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3. **The Commission shall submit** to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions:

- (a) **by 31 December 2010 an interim report evaluating the results achieved and the qualitative and quantitative aspects of implementing the Programme,**
- (b) **in the context of proposals for the next financial perspectives, by 31 December 2011 a communication on continuing the Programme, and**
- (c) **by 31 December 2015, with the assistance of external experts, an ex-post evaluation report to measure the impact of the Programme objectives and its EU added value.**

4. **The Commission shall ensure that, as part of the monitoring and evaluation process, assessment is undertaken of the extent to which measures have been taken to ensure accessibility for disabled people to the activities and the results of the Programme.**

Article 20

Entry into force

This Decision shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union.

Done at ..., on ...

For the European Parliament
The President

For the Council
The President

P6_TA(2005)0321

Textiles and clothing after 2005

European Parliament resolution on textiles and clothing after 2005 (2004/2265(INI))

The European Parliament,

- having regard to the Commission communication of 13 October 2004 entitled 'Textiles and clothing after 2005 — Recommendations of the High Level Group for textiles and clothing' (COM(2004)0668),
- having regard to the Commission Notice on the application of Article 10a of Council Regulation (EEC) No 3030/93 concerning a textiles-specific safeguard clause⁽¹⁾,
- having regard to the Commission communication of 29 October 2003 on 'The future of the textiles and clothing sector in the enlarged European Union' (COM(2003)0649),
- having regard to the Commission communication of 11 December 2002 entitled 'Industrial Policy in an Enlarged Europe' (COM(2002)0714),
- having regard to the Commission communication on a 'Plan of action to increase the competitiveness of the European textile and clothing industry' (COM(1997)0454 — C4-0626/1997),
- having regard to the Commission report entitled 'The impact of the internal market on the employment of women in the textile and clothing industries'⁽²⁾,

⁽¹⁾ OJ C 101, 27.4.2005, p. 2.

⁽²⁾ Social Europe, Supplement 2/91.

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- having regard to the Commission's 'Guidelines for Member States' Employment Policies (COM(1997) 0497),
 - having regard to its resolution of 14 November 1996 on the impact of international developments on the Community's textile and clothing sector⁽¹⁾,
 - having regard to its resolution of 10 April 1992 on a Community initiative to assist areas highly dependent on the textiles and clothing industry — RETEX⁽²⁾,
 - having regard to its resolution of 11 October 1990 on the possible renewal of the Multifibre Arrangement or the subsequent regime after 1991⁽³⁾,
 - having regard to Rule 45 of its Rules of Procedure,
 - having regard to the report of the Committee on International Trade and the opinions of the Committee on Employment and Social Affairs, the Committee on Industry, Research and Energy, the Committee on Regional Development and the Committee on Legal Affairs (A6-0193/2005),
- A. whereas the Union's textile and clothing industry, which mostly consists of small and medium-sized enterprises (SMEs), and which is highly labour-intensive, is a key sector that can look forward to a promising future if social and environmental rules, and guarantees of compliance with them, are brought in at the same time as markets are opened up, and if innovation takes place,
- B. whereas because import quotas have been definitively abolished, the industry has had to contend since 1 January 2005 with soaring imports, not least from China, which have entailed unprecedented job losses both within the EU and in developing countries which traditionally supply the EU such as Sri Lanka, Morocco, etc.,
- C. notes that the abolition of quotas in the textile and clothing sector could have harmful consequences in the least-favoured regions, possibly contributing to a reduction in regional per capita GDP, a situation which justifies an adequate response,
- D. whereas the central problem concerning trade with China is that China is by no means a free market and that most textile firms are still State-owned, receive interest-free loans via State banks, as well as systematic export subsidies, covert State aid and free electricity, which does not amount to a smooth functioning of the market,
- E. pointing out that simultaneous massive reductions in the prices of particular product groups can indeed benefit European consumers, but that the combination of record imports and low prices may confront the indigenous clothing industry with an almost impossible task,
- F. whereas it is up to firms to tackle the challenges related to liberalisation but it is the task of public authorities to establish the conditions whereby firms can be competitive and markets genuinely opened up across the board, on a basis of reciprocity,
- G. recognising that China is well able to compete in many textile and clothing industry product groups and in many ways has developed its strengths (mass production, low wages) in close cooperation with the European industry,
- H. whereas there is a need to prevent the least developed countries (LDCs) from being the big losers in the ongoing liberalisation and to ensure that the working conditions and standard of living for their labour forces do not worsen, and whereas in poorer countries between 70 and 80 percent of the workers in the clothing sector are women,

⁽¹⁾ OJ C 362, 2.12.1996, p. 248.

⁽²⁾ OJ C 125, 18.5.1992, p. 276.

⁽³⁾ OJ C 284, 12.11.1990, p. 147.

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- I. whereas when China joined, the members of the World Trade Organization (WTO) were authorised to lay down special safeguard provisions, to apply until the end of 2008, enabling quantitative restrictions to be imposed on Chinese exports if, for example, the market were to be disrupted or the 'orderly development of trade' impeded,
 - J. whereas 70 % of all counterfeit goods dumped on the European market come from China, and half of all European customs procedures against counterfeiting relate to textiles and clothing, with nearly five million counterfeit articles and accessories of clothing being confiscated by customs annually,
 - K. having regard to the social and economic cost of piracy and counterfeiting and their harmful effects on creativity and innovation, particularly for European textile firms which have in recent years concentrated increasingly on products with a higher added value, and which are thus seeing inroads made into their creativity and innovation, one of the last areas in which the European textile sector had a clear advantage,
 - L. whereas, as the Barcelona Process approaches its tenth anniversary, the time has come to act to build a close relationship between the two shores of the Mediterranean and widen the range of winning strategies for sustainable development and to boost national and regional markets in this region, and ensure effective solidarity in the spirit of joint development,
 - M. whereas Member States may not adopt measures independently because they have delegated trade policy to the exclusive competence of the EU,
 - N. seeing in bilateral agreements between the EU and China an opportunity to overcome the enormous challenges in a fair, transparent and future-facing way,
 - O. having regard to the serious social and human difficulties created by the many business closures and job losses in the textile sector, particularly in recent years and even more since the beginning of 2005, and the very disturbing forecasts by the European Apparel and Textile Association (Euratex),
 - P. taking the view that the EU's policy to date of supporting structural change has been generally successful,
 - Q. having regard to the need for State action to continue modernising and redeveloping the textile industry as well as for innovation, research, training workers and social measures to assist with changes,
 - R. whereas the regions of the EU most affected by job losses in the textile sector are often already very disadvantaged in terms of unemployment or wealth, and whereas destabilising this economic sector will only increase inequalities among different areas in the EU,
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- 1. Expresses its concern at the abnormally high growth in the amount of non-EU textile products, especially from China, imported into the EU since the WTO Agreement on Textiles and Clothing expired on 1 January 2005 and quotas were abolished, a fact which, combined with the prospect of still greater increases, will have far-reaching implications for employment in the European textile and clothing industry, a strategic sector with great potential for the future and marked by a high level of regional concentration, and one which consists primarily of small- and micro-scale enterprises and a predominantly female workforce;
 - 2. Calls on the Commission to encourage all the WTO countries, apart from the most vulnerable developing countries, to use the Doha Development Agenda negotiations to secure reciprocal, fair and comparable market access conditions for large-scale textile and clothing producers and recognition of ethical, social and environmental clauses;
 - 3. Calls on the Commission to carry out a study on the way in which the gradual liberalisation of the sector within the framework of the WTO is affecting economic, social and territorial cohesion, particularly in the less-favoured regions which are heavily dependent on the sector;

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4. Calls on the Commission to step up economic and political pressure on third countries with the objective of achieving the progressive implementation of social and ecological standards in those countries;
5. Calls on the WTO to do away more quickly with non-tariff barriers to trade and harmonise the technical rules, for example by applying the principle of mutual recognition;
6. Calls on the Commission to draw up its future mandate for trade negotiations in such a way that trade can be organised to allow improvement of working conditions, protection and improvement of social rights and effective environmental protection;
7. Calls on the Commission to exert political and economic pressure to bring about the relaxation of the artificially undervalued Chinese currency, which is at odds with the gradual liberalisation of world trade;
8. Calls on the Commission to simplify the procedures designed to make anti-dumping arrangements easier for SMEs to use and calls for the anti-dumping procedure to be made more transparent;
9. Insists that the Commission enforce the Regulation on barriers to trade when unfair practices are detected, and provide itself with an effective monitoring instrument enabling it systematically to identify such practices and to activate the necessary retaliatory measures very rapidly;
10. Stresses that world trade, including trade with China, can only be regarded as a 'challenge' rather than as a 'threat' by the European textile sector if there is a level playing field and both sides play according to the rules of trade, which has hitherto certainly not been the case;
11. Takes note of the 'Memorandum of Understanding' concluded between the Commission and China on 10 June 2005, with regard to the limitation of certain Chinese textile exports; however, calls on the Commission and the Council to extend the coverage of that agreement to other categories of textiles where necessary and to ensure transparency as to the basis for the calculation of the export limitations; insists that the safeguard clauses be applied in the event of an inappropriate application of the agreement;
12. Urges the Commission to remain vigilant in the face of the implications of the safeguard measures taken by the United States on textiles and clothing, and particularly on China's distortion of trade in textiles and clothing;
13. Calls on the Commission and the Member States actively to support research, innovation and lifelong vocational training through specific measures within the framework of the EU Funds, with the aim of strengthening competition in the EU textile and clothing sector and more particularly in SMEs affected by the abolition of quotas since 1 January 2005, and providing assistance to SMEs in order to alleviate the consequences of production transfers;
14. Stresses that, as well as the interests of European manufacturing industry, the long-term interests of European importers must also be taken into account;
15. Urges the Commission at the same time to protect intellectual property rights more securely in accordance with the WTO TRIPS Agreement so as to enable effective steps to be taken to combat counterfeiting and piracy; calls also on the Commission to take a forceful attitude so as to ensure compliance with the TRIPS Agreement (in particular Article 25(2) thereof) as regards textile designs and models on markets outside the Community, and to provide for strict retaliatory measures in the event of non-compliance; considers that appropriate measures should also be taken against those who are complicit in counterfeiting and piracy;
16. In this regard, considers that there is a need to go further than measures to raise awareness and inform enterprises within the China-Europe working group, and for the Commission to be able to ensure that China imposes more severe penalties on counterfeiters and pirates;
17. Points to the importance of consolidating the principle of corporate social responsibility, strict respect for International Labour Organization rules and conventions and international conventions on the environment and human rights, ensuring sustainable development by incorporating these principles into EU bilateral and multilateral trade agreements;

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18. Urges the Commission to promote increased transparency about all production sites of textile and clothing products which involve European companies, and the labour standards applied at these sites;
19. Calls on the Commission to upgrade the institutional framework of the WTO and bilateral trade agreements with a view to combating effectively all modern forms of slavery, child labour and exploitation and above all exploitation women working in the textile and clothing sector in third countries, to ensure compliance with the fundamental rights of workers and prevent social dumping;
20. Calls on China as a member of the ILO to comply with the agreed labour directives and basic environmental imperatives, and to punish infringements;
21. Calls on the Commission to launch an ambitious initiative at international level to achieve a better balance in the competences, power and strength of the various international organisations and calls for effective implementation of the treaties on social rights, human rights and environmental protection;
22. Maintains that support for the adaptation of the sector must be regarded as an objective of EU policy, including EU structural policy;
23. Is aware of the fact that the safeguard provisions, the immediate application of which is being called for as provided for under the WTO rules, apply only temporarily; calls on the Commission to develop a transitional practical plan to assist restructuring and retraining for the entire textile and clothing sector, with a view to safeguarding its future and its competitiveness on international markets;
24. Stresses the need to consider a transitional approach for the sector at Community level and urges the Commission to take this into account, given the exceptional nature and the urgency of the challenges facing the sector; also points out that social dialogue has a key role to play in matters related to modernisation and to finding ways to accommodate the changes needed to make the sector competitive;
25. Calls on the Commission to propose that any enterprise wishing to export to the EU must declare its respect for international social and environmental rights, and that any imports into the EU of products that infringe such rights, particularly products made by prisoners, children or forced labour by workers without trade union rights will be prohibited;
26. Stresses the importance of introducing mandatory origin and producer-name labelling for products in this sector to enable consumers to be aware of the origin of products;
27. Calls on the Commission and the Member States to take stronger measures to combat the phenomenon of counterfeiting textile and clothing products and to protect European consumers;
28. Calls, therefore, on the Commission to propose an amendment to Council Regulation (EEC) No 2913/92 of 12 October 1992 establishing the Community Customs Code⁽¹⁾ with a view to introducing customs checks to identify products accompanied by false declarations of origin;
29. Calls for the EU to maintain, after 2006, the European Structural Funds in all European textile-producing regions, intended to provide aid for research, innovation, vocational training and SMEs;
30. Calls on the Commission to use any reserve in the Structural Funds for resolving unexpected local and sectoral crises and for facilitating business start-ups and supporting SMEs in the affected regions, in order to encourage job creation in other sectors;

⁽¹⁾ OJ L 302, 19.10.1992, p. 1.

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31. Repeats its view that EU support for companies under the numerous opportunities offered by the Structural Funds should depend on specific commitments regarding employment and local and regional development which accord with the thinking behind the Lisbon strategy;

32. Calls on the Commission to conduct a new study to determine what measures might be taken to support the textile industry in developing countries and LDCs, for which textile exports are vital, to increase their production and boost their national and regional markets;

33. Urges that the requisite facilities be set up in LDCs to improve their capacity to compete on international textile markets and to promote regional cooperation;

34. Recognises that liberalisation affects men and women differently, and that the risk of collapse of the clothing industry in many poor countries after the abolition of the quotas risks severely weakening the position of women in those countries;

35. Points out, as regards the GSP, that, to preserve the production and export capacity of the most vulnerable countries, preferences must continue to operate in their favour, in line with Parliament's above-mentioned resolution, which envisages graduation mechanisms to withdraw tariff advantages from products originating in a beneficiary country which has reached a high level of competitiveness in a given section, precisely with the aim of helping the most vulnerable countries in the world textile and clothing trade;

36. Advocates a Euro-Mediterranean partnership to boost cooperation in, and the competitiveness of, the sector by means of a pro-active policy in support of training, R & D, technological innovation, the dissemination of good practice, and the exchange of market intelligence; recommends that a Euro-Mediterranean network of schools, training institutes, and technical centres with expertise in the textile and clothing sector be set up to promote technical partnership, training, and joint research programmes;

37. Calls on the Commission, in line with the criteria set out in its Communication of 16 March 2005 entitled 'The rules of origin in preferential trade arrangements — Orientations for the future (COM(2005) 0100), to consider carefully how the rules might be simplified and made more flexible and the need for more effective monitoring of their application to prevent preferences being misused; and hopes that the new regulations will guarantee compliance with these rules and fulfilment of the commitments made to the Euro-Mediterranean area; urges that an impact study be conducted of the simplified preferential rules of origin for the textile and clothing industry sector in the EU and the LDCs;'

38. Urges the Commission to take rapid action and make an immediate commitment with a view to the setting-up of a consolidated market under the Euro-Mediterranean association agreements and to the rapid conclusion and effective implementation of bilateral agreements between Mediterranean countries so as to facilitate the free movement of goods within the Euro-Mediterranean area as a whole; advocates the establishment of a common customs framework for the area;

39. Points out that lack of access to funding and the unsuitability of some financial instruments continue to be a major barrier to SMEs in the sector, as well as in many other sectors of the European economy; calls on the Commission to examine relevant measures and incentives to keep part of the production chain in the countries of the Euro-Mediterranean area, the enlargement countries, and the countries covered by the European Neighbourhood and Partnership policies;

40. Calls for the outcome of discussions among the Member States to be such as to enable cumulation of origin to be applied sooner to all vulnerable countries and the countries of the southern Mediterranean;

41. Calls for a Euro-Mediterranean production area to be established, since this is the only way to ensure that countries on the southern as well as the northern shore of the Mediterranean will be able to stand firm against the American and Asian regional blocs and protect industrial manufacturing and jobs; considers that specific European appropriations are needed to support programmes for research, innovation or cooperation in this connection;

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42. Calls on the Commission to study carefully the effects of the new policy on chemical substances (REACH) on the sector, particularly its impact on competitiveness, focusing more specifically on SMEs, and to adapt the proposals in such a way that imported goods do not have an advantage over those produced in the EU;
43. Urges the Commission to study all the parameters related to REACH, particularly the implications in terms of increased costs, capacity for innovation and impact on competition between products manufactured in the EU and products imported from third countries, which must be subject to a detailed impact study taking account of the effects on SMEs;
44. Calls on the Commission to explore instruments for the support of the Mediterranean clothing industry and its integration in measures designed to strengthen a Euro-Mediterranean production area in the sector of textiles and clothing;
45. Calls for a European textile plan to be established defining a specific budget for research, innovation, training and support for SMEs and also for renovating sites and retraining workers, considers it essential to promote European social dialogue and consultation with both sides of industry to establish and follow up this plan;
46. Considers it essential to take measures in support of technological innovation and welcomes the launch of the European Technology Platform for textiles and clothing, which will draw up a long-term and innovative strategy for increasing the global competitiveness of the sector and encourage and coordinate research and development efforts;
47. Greatly welcomes the report of the EU 'Textiles and Clothing' High-Level Group entitled 'The Challenge of 2005 — European Textiles and Clothing in a quota free environment' of 30 June 2004⁽¹⁾ in view both of the substance of its recommendations and of its realistic reading of the situation in the sector and its strategy proposal;
48. Calls on the Commission to ensure that the seventh Framework Programme of Research and Development focuses more closely on SMEs and helps to overcome the problems of transferring R & D to companies; calls in addition for favourable conditions to be established so that research and innovation can become a constant of business operations, whatever the size of company concerned;
49. Calls on the Commission and the Member States to adopt incentives and specific aid programmes to encourage SMEs in the textile and clothing sector to invest in their own R & D and non-technological innovation activities; points to the importance of investment in non-technological research and calls on the Commission to revise the legislation on State aid so as to enable investment in this category to be treated in the same way as R & D investment;
50. Urges regional and national authorities, working in close collaboration with economic and social players, to draw up local strategy plans for areas which are centres of the textile industry;
51. Instructs its President to forward this resolution to the Council and Commission.

⁽¹⁾ The full text of the High-Level Group is available on the site: http://europa.eu.int/comm/enterprise/textile/documents/hlg_report_30_06_04.pdf