






Procedure file

Basic information		
INI - Own-initiative procedure	2007/2184(INI)	Procedure completed
Towards a reformed World Trade Organisation		
Subject 6.20.01 Agreements and relations in the context of the World Trade Organization (WTO)		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	 International Trade		07/05/2007
		UEN MUSCARDINI Cristiana	
	Committee for opinion	Rapporteur for opinion	Appointed
	 Development		03/10/2007
		ALDE VAN HECKE Johan	
	 Economic and Monetary Affairs		19/06/2007
		PPE-DE HÖKMARK Gunnar	
Council of the European Union	Council configuration	Meeting	Date
	General Affairs	2859	10/03/2008
European Commission	Commission DG	Commissioner	
	Trade	MANDELSON Peter	

Key events			
27/09/2007	Committee referral announced in Parliament		
26/02/2008	Vote in committee		Summary
10/03/2008	Resolution/conclusions adopted by Council		Summary
03/04/2008	Committee report tabled for plenary	A6-0104/2008	
23/04/2008	Debate in Parliament		
24/04/2008	Results of vote in Parliament		
24/04/2008	Decision by Parliament	T6-0180/2008	Summary
24/04/2008	End of procedure in Parliament		

Technical information	
Procedure reference	2007/2184(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Initiative

Legal basis	Rules of Procedure EP 54
Stage reached in procedure	Procedure completed
Committee dossier	INTA/6/53440

Documentation gateway

Committee draft report		PE398.648	11/02/2008	EP	
Amendments tabled in committee		PE402.732	03/03/2008	EP	
Committee opinion	DEVE	PE400.399	10/03/2008	EP	
Committee opinion	ECON	PE396.438	26/03/2008	EP	
Committee report tabled for plenary, single reading		A6-0104/2008	03/04/2008	EP	
Text adopted by Parliament, single reading		T6-0180/2008	24/04/2008	EP	Summary
Commission response to text adopted in plenary		SP(2008)3169	28/05/2008	EC	
Commission response to text adopted in plenary		SP(2008)3407	25/06/2008	EC	

Towards a reformed World Trade Organisation

The Committee on International Trade adopted an own-initiative report by Cristiana MUSCARDINI (UEN, IT) on the reform of the World Trade Organisation (WTO).

MEPs consider that it is now more necessary than ever to resume the debate on the functioning and future of the WTO with a view to the possible reform of this organisation. The European Commission is called to present a robust initiative in Geneva, as soon as possible, with a view to relaunching this debate, and to report to the Parliament before the end of 2008.

According to the report, the debate should focus first and foremost on the very aims of the multilateral trade system, to ensure that they are mutually supportive and consistent with the action being taken by other international organisations. In particular, MEPs consider that the coordination of WTO activities with those of the International Labour Organisation (ILO), the United Nations Food and Agriculture Organisation (FAO), the United Nations Environment Programme (UNEP), the World Health Organisation (WHO), the United Nations Conference on Trade and Development (UNCTAD) and the Kyoto programme on renewable energy, should be strengthened.

The parliamentary committee is of the opinion that the most challenging requirement will be the need for the WTO to ensure trade rules fully respect human rights law and social and environmental standards. The committee supports an analysis of social, gender and environmental concerns, including employment, workers' rights and related provisions in the future trade policy review mechanism examination of WTO members.

MEPs consider it neither realistic nor desirable to call into question the principle of consensus in the WTO decision-making process, which guarantees the equality of all members. However, they take the view that various solutions could be examined with a view to facilitating, on a case-by-case basis, the emergence of such consensus. Furthermore, they believe that the WTO's institutional structure could be improved and stress the need to create a WTO parliamentary assembly with consultative powers, given the WTO's lack of democratic accountability and legitimacy.

Recalling the importance of trade as an effective tool for development and poverty reduction, the report points out that equal and effective participation by all members, including LDCs, must be given due consideration in any reform of the multilateral trade system. MEPs insist on the introduction of a more democratic decision-making system in the WTO enabling an increase in the active participation of developing countries, so that they feel fully represented in the negotiating process. They support the proposal to include, as a contractual right for least developed countries (LDCs), funding arrangements for technical assistance so that they can participate meaningfully in the multilateral trading system.

MEPs also wish to see the issue of the role of the WTO secretariat and Director-General carefully considered and call for the financial and human means and resources available to the WTO secretariat to be strengthened. Considering that transparency in the drawing up and pursuit of trade policies represents a legitimate demand on the part of society, citizens and parliamentarians, MEPs support the ideas proposed by the WTO Director-General seeking to strengthen the 'active transparency' mechanisms and to monitor and supervise effectively the application of the rules and undertakings approved by the WTO members, with a view to ensuring that they are genuinely and fully implemented.

Although the WTO dispute settlement mechanism has, overall, fulfilled its role successfully up to now, MEPs believe that certain adjustments are necessary, in particular with regard to the implementation of the recommendations and decisions of the dispute settlement body. They also stress the need to ensure that the Dispute Settlement Body interprets WTO rules in such a way that it takes into due account applicable international environmental and social law. Moreover, given the judicial nature of the dispute settlement procedure, MEPs support the idea that substantive meetings with the parties, special groups and the appeal body, should in future be held in public.

Lastly, the parliamentary committee calls on the WTO members to consider the idea of a special pre-accession status for candidate countries which, while not having yet concluded their bilateral market access negotiations with their key partners in the organisation, pledge to take on, without delay, all the obligations resulting from the application of the existing rules. The decision on whether or not to admit a new member country to the WTO should always be adopted on the basis of strictly commercial considerations, according to MEPs.

Towards a reformed World Trade Organisation

The Council examined the state of play in the WTO DDA negotiations, ahead of possible WTO Ministerial discussions in Geneva. The Council reconfirmed the importance of achieving a comprehensive, ambitious and balanced final outcome within and across all of the areas of the DDA, in agriculture and non-agricultural market access and also including services, rules, trade facilitation and geographical indications. It also reconfirmed its commitment to a successful result, meeting the main objectives of the EU and the needs and interests of developing countries, in particular LDCs.

To that end, the Council urged WTO partners to make meaningful contributions to the negotiations, commensurate with their level of development. For emerging economies, in industrial tariffs in particular, this requires granting additional market access. In this context, the Council expressed its support for the Commission in seeking the further improvements of the Chairs' negotiating texts needed to move the negotiations forward, alongside further progress on the Single Undertaking as a whole, including services and geographical indications.

The Council agreed that a special session of the Council, as well as meetings of the Article 133 Committee, would be convened in the margins of the possible WTO DDA ministerial negotiations in Geneva. The date will be determined by the Presidency in the light of developments.

Towards a reformed World Trade Organisation

The European Parliament adopted, by 495 to 15 with 53 abstentions, a resolution on "Towards a reform of the World Trade Organisation". The own-initiative report was tabled for consideration in plenary by Cristiana MUSCARDINI (UEN, IT) on behalf of the Committee on International Trade.

MEPs consider that it is now more necessary than ever to resume the debate on the functioning and future of the WTO with a view to the possible reform of this organisation. The European Commission is called to present a strong initiative in Geneva with a view to re-launching this debate. Parliament calls on the Commission to make contact informally with other WTO members likely to support such an initiative and with the Director-General of that organisation, and to report to him, by the end of 2008, on the outcome of these consultations.

Parliament takes the view that the exercise should focus on the very aims of the multilateral trade system, to ensure that they are mutually supportive and consistent with the action being taken by other international organisations. In particular, the coordination of WTO activities with those of the International Labour Organisation (ILO), the United Nations Food and Agriculture Organisation (FAO), the United Nations Environment Programme (UNEP), the United Nations Development Programme (UNDP), the World Health Organization (WHO), the United Nations Conference on Trade and Development (UNCTAD) and the Kyoto programme on renewable energy, should be strengthened. Furthermore, the ILO should be granted observer status before the WTO.

Members feel that the most challenging requirement for consistency between the UN system and the WTO will be the need for the latter to ensure trade rules fully respect human rights law and social and environmental standards. Parliament supports an incentives-based approach concerning the observance of environmental and social standards by WTO members but equally calls for the examination of WTO-compatible measures for addressing social and environmental dumping.

Parliament considers it neither realistic nor desirable to call into question the principle of consensus in the WTO decision-making process, which guarantees the equality of all members. However, they take the view that various solutions could be examined with a view to facilitating, on a case-by-case basis, the emergence of such consensus. Furthermore, they believe that the WTO's institutional structure could be improved and stress the need to create a WTO parliamentary assembly with consultative powers, given the WTO's lack of democratic accountability and legitimacy.

Recalling the importance of trade as an effective tool for poverty reduction, Parliament points out that effective participation by all members, including LDCs, must be given due consideration in any reform. MEPs insist on the introduction of a more democratic decision-making system in the WTO enabling an increase in the active participation of developing countries, so that they feel fully represented in the negotiating process. They support the proposal to include, as a contractual right for least developed countries (LDCs), funding arrangements for technical assistance so that they can participate meaningfully in the multilateral trading system.

MEPs also wish to see the issue of the role of the WTO secretariat and Director-General carefully considered and call for the financial and human means and resources available to the WTO secretariat to be strengthened. Considering that transparency in the drawing up and pursuit of trade policies represents a legitimate demand on the part of society, citizens and parliamentarians, MEPs support the ideas proposed by the WTO Director-General seeking to strengthen the 'active transparency' mechanisms and to monitor and supervise effectively the application of the rules and undertakings approved by the WTO members, with a view to ensuring that they are genuinely and fully implemented.

Although the WTO dispute settlement mechanism has, overall, fulfilled its role successfully up to now, MEPs believe that certain adjustments are necessary, in particular with regard to the implementation of the recommendations and decisions of the dispute settlement body. They also stress the need to ensure that the Dispute Settlement Body interprets WTO rules in such a way that it takes into due account applicable international environmental and social law. Parliament envisages the possibility of introducing sanctions against those countries which refuse to ensure that their measures comply with their obligations, to the benefit of the countries harmed by such measures, especially if they are small economies which cannot credibly resort to retaliation measures. Moreover, given the judicial nature of the dispute settlement procedure, MEPs support the idea that substantive meetings with the parties, special groups and the appeal body should in future be held in public.

Lastly, Parliament calls on the WTO members to consider the idea of a special pre-accession status for candidate countries which, while not having yet concluded their bilateral market access negotiations with their key partners in the organisation, pledge to take on, without delay, all the obligations resulting from the application of the existing rules. The decision on whether or not to admit a new member country to the WTO

should always be adopted on the basis of strictly commercial considerations.