

Towards a reform of the World Trade Organization

P6_TA(2008)0180

European Parliament resolution of 24 April 2008 on 'Towards a reform of the World Trade Organization' (2007/2184(INI))

(2009/C 259 E/14)

The European Parliament,

- having regard to its resolutions of 15 December 1999 on the Third Ministerial Conference of the World Trade Organization (WTO) in Seattle ⁽¹⁾, of 25 October 2001 on openness and democracy in international trade ⁽²⁾, of 13 December 2001 on the WTO meeting in Qatar ⁽³⁾, of 25 September 2003 on the Fifth Ministerial Conference of the World Trade Organization in Cancun ⁽⁴⁾, of 12 May 2005 on the assessment of the Doha Round following the WTO General Council Decision of 1 August 2004 ⁽⁵⁾, of 1 December 2005 on preparations for the sixth Ministerial Conference of the World Trade Organization in Hong Kong ⁽⁶⁾ and of 4 April 2006 on the assessment of the Doha Round following the WTO Ministerial Conference in Hong Kong ⁽⁷⁾,
 - having regard to the final declarations of the sessions of the Parliamentary Conference on the WTO adopted in Geneva on 18 February 2003, in Cancun on 12 September 2003, in Brussels on 26 November 2004, in Hong Kong on 15 December 2005 and in Geneva on 2 December 2006,
 - having regard to the Marrakesh Agreement Establishing the World Trade Organization,
 - having regard to the declarations of the WTO Ministerial Conference, adopted in Doha on 14 November 2001 and in Hong Kong on 18 December 2005,
 - having regard to the report of January 2005 of the Advisory Board chaired by Peter Sutherland on the future of the WTO ⁽⁸⁾,
 - having regard to the WTO's 2004 World Trade Report on the role of trade unions and the lack of scope for representation of workers' interests in the WTO,
 - having regard to paragraph 56 of the Hong Kong Declaration, on the necessary steps to ensure the full involvement and assistance of key UN agencies including the ILO in WTO processes and in the current negotiations,
 - 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 Development and the Committee on Economic and Monetary Affairs (A6-0104/2008),
- A. whereas the WTO plays a key role among the multilateral organisations which contribute to international economic governance, better management of globalisation and a fairer distribution of its benefits and they must strive jointly to achieve the Millennium sustainable Development Goals,
- B. whereas when the current WTO Round was launched in Doha, Qatar, in 2001, it was officially named the 'Doha Development Agenda,' emphasising the priority of helping developing and poor countries gain more from trade liberalisation,

⁽¹⁾ OJ C 296, 18.10.2000, p. 121.

⁽²⁾ OJ C 112 E, 9.5.2002, p. 326.

⁽³⁾ OJ C 177 E, 25.7.2002, p. 290.

⁽⁴⁾ OJ C 77 E, 26.3.2004, p. 393.

⁽⁵⁾ OJ C 92 E, 20.4.2006, p. 397.

⁽⁶⁾ OJ C 285 E, 22.11.2006, p. 126.

⁽⁷⁾ OJ C 293 E, 2.12.2006, p. 155.

⁽⁸⁾ 'The Future of the WTO — Addressing Institutional Challenges in the New Millenium', Report by the Consultative Board to the Director-General Supachai Panitchpakdi (WTO, January 2005).

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- C. whereas the EU attaches the utmost importance to safeguarding what has so far been achieved by the multilateral trade system and remains firmly committed to the success of the Doha Round,
 - D. whereas, in spite of difficulties in the negotiations, the efforts to conclude this Round successfully are continuing and must be encouraged,
 - E. whereas the various bilateral and regional trade negotiations recently initiated by the EU with many partners across the world shall be complementary and not an alternative to the conclusion of the Doha Round,
 - F. whereas over and beyond the immediate concerns regarding the conclusion of the Round and the critiques of the different positions on the various subjects under discussion, preparations now need to begin for the post-Doha period,
 - G. whereas an important analysis of the future of the WTO and the institutional challenges it faces was carried out as far back as 2004 by the Advisory Board chaired by Peter Sutherland; whereas, however, no practical action was taken with regard to the recommendations set out in the report delivered by the said Advisory Board to the WTO Director-General in January 2005,
 - H. whereas it is now a matter of urgency to relaunch this debate in the light of the latest developments and to fundamentally review several aspects of the functioning of the WTO with a view to increasing both its effectiveness and its legitimacy,
 - I. whereas the institutional debate in the WTO called for by the European Parliament is in no way incompatible with the continuation and possible conclusion of the Doha Round,
1. Reiterates its appeal to all parties concerned, especially the emerging economies, to show flexibility in order to revive the Doha Round and reach an agreement that is complete, balanced and beneficial both to the recovery of international trade and world growth and to the development of the less developed countries on the planet;
 2. Considers, moreover, that it is now more necessary than ever to resume the debate on the decision-making process, mandate, functioning and future of the WTO with a view to the possible reform of this organisation;
 3. Calls on the Commission to present, as soon as possible, a strong initiative in Geneva with a view to relaunching this debate; calls on the Commission to make contact informally, in this regard, with other WTO members likely to support such an initiative and with the Director-General of that organisation, and to report to him, by the end of 2008, on the outcome of these consultations;
 4. Welcomes a substantial reform of the WTO and reiterates the importance of trade as an effective tool for development and poverty reduction; stresses the importance of multilateralism as a mechanism to promote free and fair trade and in order to achieve the United Nations Millennium Development Goals;
 5. Believes that a strong WTO with a rules-based international trade system offers opportunities for developing countries to eliminate poverty; regrets that limited resources put developing countries at a disadvantage when negotiating; underlines that the EU should support a strengthened WTO secretariat and increased resources for technical support, especially to developing WTO members in order to enable them to address their specific concerns;

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6. Points out that the WTO is the only global organisation with rule-setting functions that is not part of the family of UN organisations, and that WTO rule-setting restricts itself to the sole remit of trade policy; calls on the Commission to put this structural dilemma high on the agenda of WTO reform;
7. Takes the view that the proposed exercise should focus first and foremost on the very aims of the multilateral trade system, to ensure that they are mutually supportive and consistent with the action being taken by other international organisations; considers in particular that the coordination of WTO activities with those of the International Labour Organization (ILO), the United Nations Food and Agriculture Organisation (FAO), the United Nations Environment Programme (UNEP), the United Nations Development Programme (UNDP), the World Health Organization (WHO), the United Nations Conference on Trade and Development (UNCTAD) and the Kyoto programme on renewable energy, should be strengthened, in order to ensure greater consistency in the decision-making processes of those organisations; in this connection, believes that the ILO should be granted observer status before the WTO and that a committee on trade and decent employment should be set up modelled on the Committee on Trade and Environment;
8. Calls for thorough consideration on the issue of better accommodating non-trade concerns within the scope of WTO rules, in order to allow members to pursue legitimate policy objectives, while safeguarding market access; stresses in that respect that efforts for the adoption of international standards should be strongly supported by the EU and that the necessary aid should be granted to developing countries in order to meet such standards;
9. Requests that consideration be given within the UN, in liaison with the WTO, to the new links that should be forged between multilateral organisations so as to ensure consistency in their actions and in the various international agreements and conventions, in the interests of sustainable development and poverty eradication;
10. Is of the opinion that the most challenging requirement for consistency between the UN system and the WTO will be the need for the latter to ensure trade rules fully respect human rights law and social and environmental standards;
11. Supports an incentives-based approach concerning the observance of environmental and social standards by WTO members but equally calls for the examination of WTO-compatible measures for addressing social and environmental dumping;
12. Supports an analysis of social, gender and environmental concerns, including employment, workers' rights and related provisions in the future trade policy review mechanism examination of WTO members;
13. Calls on those participating in the debate to question the limits of the approach whereby trade negotiations are held in long-term 'Rounds', involving all WTO members in discussions on a wide range of subjects on the basis of a 'single undertaking'; acknowledges the historical merits of this approach in establishing and developing the multilateral trade system and allowing for progressive liberalisation and reciprocal and mutually beneficial commitments; believes however that in areas where sufficient progress has been achieved, (as it is the case currently for Trade Facilitation) recourse could be made to other, more flexible and effective formulas in future;
14. Considers that the institutional structure of the WTO could be improved by better distinguishing the activities relating to the negotiation of new rules and commitments from those relating to the implementation of existing agreements; stresses the importance of the latter type of activity which should under no circumstances be sacrificed by WTO members in terms of resources and political attention;
15. Suggests that the relevance and applicability of the multilateral trade rules in force should be subject to regular revision with a view to their possible adaptation;

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16. Calls for a redefinition of the role and format of Ministerial Conferences; observes already the tendency of WTO members to prefer more informal methods of coordination and decision-making at this level and notes that no Ministerial Conference was convened in 2007 despite the conditions laid down in the Marrakesh Agreement with regard to the frequency of such meetings; calls on WTO members to learn lessons from this;

17. Stresses the importance of the parliamentary dimension of the WTO in order to enhance the democratic legitimacy and transparency of WTO negotiations; stresses the importance of the work done by the Parliamentary Conference on the WTO, which is organised jointly by the European Parliament and the Inter-Parliamentary Union (IPU), whose activities could be stepped up;

18. Recalls that parliamentarians, as elected representatives of the citizens, have an important role to play in trade negotiations and, in particular, in WTO negotiations;

19. Stresses the need to create a WTO parliamentary assembly with consultative powers, given the WTO's lack of democratic accountability and legitimacy, and welcomes any reform that will strengthen the association of parliamentarians with the WTO;

20. Calls on WTO members to provide sufficient support to their parliamentarians to take part in the development of a parliamentary dimension to the WTO; urges the Commission to take initiatives to this end at the WTO; stresses that, until the WTO assumes this responsibility, the parliamentary dimension to the WTO will be granted by the Parliamentary Conference on the WTO jointly co-organised by the European Parliament and the IPU;

21. Calls for the introduction of a more democratic system of decision-making at the WTO that takes into account the views of the entire membership, which comprises countries at varying levels of development;

22. Considers it neither realistic nor desirable to call into question the principle of consensus in the WTO decision-making process, which guarantees, unlike majority (or weighted) voting, the equality of all members; takes the view, however, that various solutions could be examined with a view to facilitating, on a case-by-case basis, the emergence of such consensus;

23. Acknowledges the proposals made in the abovementioned Sutherland report on a plurilateral approach with opt-in or opt-out agreements, in cases where a consensus cannot be reached, but reaffirms its commitment to multilateralism and warns that plurilateralism will not necessarily benefit the developing countries and might deepen the gap between developed and developing countries;

24. Observes the multiplication in the WTO of informal groups involving a varying number of WTO members which unite around certain common, sectoral or regional interests, and the often useful role played by these groups in summarising positions and helping to form compromises; calls on the WTO members to reflect on the possibility of better managing the establishment and functioning of such groups, in the interest of transparency and efficiency, and of giving them the necessary resources for their activities;

25. Points out that equal and effective participation by all members, particularly LDCs, must be given due consideration in any reform of the multilateral trade system;

26. Considers it essential to increase the active participation of developing countries, so that they feel fully represented in the negotiating process and are able to identify, express and defend their own trade interests, for instance by introducing a system of representation by coalition rather than by a set group of countries, and by earmarking resources that are sufficient to develop the knowledge and technical know-how of those countries; stresses that adequate resources are also necessary for developing countries to effectively implement WTO rules, adjust to reforms and, thus, better integrate into the world trading system;

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27. Urges that efforts be made to enhance the participation and representation of developing countries on the Executive Councils, as well as to strengthen their internal systems for reporting, transparency and good governance;
28. Welcomes the proposal of the Sutherland report to include funding arrangements for technical assistance as a contractual right for the LDCs so that they can participate meaningfully in the multilateral trading system; stresses the critical importance of capacity building for developing countries in order to enhance their ability to negotiate, to identify needs and strategies and to fulfil WTO commitments;
29. Considers that the recurrent question of the establishment of a kind of WTO 'restricted Council' or 'Steering Committee' to prepare and facilitate consensus-based decisions in the General Council should be looked into more closely; questions though how representation on a case by case basis could be achieved and stresses that there is a strong need for such a body to be accountable to the entire WTO membership and internally transparent;
30. Stresses that the role of the WTO secretariat is critical, and believes that it is important that the secretariat has a proportionate representation of officials from developed and developing countries in order for it to discharge its mandate more effectively;
31. Wishes to see the issue of the role of the WTO secretariat and Director-General carefully considered; queries the limits of an excessively stringent application of the principle of the management of the system by the governments of the WTO members (the member-driven organisation concept); considers it necessary to strengthen the financial and human means and resources available to the WTO secretariat; notes, however, that granting powers of initiative to the WTO bodies in order to promote the 'collective' interest, raises issues of democratic legitimacy, accountability and transparency;
32. Suggests that some leeway could also be given to the WTO secretariat, allowing it to adopt measures of institutional interest, propose compromise formulas in the case of deadlock, or even chair the meetings of certain bodies, in the interest of continuity and impartiality; stresses the need for such proposals to be accompanied by serious reflection on the arrangements for recruiting members of the secretariat and on the appropriateness of its resources for the tasks with which it is entrusted;
33. Is convinced that the failure to differentiate sufficiently between developing countries, in spite of the wide variety in economic development levels and the specific needs of those countries, could be an obstacle to adopting effective measures to benefit these countries in accordance with the stated objective of the Doha Round and is to the detriment of developing countries which are most in need; urges advanced developing countries to take up their share of responsibility already during the current Round and make contributions commensurate to their level of development and (sectoral) competitiveness;
34. Considers that recasting Special and Differential Treatment (SDT) is critical for the relevance of the WTO from a development perspective; such recasting should include a new differentiation between the developing countries in the WTO and an approach to SDT based on the development needs of individual countries rather than categories of countries; recommends that effective criteria be used to differentiate, by not only taking into account GNP growth, but also indicators such as the economic vulnerability index and the trade and development index;
35. Considers that serious consideration should be given to the issue of categorisation or sub-categorisation, not only of developing countries but also of all other WTO members, on the basis of objective criteria which are not exclusively linked to gross national product, with a view to a possible differentiated application of existing agreements or of those under negotiation;
36. Considers that transparency in the drawing up and pursuit of trade policies represents a legitimate demand on the part of society, citizens and parliamentarians; welcomes the genuine progress achieved by the WTO in terms of external transparency since its establishment in 1995, and the effectiveness of its communication policy; stresses the importance for economic operators and for all the civil society actors concerned to have permanent access to quality information on the multilateral trade rules and their actual application, and on any exemptions of WTO members;

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37. Supports the ideas proposed by the WTO Director-General seeking to strengthen the 'active transparency' mechanisms and to monitor and supervise effectively the application of the rules and undertakings approved by the WTO members, with a view to ensuring that they are genuinely and fully implemented; calls on the WTO to continue its efforts in this area and calls on the WTO members to give it sufficient resources for that purpose;

38. Points out that the Dispute Settlement Understanding has, since 1997, been the subject of negotiations designed to clarify some of its rules and improve their application; regrets the prolonged lack of results in these negotiations; supports the EU proposal for enhancing of the autonomy of the dispute settlement bodies;

39. Advocates that, under the dispute settlement procedure, the substantive meetings with the parties, special groups and the Appellate body, given the judicial nature of the proceedings, should in future be held in public as is usual for court hearings, and that the documents concerned, in particular the communications from the parties or experts, should be publicly available, except in rare and duly justified cases;

40. Takes the view that the WTO dispute settlement mechanism has, overall, fulfilled its role successfully up to now, but that certain adjustments are necessary, in particular with regard to the implementation of the recommendations and decisions of the dispute settlement body; is in favour of the judicialisation of the dispute settlement system which has enhanced the credibility of WTO commitments, placing WTO members on a more equal footing;

41. Stresses the need to ensure that the Dispute Settlement Body interprets WTO rules in such a way that it takes into due account applicable international environmental and social law and, where needed, calls on the Commission and WTO membership as a whole to amend WTO rules in this regard;

42. Envisages the possibility of introducing sanctions against those countries which refuse to ensure that their laws or measures comply with their obligations, to the benefit of the countries harmed by such laws or measures, especially if they are small economies which cannot credibly resort to retaliation measures;

43. Calls on the WTO members to take this opportunity for a more wide-ranging debate on a possible reform of this organisation in order to continue and conclude the process of revising the Dispute Settlement Understanding;

44. Considers that in the WTO framework positive integration should also be promoted among its members, in addition to the reduction or elimination of trade barriers (negative integration);

45. Believes that the issue of accession should also be included in the programme for such a debate; regrets that some negotiations for accession to the WTO sometimes last longer than is reasonable because they are blocked by only one or a few WTO members;

46. Calls on the WTO members to consider the idea of a special pre-accession status for candidate countries which, while not having yet concluded their bilateral market access negotiations with their key partners in the organisation, pledge to take on without delay all the obligations resulting from the application of the existing rules; stresses that the decision on whether or not to admit a new member country to the WTO should always be adopted on the basis of strictly commercial considerations;

47. Considers that the EU's 'Everything But Arms' initiative is a good example of market access to the LDCs;

48. Recalls the still unimplemented GATT 1994 Article XXXVIII, paragraph 2(a), laying down the commitment of all WTO members to stabilise and improve market conditions for primary products of particular interest to developing country members, and regards decisive action on this Article as an important feature of a reformed WTO;

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49. Points out that the debate on the reform of the WTO should be an eminently political exercise which, to succeed, will require a high level of commitment and determination on the part of the WTO members; leaves it up to the latter to decide within which WTO body this work should be carried out and the role to be played by the Director-General; calls, however, for the parliaments of the WTO members to be involved in the exercise through a contribution from the Parliamentary Conference on the WTO;

50. Instructs its President to forward this resolution to the Council and Commission, the governments and parliaments of the Member States and candidate countries, the governments and parliaments of the other WTO members and the WTO.

Free Trade Agreement with the Gulf Cooperation Council

P6_TA(2008)0181

European Parliament resolution of 24 April 2008 on the free trade agreement between the EC and the Gulf Cooperation Council

(2009/C 259 E/15)

The European Parliament,

- having regard to its resolution of 13 July 1990 on the significance of the free trade agreement to be concluded between the EEC and the Gulf Cooperation Council (GCC) ⁽¹⁾,
- having regard to its resolution of 22 May 2007 on global Europe — external aspects of competitiveness ⁽²⁾,
- having regard to its resolution of 23 May 2007 on promoting decent work for all ⁽³⁾,
- having regard to the Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions entitled ‘Global Europe: Competing in the World. A contribution to the EU’s Growth and Jobs Strategy’ (COM(2006)0567),
- having regard to the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on a common European approach to Sovereign Wealth Funds (COM(2008)0115),
- having regard to the Economic Agreement between the GCC States, adopted on 31 December 2001, in Muscat, Sultanate of Oman, and to the GCC’s Doha Declaration on the launch of the Customs Union for the Cooperation Council of the Arab States of the Gulf of 21 December 2002,
- having regard to Articles 188c and 188n, paragraph (6)(a)(v) of the Treaty of Lisbon amending the Treaty on European Union and the Treaty establishing the European Community, pursuant to which the Council must request Parliament’s consent prior to the conclusion of any international agreement that covers fields to which the ordinary legislative procedure applies,
- having regard to the European Parliament’s annual human rights reports,
- having regard to Rule 108(5) of its Rules of Procedure,

⁽¹⁾ OJ C 231, 17.9.1990, p. 216.

⁽²⁾ Texts Adopted, P6_TA(2007)0196.

⁽³⁾ Texts Adopted, P6_TA(2007)0206.