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Committee on International Trade

2006/2101(INI)

31.5.2006

OPINION

of the Committee on International Trade

for the Committee on Economic and Monetary Affairs

on the Commission White Paper on services of general interest
(2006/2101(INI))

Draftswoman: Françoise Castex

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SUGGESTIONS

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

1. Considers that the WTO Doha round must focus on development and, accordingly, that negotiations on trade in services must serve both the interests of the EU and the economic growth of the poorest countries;
2. Recalls that GATS is causing concern among the citizens of Europe; stresses, therefore, the vital need for transparency in the negotiation process, and for the assessment of the impact of liberalisation on public services;
3. In the interests of greater legal certainty as regards the functioning of services of general interest, supports the political objective that the provision of services must be centred on freedom of choice for the level of government responsible and that such services must be provided on its own initiative, in cooperation with private undertakings or by third parties; considers that the Commission must seek to secure this objective in all the negotiations it conducts in the context of world trade;
4. Stresses that the fundamental objectives pursued by SGIs (equality of access, security of supply, high quality, universal service, continuity, legal certainty, accountability, and consumer and user protection) can most often be achieved by means of appropriately regulated competition between private or public service providers, and that a needlessly restrictive attitude on the part of the Member States would risk closing off access for European operators to a number of international markets in services;
5. Stresses the contribution by services of general economic interest and non-economic services to promoting social and territorial cohesion and ensuring public access to affordable, high quality services, giving particular attention to agricultural regions, regions undergoing industrial conversion and regions confronted with serious ongoing geographic or demographic problems, such as the sparsely populated regions of the far north, islands and cross-border and mountain regions;
6. Maintains that trade in services of general interest should be taken into account in all negotiations and processes aimed at the liberalisation of trade in which the EU is involved;
7. Points out that no new obligations may be entered into in respect of education and health services, and that cultural services, in particular audiovisual services, must remain exempt, as is currently the case;

8. Stresses that water quality guarantees and universal access to drinking water are essential for the people of Europe and of the world, particularly in less developed countries, which means that this sector must not be open to liberalisation and deregulation;
9. Calls on the Commission to not enter into new obligations with respect to infrastructure services of general interest, such as energy and water provision and waste water treatment, until such time as a framework directive defines which services public authorities at all levels in EU Member States may designate as services of general interest with reference to public interest objectives;
10. Recalls, firstly, that the principles of GATS do not impose either privatisation or deregulation, nor do they prescribe a particular degree of liberalisation as such or exclude the imposition of public service obligations; secondly, recalls that under GATS, WTO members have the right 'to regulate (...) the supply of services within their territories in order to meet national policy objectives';
11. Calls, nevertheless, for a precise clarification from the Commission of the limits on the right to regulate, with a view to assessing under what circumstances the application of commercial criteria such as the "necessity requirement" and the "least trade-restrictive requirement" endangers the public authorities' freedom of regulation;
12. Considers that the legitimate requirements of general interest must not be used as a pretext for the improper closure of markets in services to international providers when the latter undertake to respect these requirements and are in a position to do so;
13. Points out that the international agreements concluded by the Community and the obligations attaching thereto must be compatible with internal Community policies and rules;
14. Emphasises, therefore, that specific commitments entered into in the context of GATS negotiations must not go beyond granting to foreign service providers the market access and national treatment that Community service providers enjoy within the internal market in sectors open to competition, in accordance with the rules in force; account must, however, be taken in this connection of the extent to which liberalisation has been implemented in various sections of the internal market, and a prior evaluation of the economic, social and environmental impact of the liberalisation process should be carried out;
15. Recalls that no balanced liberalisation of international trade can take place without a concomitant opening of the markets in goods and services, and that it must be possible for the technical skills of the major service providers from the developed world to be placed at the service of the developing countries, which implies some reciprocity in the opening of services markets within and outside the European Union;
16. Recalls that, as regards the financing of services of general interest in respect of which commitments on market access have been entered into, the EU obtained a restriction to protect the granting of subsidies to the public sector; calls for this possibility to be maintained throughout the GATS negotiations;

17. Stresses, in the context of the new multilateral GATS negotiation method, the need for the European Union to ensure that the new process takes due account of the scope for flexibility offered by GATS, particularly Article XIX which states that the process of liberalization shall take place with due respect for national policy objectives and the level of development of individual Members, and that there shall be appropriate flexibility for individual developing countries for opening fewer sectors and liberalizing fewer types of transactions;
18. Considers that certain products, particularly water, and the services relating to those products, constitute global public goods with a special status, that they have a considerable direct impact on the everyday life of people and should therefore be the subject of special treatment in the interest of sustainable development;
19. Calls for the EU to defend this point of view in the WTO negotiations and to support the principle that opening up the market in services relating to the treatment, supply and purification of water should comply with the objectives of sustainable development;
20. Stresses that LDCs should not be placed under pressure to liberalise their services, particularly SGIs; considers that any failure of the current round of multilateral negotiations might lead, in the context of bilateral agreements, to additional pressure on poor countries to open their markets, particularly those relating to services;
21. Stresses that some developing countries and LDCs are finding it difficult to regulate service sectors which were formerly the responsibility of the public authorities or were in state ownership; calls, therefore, on the Commission to ensure that requests to developing countries relating to SGIs are accompanied by technical assistance and economic cooperation measures;
22. Considers that any proposals by the Commission in the debate on the reform of the WTO, and in particular proposals relating to services, should be discussed in good time and in depth with the European Parliament and its relevant committee;
23. Welcomes the fact that the Commission has publicised the Community's package of offers in the current GATS negotiations; considers, however, that the Commission should discuss current developments in greater detail with Parliament and its relevant committees.

PROCÉDURE

Title	Commission White Paper on services of general interest
Procedure number	(2006/2101INI)
Committee responsible	ECON
Opinion by Date announced in plenary	INTA 18.5.2006
Enhanced cooperation – date announced in plenary	
Draftswoman Date appointed	Françoise Castex 15.3.2005
Previous drafts(wo)man	
Discussed in committee	3.5.2006
Date of adoption	30.5.2006
Result of final vote	+: 20 -: 2 0: 1
Members present for the final vote	Jean-Pierre Audy, Enrique Barón Crespo, Daniel Caspary, Françoise Castex, Giulietto Chiesa, Christofer Fjellner, Béla Glattfelder, Syed Kamall, Sajjad Karim, Caroline Lucas, Helmuth Markov, David Martin, Georgios Papastamkos, Godelieve Quisthoudt-Rowohl, Tokia Saïfi, Robert Sturdy, Johan Van Hecke, Daniel Varela Suanzes-Carpegna, Zbigniew Zaleski
Substitute(s) present for the final vote	Margrietus van den Berg, Saïd El Khadraoui, Elisa Ferreira, Mauro Zani
Substitute(s) under Rule 178(2) present for the final vote	
Comments (available in one language only)	...