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NOTE

from: General Secretariat of the Council
to: Delegations

Subject: Plenary Session of the European Parliament, 16 January 2013, Strasbourg
Recent casualties in textile factory fires, notably in Bangladesh
Council and Commission statements

Ms CREIGHTON said that the recent factory fire in Ashulia (Bangladesh) was a tragedy and that the EU should support the Bangladeshi authorities in raising safety standards. She pointed out that the EU was Bangladesh's largest trading partner and that the latter enjoyed duty and quota free access to the EU. Ms CREIGHTON indicated that the EU had supported a number of projects to ensure compliance with health and security standards, but stressed that more needed to be done, and not only in Bangladesh. She said that the GSP provided for a link between social issues and trade policy, and could be used to exert pressure on countries which constantly flout safety standards in the work place. Ms CREIGHTON also said that GSP arrangements could be withdrawn, as had occurred for Myanmar and Belarus, and that trade agreements could include provisions on sustainable development. Concerning the issue of corporate social responsibility (CSR), she looked forward to the EP report.

Ms GEORGIEVA felt that there was no better way to pay tribute to the victims than for the EU to take decisive action. She said that the EU recognised its responsibilities as Bangladesh's main trading partner and made reference to its action in funding projects for the benefit of the victims and in providing equipment and training for fire fighters. Ms GEORGIEVA also stressed that the EU promoted standards in the CSR area.

Mr MANN (EPP, DE) considered that the tragic events in Bangladesh and Pakistan could have been avoided if safety standards had been properly respected. He said that Bangladesh had done a lot to combat child labour in the textile sector, but that ILO standards needed to be implemented. Mr MANN called for consumer pressure to be used as a weapon, and for relevant provisions to be included in bilateral agreements. He said that CSR had resulted in any major change.

Mr LANGE (S&D, DE) said that European companies had to live up to their commitments under CSR and demonstrate how they were meeting the OECD CSR standards.

Mr BENNION (ALDE, UK) welcomed the recent efforts undertaken in Bangladesh to improve standards and urged the Pakistani government to take similar action. He stressed the need to fight corruption in the inspection system and to make sure that CSR had a real impact.

Ms LAMBERT (Greens/EFA, BE) felt that squeezed profit margins could lead to shortcuts in safety, even though this was not always recognized by companies. She stressed the need for proper implementation of safety standards and underlined the essential role to be played on the ground by trade unions. Ms LAMBERT regretted that big companies had been less than forthcoming on this dossier.

Ms MUSCARDINI (ECR, IT) said that the EU had a duty to ensure that its companies complied with safety standards, whilst Mr SALAVRAKOS (EFD, EL) regretted that major companies were forced by growing competition to transfer production to low wage third countries. He called for action at a global level to prevent the exploitation of young people, and felt that recourse to taxation could be envisaged. Mr MURPHY (GUE/NGL, IE) said that a public investigation should be launched and that corporate codes of conduct were toothless. More specifically, he called on the EU to introduce a ban on jeans sandblasting.

Mr MITCHELL (EPP, IE) said that the commitments on development aid should be respected under the MFF, and felt that safety standards should be audited. Mr CERCAS (S&D, ES) recalled the importance of implementing the ILO's core conventions, whilst Mr CASPARY (EPP, DE) urged the Commission to promote the adoption of binding standards at the ILO level.

Ms REGNER (S&D, AT) stressed the need to introduce, with the assistance of the EEAS, social reporting requirements for multinationals. Mr HOWITT (S&D, UK) felt that CSR should not be optional. Ms SARGENTINI (Greens/EFA, NL) called for the introduction of mandatory standards for garment factories, and Mr TANNOCK (ECR, UK) said he would welcome voluntary compensation for the victims by western companies

Mr THEURER (ALDE, DE) considered that developing countries should not be overloaded with regulation, and that development aid could be used to improve the situation.

Commissioner BARNIER said that safety standards had been systematically flouted in Ashulia, and that EU representatives in Dhaka had reacted quickly. He said that the EU would continue to implement the Strategic Framework on Human Rights and Democracy adopted in June 2012 and that the Commission would continue to promote CSR, in particular through proposals on non-financial transparency. Mr BARNIER stressed that the EU would continue to closely cooperate with Bangladesh in order to promote workers' rights, and indicated that the EU's action in that area should be based on a number of instruments, such as public diplomacy, political dialogue, development programmes and trade policy. He stressed the need for action at ILO level and said that victims should be compensated.

Ms CREIGHTON felt that the debate showed a determination to avoid a repeat of the tragic events of November. She said that, through trade agreements and organizations such as the ILO, the EU could promote better standards for workers. Mr CREIGHTON also said that trade incentives should be used, in particular those within the GSP+ framework, to promote such standards.