Wednesday 11 November 2020

P9_TA(2020)0298

EU/China Agreement: cooperation on and protection of geographical indications (Resolution)

European Parliament non-legislative resolution of 11 November 2020 on the draft Council decision on the conclusion of the agreement between the European Union and the Government of the People's Republic of China on cooperation on, and protection of, geographical indications (08359/2020 — C9-0298/2020 — 2020/0089M (NLE))

(2021/C 415/11)

The European Parliament,

— having regard to the draft Council decision (08359/2020),

— having regard to the draft agreement between the European Union and the government of the People's Republic of China on cooperation on, and protection of, geographical indications (08361/2020),

— having regard to the request for consent submitted by the Council in accordance with Articles 207(3) and 207(4), first subparagraph, in combination with Article 218(6), second subparagraph, point (a)(v), and Article 218(7) of the Treaty on the Functioning of the European Union (TFEU),

— having regard to the World Trade Organization (WTO) Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS),

— 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 Commission communication of 1 July 2014 entitled 'Trade, growth and intellectual property — Strategy for the protection and enforcement of intellectual property rights in third countries'(COM(2014)0389),

— having regard to the Commission staff working document entitled 'Report on the protection and enforcement of intellectual property rights in third countries' (SWD(2019)0452),

— having regard to the joint statements of the 20th EU-China Summit of 16 July 2018 and of the 21st EU-China Summit of 9 April 2019,

— having regard to the joint communication of 12 March 2019 entitled 'EU-China — A strategic outlook' (JOIN(2019) 0005),

— having regard to its resolution of 9 June 2015 on Strategy for the protection and enforcement of intellectual property rights in third countries ([1]),

— having regard to its resolution of 12 September 2018 on the state of EU-China relations ([2]),

— having regard to its legislative resolution of 11 November 2020 ([3]) on the draft decision,

— having regard to the Treaty on European Union (TEU), and in particular Title V thereof on the Union's external action,

— having regard to the TFEU, and in particular to Articles 91, 100, 168 and 207 thereof, in conjunction with Article 218 (6)(a)(v) and 218(7),

([1]) OJ C 407, 4.11.2016, p. 18.
([2]) OJ C 433, 23.12.2019, p. 103.
([3]) Texts adopted, P9_TA(2020)0297.

Wednesday 11 November 2020

— having regard to Rule 105(2) of its Rules of Procedure,

— having regard to the opinion of the Committee on Fisheries,

— having regard to the letter from the Committee on Agriculture and Rural Development,

— having regard to the report of the Committee on International Trade (A9-0202/2020),

A. whereas the protection of geographical indications at international level is a key element of EU trade policy;

B. whereas the EU is the largest agri-food exporter in the world, achieving a record agri-food trade surplus of EUR 39 billion in 2019;

C. whereas the average value of products with a geographical indication is twice as high as that of products without such a quality label;

D. whereas EU agri-food exports to China have grown massively in the last decade, with an annual growth rate of more than 20 % over the period 2009-2019; whereas this has turned the EU's agri-food trade deficit of EUR 1 billion in 2009 into a trade surplus of more than EUR 9 billion in 2019, making China the third destination for EU agri-food exports, after the UK and the US; whereas Chinese imports of agri-food products are expected to grow further in the next decade;

E. whereas the worldwide sales value of products protected by EU geographical indications, covering wines, agri-food products and spirit drinks, represents EUR 74,76 billion ([4]), accounting for a 6,8 % share of EU agri-food sector sales and a 15,4 % share of EU agri-food exports;

F. whereas the EU is globally reputed for its know-how and for the production of high value and quality agri-food products;

G. whereas all imported agri-food products must be checked and meet the health, safety and animal welfare requirements that apply to EU producers across the agri-food supply chain, thus contributing to their value and quality;

H. whereas many EU geographical indications are faced with considerable challenges in China, causing significant economic losses for EU producers;

I. whereas the agreement builds on the experience gained through the EU-China pilot project on cooperation in geographical indications, which ran from 2007 to 2012;

J. whereas a substantial proportion of future global economic growth is expected to be generated outside Europe;

K. whereas agri-food producers and exporters have to operate in a difficult international trade environment;

L. whereas this agreement is important in view of the global recognition that it offers for geographical indications;

M. whereas this agreement is an important first step and should be extended as soon as possible to protect many EU GIs that are still excluded;

N. whereas the conclusion of this agreement demonstrates that the EU and China are able to reach bilateral deals as long as common interests are well taken into account;

([4]) Commission study, published April 2020 https://ec.europa.eu/commission/presscorner/detail/en/IP_20_683

1. Welcomes the conclusion of this agreement on cooperation on and protection of geographical indications (GIs) between the EU and the People's Republic of China; welcomes the protection of European GIs on the Chinese market; considers the effective implementation of the agreement an important confidence building exercise for the two parties and a major signal that China is willing to engage with the EU; expects that there will also be progress in other areas of cooperation with regard to fair trade;

2. Underlines the importance of the EU strategic relationship with China and calls on the EU's Member States and institutions to address China with one voice and in a coordinated way; highlights that trade and investment should be rules-based and value-based, with a multilateral trade system at its core; calls on China to play a more active part in the WTO and other multilateral initiatives and to fully comply with its WTO obligations, matching its acquired economic power with its level of development; stresses that respect for human rights is a pre-requisite for engaging in trade and investment relations with the EU and urges China to comply with international obligations and commit to respecting human rights, in particular in view of the ongoing negotiation of the bilateral investment agreement; is deeply concerned by the reported exploitation and detention of Uighur people in factories in China;

3. Calls for financial penalties to be introduced for companies that disregard geographical indications and counterfeit products covered by a geographical indication;

4. Points out that the agreement is a positive signal to the international community, including towards multilateral institutions; welcomes the high level of protection for a list of 100 European and 100 Chinese geographical indications under the agreement, which goes beyond the current level of protection granted under the WTO TRIPS agreement, in particular for foodstuffs but also for wines and spirits; takes note of the fact that the protection of another 175 geographical indications from the EU and China respectively is envisaged within four years of the entry into force of the agreement; notes that the EU protects more than 3 300 GIs; calls on the Commission to swiftly proceed with the extension of this agreement to protect in the coming years as many GIs as possible that meet the criteria, including fisheries and aquaculture GIs; calls on the Commission, furthermore, to keep Parliament duly informed on the progress of the negotiations towards the extension of the agreement; recalls that the agreement was finalised before the EU treaties ceased to apply in the United Kingdom of Great Britain and Northern Ireland and that there are eight products from the UK on the agreed lists; urges the Commission to consult the Member States and to replace these products with products from EU Member States as soon as possible after the transition period ends;

5. Welcomes the provision that producers of protected GI products can apply directly to the Joint Committee envisioned in this agreement if their product is not included on the initially agreed lists, and also if their product subsequently acquires protection after the agreement enters into force; calls on current and potential stakeholders, including in the EU fisheries and aquaculture sectors, to explore this provision;

6. Notes that the EU has a large trade deficit with China, but recalls that in the area of agri-food products the EU has a trade surplus;

7. Recalls the importance of promoting the EU's GI protection model as a vital tool for safeguarding the authenticity and unique characteristics of registered EU products, as a useful marketing instrument for business opportunities and a symbol of cultural heritage; recognises the rich European and Chinese heritage in traditional quality food products and the importance of GI protection in this regard; calls on the Commission, the Member States and the Chinese Government to commit to the protection of this heritage and ensure that it is recognised in both societies in order to facilitate the identification and origin protection of the products concerned, as well as to promote cultural exchange and openness;

8. Regrets the fact that despite protection under the agreement, some of the EU GIs cannot be exported to China owing to Chinese food import standards; asks the Commission to continue its dialogue with China on recognising EU food safety standards, which are among the highest in the world; calls on China to remove unjustified barriers to EU agri-food exports, to ensure reciprocity in the overall commercial relationship and to comply with, improve and strictly implement and enforce sanitary and phytosanitary (SPS) standards in order to avoid unfair competition;

9. Calls on China, furthermore, to support the existing multilateral framework protecting GIs by becoming a member of the WIPO Lisbon Agreement and the Geneva Act, in force since 26 February 2020;

10. Stresses the importance of geographical indications within the broader framework of intellectual property rights and efforts to fight the counterfeiting of products; emphasises that the agreement needs to ensure the full protection of the intellectual property rights of products in order to safeguard the value and quality of the local environment, including infrastructure, employment and biodiversity, to improve regional development and to enhance traceability, transparency and consumer information;

11. Welcomes, in this regard, the approval of the new Chinese legislation on the protection of intellectual property rights (IPR); calls on the Commission to closely monitor the implementation of this agreement and asks for swift ratification; calls on the Commission, moreover, to continue cooperation with China to make progress towards the implementation of a more ambitious agreement in the area of IPR, with a view to extending the list of protected EU geographical indications; urges the Commission to monitor the GI registration process in China; asks the Commission to keep offering support to EU companies through the IPR helpdesk; highlights the added value of cooperating with bodies such as the EU Intellectual Property Office on correct monitoring and enforcement;

12. Notes that, according to the latest report on the protection and enforcement of intellectual property rights, more than 80 % of counterfeit and pirated goods seized in the EU in 2018 and 2019 originate from China, accounting for a loss of some EUR 60 billion for EU Member States; underlines the continued importance of strict controls and testing on all imported products in order to detect counterfeit and fraudulent food products; recalls, therefore, the need for deep and effective customs cooperation between the EU and China in order to ensure fair competition in the light of increased trade flows, and as a tool in the fight against counterfeit goods;

13. Underlines the importance of effective implementation and proper enforcement in the market place of the provisions of the agreement; reiterates its determination to monitor and scrutinise the correct application of the agreement; calls on the Commission, in this regard, to inform Parliament annually about the implementation of the agreement, beginning one year after its entry into force; welcomes the appointment of a new Chief Trade Enforcement Officer (CTEO) and highlights the crucial role that he will play in monitoring and improving compliance with this agreement; calls on the CTEO to react immediately in the event that the agreement is not implemented correctly;

14. Is concerned about the impact that the Economic and Trade Agreement between the United States and China (the so-called US-China Phase One Deal), which entered into force on 14 February 2020, could have on the EU-China agreement on GIs and underlines that it must be implemented in a non-discriminatory manner, in full compliance with WTO rules and without any disruptive impact on the enforcement of the commitments taken in the EU-China agreement on GIs; stresses that the EU must also closely monitor the implementation of the second list of 175 EU geographical indications with regard to possible overlaps with the US-China Phase One Deal; expects EU exporters to see immediate benefits from trade facilitation measures in the agri-food sector;

15. Expresses deep concern for the many barriers that EU businesses and farmers face in accessing and operating in the Chinese market, owing to China's state-led system; considers that fair competition between EU and Chinese companies would lead to more opportunities and greater innovation, and urges the Commission to continue working with the Chinese authorities to dismantle those barriers;

16. Stresses the longstanding need for a level playing field between the EU and China regarding trade and investment, with a particular attention to reciprocity in market access, public procurement and financial services; urges both parties to cooperate constructively in that regard to pursue market-based reforms and make meaningful progress, in particular on the ongoing negotiation of the bilateral investment agreement but also on corporate social responsibility, the achievement of the Sustainable Development Goals, and the fight against climate change in line with the Paris Agreement; reiterates its call on China to move forward on an ambitious reform of the WTO, including comprehensive rules on industrial subsidies; reiterates its concerns regarding the market distorting practices of Chinese state-owned enterprises, forced technology transfers and data localisation, industrial overcapacity and the related dumping of exports, and other unfair trading

practices; reiterates the need to improve bilateral and multilateral cooperation for sustainable development and a fair trade system, while promoting social and environmental standards based on respect for and the implementation of international conventions and agreements; is concerned about China's poor performance in illegal, unreported and unregulated (IUU) fishing; highlights the lack of transparency in the registration of vessels and fishing fleets globally and stresses that Chinese subsidies in this area are creating unfair competition for the EU fishing sector; calls on China to make every effort to step up its legal framework for IUU fishing and to enforce it more strictly;

17. Recalls the need for significant and ambitious progress in the negotiations on the EU-China Comprehensive Agreement on Investment, in order to address the current market asymmetries; underlines the importance of including an ambitious chapter on trade and sustainable development to protect human rights, including core labour standards, promote sustainable development and fight against climate change in line with the Paris Agreement; emphasises that ensuring the level playing field, reciprocity and non-discriminatory treatment of the respective parties and their business communities, citizens and civil society are key; urges the parties to improve transparency and to establish a parliamentary dimension with regard to the implementation of the agreement; highlights that the EU market for public procurement is open to Chinese companies, including state-owned enterprises, while European companies often encounter difficulties in gaining access to procurement opportunities on Chinese markets; calls on the Commission and China to boost EU-China cooperation to achieve environmental goals;

18. Stresses that EU commercial relations require harmonious regional relations between China and its neighbouring countries, and its cordial coexistence with all territories which have had a special relationship with Europe; underlines that China's full respect for previous international commitments in the region will pave the way for the proper implementation of this agreement;

19. Instructs its President to forward this resolution to the Council, the Commission, the governments and parliaments of the Member States and the Government of the People's Republic of China and the National People's Congress.