

## **P7\_TA(2013)0412**

### **EU-Taiwan trade relations**

#### **European Parliament resolution of 9 October 2013 on EU-Taiwan trade relations (2013/2675(RSP))**

*The European Parliament,*

- having regard to its resolution of 17 February 2011 on Europe 2020<sup>1</sup>,
- having regard to Article 3(5) of the Treaty on European Union and Article 7 of the Treaty on the Functioning of the European Union, which establish, respectively, that ‘in its relations with the wider world, the Union shall [...] contribute to [...] the strict observance and the development of international law’ and that ‘the Union shall ensure consistency between its policies and activities’,
- having regard to its resolution of 11 May 2011 on the annual report from the Council to the European Parliament on the main aspects and basic choices of the Common Foreign and Security Policy (CFSP) in 2009<sup>2</sup>,
- having regard to its resolution of 12 September 2012 on the annual report from the Council to the European Parliament on the Common Foreign and Security Policy<sup>3</sup>,
- having regard to its resolution of 14 March 2013 on EU-China Relations<sup>4</sup>,
- having regard its resolution of 25 November 2010 on human rights and social and environmental standards in international trade agreements<sup>5</sup>,
- having regard to its resolution of 5 February 2009 on enhancing the role of European SMEs in international trade<sup>6</sup>,
- having regard to its resolution of 18 December 2008 on the impact of counterfeiting on international trade<sup>7</sup>,
- having regard to its resolution of 4 September 2008 on trade in services<sup>8</sup>,
- having regard to its resolution of 20 May 2008 on trade in raw materials and commodities<sup>9</sup>,
- having regard to its resolution of 19 February 2008 on the EU’s strategy to deliver market access for European companies<sup>1</sup>,

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<sup>1</sup> OJ C 188 E, 28.6.2012, p. 42.

<sup>2</sup> OJ C 377 E, 7.12.2012, p. 35.

<sup>3</sup> Texts adopted, P7\_TA(2012)0334.

<sup>4</sup> Texts adopted, P7\_TA(2013)0097.

<sup>5</sup> OJ C 99 E, 3.4.2012, p. 31.

<sup>6</sup> OJ C 67 E, 18.3.2010, p. 101.

<sup>7</sup> OJ C 45 E, 23.2.2010, p. 47.

<sup>8</sup> OJ C 295 E, 4.12.2009, p. 67.

<sup>9</sup> OJ C 279 E, 19.11.2009, p. 5.

- having regard to its resolution of 22 May 2007 on Global Europe – external aspects of competitiveness<sup>2</sup>,
  - having regard to its resolution of 7 July 2005 on relations between the EU, China and Taiwan and security in the Far East<sup>3</sup>,
  - having regard the Communication from the Commission entitled ‘Trade, Growth and World Affairs – Trade Policy as a core component of the EU’s 2020 strategy’ (COM(2010)0612),
  - having regard to the Communication from the Commission entitled ‘Global Europe: competing in the world. A contribution to the EU’s Growth and Jobs Strategy’ (COM(2006)0567),
  - having regard to the Commission’s Trade and Investment Barriers Report 2013, published on 28 February 2013 (COM(2013)0103),
  - having regard to the question to the Commission on EU-Taiwan trade relations (O-000093/2013 – B7-0509/2013),
  - having regard to Rules 115(5) and 110(2) of its Rules of Procedure,
- A. whereas the rule-based multilateral trading system, established through the World Trade Organisation (WTO), is the most suitable framework to achieve open and fair trade worldwide; whereas it is essential, however, to understand that bilateral agreements are also part of the same common international affairs toolbox;
  - B. whereas the EU remains fully committed to achieving a balanced and fair outcome for the Doha Development Agenda (DDA) as its preferred approach, and whereas progressing in parallel with bilateral trade agreements with other industrialised countries is also a valid option;
  - C. whereas the total amount of bilateral trade between EU and Taiwan has increased more than twelvefold in the past two decades, exceeding EUR 40 billion in 2011;
  - D. whereas Taiwan is the EU’s seventh largest trading partner in Asia and 23rd largest trading partner in the world;
  - E. whereas in 2010 the EU accounted for 31,5 % of all foreign direct investment (FDI) flows and 21 % of FDI stocks in Taiwan, and was the largest foreign investor in the country;
  - F. whereas the overall trade relationship between the EU and Taiwan is currently performing well below its potential;
  - G. whereas open and fair trade is a powerful means of creating more growth and well-being, building on the comparative advantages of each economy and the potential synergies flowing from greater economic integration and new inputs into knowledge-driven economies;

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<sup>1</sup> OJ C 184 E, 6.8.2009, p. 16.

<sup>2</sup> OJ C 102 E, 24.4.2008, p. 128.

<sup>3</sup> OJ C 157 E, 6.7.2006, p. 471.

- H. whereas duties are already at generally low levels between the two trade partners; whereas the EU and Taiwan have a regular structured dialogue addressing trade and investment matters of common interest and concern; whereas, within this framework, four technical working groups have been set up to deal with IPR-, TBT- and SPS-related issues and the pharmaceutical sector;
- I. whereas, despite relatively low tariffs, bilateral trade volumes between the EU and Taiwan lag behind the bulk of the EU's trade exchanges with its other main trading partners;
- J. whereas the ICT industry is a high-added-value sector and a source of growth in both the EU and Taiwan, especially with respect to further development of smart products and services;
- K. whereas the EU and Taiwan can further deepen their economic relations in a way that is genuinely of mutual benefit, also with a view to tackling common societal challenges;
- L. whereas Taiwan has been a full member of the World Trade Organisation (WTO) since 2002 and is also a full member of Asia-Pacific Economic Cooperation (APEC) and the Asian Development Bank;
- M. whereas Taiwan's accession to the WTO Government Procurement Agreement (GPA) in July 2009 was a substantial and positive step, which will enable it not only to benefit from reciprocal opening-up of GPA markets but also to improve efficiencies on its home market;
- N. whereas Taiwan and the People's Republic of China (PRC) have adopted a constructive approach contributing to the conclusion of 19 agreements signed between the Straits Exchange Foundation – for Taiwan – and the Association for Relations Across the Taiwan Straits – for the PRC; whereas these agreements include the Cross-Straits Economic Cooperation Framework Agreement (ECFA) and Intellectual Property Rights (IPR) Agreement signed on 29 June 2010 as well as Investment Agreement and Customs Cooperation Agreement signed on 9 August 2012;
- O. whereas other constructive alternatives have led Taiwan to conclude 31 Bilateral Investment Agreements (BIAs) with third countries, including with Japan on 22 September 2011, and an Economic Cooperation Agreement with New Zealand on 10 July 2013, to resume its talks on a Trade and Investment Framework Agreement (TIFA) with the United States on 10 March 2013, and to be currently negotiating an investment agreement with the Republic of Korea and a free trade agreement with Singapore (ASTEP);
- P. whereas the Taipei Economic and Cultural Representative Office in the United States and the American Institute in Taiwan have agreed on Joint Statements on Principles for International Investment and on ICT services; whereas, similarly, Taiwan has concluded comprehensive income tax agreements with 25 countries, including nine EU Member States;
- Q. whereas closer economic ties with Taiwan do not in any way contradict the EU's 'one China' policy, given that China and Taiwan respectively joined the APEC in 1991 and acceded to the WTO in 2002;

1. Considers that the multilateral trading system, embodied by the WTO, remains by far the most effective framework for achieving open and fair trade worldwide; believes that the EU and Taiwan should contribute to the advancement of multilateral trade negotiations;
2. Considers that, while the EU is working on upgrading its economic relations with China, it should consider the possibility of doing the same with Taiwan in order to consistently pursue the path of giving support to Taiwan's democratic system, social pluralism and good record in respecting human rights and the rule of law;
3. Considers, therefore, that the EU should respond positively to Taiwan's willingness to launch parallel negotiations for bilateral agreements on investment protection and market access in order to strengthen further the legal certainty of investments, and increase the volume and quality of investment flows;
4. Believes that the decision to start such negotiations with Taiwan should be based on economic reasons, and should not be interlinked with an assessment of relations between the EU and the People's Republic of China;
5. Underlines the fact that Parliament is in favour of agreements on investment protection and market access with Taiwan, which would lead to deepening the existing economic relations between the EU and Taiwan;
6. Considers that EU-Taiwan agreements on investment protection and market access have the true potential to lead to a win-win situation, which will be beneficial to both economies;
7. Notes that any agreement should duly take into account SMEs and improve their ability to invest abroad;
8. Recalls also that the EU and Taiwan already have a well integrated economic relationship, generally low customs duties on both sides and a well structured dialogue, involving regular meetings to solve bilateral trade and investment issues;
9. Stresses that the agreement should include a strong commitment by the parties to sustainable and inclusive development in economic, social and environmental terms, with regard to investment;
10. Stresses that investment agreements concluded by the EU must respect the capacity for public intervention, in particular when pursuing public policy objectives such as social and environmental standards, human rights, security, workers' and consumers' rights, public health and safety and cultural diversity; calls for specific clauses on these objectives to be included in the agreement;
11. Recommends that, with regard to market access, both parties be allowed to exclude certain sectors from their liberalisation commitments in order to protect strategic national interests;
12. Reiterates its call for an effective corporate social responsibility clause and effective social and environmental clauses;
13. Stresses that the agreement must oblige foreign investors in the EU to abide by European social standards and social dialogue requirements;
14. Calls on the Commission to start talks for such agreements between the EU and Taiwan;

15. Instructs its President to forward this resolution to the Council, the Commission, the governments and parliaments of the Member States, and the Taiwanese Government and Legislative Yuan.