

Euro-Mediterranean economic and trade partnership

European Parliament resolution of 25 November 2009 on the Euro-Mediterranean economic and trade partnership ahead of the 8th Euromed Ministerial Conference on Trade – Brussels – 9 December 2009

The European Parliament,

- having regard to the Barcelona Declaration, adopted at the first Euromed Ministerial Conference held on 27-28 November 1995, which established a partnership between the European Union and the southern and eastern Mediterranean countries (SEMCs),
- having regard to the Commission's Communication of 11 March 2003 entitled 'Wider Europe – Neighbourhood: A New Framework for Relations with our Eastern and Southern Neighbours' (COM(2003)0104); to its European Neighbourhood Policy (ENP) strategy paper of 12 May 2004 (COM(2004)0373); to its Communication of 9 December 2004 on its proposals for action plans under the ENP (COM(2004)0795); to the action plans for Israel, Jordan, Morocco, the Palestinian Authority, Tunisia and Lebanon, and to Regulation (EC) No 1638/2006 of the European Parliament and of the Council of 24 October 2006 laying down general provisions establishing a European Neighbourhood and Partnership Instrument¹,
- having regard to the Euro-Mediterranean Association Agreements between the European Communities and their Member States, of the one part, and Tunisia², Israel³, Morocco⁴, Jordan⁵, Egypt⁶, Lebanon⁷ and Algeria⁸, of the other part, and the Euro-Mediterranean Interim Association Agreement on Trade and Cooperation between the Communities and the Palestinian Liberation Organization (PLO) (for the benefit of the Palestinian Authority)⁹;
- having regard to Decision No 1/95 of the EC-Turkey Association Council of 22 December 1995 on implementing the final phase of the Customs Union¹⁰,
- having regard to the free trade agreement, known as the Agadir Agreement, signed by Jordan, Egypt, Tunisia and Morocco on 25 February 2004,
- having regard to the conclusions of the Euro-Mediterranean Ministerial Conferences and Sectoral Ministerial Conferences that have taken place since the launch of the Barcelona

¹ OJ L 310, 9.11.2006, p. 1.

² OJ L 97, 30.3.1998, p. 2.

³ OJ L 147, 21.6.2000, p. 3.

⁴ OJ L 70, 18.3.2000, p. 2.

⁵ OJ L 129, 15.5.2002, p. 3.

⁶ OJ L 304, 30.9.2004, p. 39.

⁷ OJ L 143, 30.5.2006, p. 2.

⁸ OJ L 265, 10.10.2005, p. 2.

⁹ OJ L 187, 16.7.1997, p. 3.

¹⁰ OJ L 35, 13.2.1996, p. 1.

Process, and particularly the conclusions of the 6th Euro-Mediterranean Ministerial Conference on Trade held in Lisbon on 21 October 2007 and the 7th Euro-Mediterranean Ministerial Conference on Trade held in Marseilles on 2 July 2008,

- having regard to the Paris Summit for the Mediterranean of Euro-Mediterranean Heads of State and Government of 13 July 2008 which created the Union for the Mediterranean (UfM),
 - having regard to the sustainability impact assessment (SIA) of the Euro-Mediterranean Free Trade Area (FTA) drawn up by Manchester University's Institute for Development Policy and Management,
 - having regard to the final declaration of the Euromed Summit of Economic and Social Councils and Similar Institutions held in Alexandria on 18 and 19 October 2009,
 - having regard to the meeting of Euro-Mediterranean Trade Senior Officials held on 11 November 2009 in Brussels,
 - having regard to its previous resolutions on the EU's Mediterranean policy, in particular that of 15 March 2007 on the construction of the Euro-Mediterranean free trade zone¹ and that of 19 February 2009 on the Barcelona Process: Union for the Mediterranean²,
 - having regard to Rule 115(5) of its Rules of Procedure,
- A. whereas the 1995 Barcelona Conference launched a very ambitious project, namely the creation of new and closer political, economic, social and cultural ties between the northern and southern shores of the Mediterranean, and whereas that project is still a long way from completion,
- B. whereas the process of establishing the UfM, which is intended to revitalise the Euro-Mediterranean integration process by means of concrete and visible projects, is still under way; whereas no Euromed meetings were scheduled between January and July 2009 because of the conflict in the Gaza Strip,
- C. whereas the meeting of Euromed Foreign Affairs Ministers which was to have been held in Istanbul on 24-25 November 2009 has had to be postponed owing to a boycott by the Arab States, in protest against the Israeli position on the Middle East peace process,
- D. whereas the EU has signed association agreements with all its southern Mediterranean partners, with the exception of Syria and Libya; whereas the negotiations with Syria for an association agreement have been concluded, but its signing was postponed by Syria, and whereas the Commission has opened negotiations with Libya,
- E. whereas the bilateral approach, which is a component of any such process and a consequence of the specific cultural, social, economic and political differences between the countries involved, should be led and supported by a more global vision and plan for relations among the various partners, and thus accompanied by a regional approach,
- F. whereas the two shores of the Mediterranean continue to present a strikingly asymmetrical

¹ OJ C 301 E, 13.12.2007, p. 210.

² Texts adopted, P6_TA(2009)0077.

picture in economic, social and demographic terms, evidencing a wealth gap which is at the roots of instability and migratory and environmental pressures in the region; whereas there are significant differences between the Mediterranean countries in terms of development; and whereas more than 30% of the population in the SEMCs lives on less than USD 2 a day,

- G. whereas the economies of the SEMCs are highly dependent on foreign trade; whereas around 50% of their trade flows are to the EU, although they account for only 8% of the EU's external trade, with a positive balance for the EU; and whereas the export structures of the SEMCs are very poorly diversified and these countries remain specialised in sectors which bring little in the way of growth,
- H. whereas the EU is the major foreign investor in the region but foreign direct investments (FDIs) remain very low there compared to other parts of the world, and whereas there are great differences, from one country to another, in the capacity to attract FDIs,
- I. whereas South-South regional integration is far from being achieved, and whereas South-South trade flows are underdeveloped, accounting for only 6% of the SEMCs' total trade,
- J. whereas this situation could have very harmful effects on the Euro-Mediterranean integration process, and on the food security and sovereignty of the SEMCs in particular, by exacerbating the effects of trade concentration, such as increasing dependence on a few – mainly agricultural – items exported to the EU while in parallel increasing the need for basic food imports, and therefore not benefitting the SEMCs and their enterprises,
- K. whereas the SEMCs must remove the political and economic obstacles which are currently standing in the way of the integration process throughout the area in order to achieve more fruitful collaboration amongst themselves,
- L. whereas textiles, clothing and footwear producers on the two shores of the Mediterranean are losing much of their market shares owing to a globalised marketplace and strong competition from Asia,
- M. whereas the FTA, if it is to have real positive effects, should boost the integration of the SEMCs into international trade and ensure their economic diversification, with fair sharing of the resultant benefits, in order to achieve the main objective of the Euro-Mediterranean economic and trade partnership, namely the reduction of the development gap between the northern and southern shores of the Mediterranean,
- N. whereas the effects of the economic and financial crisis have aggravated the already existing political, economic and social challenges in the partner countries, particularly in relation to the problem of unemployment; whereas it is in the common interest of those countries and the EU to bring down unemployment rates in the region and to offer decent prospects to the populations concerned, particularly women, young people and the rural population,
- 1. While acknowledging certain improvements, deplores the fact that the Euro-Mediterranean partnership's main objectives are still far from being achieved; stresses that the success of this process, and of the FTA in particular, which could contribute to peace, prosperity and security in the entire region, requires a sustained and convergent effort from all parties and greater involvement of civil society and of the people on both shores of the Mediterranean;

2. Considers that numerous difficulties, not only economic but also political, such as the Middle East conflict, have had a considerable negative impact on the progress and development of this process, and of the FTA in particular; deplores the fact that for these same political reasons, the ministerial meeting of Euromed Foreign Affairs Ministers which was to have been held on 24-25 November 2009 in Istanbul was postponed and the UfM is not moving forward;
3. Recalls the definition in the UfM of significant projects in strategic sectors, such as the building up of new infrastructures, cooperation between small and medium-sized enterprises (SMEs), communications and the exploitation of renewable energy sources, in order to contribute to the development and to the facilitation of Euro-Mediterranean trade and investments; calls for meetings scheduled within the UfM framework to continue to be held and for a permanent secretariat to be established in Barcelona;
4. Regards the current obstacles as an indication that the deepening of economic relations must progress hand-in-hand with a deepening of political relations; believes that genuine regional and economic integration can be achieved only if concrete progress is made in settling existing conflicts and in the field of democracy and human rights;
5. Calls on the Commission, the Member States and the SEMCs to take into account the effects of the financial, economic and environmental crisis by incorporating social and environmental concerns into the economic and trade partnership to a greater extent; calls on the governments of the SEMCs to implement consistent and effective employment and social protection policies in order to mitigate the effects of the crisis;
6. Points out in this regard that the objective of the FTA cannot be measured simply in terms of economic growth, but also, and above all, in terms of job creation; points out that youth and female unemployment is the most pressing social issue in the Mediterranean countries;
7. Underlines the importance of the regional integration of the SEMCs and of increasing South-South trade; regrets that South-South cooperation is still under-developed;
8. Strongly encourages the SEMCs to develop South-South trade, taking their lead from the Agadir Agreement signed by Egypt, Jordan, Morocco and Tunisia; regards this measure as essential to regional integration; calls on the other countries in the region to join that agreement to further develop the integration initiatives in which the SEMCs are engaged and to exploit synergies with the deepening of the Euro-Mediterranean Association Agreements between SEMCs and the EU; stresses that the EU institutions must respond positively to requests for technical and financial support to promote such South-South economic integration;
9. Considers that the cumulation of origin system should be strengthened, since it is a useful customs tool for revitalising trade in the area, and that rules of origin should be updated and simplified in order to take account of the interests of the Euromed partners; calls on the Euro-Mediterranean trade ministers to endorse the regional convention on the Pan-Euro-Mediterranean system of rules of origin, which paves the way for simplification of rules of origin, and to take further steps towards implementing the Pan-Euro-Mediterranean cumulation of origin system;
10. Notes that Euro-Mediterranean trade ministers are due to discuss measures to address the current weakness of Euromed trade and economic relations, a new Euro-Mediterranean

Trade Road Map and a new mechanism for facilitating trade and investment in the region; welcomes all common initiatives to revisit the existing association agreements in the light of new economic requirements and challenges;

11. Stresses that these discussions must take place in a context of mutual trust and respect between partners in order to ensure the right of the SEMCs to control the speed with which they open up their trade and to control their national strategies for economic and social development; recalls that negotiations on the FTA should be planned on a concerted, gradual basis in the context of a rational, predictable partnership reflecting the socio-economic realities of the SEMCs;
12. Stresses that any further liberalisation in the field of agriculture and fisheries should take into account the need to protect sensitive goods while assessing systematically the social impact of liberalisation processes and plant health standards; calls on Euromed trade ministers to ensure that this process is gradual, bearing in mind the time needed to implement equitable tax reforms designed to offset the reduction in customs-related fiscal revenues; calls on the Euro-Mediterranean partners to consider the concept of an integrated Euro-Mediterranean agricultural policy founded on supply-chain complementarity and on a viable water policy and prioritising food-sovereignty needs over commercial considerations;
13. Regards the services sector as essential for the SEMCs' development; believes that any liberalisation of services should take place on a basis agreed with the SEMCs, whereby they would have the right to phase in and control the opening-up of sensitive and vulnerable sectors of their economies; considers that a distinction must be made between commercial services and public services;
14. Calls for the timetable for liberalisation of the industrial sector to be adjusted on the basis of the economic and social conditions in each country, including the level of unemployment and its impact on the environment; stresses that the economic and trade partnership should promote greater diversification in industrial goods production as well as higher added value; calls on the SEMCs to establish regional policies that take into account the role of very small enterprises and SMEs;
15. Notes that Euro-Mediterranean textile producers face major difficulties in the context of growing global competition; draws attention to the need to strengthen the North-South partnership, in order to keep Euro-Mediterranean textiles and clothing production and trade competitive, and to promote SEMCs' activities with higher added value, based on creativity and innovation, and not only on business outsourcing;
16. Stresses the need to foster investment security in the Mediterranean region, through a system which coordinates SME-targeted strategies and covers multiple fields: safeguards, financing, information and networking of SMEs;
17. Considers that the new proposal to establish a Euro-Mediterranean investment facilitation mechanism is a significant step towards centralising and disseminating information via a single network, which should enable economic operators to gain a comprehensive picture of trade and investment conditions in the region; emphasises that the instrument should complement existing networks;
18. Draws attention to the need to create a Euro-Mediterranean Investment and Development Bank, which would secure donors from both shores of the Mediterranean and would be able

to attract the FDIs which the Euro-Mediterranean region is lacking;

19. Welcomes the creation of the 'Inframed' fund, which was announced within the framework of the UfM, as a long-term investment fund to finance infrastructure projects;
20. Takes the view that the UfM should step up existing forms of cooperation under Euromed in order to offer all partner countries the chance of participating in the EU's programmes and corresponding policies on the basis of priorities and objectives set by mutual agreement; points out that it is important to extend the scope of Community programmes further to encompass participation by partner countries, particularly in the fields of cross-border cooperation (InterReg), education, research and professional training (student exchanges, etc.);
21. Encourages the use of solar and wind energy in the Mediterranean region; welcomes recent initiatives such as the 'Plan Solaire' and the initial ideas under the Desertec Industrial Initiative to develop the vast potential for solar energy in the Middle East and north Africa, but regrets that actions are still conceived too much on a national basis; stresses that EU action in relation to the Desertec project must be coherent and make an active contribution to the endogenous development of North African and Middle Eastern countries and calls on the Commission to coordinate the EU's efforts pro-actively;
22. Notes with concern the conclusions of the SIA; calls on the Commission to systematically follow the recommendations of the SIA with regard to the social and environmental impact of the liberalisation process in order to take account of the dimensions of social cohesion and sustainable development; stresses, furthermore, that this impact may vary significantly from one sector to another and from one country to another; underlines, with a view to achieving real social progress, the importance of promoting, within the economic and trade partnership, decent work and codes of conduct negotiated with multinationals which incorporate the objectives of providing decent employment;
23. Takes the view that the FTA should be complemented by the phased introduction, subject to conditions, of free movement for workers, while taking account of the situation on the European employment market and current thinking in the international community on the links between migration and development; regards it as a matter of urgency to establish legal and administrative procedures to facilitate the granting of visas, in particular for the stakeholders in the Euro-Mediterranean partnership, students, university staff and socio-economic players; stresses that it is important and necessary to reduce the cost of transfers of remittances by migrant workers so as to maximise their use in the local economy;
24. Asks the Commission to keep it fully informed about progress on the association agreement with Syria, the signing of which was recently postponed by Syria; considers that there are some concerns, such as bringing Libya back into negotiations for an association agreement and, more generally, into the UfM; asks the Commission to keep it fully informed and involved and to consult it at every stage in the negotiations;
25. Notes, too, that several Mediterranean countries have expressed interest in deepening and/or widening their trade agreements with the EU, and asks the Commission, in view of the new powers in relation to trade conferred on Parliament by the Treaty of Lisbon, to take an earlier resolution by Parliament into account when negotiating these new agreements;
26. Stresses that bilateral approaches should not be at the expense of a multilateral regional

approach; believes that, while advocating closer cooperation with the most advanced partners, and with due regard for their specific political, cultural and social characteristics, the Commission must maintain the principle of region-to-region negotiations;

27. Stresses that, in view of the Palestinian situation, specific and special measures should be taken to assist the population with a view to integrating this area into Mediterranean trade flows; in that respect, considers that a solution should be found to address the issue of certification of origin and subsequent preferential treatment under the EC-Israel Association Agreement applicable to goods coming from the Gaza Strip and the West Bank;
28. Considers that a balanced Road Map based on a broad consensus and, inter-alia, a positive social and environmental impact assessment, could be a useful instrument for relaunching economic and trade cooperation in coming years; calls, therefore, on the Euro-Mediterranean Trade Ministers to endorse it at their ministerial meeting in December 2009; calls on the Euro-Mediterranean Trade Senior Officials to monitor the implementation of the Road Map in the coming years and propose any necessary adjustments, and asks to be kept informed of such measures;
29. Stresses that the process of Euro-Mediterranean integration must, once again, become a political priority for the EU;
30. Stresses the role of the Euro-Mediterranean Parliamentary Assembly (EMPA) within the partnership, as the democratic body bringing together parliamentarians from both shores of the Mediterranean around the three pillars of the Barcelona Process; calls, finally, for stronger cooperation on economic affairs between the EMPA and the Commission and Council;
31. Instructs its President to forward this resolution to the Council and the Commission, to the Heads of State and Government, to the Parliaments of the Member States and of the SEMCs and to the EMPA.