



EUROPEAN COMMISSION
Employment, Social Affairs and Inclusion DG

Employment and Social Legislation, Social Dialogue
Social dialogue, Industrial Relations

SECTORAL SOCIAL DIALOGUE COMMITTEE FOR TEXTILE AND CLOTHING

22 May 2015
Working group meeting
MINUTES

Chair : Commission

1. Discussion and approval of the minutes of the last meeting and of the agenda

The minutes of the meeting dd. 16 January 2015, as well as the agenda were approved.

2. EU Commercial, Economic and Social issues of common interest

a) Ms SOMMER informed the social partners that the 13th round of negotiations took place on 12 June latest. This is the final stage of the negotiations. On 23 June Commissioner MALSTRÖM will meet Vietnam Trade Minister Hoang for a stocktaking meeting in the context of the EU ASEAN Economic Ministers meeting. Expectations are that a good deal is emerging. On the substance, the negotiations seem rather unbalanced: Vietnam is mainly interested in improved market access for goods, in particular TCLF and agriculture, while the EU focuses not only on goods but also on services, investment, procurement and intellectual property rights (IPR). Ms SOMMER gave an overview of concluded chapters.

Vietnam is ready to eliminate 100% of tariffs on goods, while the EU had a number of sensitivities. Tariffs will be liberalised over seven years on the EU side and 10 years maximum on the Vietnamese side. The negotiations on textile and clothing are put aside in view of the on-going discussions on the rule of origin for garments. Discussions on government procurement are difficult, since Vietnam is not yet a member of the GP agreement under the WTO.

For state owned enterprises, a provision for a framework is aimed for, that would oblige them to act in line with commercial considerations when entering into competition with private enterprises. In the IPR chapter it has been proposed that Vietnam would accede the The Hague agreement.

On sustainable development, the core labour standards under the ILO conventions will be taken into account, so that there will be no race to the bottom.

The workers' side stressed the importance of a level playing field in terms of social issues and questioned in this respect the role of the state, the social agenda, the freedom of association and the respect of core labour standards. The employers confirmed that social conditions are questionable, and that in these negotiations it is important to have an eye for details and transparency. Euratex pleaded for a longer tariff abolition period instead of open tariffs from day 1, certainly because the Vietnam customs are not believed to have the capacity to control the respect of the

FTA rules nor to enforce them. Both sides of industry confirmed that a duplication of the FTA with Korea in terms of TSD is unacceptable,.

b) EU-Japan trade negotiations: not discussed.

c) EU-US trade negotiations: not discussed.

d) Ms BOICIUC informed the social partners on the state of play of GSP+ negotiations (presentation attached) and more in particular on the situation regarding Pakistan. She reported on a recent monitoring mission to the country. China announced a major investment in order to create a corridor and to develop an energy industry. For the negotiations a Treaty implementation cell was created, dealing with a significant number of issues, and gathering representatives of the federal level, including all local governments. A number of reports from Vietnam to UN bodies are overdue.

According to the social partners, the GSP+ scheme was granted too quickly to Vietnam, since Pakistani companies are already sufficiently competitive and have even entered into competition with Bangladesh. The necessary reporting is already delayed by two years, which corresponds to 4 production seasons with the risk of company displacement. A recent report from the Friedrich Ebert Stiftung showed that 27 necessary conventions are implemented too slowly. On the possibility to create an EU business council in Pakistan, the employers reacted that this might be an interesting forum for retailers, but the added value for the textile producers seems very doubtful.

In reply to these remarks, Ms BOICIUC reiterated that the GSP+ scheme was granted to Pakistan as an incentive for developing the whole industry and for creating diversification. She also pointed at the fragile democracy with only two elections in row having been organised. In addition, other immense problems in the humanitarian sphere, Islamic values, the position of women and energy shortages are justified reasons for granting the GSP+ scheme.

e) Ms BOICIUC then informed the social partners on the outcomes of the recent forum of the Working Party on responsible business conduct, created in the framework of the "OECD Advisory Group on Responsible Supply Chains in the Textile and Garment Sector". Social partners were invited to react on the proposed structure of the group, which is based on a) a principle based approach and b) sector-specific risks. Stakeholders' opinion is deemed very important, notably on business models and remediation. The employers' side pointed at the difficulties for SMEs to implement these business models, developed for large-scale companies. Also remediation is difficult to achieve, since SMEs' activities are often based on one-off contacts. Trade unions claimed that the OECD guidelines are addressed at experts, rather than at companies.

f) EU Year of Development 2015 – CSR strategy
Not dealt with, lacking recent developments.

g) Ms LE BERRE informed the participants on recent developments in the ESCO-TEXTAN group for the TCLF sector. After an introduction on the history of the project, she regretted the recent decision of the Commission to stop the process with the taxonomy experts, who were important to take into account the specificity of the

sector. She also criticised the state of the web-based portal that was foreseen in the work programme. The outputs achieved until now would be forwarded to industriAll.

h) Counterfeiting

EURATEX informed the participants on an ongoing survey on counterfeiting by the Office for Harmonization in the Internal Market (OHIM). It was decided to include, besides the cosmetic industry, also the textile and clothing industry in the study. The report is expected to be published by DG GROW after the summer break. EURATEX stressed the importance of the fight against counterfeiting, and the enforcement of legislation, since this phenomenon is damaging severely the image and profitability of the T&C sector. The Committee will be kept informed on further developments.

i) Mr ZIBELL explained the views of industriAll on the possible consequences of the digitalisation of the EU economy (presentation attached). The changes in the value chains – with additional sensors for evaluation of the quality - are bound to have an impact on employment relations. It is expected that 40% of existing jobs will become vulnerable. The importance of being proactive was stressed. Also the possibility to develop a project around this subject, and more in particular on the drivers defining tomorrow's jobs, was uttered. The employers pointed at the positive aspects of traceability, and the possibilities to increase productivity and profitability, also for SMEs.

3. EU Social Dialogue joint projects

a) Following a presentation by Mr HORGAN (attached), in which he explained the foreseen setup of the call for proposals for skills alliances, expected to be published in October 2015, the social partners criticised the new approach of the Commission.. More in particular, the lesser importance of social partners and social dialogue, and the limited amount for Lot 1 of the call was seen as the consequence of a lack of long term view. The social partners asked the Commission to pay attention to the results obtained by the existing skills councils, and the readiness of the actors to come to more tangible results. Mr HORGAN assured that Lot 1 foresees the possibility to finance ongoing sector skills councils, without them having to pass to the stage of sector skills alliances. The social partners announced that they would express their opinion in a letter to the responsible Head of Unit.

b) EURATEX informed the participants about the state of play of the joint CSR project of the EU social partners. The project has entered the follow-up stages which is focussed on training, web-based functioning and further dissemination to companies and workers' representatives. The workers' side stressed the usefulness of the tool, and the necessity to promote and disseminate it widely.

c) The textile sector has submitted a project proposal for the upcoming call on social dialogue. The project would analyse the economic situation of the sector, based on a SWOT analysis with a view to define priorities for the sectoral social dialogue.

4. AOB

N/A.