



2017/2035(INI)

27.9.2017

OPINION

of the Committee on International Trade

for the Committee on Foreign Affairs

on a motion for a non-legislative resolution on the draft Council decision on the conclusion, on behalf of the Union, of the Enhanced Partnership and Cooperation Agreement between the European Union and its Member States, of the one part, and the Republic of Kazakhstan, of the other part (2017/2035(INI))

Rapporteur: David Borrelli

PA_NonLeg

SUGGESTIONS

The Committee on International Trade calls on the Committee on Foreign Affairs, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Supports Parliament's conclusion of the Enhanced Partnership and Cooperation Agreement (EPCA) with Kazakhstan, since it upgrades trade provisions and builds on WTO membership obligations and disciplines; stresses the high importance of enhancing the EU's political, economic and trade relations with Kazakhstan, on the basis of shared commitments to international values, including WTO obligations; underlines the EU's importance to Kazakhstan and that the EU plays a significant role in supporting the development and diversification of the Kazakh economy; notes that this gives the EU significant leverage with regard to improving the human rights situation, in particular in relation to labour standards; reserves the right, therefore, to call on the Commission and the Council to suspend the agreement in the case of flagrant breaches of human rights;
2. Notes that the EU is Kazakhstan's main trade and investment partner; believes that economic diversification, liberalisation, investment in research, education and vocational training and sustainable development, tackling corruption, and opening up to productive, real and sustainable foreign direct investment (FDI) could be important means to further develop and strengthen trade and economic relations within the wider framework of the general principles of the EPCA; calls on the Kazakh authorities to comply with international standards, notably those relating to combating money laundering, tax avoidance and tax evasion; calls on the Commission to continue its efforts to assist the Kazakh authorities in implementing the EPCA effectively in these fields, by developing benchmarks for implementation and by providing for an effective and comprehensive monitoring mechanism between Parliament, the Commission and the European External Action Service (EEAS) for the whole EPCA; notes that regulatory approximation plays a key role in facilitating the development of bilateral trade relations;
3. Notes that Kazakhstan's economy is largely based on the exploitation and export of raw materials and hydrocarbons; takes the view that the EPCA should help Kazakhstan diversify its economy in an environment-friendly and sustainable manner;
4. Welcomes Kazakhstan's economic and administrative modernisation, stemming from its accession to the WTO on 1 January 2016 and its chairing of the WTO Committee on Trade and Environment;
5. Takes note of Kazakhstan's commitment to fully liberalising the movement of capital in the form of direct investment, and regrets that the Trade and Business title of the EPCA does not contain anti-corruption provisions; takes the view that particular attention should be paid to the issues of corporate governance and corruption in monitoring the implementation of the agreement, in order to avoid increasing the risk of money laundering;
6. Welcomes Kazakhstan's determination, as shown during the first year of the EPCA's

application, to honour and fulfil its EPCA and WTO commitments; calls on Kazakhstan to fulfil its commitments under the EPCA regarding intellectual property rights (IPRs), on the basis of a regional exhaustion regime;

7. Calls on Kazakhstan to fully align its import tariffs with its WTO and EPCA commitments, irrespective of its participation in the Eurasian Economic Union (EEU), in order to avoid costly compensation payments to WTO trading partners;
8. Calls on Kazakhstan to join the Trade Control and Expert System (TRACES) in order to enable effective sanitary and phytosanitary (SPS) controls, and to use the bilateral EU-Kazakhstan SPS certificates;
9. Welcomes Kazakhstan's participation in the voluntary Green Bridge Partnership Programme; believes it will provide a stable and long-term basis for green investment and the transfer of new technologies and innovations, with a view to achieving a carbon-free society;
10. Takes note of the general five-year transition period for public procurement and the eight-year transition period for construction laid down in the EPCA, and looks forward to increased trade once these periods have drawn to a close; notes that public procurement constitutes a significant public policy instrument for Kazakhstan;
11. Calls on the Council and the Commission to use all possible EU leverage to continue to encourage and assist the Kazakh authorities in their efforts to implement the core ILO conventions effectively and to ensure respect for human rights, good governance, the rule of law and freedom of association, including with regard to trade unions, their role and membership and the right to strike; recalls that human rights, including labour rights, are an essential element of the EPCA; urges the Commission to activate the dispute settlement mechanism provided for in the Trade and Sustainable Development chapter without delay.

INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

Date adopted	25.9.2017
Result of final vote	+: 28 -: 1 0: 1
Members present for the final vote	William (The Earl of) Dartmouth, Laima Liucija Andrikienė, Tiziana Beghin, Santiago Fisas Ayxelà, Eleonora Forenza, Karoline Graswander-Hainz, Heidi Hautala, France Jamet, Bernd Lange, David Martin, Emma McClarkin, Anne-Marie Mineur, Sorin Moisă, Alessia Maria Mosca, Franck Proust, Godelieve Quisthoudt-Rowohl, Viviane Reding, Inmaculada Rodríguez-Piñero Fernández, Tokia Saïfi, Marietje Schaake, Helmut Scholz, Hannu Takkula, Iuliu Winkler, Jan Zahradil
Substitutes present for the final vote	Edouard Ferrand, Agnes Jongerius, Sajjad Karim, Sander Loones
Substitutes under Rule 200(2) present for the final vote	Massimiliano Salini, Bogdan Brunon Wenta

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

28	+
ALDE	Hannu Takkula, Marietje Schaake
ECR	Emma McClarkin, Jan Zahradil, Sajjad Karim, Sander Loones
EFDD	Tiziana Beghin, William (The Earl of) Dartmouth
GUE/NGL	Anne-Marie Mineur, Eleonora Forenza, Helmut Scholz
PPE	Bogdan Brunon Wenta, Franck Proust, Godelieve Quisthoudt-Rowohl, Iuliu Winkler, Laima Liucija Andrikienė, Massimiliano Salini, Santiago Fisas Ayxelà, Tokia Saïfi, Viviane Reding
S&D	Agnes Jongerius, Alessia Maria Mosca, Bernd Lange, David Martin, Inmaculada Rodríguez-Piñero Fernández, Karoline Graswander-Hainz, Sorin Moisă
Verts/ALE	Heidi Hautala

1	-
ENF	France Jamet

1	0
ENF	Edouard Ferrand

Key to symbols:

+ : in favour

- : against

0 : abstention