporteur sought to impose this report on us in October, with no possibility of its being amended, and its request was rejected. The Committee on Fisheries has therefore been able to propose improvements to the report in the form of better regional cooperation and, above all, the inclusion of overseas countries and territories.

The opinion of the Committee on Fisheries was adopted unanimously by its members in November. What now happens is that, on the eve of the debate in plenary, we are told that our opinion will not in the end be included and that only a few arbitrarily selected aspects of our opinion will be proposed as new amendments.

In view of our indignation, it was decided to add our opinion to the final report as an ‘erratum/addendum’, without a vote, which is scarcely any better.

The strategy in question was designed, in particular, to strengthen the political dialogue between the EU and the Pacific islands. More dialogue between our parliamentary committees, which are not, for their part, separated by thousands of kilometres, would certainly be just as desirable.

Lehne Report (A6-0434/2006)

Jan Andersson, Anna Hedh, Inger Segelström and Åsa Westlund (PSE), in writing. (SV) If a new company statute is to be established at European level, it is important for existing legislation in the Member States on workers’ influence, codecision and representation on boards not to be impaired. Of the amendments tabled prior to the vote, we have therefore chosen to support those by the Confederal Group of the European United Left/Nordic Green Left and by the Group of the Greens/European Free Alliance, because they are better than the amendment tabled by the Group of the European People’s Party (Christian Democrats) and European Democrats.

Jean-Pierre Audy (PPE-DE), in writing. – (FR) I voted in favour of the excellent report by Mr Lehne, which sends a very important message to the Commission on the need to provide entrepreneurs with a means of ensuring the functioning and development of their businesses in the internal market. Like Mr Lehne, I feel that the time has come to enact laws to set up the European Private Company as a reliable legal form for small and medium-sized undertakings (SMEs) engaged in cross-border business. It is not possible, on a sustainable basis, to try to construct the internal market without simplifying life for SMEs that want to develop. The report contains some very interesting proposals, for example to allow SMEs with capital of EUR 10 000 to have a single entity that can develop in all European countries without having to register in each Member State, and whereby one single set of European rules is observed, rather than various national regulations. Naturally, workers’ rights are not affected by these proposals, which deal solely with the European Private Company.

David Martin (PSE), in writing. I voted in favour of this report as the public hearing held in the Committee on Legal Affairs on 22 June 2006 underscored the need for an European Private Company as a legal form for small and medium-sized undertakings engaged in cross-border business. In order to consolidate the single market and thereby achieve the desired improvement in the economic and social conditions in the Community, one clear priority is the elimination of barriers to trade.

9. Corrections to votes and voting intentions: see Minutes

10. Assignment conferred on a Member: see Minutes

11. Membership of committees and delegations: see Minutes

12. Decisions concerning certain documents: see Minutes

13. Forwarding of texts adopted during the sitting: see Minutes

14. Dates for next sittings: see Minutes

15. Adjournment of the session

President. I declare suspended this session of the European Parliament.

(The sitting was suspended at 12.30 p.m.)