



8th legislature, N°73 – 24 February 2017

## Highlights



At the January meeting INTA members renewed the **Committee leadership** for the second half of the mandate. MEP [Bernd Lange](#) (S&D, DE) was re-elected as **Chairman**. [Tokia Saïfi](#) (EPP, FR), [Yannick Jadot](#) (Greens/EFA, FR), [Juliu Winkler](#) (EPP, RO) and [Jan Zahradil](#) (ECR, CZ) have been elected as **Vice-Chairs**. The February plenary saw the final EP vote on the landmark **CETA agreement with Canada**. A delegation of seven INTA members

**travelled to Mexico** between 20 and 22 February to debate and scrutinise the state of the negotiations on the overhaul of the 17 years old **EU-Mexico Global Agreement**. At the upcoming meeting (27-28 February) Trade MEPs are set to debate the revamping of the **Customs Union between the EU and Turkey**, macro-financial assistance to **Moldova** and will exchange views with the Commission on the **Malaysia and ASEAN FTAs**. On 28 February Members will hear from stakeholders on the ongoing reforms of **EU Trade Defence Instruments**.

## Canadian Prime Minister Justin Trudeau on CETA

*Anxiety towards the economy and trade [...] can be addressed only if we ensure that trade is inclusive, and that everyone benefits. And this agreement – the Comprehensive Economic and Trade Agreement – is a terrific example of just that.*

## CETA crosses final hurdle in Parliament



With 408 votes in favour, 254 against and 33 abstentions, the European Parliament last Wednesday gave its final green light to the EU-Canada Comprehensive Economic and Trade Agreement ([CETA](#)). Negotiations on CETA were first launched at the EU-Canada Summit of 6 May 2009 in Prague. The landmark trade agreement is now set to be provisionally applied as early as April 2017. This mixed agreement will also need to be

ratified by national and regional parliaments across the EU. INTA (rapporteur: [Artis PABRIKS](#) EPP, LV) played a key role throughout the negotiations on the [file](#) ensuring transparency, accountability and pressing for the replacement of the controversial investor-state-dispute settlement (ISDS) mechanism with a new Investment Court System (ICS). The day after the vote, Canadian PM Justin Trudeau [addressed the plenary](#) and greeted the CETA vote as a milestone in the relationship between the EU and Canada.

## MEPs in Mexico as EU shifts up gear in trade talks



An [INTA delegation](#) of seven MEPs was in Mexico City between 20 and 22 February to meet key ministers, senators, academics, social partners, civil society and industry representatives. INTA Chair Bernd Lange stated that “*at a time when global trade*

*policy is threatened by rising protectionism and by a confrontational approach, the EU and Mexico are committed to deepening their commercial ties to the benefit of consumers, workers and SMEs alike, protecting rights and safeguarding standards.*” The visit took place before the third (3-7 April) round of negotiations and after the European Commission and Mexico have [agreed to accelerate talks](#) on upgrading the so-called Global Agreement, dating back to 2000.

## INTA sets out its position on upgrading Customs Union with Turkey

After discussing the issue with business associations and trade unions in November 2016, INTA will continue its work on revamping a two-decade-old [EU-Turkey customs agreement](#) (rapporteur: [David BORRELLI](#) EFDD, IT). Trade MEPs will debate proposals to open up agri-food, service and the public procurement markets. INTA Chair Bernd Lange wrote to the Maltese Economy Minister for Economy Cardona stressing the need for the Council to wait for the position of the European Parliament before defining its mandate for negotiations.

## INTA Hearing of Trade Defence Instruments



On 28 February, INTA will hold a public hearing to look at the options for the future of the EU's Trade Defence Instruments (EP rapporteurs: [Salvatore CICU](#) EPP, IT and [Christofer FJELLNER](#) EPP, SE). The hearing will be composed of two panels bringing together different stakeholders representing a large range of businesses, trade unions, academia, and representatives from the Commission. The first panel will focus on the 2013 Commission proposal for the modernisation of trade defence instruments, i.e. anti-dumping and anti-subsidy measures, on the basis of which the Parliament has already adopted its first reading position with the aim of entering into informal trilogue negotiations with the Council. The second panel will analyse the latest Commission's proposal on a new calculation for anti-dumping and anti-subsidy methodology

to be used for imports coming from countries where there are significant market distortions or where the state has a pervasive influence over the economy.

## INTA delves into reform of 'dual-use' export regulation

In September 2016 the European Commission tabled a [proposal](#) aimed at tackling the shortcomings of the existing 'Dual Use' regulation (rapporteur: [Klaus BUCHNER](#) Greens/EFA, DE). Certain goods and technologies have legitimate civilian applications but can also be used to develop deadly weapons. The proposed changes aim to strike a balance in ensuring that dual-use items do not end up in the wrong hands, while at the same time guaranteeing that European technology industry is not adversely affected by the proposed measures. The updates intend to boost oversight of transferring cyber-surveillance and intrusion technologies that can be used for human rights violations and terrorist activities. Trade MEPs will discuss the proposed changes at their next meeting, ahead of a 21 March hearing on the subject.

## Trade MEPs to discuss Macro-financial assistance (MFA) to Moldova

INTA will hold its first exchange of views on the Commission [proposal](#) (rapporteur: [Sorin MOISĂ](#) S&D, RO) to provide 100 million EUR of macro-financial assistance to Moldova subject to strict conditionality. This proposal comes a little more than two years after a major banking fraud scandal in November 2014 that saw 1 billion USD disappear from 3 Moldovan banks. A special representative of the European Court of Auditors will also give his view on whether EU assistance has contributed effectively towards strengthening the public administration in Moldova.

## Trade MEPs scrutinise Fertiliser Regulation



The Commission put forward a [legislative proposal](#) on fertiliser products in March 2016. INTA will continue to scrutinise external impacts of the proposed changes, currently being reviewed by IMCO along with ENVI and AGRI as associated committees. A draft opinion to be amended and voted by INTA (rapporteur: [Jarosław WAŁĘSA](#) EPP, PL) at the end of March estimates that the proposed rules could distort trade in phosphate rock, undermine sourcing of raw materials

from the EU's Southern Neighbourhood and negatively impact the EU fertiliser industry.

## EP votes EU Conflict Minerals law

After reaching agreement on a joint text on the “[conflict minerals](#)” draft regulation back in November 2016, the plenary is set to vote on the file (rapporteur: [Iuliu WINKLER](#) EPP, RO) during the March Strasbourg session after INTA endorsed the outcome by consensus. The aim of the legislation, which dates from 2014, is to stop the financing of armed groups through the trade in conflict minerals, by requiring EU companies to source tin, tantalum, tungsten and gold responsibly. These minerals are typically used in everyday products such as mobile phones, cars and jewellery. MEPs persuaded EU ministers that due diligence checks, should be mandatory for importers and ensured at the same time that small importers would be exempted from undue administrative burdens

## Trade votes in Plenary

Other than the landmark CETA vote, during the plenary sittings of February the EP also confirmed a stabilisation mechanism for bananas complementing the EU-Ecuador agreement and endorsed the product coverage of the Agreement on Trade in Civil Aircraft. INTA report on wildlife sustainability in trade is set to be voted at the beginning of March. The vote on the “conflict minerals” regulation is pencilled for 16 March in Strasbourg.

## RECENT TRADE NEWS

### Landmark multilateral Trade Facilitation Agreement enters into force

Thanks to ratifications from Chad, Jordan, Oman and Rwanda, more than 110 WTO members have now adopted the Trade Facilitation Agreement (TFA). These ratifications mean that the required threshold needed to bring the TFA into force has now been achieved, three years after it was agreed at the WTO Ministerial Conference in Bali in December 2013.

The TFA will help in increasing transparency, streamlining processes, setting standards, rationalising customs operations and lowering fees particularly for developing countries. Estimates point to a possible 15% reduction in trade costs in poorer countries. The TFA also has a clear political significance insofar as it shows the vitality of multilateralism at the WTO and the possibility of win-win dynamics in global trade. The European Parliament [ratified](#) the EU's accession to the TFA back in September 2015.

## WTO Indicator points to moderate trade momentum

**World Trade Outlook Indicator**  
(Index, trend = 100)



102.0 The February release of the WTO's [World Trade Outlook Indicator](#) (WTOI) points to a moderate global growth in trade in the first trimester of 2017, building on the positive trend of the last quarter of 2016. Trade-related indicators including air freight, automobile sales, export orders and container shipping have all registered solid advances in recent months, signalling faster growth in merchandise trade volumes in the first few months of the year.

## EU, Indonesia complete second round of trade talks

The second round of the EU-Indonesia FTA talks launched in mid-2016 took place at the end of January 2017. Indonesia is the largest market of Southeast Asia with a population of over 250 million. The parties continued discussions on trade in goods, rules of origin, SPS and TBT, customs and trade facilitation, government procurement, IPR, competition, sustainable development, trade remedies, dispute settlement and economic cooperation. The EU has made public its nine initial [negotiating proposals](#).

## OECD releases Due Diligence Guidance for Garment and Footwear Sector

The OECD has developed [Due Diligence Guidance](#) for Responsible Supply Chains in the Garment and Footwear Sector to support a common understanding of supply chain due diligence. Developed through a multi-stakeholder process with extensive input from government, business, trade unions and civil society, the Guidance complements the 2011 [OECD Guidelines for Multinational Enterprises](#). The INTA Committee is set to vote on its draft opinion on the [EU flagship initiative](#) on the garment sector next Tuesday.



# STATE OF PLAY OF EU TRADE DISPUTE SETTLEMENT

## Indonesia files appeal against WTO panel ruling on EU dumping on fatty alcohol

Indonesia filed a notice of appeal on 10 February in the [case](#) “European Union – Anti Dumping Measures on Imports of Certain Fatty Alcohols from Indonesia”. In its panel report which was circulated on 16 December 2016, the WTO Dispute Settlement Body confirmed the EU’s right to impose anti-dumping duties on Indonesia’s exports of fatty alcohol.

## WTO rules illegal Russian duties on light commercial vehicles

The WTO [declared as illegal](#) the Russian anti-dumping duties dating back to 2013, which range from 23% to nearly 30%, hindering exports of Italian and German light commercial vehicles (LCVs). On 20 February Russia appealed against the ruling.

## ECJ to rule on EU anti-dumping action on solar panels

On 28 February the General Court of the Court of Justice of the EU will rule on the [action for annulment](#) brought against Council Implementing Regulation (No 1238/2013) imposing an anti-dumping duty on imports of crystalline silicon photovoltaic modules by a group of Chinese firms.

## TRADE NEGOTIATIONS

- **Negotiations for an enhanced Partnership and Cooperation Agreement (PCA) between the EU and Azerbaijan:** 7 February in Brussels
- **2<sup>nd</sup> round of EU-Philippines trade talks:** 13-17 February – Cebu City, Philippines
- **Enhancement of the current Partnership and Cooperation Agreement (PCA) between the EU and Armenia:** 15-16 February – Yerevan, Armenia
- **EU-Mercosur Association Agreement: 2<sup>nd</sup> round of trade negotiations since resumption in 2016:** 20-24 March, Buenos Aires, Argentina
- **3<sup>rd</sup> and 4<sup>th</sup> Round of EU-Mexico Free Trade Agreement:** 3-7 April and 26-29 June

# PUBLICATIONS

## DG EXPO Policy Department

### Studies and workshops:

- [Workshop on “Facilitating external trade via border management”](#)
- Study on "Fundamental/human rights in EPAs in light of a possible expiration of Cotonou" - will be published soon

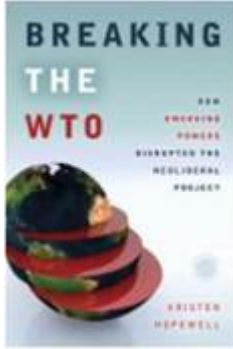
## European Parliamentary Research Service

- [Fighting trade in tools for torture and executions](#)
- [CETA and public services](#)
  
- [CETA: Investment and the right to regulate](#)
- [Protection from dumped and subsidised imports](#)
  
- [Comprehensive Economic and Trade Agreement \(CETA\) with Canada](#)
- [Canada: Economic indicators and trade with EU](#)

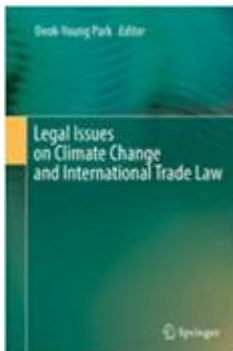
## EP Research Service library collection



[China and Europe's Partnership for a More Sustainable World: Challenges and Opportunities](#), Emerald, 323 p., 2016, "This book gathers the main scientific outputs related to POREEN, a four-year project on partnering opportunities between Europe and China in the renewable energy and environmental industries, financed by the European Commission. It investigates the main challenges and opportunities related to Sino-European cooperation in the green sector with a focus on sustainable growth."



[Breaking the WTO : How Emerging Powers Disrupted the Neoliberal Project](#), Kristen Hopewell, Stanford University Press, 288 p., 2016, "The world economic order has been upended by the rise of the BRIC nations and the attendant decline of the US' international influence. Kristen Hopewell provides a groundbreaking analysis of how these power shifts have played out in one of the most important theaters of global governance: the World Trade Organization. She argues that the collapse of the Doha Round negotiations in 2008 signals a crisis in the American-led project of neoliberal globalization."



[Legal issues on climate change and international trade law](#), Deok-Young Park (Ed.), Springer, xv-218 p., 2016, "By examining the controversial issues seen in legal cases in which domestic climate change or renewable energy measures conflicted with international trade regimes, this volume sheds light on the future direction of international trade law, pointing out that the development of climate change or renewable energy laws and policies must also consider international trade regimes and guarantee that international trade laws do not restrict environmental policy space."

For more information please visit intranet pages on [International Trade](#)

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## LINKS:

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