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# **Preparation for the WTO conference**

# European Parliament resolution on preparations for the Sixth Ministerial Conference of the World Trade Organisation in Hong Kong

### The European Parliament,

- having regard to the Council conclusions of 18 October 2005 on the WTO Doha Development Agenda,
- having regard to its resolution of 12 May 2005 on the assessment of the Doha Round following the WTO General Council Decision of 1 August 2004<sup>1</sup>,
- having regard to its previous resolutions on the WTO Ministerial Conferences, and in particular those of 25 October 2001<sup>2</sup> and 3 July 2003<sup>3</sup>,
- having regard to the Decision adopted by the General Council on the Doha Work Programme on 1 August 2004,
- having regard to the Doha Ministerial Declaration of the WTO of 14 November 2001,
- having regard to the results of the November 2004 session of the Parliamentary Conference on the WTO, jointly organised by the Inter-Parliamentary Union and the European Parliament,
- having regard to the Treaty establishing the European Community, and in particular Articles 36, 27 and 133 thereof,
- having regard to Rule 103(4) of its Rules of Procedure,
- A. whereas the multilateral trading system embodied in the WTO has contributed significantly to economic growth, development and employment throughout the past fifty years, but the benefits have been unequal, especially for many developing countries,
- B. whereas international trade can play a major role in the promotion of economic development and the alleviation of poverty; whereas WTO Ministers have recognised the need for all our peoples to benefit from the increased opportunities and welfare gains that the multilateral trading system can generate and have given a commitment to place the needs and interests of developing countries, especially the least developed among them, at the heart of the Doha Work Programme; noting, in this context, that enhanced market access, balanced rules and well targeted, sustainably financed technical assistance and capacity-building programmes have important roles to play,
- C. whereas the General Council reaffirmed on 1 August 2004 the ministerial declarations and decisions adopted at Doha and the full commitment of all members to give effect to them and set up a framework for negotiations in order to complete the Doha Work

<sup>&</sup>lt;sup>1</sup> *Texts Adopted*, P6 TA(2005)0182.

<sup>&</sup>lt;sup>2</sup> OJ C 112 E, 9.5.2002, p. 321.

<sup>&</sup>lt;sup>3</sup> OJ C 74 E, 2.3.2004, p. 861.

Programme and to conclude successfully the negotiations launched at Doha,

- D. whereas the main objective of the Doha Development Agenda is the economic advancement of developing countries; whereas this objective should guide all parts of the negotiations in order to achieve real and sustainable development results; whereas net economic gains as a result of negotiations must accrue particularly to the least developed countries (LDCs) in order to make progress towards achieving the Millennium Development Goals,
- E. having regard to the contribution that a successful outcome will make to jobs, growth and security in Europe through the additional opportunities for EU exporters in a more prosperous and open global economy and through the benefits of a more stable world,

# General

- 1. Believes it essential that the Doha Round must succeed in order to strengthen the multilateral trade system so as to ensure the progress and harmonious development of the world economy; reaffirms its strong support for placing development at the heart of the Doha Round and stresses that the negotiations must serve the purpose of eradicating poverty and bringing about fairer distribution of the benefits of globalisation; regrets the slow progress made during the negotiations prior to Hong Kong;
- 2. Calls on the Commission and the other trade partners to respect the ambitious programme of the Doha Development Agenda, with full respect for the development dimension; is deeply concerned about the serious and undermining effect that a failure would have on the multilateral trading system; calls, therefore, for a constructive 6th Ministerial Conference in Hong Kong so as to pave the way for a successful completion of the Doha Development Agenda in 2006;
- 3. Emphasises that the outcome of the Doha Development Agenda has to be balanced and must contain commitments in every key sector of the Doha Round;
- 4. Calls upon all stakeholders, especially all developed and more advanced countries, to assume their responsibilities in the run-up to Hong Kong in order to bring the round closer to a successful conclusion; considers that all parties should make efforts commensurate with their stage of development and negotiating power;

#### Agriculture

- 5. Recalls that the result to be achieved in Hong Kong on agriculture must include a timely phasing-out of all export subsidies, in parallel, by all developed-country WTO members, including those granted in the form of food aid or through state-trading entities and other export subsidies;
- 6. Stresses that a substantial reduction in trade-distorting domestic support and a significant improvement in market access are equally needed; in this respect, reiterates its support for the CAP reform;
- 7. Stresses that the concept of the multifunctional character of EU agriculture should be respected within the trade negotiations; upholds the EU's emphasis on non-trade concerns in order to safeguard food quality and safety, the protection of the environment, rural

employment and development;

- 8. Calls for effective recognition of geographical indications, as a factor in regional development and a means of sustaining cultural traditions, to be achieved in the current round;
- 9. Insists on the importance of finding a solution with regard to sensitive products which fully respects the principles of the Doha Development Round; calls for an effective solution to be found in respect of cotton; emphasises in this regard that all export-related support for cotton in the developed countries must be eliminated by 2010 and calls especially on the US to follow the EU in reforming its cotton market;

# Non-agricultural market access (NAMA)

- 10. Emphasises that the WTO negotiations on NAMA should be accelerated as soon as possible; considers that trade barriers between developed countries and developing countries, but also among developing countries, are an obstacle to sustainable development; considers that, in the interests of a further progressive south-south market opening, it is vital for the more advanced countries to shoulder their responsibility by opening their markets to the LDCs, and takes the view that the problem of preference erosion should likewise be addressed;
- 11. Insists that the formula to be adopted in NAMA negotiations must fully reflect the agreed principle of less-than-full reciprocity and the situation of developing countries which, in general, have high industrial tariffs generating significant budgetary income; stresses that the formula must allow for adequate protection of nascent industries, promote industrialisation and economic diversification and safeguard employment, especially for the (LDCs);
- 12. Notes that it is of strategic importance that all trading partners, where justified, also remove their non-tariff barriers, since these hamper market access and may do so even more when tariff barriers are further reduced;

# Services

- 13. Recognises that it is necessary for the Hong Kong Ministerial Conference to lay the foundations for an ambitious agreement on trade in services, enhancing, on the one hand, market access for EU service providers, and safeguarding, on the other, the ability of all WTO members, in accordance with the GATS Agreement, to regulate their services sectors; notes that the EU has a strong interest in expanding export opportunities for service providers; considers that substantive progress must be made in this field, with an exception for health, education and audiovisual services;
- 14. Urges the developed and emerging WTO members to exhibit the same level of commitment as contained in the EU's revised offer of January 2005 and to submit commensurate offers; stresses that, given the lack of progress in the Doha negotiations so far, supplementary approaches entailing further market opening in the field of services should be investigated, with due regard for the interests of LDCs; calls for greater transparency in GATS negotiations;

#### **Development** issues

- 15. Strongly believes that trade coupled with aid and debt relief is essential to the achievement of the 2015 Millennium Development Goals; calls, therefore, for concrete results with regard to the development aspects of the Doha Round already to be achieved during the Hong Kong Ministerial Conference; considers that the application of Special and Differential Treatment (S&D) should form an integral part of the WTO Agreements;
- 16. Calls on all developed countries to open their markets through tariff- and quota-free access for all goods from the LDCs, as already realised by the European Union, in particular as a result of the 'Everything but Arms' initiative; fully supports the idea of a 'free round' for the least developed and vulnerable countries; stresses that this would be an important stimulus for north-south trade;
- 17. Emphasises that the LDCs will never be able to take advantage of the opening of the markets of the more developed countries unless such measures are accompanied by trade-related technical assistance;
- 18. Calls for a coherent 'aid for trade' facility for developing countries that will need assistance to build the capacity necessary for them to realise benefits from improvements in market access and trade rules and also to enable them to diversify their production bases, to replace customs resources with other fiscal resources and to fulfil the commitments given within the WTO;
- 19. Calls for a permanent solution to be found, as a matter of urgency, in the field of TRIPs (Trade-Related Aspects of Intellectual Property Rights) and TRIMs (Trade-Related Investment Measures) so as to ensure access to medicines for countries with no manufacturing capacity that are facing public health concerns;

#### Further topics

- 20. Calls on the Hong Kong Ministerial Conference also to make substantial progress on various further topics; stresses the importance of trade facilitation for enhancing the exchange of goods and services among countries, notably developing countries; insists on clarification of, and a significant reduction of red tape in, customs procedures;
- 21. Emphasises the importance of concrete results as regards the creation of stronger multilateral rules in the area of anti-dumping, subsidies and countervailing measures, taking into account the needs of developing countries and LDCs; calls for progress in the area of TRIPs and for action against counterfeiting and piracy; considers that the fulfilment of these goals will strengthen the multilateral trade system;
- 22. Insists on the importance of taking into account non-trade concerns such as social, environmental and cultural issues in the Doha Round; stresses that the absence of a debate on employment and social issues in the trade negotiations could negatively affect support among citizens in WTO member states for progress in Hong Kong;
- 23. Calls for the negotiations on trade and the environment to lead to the establishment of appropriate ways to ensure that all trade rulings are consistent with the trade-related measures contained in Multilateral Environmental Agreements (MEAs);

#### WTO reform and transparency

- 24. Calls on the Commission to keep it fully informed, before and during the Ministerial Conference in Hong Kong and throughout the negotiations, and to engage in a regular dialogue on the essential elements of the EU negotiating mandate; recalls the right acquired at the end of the Uruguay Round to subject the conclusion of the results of the subsequent rounds to the European Parliament's assent;
- 25. Stresses the importance of maintaining public and political support for the WTO multilateral trade system; underlines the urgent need to ensure that the public are better informed and that discussion takes place on the reform of the WTO organisation;
- 26. Insists on a much-needed WTO reform, including an improvement of the negotiating procedures, in order to improve efficiency and transparency and to reach a degree of consensus among WTO members; equally underlines the importance of reforming the WTO Dispute Settlement Mechanism;

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27. Instructs its President to forward this resolution to the Council, the Commission, the governments and parliaments of the Member States and the Director-General of the WTO.