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**Resolution 1225 (2000)**[1]

# Prospects for a new transatlantic trade relationship

Parliamentary Assembly

1. North America and Europe together form the world's closest and most important trading and investment relationship. In the wake of the failure of the December 1999 World Trade Organisation (WTO) Summit in Seattle, it is vital that this relationship be maintained and strengthened – for the economic, political and security benefit of both continents, and by implication for the world at large. The Assembly, against this background, welcomes the United States and Canada-European Union summit statements in late December 1999 calling for continued efforts to find an improved basis for multilateral trade negotiations, incorporating public participation and areas such as labour issues, the environment and the concerns of developing countries.

2. It is furthermore important that transatlantic economic relations do not focus on the United States and the European Union (EU) alone, but that they encompass all North American and European countries and trade groupings, taking their interests into due account – especially at a time when the EU is embarking on a major enlargement and over thirty North, Central and South American countries are negotiating for a Free Trade Area of the Americas (FTAA) to enter into force by 2005.

3. The importance of strengthening transatlantic trade and economic relationships was underscored by a two-day seminar hosted by the Canadian Parliament in October 1998 on the theme: Beyond NAFTA to a Canada-Europe Transatlantic Marketplace. In addition to the valuable understanding gained about key dimensions of the North American free trade area and its performance from a Canadian perspective – including the need for further progress on dispute settlement and on related environmental, labour, social and cultural issues, such as long-range transboundary pollution, workplace and labour conditions, and foreign ownership of cultural industries – the Assembly welcomes the Canadian desire to move beyond the North American Free Trade Agreement (Nafta) relationship and in that context to reinvigorate transatlantic ties. The Assembly endorses efforts to pursue forward-looking policy options for deepening transatlantic economic links between North America and Europe, with the objective of realising mutual benefits from closer economic integration between these two vital regions.

4. The Assembly recognises the many contentious issues that continue to render transatlantic trade relations more difficult. It believes, however, that much more unites than divides the different parties, and that negotiations – whether at transatlantic or WTO level – are especially called for at a time of rapid globalisation, growing concern about unsustainable development and the weakening of social cohesion, new security challenges and an emerging new world political order.

5. Such talks should include not only contentious issues such as agriculture, food safety and culture, but also promote measures to reduce poverty, enhance social cohesion and promote sustainable development as well as areas where further liberalisation could bring added gains in prosperity, such as services, intellectual property rights and the mutual recognition of standards, testing and verification requirements, along the lines of the European Union -United States Mutual Recognition Agreement of 1997.

6. The Assembly in this context welcomes the Observer status of Canada and, more recently, Mexico, and pledges to work to broaden political and economic contacts between these countries and all Council of Europe member states – including in its capacity as a parliamentary forum for institutions such as the WTO,

1. Assembly debate on 27 September 2000 (29th Sitting) (see Doc. 8752, report of the Committee on Economic Affairs and Development, rapporteur: Mr Bonet Casas). Text adopted by the Assembly on 27 September 2000 (29thSitting).

the OECD, the Central European Free Trade Agreement (Cefta) and the European Free Trade Association (Efta). Efta also entertains close relations with both these countries. The Assembly encourages the further development of transatlantic processes, building on and moving forward from recent Canadian and Mexican initiatives to strengthen trade ties with Efta and the European Union.

7. The Assembly, while noting the trade and economic gains brought about by the North American Free Trade Agreement (NAFTA) – concluded in 1994 between Canada, Mexico and the United States – urges further efforts to deal with the social, environmental and cultural impacts of increasing regional integration, as well as to ensure that governments retain the capacity to regulate markets in the public interest of their citizens. The Assembly welcomes North America's intensifying relations with other countries of the Americas through the FTAA process – as it does the 1999 European Union-Mercosur Summit – and trusts that such hemispheric and inter-regional contacts may in due course contribute to a wider and deeper transatlantic trade relationship.

8. The Assembly is encouraged by the strong Canadian parliamentary support for transatlantic initiatives to strengthen and expand economic ties with Europe. Moreover, in the event of multilateral negotiations stalling at the WTO, inter-regional approaches could take on added significance and could lead to the establishment of some form of Transatlantic Free Trade Agreement. The Assembly notes the willingness of the Commission of the European Union to examine such a prospect, provided that a strong economic case can be made for a transatlantic accord. Given the potential benefits from a closer trading arrangement, the Assembly calls on decision-makers on both sides of the Atlantic to undertake further detailed evaluations in order to identify the best means for promoting stronger bilateral and inter-regional economic links between Europe and North America. In the Assembly's view, working to advance transatlantic trade objectives, with parliamentary and public support, could have the added benefit of lending valuable momentum to the processes of launching a new global round of trade negotiations.

9. Finally, the Assembly strongly endorses efforts to enhance the parliamentary accountability of international trade policy structures and negotiating processes at all levels – national, regional, and multilateral – with transatlantic initiatives contributing to wider progress at the global level. The Assembly welcomes WTO Director General Michael Moore's support for establishing closer co-operation between the WTO and the parliamentary world, including the Parliamentary Assembly of the Council of Europe. The Assembly pledges to work – in its regular contacts with the WTO through its Committee on Economic Affairs and Development – in favour of a reorganisation of the WTO process, through which efficiency in negotiations can be combined with greater transparency and better communication with the public, and where areas such as labour and social standards, environmental protection and cultural diversity can be incorporated into final decisions.