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MOTION FOR A RESOLUTION

further to Question for Oral Answer B6-0000/2008 Commission and B[6-0000/2008]) Council

pursuant to Rule 108(5) of the Rules of Procedure

by David Martin

on behalf of the Committee on International Trade

on the Economic Partnership Agreement between the CARIFORUM States, of the one part, and the European Community and its Member States, of the other part

European Parliament resolution on the Economic Partnership Agreement between the CARIFORUM States, of the one part, and the European Community and its Member States, of the other part

The European Parliament,

- having regard to its resolutions of 25 September 2003 on the Fifth Ministerial Conference of the World Trade Organisation (WTO) in Cancún¹, of 12 May 2005 on the assessment of the Doha Round following the WTO General Council Decision of 1 August 2004², of 1 December 2005 on the preparations for the sixth Ministerial Conference of the World Trade Organisation in Hong Kong³, of 23 March 2006 on the development impact of Economic Partnership Agreements (EPAs)⁴, of 4 April 2006 on the assessment of the Doha Round following the WTO Ministerial Conference in Hong Kong⁵, of 1 June 2006 on trade and poverty: designing trade policies to maximise trade's contribution to poverty relief⁶, of 7 September 2006 on the suspension of negotiations on the Doha Development Agenda⁷ (DDA), of 23 May 2007 on Economic Partnership Agreements⁸, of 12 July 2007 on the TRIPS Agreement and access to medicines⁹, of 12 December 2007 on Economic Partnership Agreements¹⁰ and of 5 June 2008 on the proposal for a Council regulation applying a scheme of generalised tariff preferences for the period from 1 January 2009 to 31 December 2011 and amending Regulations (EC) No 552/97, No 1933/2006 and Commission Regulations (EC) No 964/2007 and No 1100/2006¹¹,
- having regard to the Economic Partnership Agreement between the CARIFORUM States, of the one part, and the European Community and its Member States, on the other part,
- having regard to the Joint Declaration on the signing of the Economic Partnership Agreement,
- having regard to the Partnership agreement between the members of the African, Caribbean and Pacific (ACP) Group of States of the one part, and the European Community and its Member States, of the other part, signed in Cotonou on 23 June 2000 (the Cotonou Agreement),

¹ OJ C 77 E, 26.3.2004, p. 393.

² OJ C 92 E, 20.4.2006, p. 397.

³ OJ C 285 E, 22.11.2006, p.126.

⁴ OJ C 292 E, 1.12.2006, p. 121.

⁵ OJ C 293 E, 2.12.2006, p. 155.

⁶ OJ C 298 E, 8.12.2006, p. 261.

⁷ OJ C 305 E, 14.12.2006, p. 244.

⁸ Texts adopted, P6_TA(2007)0204.

⁹ Texts adopted, P6_TA(2007)0353.

¹⁰ Texts adopted, P6_TA(2007)0614.

¹¹ Texts adopted, P6_TA-PROV(2008)0252.

- having regard to the Conclusions of the General Affairs and External Relations Council of April 2006, October 2006, May 2007, October 2007, November 2007 and May 2008,
 - having regard to the Commission Communication of 23 October 2007 on Economic Partnership Agreements (COM(2007)0635),
 - having regard to the General Agreement on Tariffs and Trade (GATT), in particular Article XXIV thereof,
 - having regard to the Ministerial Declaration of the Fourth Session of the WTO Ministerial Conference, adopted on 14 November 2001 in Doha,
 - having regard to the Ministerial Declaration of the Sixth Session of the WTO Ministerial Conference, adopted on 18 December 2005 in Hong Kong,
 - having regard to the report and recommendations of the Task Force on Aid for Trade, adopted by the WTO General Council on 10 October 2006,
 - having regard to the United Nations Millennium Declaration of 8 September 2000, which sets out the Millennium Development Goals (MDGs) as criteria collectively established by the international community for the elimination of poverty,
 - having regard to the Gleneagles Communiqué, released on 8 July 2005 by the Group of Eight in Gleneagles,
 - having regard to Rule 108(5) of its Rules of Procedure,
- A. whereas from 1 January 2008 the EU's previous trade relationship with the ACP countries – which gave the latter preferential access to EU markets on a non-reciprocal basis – no longer complied with the rules of the WTO,
 - B. whereas EPAs are WTO-compatible agreements aimed at supporting regional integration and promoting the gradual integration of the ACP economies into the world economy, thereby fostering their sustainable social and economic development and contributing to the overall effort to eradicate poverty in the ACP countries,
 - C. whereas EPAs should be used to build a long-term relationship whereby trade supports development,
 - D. whereas the current financial and economic crisis means that trade policy will be more important than ever to the developing world,
 - E. whereas the EPA sets up a framework for the future evolution of the economic, social and environmental policies of CARIFORUM States,
 - F. whereas the EPA embraces many subjects that have up to now been solely or mainly within national and regional jurisdiction; whereas the full implications of the complex commitments of the Agreement are not fully understood,
 - G. whereas the country and regional impact of the complex and wide-ranging commitments

included in the agreements could be very substantial,

- H. whereas the EPA will inevitably condition the scope and content of future agreements made between CARIFORUM and other trading partners and the region's stance in the negotiations,
- I. whereas there has been considerable pressure for the CARIFORUM States to move quickly to the signature of the EPA,
- J. whereas each of the CARIFORUM States has a separate liberalisation schedule, with a certain level of overlap between countries which converges over time, evolving into a regional schedule; whereas the region aims to establish a common market by 2015 but will not have a (largely) common external tariff vis-à-vis the EU until 2033,
- K. whereas the absolute impact of trade rules established by the EPA could be much greater than the removal of tariffs,
- L. whereas improved trade rules must be accompanied by an increase in support for trade-related assistance,
- M. whereas the objective of Aid for Trade is to support developing countries' capacity to take advantage of new trade opportunities,
- N. whereas the last sentence of Article 139(2) of the Agreement states that "Nothing in this Agreement shall be construed as to impair the capacity of the Parties and the Signatory CARIFORUM States to promote access to medicines",
- O. whereas development assistance in specified forms, quantities and time-frames is not included in the EPA; whereas the EPA contains no funding commitments,
 - 1. Believes that the EPA must contribute to increased economic growth, regional integration, economic diversification and the reduction of poverty;
 - 2. Recalls that a genuine regional market is an essential basis for successfully implementing the EPA and that regional integration and cooperation are essential for the social and economic development of the CARIFORUM States;
 - 3. Stresses that the implementation of the Agreement must pay due regard to the integration processes in CARIFORUM, including the aims and objectives of the CARICOM Single Market and Economy (CSME) as outlined in the Revised Treaty of Chaguaramas;
 - 4. Calls on the Commission to ensure that, in the application of the EPA to the Signatory CARIFORUM States that are members of the Caribbean Community, in the event of a conflict between the EPA and the Revised Treaty of Chaguaramas, the latter shall prevail;
 - 5. Welcomes the above-mentioned Joint Declaration and the fact that a mandatory comprehensive review of the Agreement will be undertaken no later than five years after the date of signature and at subsequent five-yearly intervals, in order to determine the impact of the Agreement, including the costs and consequences of implementation; points out that the Parties undertook to amend its provisions and adjust their application as

- necessary; calls for a comprehensive renegotiation of the EPA after the initial five year period;
6. Requests the Commission to support the establishment of an independent monitoring mechanism within the CARIFORUM States endowed with the necessary resources to undertake the analysis necessary to determine the extent to which the EPA is achieving its objectives;
 7. Recalls that the EPA must be supportive of the development objectives, policies and priorities of the CARIFORUM States, not only in its structure and content, but also in the manner and spirit of its implementation;
 8. Points out that the EPA should contribute to the achievement of the MDGs;
 9. Calls on the application by the European Union of the Most-Favoured-Nation (MFN) principle among all the ACP sub-regional groups;
 10. Calls for the elimination of the application of MFN treatment to the European Union by CARIFORUM and other sub-regional groups;
 11. Considers the front loading of the trade liberalization schedule unnecessarily onerous, especially given the fact that a substantial proportion of EU exports to CARIFORUM is already free of trade barriers;
 12. Regrets the fact that the trade regime is not constructed in a way that links the degree of liberalisation to the trade performance of CARIFORUM States (e.g. trade shares with the EU), and to expected country economic and social outcomes, such as income and poverty levels, developmental needs and economic openness; calls for this issue to be addressed in the implementation of the EPA;
 13. Recalls that the CARIFORUM States that are members of the Caribbean Community have made commitments in subject-areas not yet settled under the CSME or fully implemented, including financial services, other services, investment, competition, public procurement, e-commerce, intellectual property, free circulation of goods, and the environment; calls for implementation of these provisions to be deferred pending completion of the CSME in these subject areas;
 14. Stresses that the duty-free, quota-free (DFQF initiative) will produce a significant increase in goods exports only if it is accompanied by more substantial changes to rules of origin than have so far been agreed;
 15. Points out that, even after 2033, the CARIFORUM States will not have a common external tariff for all their imports from the EU; stresses that the EPA provides an umbrella for separate and partially different national trade policies on goods;
 16. Stresses that there are 40 separate services liberalisation schedules – one for each of the 27 EU members and for each of the 13 CARIFORUM States that are involved in the services liberalisation;

17. Recalls the adoption, in October 2007, of the EU Strategy on Aid for Trade, with the commitment to increase the collective EU trade related assistance to € 2 billion annually by 2010 (€ 1 billion from the Community, € 1 billion from the Member States);
18. Calls for an early determination and provision of an equitable share of the Aid for Trade resources; stresses that these funds should represent additional resources and not be merely repackaging of the European Development Fund (EDF) funding, that they should conform to CARIFORUM priorities and that their disbursement should be timely, predictable and in harmony with the execution schedules of national and regional strategic development plans; recommends to the Commission and the CARIFORUM States to make an efficient use of these funds in order to compensate for the loss of customs revenues;
19. Deplores that a number of the provisions in the EPA can and almost certainly will restrict access to medicines; stresses that adherence to the Patent Cooperation Treaty (PCT) will very likely result in a significant increase in the number of pharmaceutical patent applications filed, and accepted, in the CARIFORUM countries that were not previously party to the PCT, which will inhibit access to generic medicines; urges the Commission to ensure that the provisions regarding enforcement of intellectual property rights will not be used to thwart legitimate competition from generic pharmaceutical suppliers, and/or to inhibit government purchasing entities from acquiring generic supplies;
20. Calls on the Commission to regularly report to the Parliament on the impact of PCT adherence on the level of patent filings for pharmaceutical products and processes in the CARIFORUM countries, as well as on the corresponding volume of litigation; calls on the Commission to provide regular reports on the implementation of the technology transfer commitments in the Agreement; urges the Commission not to seek to impose harmonised intellectual property rights standards that are inappropriate to the level of development of the CARIFORUM States; stresses the importance of assisting CARIFORUM countries in monitoring anticompetitive conduct in the pharmaceutical sector;
21. Calls on the Commission to clarify which funds are additional to the funding of the 10th EDF; calls on the Commission to ensure that all development cooperation provisions, including their funding, are put into operation expeditiously, adequately, and effectively;
22. Stresses that the CARIFORUM-EC Parliamentary Committee, composed on the Parliament side of Members of the Committee on International Trade and of the Committee on Development, will be in charge of the parliamentary monitoring of the implementation of the EPA; this Committee, composed of 30 Members (15 from the CARIFORUM States and 15 from the Parliament) will meet twice a year; the Committee will cooperate with the ACP-EU Joint Parliamentary Assembly;
23. Instructs its President to forward this resolution to the Council, the Commission, the governments of the Member States and of the ACP countries, the ACP-EU Council and the ACP-EU Joint Parliamentary Assembly.