Note for the attention of the Presidency

Plenary Session of the European Parliament
Strasbourg 14 - 17 January 2013

Item: Council and Commission Statements: Recent casualties in textile factory files, notably in Bangladesh

Debate foreseen: Wednesday 16 January afternoon

CHECK AGAINST DELIVERY

President,
Honourable Members,

The recent factory fire in Ashulia, near Dhaka was a tragedy. Over a hundred people, many of them young women, lost their lives in this terrible incident. I know that we all share a sense of shock at what happened, and extend our profound sympathy to all those who lost family members.

The incident has served to highlight the wider problem of working conditions in many factories in Bangladesh, and in particular the routine breach, in many cases, of basic safety rules. We cannot let this incident pass without renewing our efforts to support the Bangladeshi authorities
in raising standards of occupational safety and health in the industry and throughout the country. All those working in the garment or any other industry in Bangladesh deserve better. They have a basic right to decent, safe and secure working conditions.

The EU has a particular role to play. We are Bangladesh's largest trading partner. This trade has helped stimulate economic growth and create much-needed jobs. The clothing sector is the mainstay of the Bangladeshi economy. Bangladesh export performance over recent years has been strong, thanks in part to the duty-free and quota-free market access which the EU offers to imports from Bangladesh in the context of the Everything But Arms (EBA) arrangement, which is an integral part of the EU’s Generalised System of Tariff Preferences (GSP).

But it has to be of concern to us when goods are produced in factories with unacceptably low safety standards, and where employees routinely put themselves at risk simply in carrying out their daily work. That is why the EU has been at the forefront of efforts to secure improvements in safety standards in Bangladesh. We have been supporting a number of projects to help employer's associations and others to ensure compliance with health and safety rules, and raise these issues regularly in our discussions with both government and business representatives. This is important work, but the tragic fire in Ashulia show that more needs to be done.

More generally, the EU has a range of instruments available to help us address this issue, not just in Bangladesh, but wherever safety standards at work are a cause of concern. I would like to focus this afternoon on how we can make effective use of these trade policy instruments, and in
particular their link with the promotion of International Labour Organisation (ILO) guidelines and recommendations.

The Generalised System of Preferences (GSP) is one of the most important instruments available to us to connect social and human rights issues to trade policy. In addition to the general GSP system, special arrangements for sustainable development and good governance (known as GSP+) provide for additional trade preferences for countries which ratify and effectively implement 27 specific international conventions, including those on core international human rights and labour rights.

All GSP arrangements can be also temporarily withdrawn from those countries where there is evidence of serious and systematic violations of the principles contained in those Conventions. This is not just a hollow threat. It has happened in several cases, such as Myanmar and Belarus, where the general GSP arrangement has been withdrawn, and in Sri Lanka, where the GSP+ was withdrawn.

We are committed to improving environmental and social standards globally. For the time being, the main mechanisms for pursuing these political objectives are bilateral, given the limited prospects for the establishment of multilateral rules on relations between trade, labour or the environment within the WTO framework. That has led to our insistence of the inclusion in bilateral trade agreements of provisions on sustainable development. It does not mean that we are not active more widely - we continue to do what we can to take forward this agenda within international organisations such as the World Trade Organization (WTO) and the International Labour Organization (ILO).
I know that the Parliament is also concerned about the increasing risks of environmental and social "dumping" and the consequent distortions of competition on the EU market. We share these concerns, and will continue to make full use of all the options available in our own legislation and through the Sustainable Development clauses in bilateral free trade agreements to counter these risks.

A further important aspect is that of investment. European businesses which invest in Bangladesh play a vital role in helping stimulate economic growth and create jobs. They can also help in improving employment practices and working conditions, not least given that many of them have brought Corporate Social Responsibility policies and initiatives into the workplace in third countries. I know that Corporate Social Responsibility is of particular concern to this Parliament, and we look forward to reading your report on this issue in response to the Commission's latest Communication.

President,
Honourable Members,

The factory fire in Bangladesh should serve as a warning to us all. We cannot allow the lives of workers there or anywhere to be put at risk. We need to develop further our work through concrete projects to improve working conditions. We must make full use of the EU's own instruments, such as the GSP, to exert pressure on those countries which routinely allow basic safety standards to be flouted. We need to work as intensively as possible in multilateral organisations such as the WTO and ILO to improve core international obligations in this area. And we need to ensure that business from the EU are able, when they invest overseas,
to be a force for good in pushing for the highest standards in the workplace. I can assure Honourable Members that we will be working intensively in all these areas to ensure that tragedies such as that in Bangladesh recently are never repeated.

I thank you for your attention.