Wednesday 7 July 2021

P9_TA(2021)0328

Trade related aspects and implications of COVID-19

European Parliament resolution of 7 July 2021 on the trade-related aspects and implications of COVID-19 (2020/2117(INI))

(2022/C 99/02)

The European Parliament,

— having regard to the Commission communication of 18 February 2021 entitled 'Trade Policy Review — An Open, Sustainable and Assertive Trade Policy' (COM(2021)0066),

— having regard to the Commission white paper of 17 June 2020 on levelling the playing field as regards foreign subsidies (COM(2020)0253),

— having regard to the Commission communication of 27 May 2020 entitled 'Europe's moment: Repair and Prepare for the Next Generation' (COM(2020)0456),

— having regard to the Commission communication of 20 May 2020 entitled 'A Farm to Fork Strategy for a fair, healthy and environmentally-friendly food system' (COM(2020)0381),

— having regard to the Commission communication of 27 May 2020 entitled 'Adjusted Commission Work Programme 2020' (COM(2020)0440) and to President von der Leyen's letter of intent to President Sassoli and Chancellor Merkel of 16 September 2020 entitled 'State of the Union 2020',

— having regard to the Commission communication of 20 May 2020 entitled 'EU Biodiversity Strategy for 2030: Bringing nature back into our lives' (COM(2020)0380),

— having regard to the Commission communication of 11 March 2020 entitled 'A new Circular Economy Action Plan: For a cleaner and more competitive Europe' (COM(2020)0098),

— having regard to the Commission communication of 10 March 2020 entitled 'A New Industrial Strategy for Europe' (COM(2020)0102),

— having regard to the Commission communication of 10 March 2020 entitled 'An SME Strategy for a sustainable and digital Europe' (COM(2020)0103),

— having regard to the joint communication of the Commission and the High Representative of the Union for Foreign Affairs and Security Policy of 9 March 2020 entitled 'Towards a comprehensive Strategy with Africa' (JOIN(2020)0004),

— having regard to the Commission communication of 19 February 2020 entitled 'Shaping Europe's digital future' (COM(2020)0067),

— having regard to the Commission communication of 11 December 2019 on the European Green Deal (COM(2019)0640),

— having regard to the joint communication of the Commission and the High Representative of the Union for Foreign Affairs and Security Policy of 2 December 2020 entitled 'A new EU-US agenda for global change' (JOIN(2020)0022),

— having regard to the non-paper of the Commission services of 26 February 2018 on feedback and the way forward on improving the implementation and enforcement of trade and sustainable development (TSD) chapters in EU free trade agreements and its 15-point action plan on TSD chapters,

— having regard to the Commission communication of 14 October 2015 entitled 'Trade for All — Towards a more responsible trade and investment policy' (COM(2015)0497),

— having regard to the Agreement adopted at the 21st Conference of the Parties to the UN Framework Convention on Climate Change (the Paris Agreement),

— having regard to the UN 2030 Agenda for Sustainable Development and to the Sustainable Development Goals (SDGs),

— having regard to its resolutions of 26 November 2020 on the EU Trade Policy Review ([1]), of 9 June 2021 entitled 'EU Biodiversity Strategy for 2030: Bringing nature back into our lives' ([2]), of 20 May 2021 entitled 'Shaping the digital future of Europe: removing barriers to the functioning of the digital single market and improving the use of AI for European consumers' ([3]), of 25 March 2021 on establishing an EU strategy for sustainable tourism ([4]), of 10 March 2021 entitled 'Towards a WTO-compatible EU carbon border adjustment mechanism' ([5]), of 10 March 2021 with recommendations to the Commission on corporate due diligence and corporate accountability ([6]), of 10 February 2021 on the New Circular Economy Action Plan ([7]), of 25 November 2020 entitled 'A New Industrial Strategy for Europe' ([8]), of 7 October 2020 entitled 'Implementation of the common commercial policy — annual report 2018' ([9]), of 16 September 2020 on the EU's role in protecting and restoring the world's forests ([10]), of 28 November 2019 on the climate and environment emergency ([11]), of 12 December 2017 entitled 'Towards a digital trade strategy' ([12]), and of 5 July 2016 on a new forward-looking and innovative future strategy for trade and investment ([13]),

— having regard to the opinion of its Committee on International Trade of 15 April 2021 on the report entitled 'EU Biodiversity Strategy for 2030: Bringing nature back into our lives',

— having regard to Rule 54 of its Rules of Procedure,

— having regard to the opinions of the Committee on Development and the Committee on Agriculture and Rural Development,

— having regard to the report of the Committee on International Trade (A9-0190/2021),

A. whereas COVID-19 has caused a global pandemic, giving rise to an unprecedented global health, economic, social and humanitarian crisis, which has created bottlenecks and disruptions of an unprecedented scale to international trade, causing it to plunge as the virus spread, slashing global production and employment, decreasing the level of foreign direct investment (FDI), and increasing geopolitical tensions;

B. whereas the pandemic has demonstrated strategic vulnerabilities in the EU and global supply chains, including for critical raw materials, and essential medical goods such as personal protective equipment and active pharmaceutical ingredients, and has highlighted the need for enhanced resilience and diversification at global, regional and local level;

C. whereas the COVID-19 outbreak has further increased inequalities and has added to concern among citizens about job losses in certain sectors, the changing nature of work and the pressure on workers' wages and rights; whereas these problems must be addressed in order to retain public support for global trade;

D. whereas the COVID-19 outbreak risks creating a set-back in the worldwide fight against climate change, yet we need global action and cooperation to develop policies and streamline climate action in internal and external policy, as the vaccine alone will not be sufficient to address the social, environmental and economic crisis caused by COVID-19;

([1]) Texts adopted, P9_TA(2020)0337.
([2]) Texts adopted, P9_TA(2021)0277.
([3]) Texts adopted, P9_TA(2021)0261.
([4]) Texts adopted, P9_TA(2021)0109.
([5]) Texts adopted, P9_TA(2021)0071.
([6]) Texts adopted, P9_TA(2021)0073.
([7]) Texts adopted, P9_TA(2021)0040.
([8]) Texts adopted, P9_TA(2020)0321.
([9]) Texts adopted, P9_TA(2020)0252.
([10]) Texts adopted, P9_TA(2020)0212.
([11]) Texts adopted, P9_TA(2019)0078.
([12]) OJ C 369, 11.10.2018, p. 22.
([13]) OJ C 101, 16.3.2018, p. 30.

E. whereas though the European Union has substantially reduced its domestic greenhouse gas emissions, those embedded in imports have been constantly rising, thereby undermining the Union's efforts to reduce its global greenhouse gas emission footprint;

F. whereas international trade in goods and services is set to increase by 8.4 % in 2022 according to International Monetary Fund estimates ([14]) and trade policy must play a full roll in the recovery from the COVID-19 pandemic; whereas the Commission communication on the Trade Policy Review must be complemented by continued dialogue and transparency with the European Parliament, which will play a key role in its implementation, as well as by a strategy to increase EU resilience and strategic autonomy, including tailored policy measures and instruments in the area of domestic production, nearshoring, diversification of suppliers and stockpiling;

G. whereas the EU, as the world's largest trading bloc and with its extensive network of trade agreements, is the biggest actor on the world trading scene and finds itself in a unique position to cooperate globally, drive the implementation of EU standards, values and sustainability frameworks in partner countries, and secure the sustainable recovery of the world economy, in line with the European Green Deal and the Paris Agreement;

H. whereas the divisions within the World Trade Organization (WTO) and the urgent need for its reform have complicated the coordinated efforts to keep global supply chains open, and the priority must now be to rebuild trust in multilateral institutions as entities able to deliver global answers, by rapidly moving forward on the discussions on the WTO trade and health initiative;

I. whereas it is important for there to be close cooperation between the WTO and other international bodies, notably the World Health Organization (WHO), the UN institutions and the World Bank, in order to tackle the crisis in a comprehensive manner, paying special attention to the health and economic implications in developing countries;

Fair, resilient and green value chains

1. Stresses that trade policy finds itself at a crossroads; notes that the geopolitical reality has changed and stresses that the EU still has to position itself in this new environment; is convinced that COVID-19 has reinforced the need for a thorough review of the EU's trade policy; stresses that Parliament is ready to contribute actively to the Trade Policy Review;

2. Stresses the importance of fair, resilient and sustainable value chains that respect human rights, labour rights and environmental standards; recalls that mandatory due diligence across supply chains should be an instrument to achieve this; stresses that more attention should be given to the vulnerable position of micro, small and medium-sized enterprises (MSMEs) in the EU and especially in developing countries, as large companies are more likely to overcome exogenous shocks; stresses the importance of using strategic foresight to increase the EU's and developing countries' preparedness for and resilience to any future shocks and health crises, including in the emergence of new disease mutations and future pandemics, aiming to develop future-proof strategies and responses; points out that a key pillar of an EU sustainable supply-chain strategy would be to require companies largely exposed to international supply chains to be subject to legally binding reporting requirements in the context of the forthcoming revision of the Non-Financial Reporting Directive ([15]);

3. Calls for the EU to ensure that trade also works for the economically disadvantaged; recalls, in this regard, that the specific actions to promote 'fair and ethical trade schemes' to which the Commission committed in the 'Trade for All' strategy have become even more relevant under the current circumstances given that bottom-up fair trade initiatives can ensure that trade benefits the economically disadvantaged actors in the supply chain; emphasises the importance of predictable long-term orders and takes note of the successful ordering schemes of that nature in the fair trade sector;

([14]) International Monetary Fund, *World Economic Outlook: Managing Divergent Recoveries*, April 2021.

([15]) Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups (OJ L 330, 15.11.2014, p. 1).

4. Calls on the Commission to promote fair trade initiatives through EU programmes involving young people and the private sector, in external action in general, in the implementation of TSD chapters, through EU delegations, and by rewarding best practices and facilitating knowledge exchange among local, regional and national authorities, civil society, schools and universities in the EU, including through the extension of the 'EU Cities for Fair and Ethical Trade Award' to schools and universities and the setting up of an annual fair trade week hosted in Brussels by the Commission; demands that the Commission report on support for fair-trade initiatives by the EU and the Member States;

5. Notes that global value chains often involve asymmetrical effects, including for least developed countries, an uneven distribution of risks, and disproportionally adversely impact women; deplores the fact that during the pandemic this uneven distribution has led to some European businesses offloading the costs of lower demand throughout their supply chains, including in developing countries, and cancelling orders that were already produced and in some cases even shipped; calls on the Commission to engage with Member States, local governments, the private sector and civil society to achieve a fairer distribution of negative impacts and risks across supply chains; calls on the Commission to present concrete proposals following its pledge of 'zero tolerance of child labour' before the end of 2021, which the UN has declared International Year for the Eradication of Child Labour;

6. Stresses that the tourism value chain is one of Europe's main industrial ecosystems; emphasises, in this regard, that due to restrictions on travel and supply chains and disruptions caused by the COVID-19 crisis, tourism-related sectors such as hospitality, as well as other major industries (aeronautical, automotive, steel, shipbuilding and marine), are suffering trade and economic collapse;

7. Stresses that effective rules ensuring fair competition and a level playing field for European businesses, in both the internal market and third-country markets, are necessary to guarantee mutually beneficial trade relations with international partners and protect the single market from aggressive investment strategies by non-EU actors trying to take advantage of the current crisis; emphasises the importance of trade defence instruments in this regard; underlines that the enforcement regulation should have a positive contribution to the goal of ensuring fair competition and a level playing field, and stresses that TSD chapters are an integral part of trade policy;

8. Calls on the Commission to swiftly complete the EU's trade defence toolbox in 2021 through legislative proposals supported by impact assessments, giving priority to an anti-coercion instrument, an instrument to tackle distortions caused by foreign subsidies and state-owned enterprises, and the conclusion of negotiations on the International Procurement Instrument; points out the coercive effect of extraterritorial sanctions by third countries and the need to safeguard the functioning of financial instruments from such measures; notes the importance of public financial intervention during the COVID-19 pandemic;

9. Is convinced that openness should go hand in hand with safeguarding our strategic sectors and should be closely connected with an ambitious, forward-looking industrial policy in line with the Green Deal and digital strategy, which can increase the EU's capabilities to withstand future shocks in strategic sectors, boost economic recovery and ensure the competitiveness of EU businesses, creating quality jobs and ensuring that Europe plays a crucial role in the production of innovative goods and future services;

10. Believes that supply chain diversification and resilience should be a key priority for the revised EU trade policy; highlights the coupling of trade and security interests and calls for the proportional strengthening and enforcement of foreign direct investment screening, thereby complementing and supporting Member State efforts to implement such screening to safeguard European strategic sectors, and preventing the establishment of detrimental and exploitable economic dependencies on non-EU actors;

11. Is convinced that the EU is too dependent on a limited number of suppliers for certain critical raw materials, goods and services, especially medical and pharmaceutical goods, and that this undermines its strategic autonomy and geopolitical objectives; insists that the EU should overcome these undesirable dependencies via a horizontal mix of policies to incentivise companies to stockpile, increase manufacturing, diversify sourcing strategies and, where necessary, promote nearshoring and reshoring, which could create new trading opportunities for partners in the Eastern and Southern Neighbourhoods and must be accompanied by regulatory approximation in strategic sectors;

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12. Stresses the risks to critical supply chains made apparent by the COVID-19 crisis and calls on the Commission to pay particular attention to the sustainability of EU supply chains in its forthcoming industrial strategy, identifying which supply chains could benefit from increased resilience through supply diversification, reshoring and stockpiling; believes, however, that companies should ultimately decide for themselves how to manage their global supply chains;

13. Points out that the Commission should promote a circular economy on a global level and underlines the role that trade agreements should have in enhancing the circular economy's objectives, diversifying supply and strengthening open trade relations for critical goods and services, and that shortening or altering supply chains to the EU's neighbourhood and Africa can have a positive effect on their sustainable, green, inclusive and resilient economic growth, as well as for the EU's strategic interests;

14. Notes that the EU's agri-food supply chains remained operational during the pandemic but deplores the fact that export restrictions and trade barriers have caused numerous disruptions to it; notes that the Agricultural Market Information System (AMIS), which brings together the principal trading countries of agricultural commodities with the aim of enhancing food market transparency and the policy response for food security, can be regarded as an example of good practice; calls on the Commission to explore whether this model could be used in other value chains as well; supports actions to facilitate trade taken to promote food safety standards and sanitary and phytosanitary measures (SPS) in response to COVID-19; notes that according to the UN World Food Programme (WFP), COVID-19 brought the number of people at risk of acute food shortages in 2020 in low and middle-income countries up to 265 million, a figure up 130 million compared with 2019; calls on the Commission to identify and explore in cooperation with the UN the most appropriate measures to ensure that this pandemic does not translate into a food crisis in the developing world;

15. Calls on the Commission to come up with a digital trade strategy which increases the market access of European businesses, strengthens digital infrastructure, harmonises regulatory frameworks, modernises trade and customs tools, and protects EU citizens' rights under the GDPR ([16]);

16. Calls on the Commission to make thorough assessments of whether the new EU model clause on data flows will preserve Europeans' data protection and privacy rights in the case of a dispute with a trading partner; stresses that existing and future measures protecting the fundamental rights to privacy and personal data protection must not be undermined by international trade agreements; urges the Commission to take the relevant commitments of third countries into account when assessing their adequacy, including for onward transfers of data;

17. Underlines the acceleration of the digital revolution due to COVID-19 and recognises the importance of the EU taking the lead in setting standards for a sustainable, digital-driven global economy and keeping international data flows open so as to rapidly overcome a range of trade barriers and bottlenecks; underlines that the EU can set a global standard for fair and resilient digital trade in its bilateral and multilateral engagements and in plurilateral negotiations on e-commerce and investment facilitation; underlines that the digital chapter in the EU-UK Trade and Cooperation Agreement can serve as a model for future trade agreements;

18. Calls for incentives to be provided, including by means of tailor-made legal provisions on State aid, for EU businesses to make their value chains more sustainable and to shorten or adjust their supply chains where it could be beneficial to the EU's economy, resilience, geopolitical objectives and/or strategic autonomy, in order to ensure that external social, environmental and economic costs are fully internalised into the price in line with EU policies such as the Farm to Fork Strategy, the Circular Economy Action Plan, the Biodiversity Strategy and stepping up EU action to protect and restore the world's forests;

19. Calls on the Commission to thoroughly review how and to what extent transfers of emerging and disruptive technologies are taking place from the EU to authoritarian states via trade and investment flows; calls on the Commission to propose new measures to limit such transfers, including supply-chain cooperation with like-minded partners; calls for a dialogue on semiconductors to be started with Taiwan;

([16]) Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (OJ L 119, 4.5.2016, p. 1).

Trade policy for critical health products: lessons learned from the COVID-19 crisis

20. Underlines that international trade governance, putting international cooperation over competition, has an essential role to play in the rapid development of medical treatments and vaccines, the rapid scaling up of production, the development of resilient global value chains and equitable global market access, and, in this context, underlines that the current pandemic should provide impetus to strengthened international cooperation and global preparedness for health emergencies, requiring further engagement by the EU and the Member States acting together as 'Team Europe'; underlines the need to address trade-related causes of pandemics and zoonoses, such as the impact of trade on biosphere degradation;

21. Welcomes the proposal by several government leaders for an international treaty on the pandemic response and calls for it to include a strong trade pillar; underlines that the international trade framework must foster cooperation and put into place both structural and rapid response mechanisms to help governments overcome the challenges associated with health emergencies; underlines that such arrangements should encompass on the one hand, a needs-oriented 'demand-side' approach providing joint financing and globally coordinated advance purchases, and on the other hand, an integrated 'supply side' strategy for scaling up production capacity across the whole value chain; maintains that progress needs to be made in the areas of transparency on available stocks, global supply networks, production capacities and the pricing of essential health products, the implementation and development of exceptions for public health security in the intellectual property rights (IPR) framework, increasing the global mobility of essential services, protecting and fostering the resilience of small and medium-sized enterprises (SMEs), and developing an intersectional approach to tackling the negative impact of health crises on gender equality, income equality, and the position of minorities;

22. Calls for the establishment of a new Committee on Trade and Health at the 12th WTO Ministerial Conference in order to prepare guidelines on how governments can implement existing exceptions and flexibilities in international trade law so as to increase public health security, and what mechanisms must be put in place to improve the global response to health emergencies and to lay the groundwork for a trade pillar for the negotiations on a future international treaty on the pandemic response;

23. Stresses that global supply chains for raw materials and the production and distribution of vaccines must benefit from open trade relations; underlines that protectionism in the production and distribution of vaccines can hinder the response to the global pandemic; emphasises, in this connection, the detrimental effects of unilateral measures such as export restrictions and bans, the lack of transparency of global stocks and the subsequent price speculation with regard to scarce essential goods, not least for low- and middle-income countries; calls, therefore, for the EU to encourage the adoption of the WTO trade and health initiative by the end of 2021, to encourage stronger global cooperation and to be much more demanding as regards the transparency of the supply, production and cost of medical products, the resilience of global healthcare systems, and accessible and affordable medical products and services; calls for the EU to ensure that future advanced purchase agreements are fully disclosed, particularly for next-generation vaccines;

24. Calls for the EU to integrate commitments with regard to trade secrets, proprietary data and technology transfers, and demand the necessary transparency from suppliers, including a cost-profit analysis per product;

25. Is therefore concerned about the new rise in export restrictions on vaccines by the main manufacturing countries such as the US, the UK, China, India and, to a lesser extent, the EU and emphasises that this might endanger the rapid global scaling up of vaccine production capacity, disrupt production chains and lead to retaliation; urges the Commission to engage with producing countries to rapidly eliminate export barriers; reaffirms that the EU export authorisation mechanism is a temporary measure, only to be used as a last resort, and should evolve into a transparency mechanism; insists on receiving timely and comprehensive access to such data; emphasises that greater transparency has increased EU citizens' trust in the EU's vaccine rollout and management of the COVID-19 pandemic;

26. Is deeply concerned about the rising number of variants of COVID-19; emphasises that the lack of production and distribution of vaccines in third countries could lead to the increase of new and different types of variants; recognises that the EU is one of the largest exporters of vaccines to third countries, but that in absolute terms, these exports are not yet sufficient to tackle the global pandemic; stresses that the COVAX Facility is currently not able to distribute vaccines to the

most vulnerable in accordance with demand; underlines that timely global access to vaccines can benefit the recovery and resilience of the global economy, as well as the EU economy; urges the Commission to pursue effective vaccine and medical supply diplomacy to strengthen the EU's credibility and diplomatic visibility and calls for more international efforts to speed up the delivery of vaccines to COVAX;

27. Underlines that the vaccines against COVID-19 and its variants should be a global public good and that urgent multilateral efforts should be focused on the equitable distribution of vaccines across the world, rapidly increasing global production capacities, and establishing effective partnerships and technology transfers, including in low- and middle-income countries; emphasises that, based on lessons learned, it is crucial to continue to improve the public-private partnership frameworks behind the development and production of vaccines and other essential health technologies; welcomes the Global C19 Vaccine Supply Chain and Manufacturing Summit held on 8 and 9 March 2021 and calls for the establishment of structural platforms to rapidly scale up vaccine production in more countries, which could take the form of a public-private-partnership clearing house to bring together private and public parties to enable and scale up partnerships, monitor bottlenecks, and identify measures to support vaccine manufacturing and deployment; underlines the efforts made by the Director-General of the WTO in bringing members forward in the discussion on trade and health initiatives;

28. Emphasises that international trade policy must play a proactive role in this endeavour by facilitating trade in raw materials, alleviating shortages of qualified and experienced personnel, solving supply chain problems and revisiting the global framework for IPR for future pandemics; insists, in this regard, on a constructive dialogue about a temporary waiver of the WTO Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS) in order to ensure that countries do not face retaliation over COVID-19 related patent infringements during the pandemic;

29. Underlines that researchers and industry have put major effort into the development of new COVID-19 diagnoses, treatments and vaccines; emphasises the key role played by public sector resources, allowing pharmaceutical companies to de-risk the whole vaccine value chain by means of funding and large subsidies for research and development, as well as through large-scale advanced purchase agreements; underlines also the fundamental contribution of healthcare workers, patients, COVID-19 survivors and the general public who have participated in clinical trials and other research and development activities on different therapeutics and vaccines; considers that a multilateral IPR legal framework can provide protections and incentives which are critical for preparedness against future pandemics and recognises its role in facilitating the broad and unprecedented collaboration among governments, research institutions and pharmaceutical companies;

30. Emphasises the critical importance of open technology, know-how and research sharing for an effective pandemic response and of the full participation of pharmaceutical companies in multilateral initiatives such as C-TAP (COVID-19 Technology Access Pool) and the newly established WHO Technology Transfer Hub in order to harness their full potential;

Trade and sustainable development

31. Supports the mainstreaming of the European Green Deal and the European Digital Strategy into the communication on the Trade Policy Review (TPR) and calls for an assertive trade policy geared towards multilateralism, resilience and sustainability in line with the EU's commitment to implementing the UN SDGs; calls for a concrete action plan, roadmap and timeline to make this ambition a reality; invites the Commission, therefore, to engage with partners to update existing trade and investment agreements by making use of their review clauses;

32. Welcomes the incorporation of the Paris Agreement as an essential element in each future trade, investment and partnership agreement; stresses that ratification of the International Labour Organization (ILO) core conventions and respect for human rights are requirements for concluding free trade agreements (FTAs); calls for the Union to engage with future and existing trading partners to ratify and effectively implement other outstanding ILO conventions and multilateral environmental agreements when reviewing and negotiating agreements; asks for ambitious chapters on gender, women's empowerment and SMEs, as well as dedicated chapters on digital trade, to be included in each trade agreement;

33. Underlines that the post-COVID-19 recovery is a unique opportunity to set the agenda to promote sustainable growth; calls on the Commission, therefore, to speed up its review of the 15-point action plan on TSD chapters in 2021 so that it can be implemented in ongoing negotiations; expects the review to address enforceability and recalls, in this regard, the non-paper from the Netherlands and France on trade, social economic effects and sustainable development ([17]); suggests that, as a minimum, recent advances in the enforceability of EU trade policy should be considered, namely the ability to tackle any non-compliance by partners through unilateral sanctions as a last resort, such as the introduction of tariffs or quotas on certain products or the cross-suspension of other parts of an agreement;

34. Calls on the Council and the Commission to include in TSD and agricultural chapters provisions regarding animal welfare, fair trade and the circular economy; emphasises the role of the Chief Trade Enforcement Officer in this regard and calls for close cooperation with the European Parliament's Committee on International Trade in the monitoring and scrutiny of TSD enforcement; calls on the Commission to draw on the lessons learned from the recent panel of experts so that TSD chapters include a roadmap with concrete and verifiable commitments;

35. Regrets that brown goods still receive preferential treatment over green goods and that tariffs and trade barriers are working against sustainable trade; underlines that removing tariffs and trade barriers for green goods and services should be designed in compatibility with WTO rules in order to contribute to innovative solutions to tackle the climate crisis and contribute to the goals of the Green Deal, as well as the SDGs and sustainable development worldwide; requests that the Commission look into instruments to tackle these distortions and walk the talk of the Green Deal by implementing it in all aspects of trade policy;

36. Points out that high up-front costs, which could only repay themselves over time, and a lack of know-how and equipment are currently hindering or slowing developing countries in their green and digital transition; demands that the Commission use all trade instruments and development cooperation policies at its disposal to increase financial support, technical assistance, technology transfers, capacity building and digitalisation in order to empower developing countries and enable them to achieve sustainable resilience and to better implement due diligence across the supply chain;

37. Calls for the EU to take a leading role within the multilateral framework to engage with like-minded countries and trade partners in pursuing a strong environmental agenda, including the progressive development of disciplines, to end both market-distorting and environmentally harmful subsidies in trade agreements and at the WTO, including disciplines on fossil fuel subsidies, building on the 'do no significant harm' principle;

38. Stresses the importance of drawing up sustainability impact assessments on an *ex ante*, intermediate and *ex post* basis, following a concrete timeline, addressing possible risks as early as possible, and, if *ex post* evaluations prove this to be necessary, address negative impacts; calls on the Commission to brief Parliament regularly on the ongoing and finalised sustainable impact assessments; stresses the need to develop a comprehensive framework with concrete targets to advance the SDGs, the Green Deal and the ILO Decent Work Agenda in trade and investment agreements; emphasises that the new agreements should only be concluded once these targets have been fulfilled and that existing agreements should be revised accordingly;

39. Emphasises that transparency, dialogue and good communication with citizens and stakeholders are key to creating support for trade policy and harnessing its benefits; welcomes, therefore, the Acces2Markets gateway and the Commission's efforts in promoting this tool; insists that the role and responsibilities of civil society and domestic advisory groups (DAGs), whose monitoring role could be further extended, must be clearly defined in the EU's political and trade agreements and that financial assistance must be accompanied by capacity-building measures to enable it to function effectively; emphasises the potential of EU delegations in supporting the work of third-country DAGs and monitoring and implementing trade agreements, paying special attention to supporting SMEs in taking advantage of agreements and trade facilitation measures; deplores the lack of an overarching structure in this regard;

40. Stresses the need for more coherency and transparency in scrutinising EU trade policy; underlines the need for coherent, clear, measurable and objective criteria for the EU's trade policy and the engagement of EU citizens, better dialogue between the Commission and Parliament, more policy coherence and better scrutiny of all aspects of trade policy; stresses the role of *ex ante*, intermediate and *ex post* sustainable impact assessments in this regard; calls on the Commission

([17]) *Non-paper from the Netherlands and France on trade, social economic effects and sustainable development*, accessed at 'the Netherlands at International Organisations (permanentrepresentations.nl)'.

to engage with Parliament at all stages of its proposals, follow up on proposals made by the DAGs, reinvigorate civil society dialogue and cooperate more intensively with civil society in the European Economic and Social Committee (EESC); calls for Parliament to structure regular consultations with the DAGs;

Multilateralism and Europe's geopolitical place in the world

41. Invites the Commission to identify possible concrete and specific actions and a roadmap to implement the concept of open strategic autonomy, and to ensure that all options are on the table; notes with concern that geopolitical competition and tensions have accelerated following the COVID-19 outbreak;

42. Recalls the geopolitical significance of a strong, diversified and resilient EU trade policy; recalls that the EU's high energy-dependency rate is a challenge for open strategic autonomy, which compels us to accelerate the energy transition; stresses that the EU's market strength, values and adherence to cooperation, fairness, reciprocity and rules-based trade should form the basis of our openness;

43. Strongly recommends that the EU seek out new and consolidate existing partnerships with like-minded partners; considers that plurilateral trade agreements with a limited number of partners and a focus on strategic issues offer a better and more concrete avenue for implementing the concept of open strategic autonomy and would attract support among civil society;

44. Stresses, however, that where cooperation is not possible, the EU should pursue its interests through autonomous measures to protect its values and fight against unfair trading practices in accordance with international law;

45. Welcomes the Trade Policy Review's affirmation of multilateralism and the extensive proposals made for the necessary in-depth WTO reform across all its functions;

46. Shares the emphasis placed by the Commission in its vision for WTO reform on economic recovery, sustainable development, unfair state subsidies and digital trade, and urges the Commission to expend all efforts to implement its agenda, including goals on gender, human rights and labour standards;

47. Stresses the importance of ensuring the swift connection of the WTO with other organisations in the multilateral system such as the WHO, achieving a consensus in Geneva, ensuring that international organisations work jointly on mastering global challenges, and concluding the fisheries subsidy negotiations at the 12th WTO Ministerial Conference;

48. Stresses the importance of the WTO trade and climate initiative and reiterates its support for an environmental goods agreement; welcomes, in this context, the approach of the new Director-General of the WTO and expects the Commission to strongly support her in order to provide new impetus to the organisation so that it can tackle the challenges the multilateral trading system is currently facing;

49. Stresses the importance of effective dispute settlement in establishing stability and predictability in the multilateral trading system and the need to resolve the current situation of the Appellate Body in cooperation with the US, in order to make it operational again and in this way ensure that trade disputes can be properly resolved; asks the Commission to propose as part of its WTO trade and climate initiative the inclusion of environmental expertise in the context of dispute settlements, where relevant;

50. Emphasises that reviving the WTO negotiating function will play a key role in any substantial reform of the organisation; notes, in particular, that competitive distortions caused by industrial subsidies and state-owned enterprises, particularly in China, need to be addressed and asks the Commission to put forward proposals to identify and differentiate categories of subsidies according to their contribution to legitimate public goals;

51. Underlines that in order to revive the WTO negotiating function, the EU must work together with like-minded partners to find common ground for WTO reform in the broadest sense; reaffirms that meaningful progress in WTO reform needs a broad consensus and coalitions of like-minded partners; calls on the Commission to continue engaging in plurilateral negotiations as a step towards multilateral agreements; supports the Commission's proposal to initiate

negotiations on a plurilateral agreement on competitive neutrality with like-minded partners; is convinced that EU leadership and transatlantic cooperation are crucial for any meaningful WTO reform to succeed;

52. Calls for the Commission to actively pursue a solution to the mismatch between the level of development and the level of commitment taken within the international trading system; stresses that special attention has to be paid to developing countries and their specific needs in relation to economic growth, sustainable development and WTO reform;

53. Considers it essential that the next WTO Ministerial Conference address the sanctions regime to prevent the consequences of breaching international trade rules by some members from being paid by sectors not responsible for non-compliance;

54. Shares the suggestion made in the Trade Policy Review that the G20 should strengthen cooperation and coordinate efforts on their paths towards carbon neutrality and other aspects of the Green Deal; stresses, however, that in order for this approach to be effective, some G20 members will need to raise their emission reduction commitments; calls on the Commission to deliver an efficient carbon border adjustment mechanism;

55. Supports the new forward-looking transatlantic agenda based on common interests and shared values and goals, aiming to counterbalance the development of economic and trade cooperation in the Pacific, to achieve meaningful WTO reform and to find common solutions to common problems;

56. Recognises at the same time that some diverging interests remain; invites both the Commission and the US administration to cooperate closely in the new political context to secure a level playing field for businesses in order to increase market access for EU companies, continue to explore agreements on conformity assessment and the elimination of industrial tariffs, agree on ambitious social, technological and environmental standards, and build on each other's experience so as to promote such standards more efficiently on the global stage;

57. Urges both sides to solve bilateral trade disputes, supports the suspension of the Airbus-Boeing tariffs and urges that this matter be resolved permanently in order to find a solution to digital taxes; urges the US to remove the Section 232 tariffs on steel and aluminium;

58. Calls for joint efforts to put workers and companies at the centre of trade policy in order to emerge from the pandemic, speed up the economic recovery and facilitate trade in vaccines and essential medical goods; reiterates that we should work together to achieve meaningful WTO reform and reinstate a well-functioning Appellate Body; encourages both sides to stick to WTO commitments under the Agreement on Government Procurement (GPA) and to find common solutions to common problems, but underlines the need for the EU to act autonomously if needed;

59. Supports the joint communication entitled 'A new EU-US agenda for global change' and calls for the swift establishment of a new EU-US Trade and Technology Council; calls for close EU-US cooperation on emerging and disruptive technologies, including joint export and import restrictions vis-à-vis authoritarian states;

60. Calls on the Commission to put trade, the climate and related reforms at the core of transatlantic relations, while noting the high level of ambition that the new US administration is demonstrating in this area, which should also be based on new approaches such as those introduced by the US-Mexico-Canada Agreement (USMCA);

61. Is aware of the importance of the EU's trade relationship with China, which in 2020 became the biggest trading partner of the EU in terms of the trade in goods; firmly believes that EU-China trade relations require a more balanced and reciprocal approach; stresses that the process of the ratification of the EU-China Comprehensive Agreement on Investment (CAI), which can only start when the EU has achieved substantial progress in the elaboration of suitable and effective autonomous measures to be deployed in efforts to counter market-distorting practices and to defend strategic EU interests, including a ban on products made using forced labour, an upgraded trade defence toolbox and a working sanctions mechanism on human rights;

62. Underlines that ratifying the CAI is unthinkable in the context of the evolving dynamics of the wider EU-China relationship and considers deeply regrettable the unacceptable Chinese escalation of placing elected Members of the European Parliament and European entities under sanctions, as this further erodes trust and hinders bilateral cooperation; underlines that the ratification process of the CAI will not start until the Chinese sanctions against Members and Parliament bodies are lifted;

63. Underlines that Parliament will carefully scrutinise the agreement, including its provisions on sustainable development, and reminds the Commission that it will take the human rights situation in China, including in Hong Kong, into account when asked to endorse the investment agreement;

64. Urges the Commission to move forward with an investment agreement with Taiwan, showing commitment to meaningful engagement in trade and investment relations and taking the necessary steps towards an impact assessment, public consultations and a scoping exercise before the end of 2021; reiterates the importance of the bilateral structural dialogue, including on matters related to multilateralism and the WTO, technology and public health, as well as essential cooperation on critical supplies such as semiconductors;

65. Welcomes the Trade Policy Review's engagement towards Africa and the Eastern and Southern Neighbourhoods in an effective, sustained and constructive fashion and calls for concrete steps to deepen the EU's relations with these partners, including in the field of energy;

66. Reiterates the importance of a strategic and sustainable partnership with South-East Asia and India; calls on the Commission, in this context, to remain engaged with the region and proactively promote rules-based trade relations for a comprehensive and ambitious Indo-Pacific strategy;

67. Points out that the COVID-19 crisis has underlined the significance of a new partnership with the African continent that fosters an inclusive and sustainable policy approach; underlines in this context that the issue of debt reductions and debt cancellations needs to be addressed; stresses that the EU needs to actively support the diversification of inner-African value chains;

68. Welcomes the entry into force of the African Continental Free Trade Area (AfCFTA) as an instrument to actively accompany Africa's regional, economic and political integration and to improve its access to global markets;

69. Underlines the importance of the EU's commitment to our trade relations with Latin America and the Caribbean, including the overseas countries and territories; expresses concern about the impact of COVID-19, especially on women, in this region;

70. Calls for all the EU institutions to maintain as a priority our trade and development cooperation and the development of greater resilience to pandemics and health emergencies; calls on the Commission to maintain a structural dialogue with partners in the abovementioned regions to this end;

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71. Instructs its President to forward this resolution to the Council and the Commission.