



Flemish
Parliament

549 (2020-2021) – No. 3
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Text adopted by the plenary meeting of the
proposal of resolution

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on opening a political dialogue with the European Commission about the division in trade agreements and investment treaties

Documents in the file:
549 (2020-2021) - No. 1: Resolution proposal - No. 2: Report

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The Flemish Parliament,

- having regard to:

1. the fact that Flanders has one of the most open economies in the world, that one in three Flemish jobs is related to exports and that 40 per cent of the jobs in Flemish industry are created by companies of foreign origin, which in total create 54 per cent of the added value;
2. the Flemish share in Belgium's total exports, which amounted to 82.1% of total Belgian exports in April 2020;
3. the fact that Flemish exports have been severely affected by the corona crisis, that after a 7.5 per cent drop in March 2020, Flemish monthly exports collapsed in April 2020 by 27.7 per cent compared with the same period in 2019 and that, as in almost all sales markets, Flemish exports recorded heavy losses on all continents, more specifically in Oceania (-20.22 per cent), Asia and the Middle East (-20.78 per cent), America (-22.37 per cent), Europe (-28.19 per cent) and Africa (-42.3 per cent);
4. the vision memorandum "Vision of the future of the European Union", approved by the Government of Flanders in September 2016 (*Parl.St.* Fl.Parl. 2016-17, no. 1073/1), which defines Flemish foreign policy within the European Union and whereby the European Union is an essential partner for leveraging Flanders in the world;
5. the Flemish trade and investment strategy approved by the Government of Flanders on 25 November 2016, in which the interests, policy objectives and policy instruments for Flanders are identified in full transparency;
6. the fact that in July 2015, the European Commission submitted to the Court of Justice of the European Union (EU) a request for an opinion under Article 218(11) of the Treaty on the Functioning of the European Union (TFEU) as to whether the Union had the requisite competence to sign and conclude the agreement negotiated with Singapore alone, or whether participation of the EU Member States would be necessary, or at least possible, with respect to certain matters;
7. the fact that the Court of Justice of the EU confirmed in its opinion 2/15 of 16 May 2017 that the EU has exclusive competence over all matters relating to the agreement negotiated with Singapore, with the exception of indirect investments and investor-state dispute settlement in which the Member States are defendants;
8. the far-reaching consequences of that opinion for future strategic trade and investment agreements;
9. the policy memorandum on Foreign Policy And Development Cooperation 2019-2024 (*Parl.St.*). Fl.Parl. 2019-20, No. 122/1), in which the Flemish Government expresses its support – within the framework of what is permitted by the European Commission – for the negotiation and conclusion of new bilateral investment agreements based on the new model text, which is still being finalised in view of the judgment of the Court of Justice of the EU in opinion 1/17 on the investment court system in CETA (Comprehensive Economic and Trade Agreement) and taking into account the comments of the European Commission;

- whereas:

1. Flanders depends on international trade and the Flemish economy is one of the most open economies in the world, closely interwoven with the economies of neighbouring countries and the world. Internationalisation is therefore vital for Flanders and a powerful driving force of growth and prosperity in the region;
2. Flemish exporters and investors operate in a world economy that is becoming increasingly volatile and where protectionism is on the rise. At the same time, Flanders' position as an open economy makes the region vulnerable to shocks and forces companies to constantly seek new markets;
3. the Flemish Region is responsible for marketing and export policy and therefore also for supporting Flemish companies in their international activities;
4. the EU has exclusive competence for the Common Commercial Policy (CCP) and participates consequently in the negotiations on multilateral trade liberalisation within the World Trade Organisation and negotiates bilateral free trade agreements with major markets outside the EU;
5. a forceful European Union means a Union that focuses on its core assignments and generates added value, with one of these core assignments being international trade policy. With an impending Brexit and in times of rising protectionism, it is vital that the EU remain a driving force behind worldwide free trade.
6. the European Union – in particular in the post-corona age – will need to focus on a modern common trade and investment policy, with state-of-the art trade and investor agreements and efficient trade policy protective measures, which allow SMEs to expand internationally and protect businesses against unfair trading practices;
7. a breakthrough is needed at the multilateral level in the Doha Round but also in the plurilateral negotiations on services (Trade in Services Agreement (TISA)) and environmental goods (Environmental Goods Agreement (EGA)), and a breakthrough is needed at the bilateral level in the ratifications and negotiations with major mature but also emerging economies;
8. European trade and investment agreements are in line with the high European labour and environmental standards and with the standards for food safety and public health, and also take into account human rights and sustainable and corporate social responsibility;
9. the Member States – and in Belgium also the Federated States – must first approve the mandate before the European Commission starts negotiations on a free trade agreement with a third country. This mandate is the basis for the negotiations and it is crucial that the voice of the Member States and the Federated States is heard at this stage;
10. trade agreements should only be ratified through the European process;
11. investor protection treaties must be approved by the EU and the Member States and their application can be confined to those Member States and Federated States that approve the investor protection treaty concerned;
12. the Government of Flanders is strongly committed to close adherence to the Common Commercial Policy, in which the specific interests of the Flemish economy are invariably defended;
13. the EU also concludes broader partnership or association agreements with third countries, which also include agreements on cooperation in the political, social, cultural and security fields, in addition to trade agreements;

14. the separate handling of a "trade treaty" and an "investment treaty" allows for a faster implementation of trade treaties and allows the European Commission to negotiate trade and investment treaties and partnership agreements separately once it has been given a mandate to do so;
 15. such a separation of "trade treaties" and "investment treaties" still allows the negotiations for a trade treaty and an investment treaty or partnership agreements – whether or not under the same mandate – to be conducted separately, in parallel, but also in their entirety, and ultimately to implement the different parts legally in different treaties through a different legislative procedure;
 16. such a separation makes the process more decisive and is also perfectly in line with the principle of subsidiarity;
- calls on the European Commission to:
 1. create new market opportunities for Flemish and European companies by concluding balanced trade agreements, and in that context to conclude agreements with new partners as well as broaden existing agreements;
 2. in addition to improved market access for industrial goods, energy, raw materials and other resources, also focus on negotiations for services, such as financial services, construction and dredging services, maritime services, professional services, engineering services, distribution, transport and logistics services, environmental services, telecom services, tourism and leisure services. The European Commission maintains sufficient control over the temporary movement of workers for service contracts and audiovisual services, cultural services, educational services, and excludes health and welfare services as sensitive service sectors from any negotiations;
 3. improve, in particular, market access for agricultural goods, while continuing the current practice of monitoring applicable European standards;
 4. by negotiating and concluding new bilateral investment agreements, create a predictable and efficient investment climate, promote investments and ensure proper investment protection, whereby Flemish and European investments are treated more fairly and equitably;
 5. pay particular attention to the needs of small and medium-sized enterprises (SMEs), especially in terms of removing investment barriers and opening up the public procurement market in third countries, as well as in terms of investment protection on the basis of renewed investment protection mechanisms that also promote user-friendliness for SMEs, and in terms of the protection of intellectual property rights;
 6. work rapidly towards an intelligent separation of trade and investment treaties;
 7. respect and maintain respect for the principle of subsidiarity as regards trade promotion;
 - 8° take an active role in the free trade negotiations within the World Trade Organisation;
 - calls on the European Commission to examine the present resolution in the context of the political dialogue and to indicate how it will take this into account;
 - calls on the speaker of the Flemish Parliament to forward this resolution to the European Commission.