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RC1

## JOINT MOTION FOR A RESOLUTION

pursuant to Rule 37(4) of the Rules of Procedure by

- Wim van Velzen and Konrad Schwaiger, on behalf of the PPE-DE Group
- Margrietus J. van den Berg and Eryl Margaret McNally, on behalf of the PSE Group
- Nicholas Clegg, Elly Plooi-j-van Gorsel, Colette Flesch, Marieke Sanders-ten Holte and Willy C.E.H. De Clercq, on behalf of the ELDR Group

replacing the motions by the following groups:

- PPE-DE (B5-0322/2003),
- ELDR (B5-0330/2003),
- PSE (B5-0334/2003),

on preparations for the 5th World Trade Organisation Ministerial Conference  
(Cancun, Mexico, 10-14 September 2003)

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PE 333.844}  
PE 333.880}  
PE 333.884} RC1

## **European Parliament resolution on preparations for the 5th World Trade Organisation Ministerial Conference (Cancun, Mexico, 10-14 September 2003)**

### *The European Parliament,*

- having regard to its resolution of 18 November 1999 on the communication from the Commission to the Council and the European Parliament on the EU approach to the WTO Millennium Round<sup>1</sup>, its resolution of 15 December 1999 on the Third Ministerial Conference of the World Trade Organisation in Seattle<sup>2</sup> and its resolution of 13 March 2001 on the WTO Built-in Agenda negotiations,<sup>3</sup>
  - having regard to the results of the 4th WTO Ministerial Conference Declaration adopted on 14 November 2001 in Doha, and having regard to its resolution on the Fourth WTO Ministerial Conference (B5-0691/2001),<sup>4</sup>
  - having regard to its resolution of 12 March 2003 on the General Agreement on Trade in Services (GATS) within the WTO, including cultural diversity,<sup>5</sup> its resolution of 12 February 2003 on the WTO agricultural trade negotiations,<sup>6</sup> its resolution of 4 July 2002 on core labour standards<sup>7</sup> and its resolution of 25 October 2001 on openness and democracy in international trade,<sup>8</sup>
1. Underlines that the successful outcome of the Doha Development Round negotiations remains an important factor in bolstering economic growth worldwide and strengthening multilateralism and global governance; reiterates its commitment to the objective of reforming the world trade system in the interests of fairness, democracy, sustainable development and the fight against poverty; endorses the general negotiating approach as laid down in the Council mandate for the 3rd WTO Ministerial Conference in Seattle, and calls on all WTO members to take the necessary substantive decisions in Cancun to conclude the Single Undertaking within the agreed deadlines;

### ***Development***

2. Believes that the Doha Development Round represents a supreme test of the WTO's capacity to correct the imbalances in the world trade system, ensure a fairer distribution of the gains from trade and support sustainable development; to that end, considers that it is essential that the industrialised countries make very substantial offers to developing countries in the areas of industrial and agricultural market access, implementation issues, including special and differential treatment, providing effective preferences to the most vulnerable developing

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<sup>1</sup> OJ C 189, 7.7.2000, p. 213.

<sup>2</sup> OJ C 296, 18.10.2000, p. 121.

<sup>3</sup> OJ C 343, 5.12.2001, p. 96.

<sup>4</sup> B5-0691/2001.

<sup>5</sup> P5\_TA-PROV(2003)0087.

<sup>6</sup> P5\_TA-PROV(2003)0053.

<sup>7</sup> A5-0251/2002.

<sup>8</sup> A5-0331/2001.

countries;

3. Recalls that the WTO negotiations are to be conducted with a view to promoting the economic growth of all trading partners and the development of the developing and least developed countries, and that the WTO negotiations should be measured against that overriding goal;
4. Remains concerned that many developing countries have not shared fully in the benefits derived from the previous round, and are often unable to muster the necessary resources to participate fully in the WTO negotiations and to defend their own rights within the WTO;
5. Stresses the need to reinforce capacity building by means of appropriate technical assistance designed not only to improve knowledge of the rules in force in the recipient countries but also, above all, to help them develop their commercial and exporting capacity and to diversify their production bases as well as to replace customs resources by other fiscal resources;
6. Emphasises that a solution to the access to medicines issue which does not limit WTO members to protecting their own public health must be found as a matter of urgency; recalls that imposing new constraints limiting either the categories of public health problem or the categories of country to which the compulsory import licence mechanism applies, or, similarly, any move to quantify and arbitrate on the adequacy of local manufacturing capacity would violate the spirit of that declaration; stresses that all necessary measures should be taken to prevent the export of cheap medicines back to Europe;

#### ***Market access for agricultural products***

7. Believes in the need substantially to reduce, with a view to their elimination, export subsidies and domestic supports by all WTO members, with the exception of domestic support linked to non-trade concerns; in view of the reform of the Common Agricultural Policy, calls on all industrialised countries, especially the United States, to match the EU's commitments;
8. Asks for enhanced recognition of non-trade aspects of agricultural policy by strengthening non-trade-distorting agricultural support measures through the 'green box', to ensure that well-targeted and transparent support measures to promote environmental and rural development, employment and animal welfare goals are exempted from reduction commitments; and a clarification of the green, blue and amber box classifications;
9. Underlines that a successful conclusion of the negotiations on market access for agricultural products is one of the most important parts of the Single Undertaking; urges all major players, including the USA and the Cairns Group, to show greater flexibility; believes that all industrialised countries must accept substantial and early reductions in agricultural tariffs and quantitative restrictions on agricultural imports from developing and least developed countries, and allowing developing and least developed countries the flexibility they need, in respect of market access and domestic support commitments, in the interests of their subsistence farming sector and their development and food security needs; welcomes the proposal to introduce a so-called food security box;

10. Considers that the EU and all developed countries should make further efforts to improve the

income of the poorest developing countries through assistance with diversifying production and increasing the export of locally processed high-value products to their markets;

### ***Precautionary principle***

11. Emphasises the need to clarify, within GATT, the meaning of ‘precautionary principle’, in order to avoid misunderstandings or differences in interpretation; recommends the formula agreed at the Conference on the Environment and Development in Rio and calls for the recognition of this definition within the WTO; considers that there should be no increased scope for protectionist measures, but greater clarity about what is, and what is not, WTO-compatible;

### ***Industrial market access***

12. Stresses the need for agreements on modalities with regard to market access for industrial goods which reflect the high level of ambition of the Doha mandate; considers that tariff peaks, high tariffs and tariff escalation should be reduced or eliminated and that tariff cuts should affect all sectors without sheltering specific sectors; asks the WTO members to respect the non-reciprocity principle agreed in Doha;
13. Underlines that industry continues to face pervasive behind-the-border trade obstacles, thus frustrating enhanced market access; calls for a clear distinction between legitimate regulatory measures and the use of measures to establish unjustified barriers to trade; suggests a WTO register for all WTO members’ import regulations and an obligation to notify modifications to the WTO in order to facilitate exports by Small and Medium-sized Enterprises;
14. Recalls that the EU has already substantially reduced its tariffs for textiles and clothing; calls on all WTO members to improve the conditions of market access for this sector by means of tariff harmonisation and the elimination of all non-tariff barriers; calls on the Commission to develop measures and commit resources to help the least developed countries take advantage of trade preferences;

### ***TRIPS***

15. Underlines, within TRIPs, the importance of implementing, within the agreed timetable, rules concerning trademarks for producers and consumers, requests the reinforcement of these rules and that special attention be devoted to the issue of designs and models and to the question of the international exhaustion of trade marks, as well as actions against counterfeiting and piracy;
16. Believes that the application of Geographical Indications to protect quality foodstuffs from the regions of the EU will contribute greatly to rural development, and urges the Commission to continue to press hard for the establishment of a system of notification and registration of such products in addition to that for wines and spirits;
17. Notes that the latter proposal, in particular, enjoys strong support from developing countries which see names traditionally associated with their products being pirated by western producers; welcomes also the lead taken by the EU in setting out useful proposals for

clarifying the relationship of TRIPs with the Convention on Biodiversity, traditional knowledge and folklore, and for strengthening farmers' rights, and regrets that discussions on all these issues seem to be deadlocked;

18. Regrets that there is little sign of steps towards a wider review of the impact of TRIPs on developing countries, which should be the principal focus of the ongoing Article 71.1 review of the implementation of TRIPs; insists that at Cancun this wider issue must be given a more central role in the DDA, if the latter is to be genuinely a development round;

### ***Singapore issues***

19. Recognising the economic interest for EU operators, as well as the potential development benefits, of multilateral agreements in areas such as competition, investment, trade facilitation and government procurement, supports the formal launch of negotiations on the so-called Singapore issues, based only on the explicit consent of all WTO members;
20. Considers, however, that for these benefits to materialise, the legitimate concerns of developing countries regarding the complexity and scope of negotiations in these areas need to be urgently addressed; takes the view that this should include reassurances that developing countries will be able to impose reasonable restrictions and qualifications where their national economic interest is clearly at stake; believes that substantial technical assistance must also be guaranteed to allow developing country negotiators to participate fully and effectively in these negotiations;

### ***Rules***

21. Underlines that a satisfactory result on trade defence instruments is a precondition for the successful termination of the round and expects a more rules-based approach as much from industrialised countries as from developing countries; considers that procedural rules, rules on transparency and rules on circumvention should be improved and a swifter mechanism for the initiation of panels and better rules on circumvention should be established;
22. Calls for enhanced transparency with regard to general subsidies by enforcing the notification obligation and the inclusion of disciplines such as disguised R&D subsidies, state-controlled entities and local content subsidies;
23. With regard to fisheries subsidies, stresses the importance of restoring sustainable fisheries; takes the view that subsidies to alleviate the social consequences of capacity reductions or help to reduce capacities should therefore be allowed; believes that subsidies which encourage production or capacity should be prohibited;

### ***Environment***

24. Takes the view that this should end with, inter alia, the inclusion of provisions aimed at safeguarding environmental sustainability: full incorporation of the precautionary principle into WTO rules; the insulation of MEAs from unwarranted challenges within the WTO; a closer relationship between the WTO and international environmental bodies, notably UNEP; the strengthening of the MEAs and their own dispute settlement mechanisms; and further reflection on the way WTO rules apply to Process and Production Methods (PPMs), as well

as the way in which the burden of proof on environment and public safety matters falls upon importing countries;

25. Believes that WTO rules and decisions must support and not interfere with the objectives and effectiveness of the MEAs; considers the scope of the negotiations under paragraph 31(i) of the Doha Ministerial Declaration too narrow and tightly prescribed; would therefore support an independent initiative to discuss the WTO-MEAs relationship;

### ***GATS***

26. While noting that negotiations on the initial offers under the GATS negotiations are ongoing and not intended to be the subject of decisions in Cancun, calls nonetheless for substantive agreement to initiate the full assessment of trade in services, which is provided for in Article XIX of the GATS but not yet activated;
27. Reaffirms the principles set out in its resolution of 12 March 2003 on the General Agreement on Trade in Services (GATS) within the WTO, including cultural diversity; welcomes the fact that no EU offers are proposed in the health, education and audio-visual sectors, and calls on the Commission to maintain this position throughout the GATS negotiations and to ensure that no circumvention of this right can take place; stresses, however, that this should not be used as precedent to exclude additional sectors from GATS;

### ***Core Labour Standards***

28. Recalls the reaffirmation in Doha of the Singapore Ministerial's commitment on labour rights; believes, however, that further progress is essential; calls therefore on the Cancun Conference to demonstrate the WTO members' commitment to core labour standards and to agree on the inclusion of core labour standards in WTO trade policy reviews;
29. Calls on the Commission, in and after Cancun, to continue its efforts to ensure that the trade system is supportive of core labour standards, in particular by pressing for the following steps to be taken:
- a first-ever meeting of Trade and Labour Ministers should be organised, with the participation of social partners;
  - to enable a full examination of the relationship between trade and core labour standards, the WTO, with the full and equal participation of the ILO, should establish a formal structure to address trade and core labour standards;
  - the WTO General Council should undertake to give serious consideration to the recommendations, once they are published, of the ILO World Commission on the Social Dimensions of Globalisation;
  - a WTO clarifying statement should make clear that the weakening of internationally recognised core labour standards in order to increase exports, as in export processing zones, is a trade-distorting export incentive that is not permissible under WTO rules;

### ***Dispute settlement understanding***

30. Suggests that a permanent panel body be established; that recourse to compensatory measures, in the event of non-compliance with Dispute Settlement Body rulings, should be facilitated, that transparency and openness should be enhanced, without jeopardising the necessary confidentiality, and that access to the dispute settlement system should become cheaper and easier for developing countries;

### ***Democracy and global governance***

31. Further believes that public confidence depends upon the capacity of the WTO to demonstrate that the trade system serves, rather than subordinates, our citizens' aspirations to environmental and social progress, human rights, food safety, good public services, core labour standards and a wide range of non-trade public goods;
32. Believes that such issues can only be adequately addressed through a wider reform of global governance, establishing a more balanced and better-articulated relationship between the WTO and other international organisations such as the ILO and the MEA secretariats; calls on the Commission to insist in Cancun that the issues of democracy, transparency and openness be put firmly back on the WTO's negotiating agenda;
33. Calls on the Ministerial Conference to enhance the democratic accountability and openness of the WTO, both at the level of WTO members and through the creation of a WTO Parliamentary Assembly;
34. Reiterates its call for a consultative WTO Parliamentary Assembly composed of representatives of the WTO members' parliaments and which is competent for trade; calls on the parliamentarians who are going to meet at the 5th Ministerial Conference to continue the work started at Seattle and continued ever since by joint efforts of WTO members' parliaments;
35. Calls on WTO members and the WTO to provide sufficient support to their parliamentarians to take part in the development of the parliamentary dimension of the WTO; urges the Commission and the Member States to press for this proposal's inclusion in the Ministerial Declaration;

### ***Internal institutional aspects***

36. Calls on the Commission to keep it fully informed, before and during the Ministerial Conference in Cancun and throughout the negotiations, and to discuss with it regularly, on the basis of the resolutions adopted by Parliament, the essential elements of the EU's negotiating strategy; recalls the right secured at the close of the Uruguay Round to subject the conclusion of the results of the New Round to a vote of assent;
37. In this context, welcomes the fact that the draft Constitution produced by the Convention on the Future of Europe grants the European Parliament the power of assent on all international trade agreements, while regretting that it does not propose a formal parliamentary role in the opening of negotiations. Calls on the IGC to confirm the power of assent and to associate Parliament with the definition of negotiating directives the draft constitution;

38. Instructs its President to forward this resolution to the Council, Commission, the governments and parliaments of the Member States and the Director-General of the WTO.