

1 **Draft Resolution n° 9 tabled by the EPP Group in the European Parliament to the EPP Congress,**
2 **Marseille (France), 7th-8th December 2011**

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4 **A Trade Policy for Europe**

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6 *Ensuring that Europe is at the centre of the global economy and re-gaining our economic leadership*
7 *must be the key ambition. Increasing the free flow of products and services between Europe and the*
8 *rest of the world is a pivotal ingredient if we are to achieve economic growth and job creation in*
9 *Europe. Free trade and access to global markets is a decisive factor enabling innovative entrepreneurs*
10 *and companies to become world leading "global champions", utilising trade with other parts of the*
11 *world in order to ensure competitiveness. The full realisation of the Single Market in goods and*
12 *services, resulting in increased inter trade in the EU, must be a key priority whilst encouraging*
13 *increasing trade with non EU countries by removing tariffs and trade barriers.*

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15 As a major economic and trading power, the European Union must now assert its political power at a
16 global level. The Lisbon Treaty provides the necessary means and competences for an ambitious and
17 coherent external policy.

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19 **Ambitious reforms are needed to reverse the trend in which the EU's share in the world's relative**
20 **GDP is declining while the emerging countries are rapidly increasing their performance**

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22 Demographic changes also have an influence on economic performance whereas the Union's working
23 age population already started to decline as of 2010

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26 **The Union's economy is highly dependent on trade**

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28 Growth, prosperity, jobs and maintaining the European social model are all interlinked and underpin
29 each other. By 2015, it is estimated that 90% of world growth will be generated outside the Union.
30 The European economy should take full part in this global growth and contribute to it with leadership
31 regarding innovation, services and high skills.

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33 Trade opening leads to higher productivity, contributes to increased external competitiveness and
34 could immediately contribute to more than 1.5% of direct economic growth and bring significant
35 welfare benefits to European citizens. Free trade and access to global markets is an important catalyst
36 for jobs, growth, competitiveness and productivity and a decisive factor enabling European
37 companies to become world leading.

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39 It is estimated that 36 million jobs in the Union are dependent on the Union's trade performance.
40 Comparisons over the past 10 years show that free trade and open borders create employment and
41 jobs.

42 Bearing in mind the Union's demographic estimates and their adverse effects on growth potential, it
43 is paramount to harness, and benefit from, the growth potential inherent in increasing productivity,
44 as well as the growth potential inherent in external trade.

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46 EPP welcomes, in general, the triple objectives of Europe 2020 of smart, inclusive and sustainable
47 growth and stresses the need for a forward-looking future strategy on trade and investment.

50 We insist that the Union needs a coherent long-term trade strategy in order to respond to the
51 challenges ahead; insist that such a strategy should be based on a thorough analysis of the current
52 trends in world trade, aiming for increased competitiveness and more global trade in services and
53 agriculture; thereby utilising the main part of the economy in order to replace debt with surpluses.

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55 The European People's Party is fully aware that trade policy is not an end in itself and, therefore,
56 reminds all stakeholders that a modern trade policy is required to take into account other policy areas
57 such as: human rights, fundamental labour rights corporate social responsibility, environmental
58 policy, climate change, and security of raw materials and energy supply.

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60 It should be stressed, however, that trade policy should not be overburdened with issues that are not
61 directly related to international trade, which could be better addressed in other contexts, and
62 encourages other political disciplines to more frequently take into consideration how other policy
63 areas could, on the one hand, negatively affect and, on the other hand, positively contribute to
64 anticipate shifting trade patterns; the EU needs to develop a robust framework for business
65 restructuring and adaption to safeguard employment.

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68 **We should do more to get citizens on board**

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70 The EPP calls on Union citizens not to equate globalisation with falling European output and job
71 losses, as it should be noted that open and reformed economies are better placed to meet and
72 manage an economic crisis than closed economies. The EPP calls, therefore, on the European
73 institutions and the Member States to adopt a better communication strategy on the Union's trade
74 policy and the advantages and disadvantages of international trade.

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77 **EPP strongly prefers a multilateral approach within the World Trade Organisation (WTO)**

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79 The **WTO Doha negotiations should be completed** as soon as possible and any protectionist
80 measures must be avoided by all parties.

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82 In our view the multilateral trading system embodied in the WTO remains by far the best framework
83 for achieving free and fair trade on a global basis; however, we consider that the WTO system should
84 be reformed, in particular the Dispute Settlement Body, in order to increase its effectiveness and that
85 the EU should develop proposals to strengthen the WTO and to extend its rulemaking capacity to new
86 areas of trade policy such as prohibition of export taxes.

87
88 The reform of WTO and any future rounds should reflect the shifts in the world's trading patterns and
89 distribution of the benefits of world trade, whilst bearing in mind the need for a balanced text on
90 Non-agricultural Market Access (NAMA) to guarantee reciprocal access to markets

91
92 Now that the prospects for a conclusion of the WTO DDA within the foreseeable time appear to be
93 very bleak, the EU should speedily come up with an alternative parallel agenda to achieve meaningful
94 liberalisation in a multilateral context, by establishing an agenda of relevant topics, to be negotiated
95 by plurilateral coalitions of the willing.

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98 All new FTAs concluded by the EU should be WTO compatible, deep and comprehensive, including
99 with regard to sustainable development; lead to real reciprocal market access; and go beyond both
100 existing multilateral commitments and those expected to result from a successful conclusion of the
101 Doha Round. We welcome the progress made in some negotiations; the EPP encourages the EU to
102 proceed vigorously with the negotiations that are not yet concluded.

103
104 Improving our commercial relations with major trading partners such as the US, China, Japan and
105 Russia is of major importance. Eliminating tariff and non-tariff barriers is of key importance, in
106 particular with respect to technical standards, intellectual property rights, market access, public
107 procurement, and supply of raw materials. It is, however, regretful that insufficient progress has been
108 made so far in these areas. Therefore, an intensification of efforts is needed towards successful
109 progress in our trade relations with these countries and we encourage our trading partners to do the
110 same. In order to achieve these goals quickly, more and better results from high-level dialogues with
111 major trading partners, such as the US, China, Japan and Russia, are needed.

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113 The ambition to increase economic growth calls for an intensification of transatlantic relations and
114 the creation of a barrier-free transatlantic market. The importance of continuing with the
115 strengthening of transatlantic economic relations should be emphasised; in particular the importance
116 of achieving more progress in the world's biggest trade relationship, especially with respect to
117 standards and technical barriers to trade. Therefore, the EPP welcomes the re-launching of the
118 Transatlantic Economic Cooperation (TEC) and encourages the parties to the TEC to strive for an
119 integrated transatlantic marketplace in the very near future. These efforts should lead to the
120 conclusion of a Free Trade Agreement between the two largest economies in the world.

121
122 We regret that little or no progress has been achieved with regard to the High-Level Economic and
123 Trade Dialogue (HED) with China, as well as that major trade barriers and crucial trade distortions are
124 still detrimental to EU-China trade relations, especially with regards to intellectual property rights,
125 market access, public procurement, raw materials and trade defence disputes. We insist that China
126 should comply with all its WTO obligations and that the Union should clearly announce and introduce
127 appropriate measures whenever China does not abide by its obligations.

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129 We strongly welcome the resolution of outstanding bilateral issues in the accession of Russia to the
130 WTO and regard a quick accession to the WTO as a key priority. We also welcome the bilateral
131 negotiations on a comprehensive EU-Russia agreement and urge Russia to improve the trading
132 environment for Union operators in Russia.

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134 It is in the European Union's interest to improve the EU-Japan trade relations by removing non-tariff
135 barriers to trade and investment as a first step. The EPP is not satisfied with the negligible progress in
136 this area in recent years and asks the Commission to present Parliament, in due course, with a
137 comprehensive impact assessment with the possible advantages and disadvantages of an EU-Japan
138 FTA before making any commitments.

139 140 **Open markets and market access are still the main focus**

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142 The ideas underpinning the EU's Single Market, i.e. free movement of products and services, opening
143 up for trade and investments, should be the point of departure for the EU's trade policy. The Single
144 Market should be opened up to global trade and investments, in order to attract capital and new
145 ideas to Europe.

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147 We fully acknowledge the achievements of the Market Access Strategy and the prevention of
148 protectionist measures during the financial crisis. The EPP welcomes, therefore, the Market Access
149 Strategy and the close cooperation between the European Commission, the Member States and the
150 stakeholders.

151
152 It should not be forgotten that the main reason for the EU's economic success is the activity of
153 various economic operators, including both SMEs and multinationals; therefore, we call for the
154 specific needs and interests of different European economic operators to be reflected in all trade
155 negotiations.

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157 **But, on the other hand, the Union as a relatively open economy needs effective trade defence**
158 **instruments**

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160 We reiterate that the pursuit of further trade liberalisation still requires an ability to protect itself
161 against unfair trading practices.

162 It is our strong belief that EU external trade policy must, however, safeguard open world markets for
163 European farmers. In order to maintain a strong, competitive and more market orientated agriculture
164 sector.

165
166 **EU competitiveness and economic success cannot exist without services and well protected foreign**
167 **direct investments**

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169 We shall not forget the greatly increased potential of goods and services in international trade but
170 reiterate that market access and the abolition of trade barriers at WTO level and in FTA negotiations
171 has not been able to keep pace with these developments; many barriers to trade of goods and
172 services are caused in particular by national regulations.

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174 The responsible European institutions should do their utmost to make our trading partners grant
175 better market access to our service providers. The EPP notes, however, that some public services
176 have to remain excluded on the basis of national or regional cultural diversities.

177
178 We will give the protection of EU investors first priority in light of the future European investment
179 policy; therefore, the legal certainty of the protection granted by existing Bilateral Investment
180 Treaties (BITs) has to be secured and existing conflicts on the internal market have to be resolved. The
181 EPP urges for guarantees of investment protection for European companies, at least at today's level,
182 if existing BITs are repealed.

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184 **Need for positive reciprocity in international public procurement markets**

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186 It is regretful that the large degree of openness of EU public procurement markets at all levels of
187 government are in many cases not matched by commensurate access for EU suppliers abroad.
188 All stakeholders should concentrate their efforts on positive reciprocal access in the public
189 procurement sector, bearing in mind that the clear priority in reciprocal access is not to close our
190 markets but to open them up to foreign public procurement markets.

191
192 Ambitious attempts within and outside Europe should be made in order to tackle regulatory barriers.

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194 The increasing relevance of regulatory issues to international trade should also be stressed. The EPP
195 calls, therefore, for greater consistency between EU rules and practices and those of our main trading

196 partners, bearing firmly in mind that this should not bring down EU standards but lead to a better
197 acceptance of existing multilateral standards.

198
199 The impact of the EU's internal policies and regulations on global competitiveness should be assessed
200 systematically and priority should be given to those options that are least likely to negatively affect
201 the competitive position of EU enterprises within and outside Europe.

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203 The aspect of international competitiveness should be included in all impact assessments related to
204 new legislative proposals.

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207 **European People's Party is committed to free and fair trade**

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209 The Union as a whole has a social responsibility; Europe should continue to fight against poverty and
210 in favour of quality of employment, within and outside the EU.

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212 In our view, both the EU cohesion funds and the Globalisation Adjustment Fund should be used to
213 encourage structural change and new competitive jobs within the Union.

214 The EPP fully supports the goal to promote sustainable development and enforcement of
215 international labour standards and decent work; for example, by negotiating Economic Partnership
216 Agreements (EPAs), which combine European and ACP interests, by fostering development by
217 promoting regional integration, creating opportunities for trade and investment and improving
218 economic governance, and reminding all stakeholders that other regions of the globe have shown
219 how trade can contribute to welfare. The EPP asks all stakeholders for an integrated approach on
220 trade, foreign, development, social, agricultural and environmental policies.

221
222 The EPP calls for emergency trade aid measures for countries hit by natural disasters and conflicts to
223 rebuild their economies; concrete examples of measures, which could bring relief to an emergency in
224 the short term, should be presented alongside measures that could have a positive impact on mid-
225 and long-term development.

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228 **A sustainable and undistorted supply of raw materials is essential**

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230 The EPP Calls on European Union policy makers to pursue a consistent trade policy concerning raw
231 materials with the aim of preventing and eliminating unfair trade practices such as export restrictions,
232 export taxes and so-called dual pricing mechanisms at multilateral and bilateral level.

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234 While continuing to reduce our import trade barriers, we need to stay firm on the elimination of
235 export restrictions, export taxes and so-called dual pricing mechanisms in all future bilateral free
236 trade agreements concluded.

237
238 The Union should react in a stringent and proper way; for instance, by withdrawing GSP benefits in
239 the event of a GSP beneficiary country making use of unfair trade practices not offering EU companies
240 a level playing field and sustainable access.

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243 **Better customs cooperation inside and outside the EU is needed**

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245 We support initiatives to strengthen the international customs cooperation within the World Customs
246 Organisation and on a bilateral level to make customs procedures more efficient, to reduce costs for
247 traders and to better address security, safety and IPR challenges.

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249 The EPP launches the idea of setting up a unified EU customs service, for a more effective application
250 of custom rules and procedures throughout the customs territory of the EU, and calls for adequate
251 IPR protection, which also bears in mind the interests of the poorest.

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253 In our view, counterfeiting and piracy result in job losses and undermine innovation; therefore,
254 adequate IPR protection and effective enforcement are the bedrock of a global economy. The EPP
255 regards the appropriate protection of IPRs, including trademarks and geographical indications by our
256 main trading partners, as an indispensable requirement for preserving and improving the EU's
257 competitiveness and welcomes commitments to strengthening IPR provisions in international trade
258 agreements, as well as the enforcement of existing commitments. At the same time we need to
259 defend the free flow of information and a free Internet in order to encourage an open digital
260 ecosystem, which encourages new innovations and economic growth.

261
262 We call for European IPR policy towards the least developed countries to remain within the TRIPS
263 Agreement obligations, especially in the field of generic medicines.