



EUROPEAN PARLIAMENT

2009 - 2014

Committee on International Trade

2011/2011(INI)

14.7.2011

OPINION

of the Committee on International Trade

for the Committee on Economic and Monetary Affairs

on Global Economic Governance
(2011/2011(INI))

Rapporteur: Yannick Jadot

PA_NonLeg

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. Welcomes steps to measure global imbalances by a set of indicative guidelines against which a set of jointly agreed indicators will be assessed in order to reduce excessive and persistent macroeconomic imbalances and maintain countries' current account imbalances at sustainable levels, including 'the external imbalance composed of trade balance and net investment income flows and transfers' agreed by the G-20 Finance Ministers Summit in Paris on 19 February 2011 and their commitment to strengthening multilateral cooperation in view of coordinated policy action by all G20 members with a view to achieving strong, sustainable and balanced growth;
2. Is concerned about the persistence of dynamics of increasing imbalances at the global level, as shown by the rising current account deficits of the EU and the US throughout the year 2010;
3. Calls on the Commission and the Member States to focus on decreasing the Union's dependence on energy imports in order to curb imported inflation and regain commercial balances with oil-producing countries;
4. Considers that global trade imbalances are partly due to and reinforced by insufficient conditions and infrastructure for competitive market economies to generate wealth worldwide, and in particular in least developed countries (LDCs) and small island developing states (SIDs);
5. Calls on the Commission to design a comprehensive mechanism, largely based on and strongly interlinked with WTO regulations, that would prevent the use of trade as a foreign-policy tool in a way contrary to internationally recognised democratic values, as reflected in the Charter of the United Nations;
6. Notes that trade liberalisation can conflict with climate protection if certain countries seek a competitive advantage by failing to act on climate issues; suggests, therefore, a reform of the WTO anti-dumping rules to include the issue of a fair environmental price, in accordance with global climate protection standards;
7. Underlines the fact that the production of global public goods such as climate protection and the fulfilment of the Millennium Development Goals could be favoured by an EU qualified market access framework;
8. Underlines the fact that, in order to target and tackle global trade imbalances, the WTO must play a more active role in the context of exchange rate setting and the role of reserve currencies, reiterating that, according to the OECD, owing to the growth in world trade and investment, the financial openness of its countries has more than doubled since the mid-1990s; is convinced that, in order to preserve this openness, we should avoid over-regulation in certain jurisdictions, which exacerbates these imbalances; reiterates also the

need for better regulation of credit rating agencies at global level;

9. Urges the European Member States sitting on the Executive Board of the IMF to explore and propose a new multilateral framework for exchange rate management, including a commonly accepted monitoring mechanism based on Real Effective Exchange Rates (REER);
10. Is particularly concerned about the need to curb food price volatility; urges the Commission to present the European Parliament with an independent impact assessment on the challenges posed to both consumers and producers by this trend and to suggest measures to improve supply chain and storage facilities to avoid waste during production and transportation to markets and look into the impact of low interest rates on commodity markets; calls on the Commission to design a specific EU Commodity Futures Trading Committee, following the US model, to draw up stricter regulations on commodities trading and global standards for clearing contracts, including a competence to set individual and aggregated position limits on all commodity futures exchanges;
11. Calls on the Commission to raise at the next EU-USA meeting of the Transatlantic Economic Council (TEC) the issue of mutual cooperation on supervision of commodity derivatives in line with existing transparency and market abuse regulation;
12. Calls on the EU to implement declarations by the G8/G20 summits, in particular with regard to subsidies for fossil fuels and agriculture, taking into account the OECD guidelines in this domain, and to food price volatility and commodities markets;
13. Calls on the Commission to revise its trade strategy with regard to strengthening south-south trade and intra-regional trade in other parts of the world in order to decrease the vulnerability of many small economies and to contribute to the development of strengthened economic partners in the future;
14. Recalls that all current EU trade agreements need to include a strong sustainability chapter; emphasises, in this context, that economic governance needs to serve social and environmental advancement and must not be limited to purely monetary criteria;
15. Believes that, in order to allow developing countries to obtain more benefits from trade and to ensure decent working conditions and decent wages for all workers, the EU has a strong interest in strengthening the ILO and in encouraging its participation in the work of the WTO and the monitoring of sustainability chapters linked to the GSP;
16. Calls on the Commission to redefine the EU trade and investment strategy to include the BRIC countries as future major trading partners with their own interest in a common global network of interlocked interests of socially and ecologically sustainable development;
17. Is of the opinion that Multilateral Development Banks should provide additional resources more effectively in order to target specific local needs, support long-term investments and consolidate local economies;
18. Calls on the EU always to promote fair trade, democracy, human rights, decent working

conditions and sustainable development in its trade policies, in accordance with the Lisbon Treaty, its internal agenda and the Millennium Development Goals;

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	13.7.2011
Result of final vote	+: 17 -: 5 0: 5
Members present for the final vote	William (The Earl of) Dartmouth, Laima Liucija Andrikienė, Kader Arif, David Campbell Bannerman, Daniel Caspary, Marielle De Sarnez, Christofer Fjellner, Metin Kazak, David Martin, Vital Moreira, Paul Murphy, Cristiana Muscardini, Franck Proust, Godelieve Quisthoudt-Rowohl, Niccolò Rinaldi, Helmut Scholz, Peter Šťastný, Keith Taylor, Paweł Zalewski
Substitute(s) present for the final vote	Josefa Andrés Barea, José Bové, George Sabin Cutaş, Norbert Glante, Syed Kamall, Elisabeth Köstinger
Substitute(s) under Rule 187(2) present for the final vote	Rosa Estaràs Ferragut, Vicky Ford