

VIII Legislature, N°50 –2 December 2014

Highlights

Hearing: Breaking the link between minerals and armed conflict

INTA decides on the duties for the Philippines and Kenya

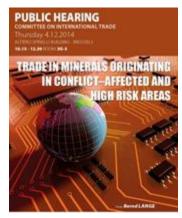
Transparency and TTIP to dominate debate with Commissioner Malmström

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Meeting highlights (03-04/12/2014)

Responsible trade in minerals to curb conflict

Public Hearing



On 4 December INTA will hear experts' views on how to effectively break the link between mineral extraction and conflict, while at the same time promote legitimate trade in the interest of economic development. INTA will assess Commission's proposals to encourage companies high in the supply chain to source minerals and gold responsibly from conflict areas. Speakers include OECD experts, upstream and downstream business representatives, think tanks and civil society organisations from Africa and Europe. This hearing will allow INTA MEPs to best inform themselves before proceeding with the consideration of the legislative proposal on "conflict minerals".

Programme

Transparency and TTIP to dominate debate with Commissioner Malmström *Exchange of views*



In the first encounter in INTA since the Commissioners' hearings, MEPs will quiz Cecilia Malmström on the trade priorities of the new Commission. Members will scrutinize Trade Commissioner's views on major trade negotiations and key legislative files. Among other issues, the Commissioner is expected to address concerns in relations to transparency in the negotiations of the Transatlantic Trade and Investment Partnership Agreement (TTIP).

Achievements of the Italian Presidency in Trade Policy

INTA will debate the outgoing Council Presidency's achievements as well as the on-going work that will be taken over by the incoming Latvian Presidency. Carlo Calenda, Vice-Minister for Trade of Italy, will be representing the President-in-Office of the Council. Priority issues high on the EU trade agenda include TTIP, transparency initiatives, legislation on Trade Defence Instruments and public procurement as well as the Trade Facilitation Agreement reached in the WTO.

Better-managed Preferential Trade Arrangements

Presentation of special report

INTA will discuss the Court of Auditors Special report on Preferential trade arrangements (PTAs) in connection to its opinion on the Discharge 2013. According to the Court's findings the Commission has not appropriately assessed all the economic effects of PTAs. In addition, the Court had doubts whether the Generalised scheme of preferences (GSP) is delivering its intended benefits. The report identifies weaknesses in customs controls of certain Member States and in the Commission's supervision in respect of PTAs. The Court states that the legal provisions of the PTAs do not contain sufficient safeguards to protect the EU's financial interests EU. The report will be presented by the Member of the Court Mr Baudilio Tomé.

Special Report 02/2014

INTA discusses Discharge 2013 *Consideration of draft opinion*



MEPs will debate budget implementation approval for 2013. INTA Rapporteur Mr Reimer Böge (EPP) is concerned about the Court of Auditors' conclusion that all payments during the financial year 2013, except the Union's own administration, were affected by material level of error. Non-compliance with procedures, ineligibility of expenditure and non-performance were most common errors within the EU's External relations. Moreover, he recommends the Commission to address the deficiencies identified in the special report of the Court.

Rapporteur:Reimer Böge (EPP)Administrator:Heikki SuorttiProcedure:2014/2075(DEC)

Lead committee: CONT

TIMETABLE

Deadline for amendments: to be announced **Planned vote in INTA:** January 2015

Illegal fishing concerns call into question GSP+ status for the Philippines

Vote on objection to delegated act



Trade MEPs will decide whether the so-called "yellow card" warning to the Philippines on possible non-cooperation in fighting illegal, unreported and unregulated fishing should be a reason to turn down Philippian request to be granted GSP+ preferences. Moving from the GSP to GSP+ status would eliminate duties on Philippines' imports in 66% of all EU tariff lines, also bringing additional obligations in the field human rights, environment and good governance. If INTA and a majority of MEPs in the plenary were to object to the

delegated act, the Philippines would be denied GSP+ preferences.

Delegated act

Kenya set to move back to duty-free trade regime

Vote on early non-objection

INTA will decide whether to propose an early re-instatement of duty-free regime of the Market Access Regulation (MAR) to Kenya, which it lost on 1 October 2014. In the follow-up to a deal on Economic Partnership Agreement (EPA) reached by East African Community and the EU in mid-October, the Union will reopen its market for Kenyan exports. If the delegated act is approved by the full Parliament and the Council in December, Kenya would move back to the zero-duty regime by the end of the year. This would come as a relief to Kenya's horticulture sector and an early present to exporters of cut flowers for Valentine's Day, the flower industry's peak sale season.

Delegated act

Current trade regime

Extension of preferences for Ecuador

Consideration of amendments, vote on draft report and negotiating mandate

INTA will discuss the amendments to the proposal for a regulation on the tariff treatment of Ecuadorian goods and will vote on them as well as on a mandate to enter into negotiations with the Council. Following the <u>agreement</u> reached by the EU and Ecuador on Ecuador joining the EU-Peru/Colombia Free Trade Agreement (FTA), the Commission has hammered out a proposal to avoid that Ecuador loses its current trade preferences - enjoyed under the GSP+ scheme - before the EU-Ecuador FTA is provisionally applied. The proposal makes the benefits conditional on a number of elements such as maintaining ratification and implementation of the GSP+ relevant conventions, engaging in the ratification procedure for joining the EU-Peru/Colombia FTA and abstaining from introducing new duties for imports from the EU. The amendments by the rapporteur bring in the following additional elements: (1) Insert an obligation for Ecuador to comply with a number of general requirements for GSP beneficiaries (2) Introduce reporting obligations by the Commission (3) Highlight the right of Ecuador to apply safeguard measures as well as other legitimate public policy measures (4) Foresee suspension of trade preference in case of non-compliance by means of delegated acts (instead of the originally proposed implementing acts).

Rapporteur: <u>Helmut Scholz (</u>GUE)

Administrator: Felix Lutz

Procedure: 2014/0287(COD) - INTA/8/01515

Lead committee: INTA

TIMETABLE

Deadline for amendments:6 November 2014Planned vote in INTA:4 December 2014Planned vote in plenary:February 2015

Review of the European Neighbourhood Policy

Exchange of views



INTA will hold an initial exchange of views on the upcoming review of the European Neighbourhood Policy (ENP), in preparation for its work on an opinion to the envisaged own-initiative report by the AFET committee. The European Neighbourhood Policy covers 16 of EU's southern and eastern neighbours — Algeria, Armenia, Azerbaijan, Belarus, Egypt, Georgia, Israel, Jordan, Lebanon, Libya, Moldova, Morocco, Palestine, Syria, Tunisia and Ukraine. Trade is one of the core elements of the EU relations with the ENP countries. INTA will therefore discuss the trade -related issues of the upcoming ENP review.

Clearer import rules in view Consideration of draft reports



INTA will consider two proposals to codify existing Regulations that deal with common rules on surveillance and safeguard measures for imports of textiles and other goods from countries that are not members of the World Trade Organisation, nor covered by bilateral arrangements or by other specific EU import rules (such as the GSP). The number of countries concerned is rather limited and includes countries such as North Korea and Belarus. Apart from the exercise of codifying laws that have

been amended a number of times, both proposals include slight substantive amendments and are, therefore, presented under the specific recast procedure. "The textile sector is a sensitive one for the EU. It is therefore important that the applicable rules be clear and user-friendly for the operators concerned, and that they ensure legal certainty", Mr Walesa, INTA rapporteur for both files underlined. On 11 November, the Committee on Legal Affairs gave a favourable opinion on both recasts, which permits INTA to proceed with the examination of the proposals.

Rapporteur: <u>Jarosław Wałęsa</u> (EPP)

Administrators: Hannariikka Nieminen / June O'Keeffe
Procedure: 2014/0177(COD) - INTA/8/00575 and

2014/0168 (COD) - INTA/8/00464

Lead committee: INTA - JURI giving a recast opinion

DRAFT TIMETABLE

Consideration of draft report: 3-4 December 2014

Deadline for amendments: 8 December 2014

Planned vote in INTA: 20-21 January 2015

Planned vote in plenary: Tbc

Recent events

Quotes of the month

"It is an important step in the history of transparency in the European politics" Chairman of INTA Bernd Lange, press conference on transparency in TTIP

"We want to consult even more extensively on TTIP and be even more transparent, so we can show clearly what the negotiations are about and de-mystify them"

transparency in TTIP

Trade Commissioner Cecilia Malmström, press release transparency in TTIP

Commission commits to boost transparency in TTIP



<u>Communication on transparency in TTIP</u>
<u>Press conference</u>

On 25 November, the Commission pledged to ensure greater access to documents relating to the negotiations for a Transatlantic Trade and Investment Partnership (TTIP) with the United States. INTA Chairman welcomed the move on transparency in general and on the TTIP in particular that the Parliament has been calling for, dubbing it "an important day in the history of transparency in the European politics". Enhanced transparency in TTIP will include making public more EU negotiating texts, extending access to texts to all MEPs, reclassification of some negotiating documents and regular updates of a public list of TTIP documents.

WTO work "back on track"



The impasse that was preventing WTO members from implementing the trade facilitation agreement (that will enable goods to move around the world quicker and more cheaply) since the summer was overcome at the end of November in the WTO's General Council with the Director General announcing that work was "back on track". India had refused to implement trade facilitation until a satisfactory solution was found on the issue of food security. Under the deal reached, WTO members should find a permanent solution on the issue before the end of 2015. Moreover the work programme for concluding the Doha

Development Agenda (the current round of negotiations which was launched more than a decade ago) should be completed by July 2015. The November meeting was hailed by many as a major breakthrough which will enable the WTO to really focus on the negotiations side of its work with a view to agreeing multilateral deals for the benefit of the entire membership.

Statement by WTO Director-General Statement by Trade Commissioner

Trade protectionism still on the rise



EC report on protectionism
WTO report on trade measures
Global Trade Alert Report

Despite reconfirmed G20 commitment to fight protectionism, the tendency to impose trade-restricting measures remains strong among 31 of the EU's key commercial partners, says EC's annual report on protectionism published on 17 November. In the 13 months analysed, these trading partners adopted 170 new trade-unfriendly measures, with Russia, China, India and Indonesia topping the list. At the same time, only 12 pre-existing trade barriers have been removed. Steps obstructing trade, investment and service provision include border measures, export restrictions, discriminatory internal taxation, inequitable technical regulations, localisation requirements and restricted access to public tenders.

Adopted in previous INTA meetings (05-06/11/2014)

• Conclusion of an agreement on the participation of the Republic of Croatia in the European Economic Area and of the three related agreements

Rapporteur: Alexander Graf Lambsdorff (ALDE)

Vote on draft recommendation:

in favour	against	abstentions
33	1	4

Novel foods

Rapporteur: Jude Kirton-Darling (S&D)

Vote on draft opinion:

in favour	against	abstentions
25	11	2

• <u>Association Agreement between the EU and the European Atomic Energy Community and their</u> Member States, of the one part, and Georgia, of the other part

Rapporteur: Olli Rehn (ALDE)

Vote on draft opinion:

in favour	against	abstentions
32	5	1

• Conclusion of an Association agreement between the European Union, of the one part, and Georgia, of the other part

Rapporteur: Olli Rehn (ALDE)

Vote on draft opinion:

in favour	against	abstentions
29	8	1

• Export controls of dual-use items

Vote on question for oral answer:

in favour	against	abstentions
33	2	2

 Statistics relating to external trade with non-member countries as regards conferring of delegated and implementing powers upon the Commission for the adoption of certain measures

Vote on the decision to enter into informal trialogue negotiations with the Council:

in favour	against	abstentions
32	4	0

Chair's activities:

- √ 7 November: Speech on the state of play and the future of EU trade policy at the Trade Policy Council Full Members lunch
- √ 7 November: Meeting with the Permanent Representative of Russia on current trade policy
- ✓ 11 November: Meeting with EU Commissioner for Trade Cecilia Malmström on Access to Documents
- √ 18 November: Closing remarks at the S&D TTIP conference "the good, the bad, the ugly"
- ✓ 21 November: Meeting with US Trade Representative Michael Froman on the TTIP negotiations
- ✓ 21 November: Speech on the European Parliament's role in EU Trade Policy at the Formal Trade Council

Selected trade news

STATE-OF-PLAY OF THE UNION'S TRADE DEFENCE INSTRUMENTS (TDI)

On-going investigations and measures in force

On 31 October 2014, there were 82 anti-dumping and 13 countervailing measures in force. Furthermore, there were undertakings in force from 5 countries covering 6 products. At the end of October, 50 investigations were on-going. 31 investigations were initiated, out of which 12 new investigations, 10 expiry reviews, 4 interim reviews, 2 new exporter reviews, 3 anti-circumvention investigations. 1 provisional measure and 2 definitive measures were imposed, 12 reviews were concluded by confirming or amending duties in force and 1 anti-circumvention investigation was concluded by extending the duties. 8 investigations were terminated without imposition of measures and 2 measures expired. 1 undertaking was withdrawn.

For more, see Commission's report.

New investigations until 30 November 2014

- Rainbow trout originating in Turkey L 44, 15.02.2014, p. 18, (AD and AS)
- Stainless steel cold-rolled flat products originating in P.R. China Taiwan C 196, 26.06.2014, p. 9, (AD)
- Stainless steel cold-rolled flat products originating in the People's Republic of China C 267, 14.08.2014, p. 17 (AS)
- Grain-oriented flat-rolled products of silicon-electrical steel originating in the People's Republic of China, Japan, the Republic of Korea, Russia and the United States of America, C 267, 14.08.2014, p. 6
- Acesulfame potassium originating in the People's Republic of China C 297, 04.09.2014, p. 2 (AD)
- Imports of certain aluminium foils originating in Russia C 354, 8.10.2014, p. 14 (AD)

RECENT WTO DISPUTE SETTLEMENT DEVELOPMENTS

EU requests WTO consultations with Russia over excessive import duties

The EU requested on 3.10. consultations with Russia in respect of import duties for paper products, refrigerators and palm oil. The EU takes this first step in the dispute settlement procedure in response to the violation by Russia of its obligations under the World Trade Organisation (WTO). Upon joining the WTO, Russia committed to keep its import duties below the limits expressed in the accession documents. However, it has continued taxing a number of products across various sectors more heavily than agreed. This is still the case today for certain products of interest for the EU. Those higher duties have a clear negative impact on European exports of paper products, refrigerators and palm oil that are worth approximately €600 million a year. See the Commission's press release here.

EU requests WTO panel on Brazil's discriminatory taxes

The EU requested on 31.10. the WTO to rule on a dispute concerning certain Brazilian discriminatory taxes. In the EU's opinion, the Brazilian tax measures give an unfair advantage to domestic producers and go against WTO rules. By taking the case to the WTO, the EU aims to re-establish a level playing field between Brazilian and European businesses and products. Brazil applies high internal taxes in several sectors, such as automobiles, information technologies, and machines used by industry and professionals. Brazilian products, unlike imported ones, can however benefit from selective exemptions or reductions. As a result, goods manufactured in the EU and sold in Brazil face higher taxes than Brazilian products. For instance, the tax on imported vehicles may exceed that collected on Brazilian-made cars by 30% of a car's value. Combined with customs duties levied at the border and other charges, this may amount in some cases to a prohibitive tax of 80% on the import value. See the Commission's press release here.

- In DS472 (Brazil indirect taxation) the EU requested the establishment of a panel on 31 October that will be tabled at the next DSB on 18 November 2014.
- On 29 October 2014, the EU received a request for consultations with Pakistan regarding countervailing measures on imports of certain polyethylene terephthalate (PET) from Pakistan (DS486).
- On 31 October 2014 the EU requested consultations with Russia regarding the tariff treatment (excess duties) on certain products (DS 485- Russia - Tariff Treatment of Certain Agricultural and Manufacturing Products)

Publications

Latest publications by the DG EXPO Policy Department

- In-depth analysis, Civil Society's Concerns about the Transatlantic Trade and Investment Partnership
- In-depth analysis, Negotiations on the EU-Canada Comprehensive Economic and Trade Agreement (CETA) Concluded
- In-depth analysis, Brazil: Promises of More Change But in Which Direction?

http://www.europarl.europa.eu/committees/en/studies.html#studies

Upcoming publications from DG EXPO Policy Department

- In-depth analysis, Trade and economic relations with Japan
- New IPR and international trade communication
- Conflict Minerals

Recent publications by the EP Research Service

China: anti-trust probes targeting foreign firms

Gisela Grieger, At a Glance, October 2014, 2 p.

"Since 2013, China's anti-trust regulators have drastically stepped up the enforcement of China's competition law against foreign firms. Major EU and Japanese automobile companies have recently been heavily fined for alleged price-fixing and monopolistic conduct."

New print and online books in the EP Research Service library collection

The Right to Regulate in International Investment Law The Right to Regulate in International Investment Law I ill CC I mentalonal Investment Law I mentalonal

The Right to Regulate in International Investment Law [e-book]

Titi, Aikaterini. - Nomos Verlagsgesellschaft, 2014, 266 p.

"Since the inception of the international investment law system, investment promotion and protection have been the raison d'être of investment treaties and states have confined their policy space in order to attract foreign investment and protect their investors abroad. Languishing in relative obscurity until recently, the right to regulate has gradually come to the spotlight as a key component of negotiations on new generation investment agreements around the globe."



<u>International Interplay : The Future of Expropriation Across International Dispute</u> Settlement [e-book]

Dasgupta, Riddhi. - Cambridge Scholars Publishing, 2013, 494 p.

"Are international tribunals heading towards greater sovereignty or towards greater liberalisation of property rights? Can we glean specific deductions from prevailing cases outside the expropriation arena? How can we justifiably extrapolate principles from international investment arbitration before modifying and applying these lessons to international human rights, the World Trade Organization regime and other dispute settlement systems?"



<u>Trade, Food Security, and Human Rights: The Rules for International Trade in Agricultural Products and the Evolving World Food Crisis</u> [e-book]

Chen, Ying. - Ashgate, 2014, 297 p.

"The author argues here that there is no absolute food shortage and that distorted agricultural trade which undermines world food distribution is a vital and overlooked factor. The book looks at EU and US agricultural policies and World Trade Organization negotiations in agriculture and proposes that the international trade regime reconciles trade rules with the consideration of food security issues."



Les sanctions dans le droit de l'Organisation mondiale du commerce

Henri Culot, Philippe Coppens, Bruxelles: Larcier, 2014, 691 p.

"Ce livre étudie le système de sanctions de l'OMC qui s'avère particulièrement élaboré et effectif au regard des standards du droit international. Après avoir présenté et critiqué les fondements utilisés par les juristes et par les économistes pour expliquer ce système, l'ouvrage propose une explication complémentaire inspirée de la théorie de l'institution élaborée par certains auteurs français du début du XXe siècle. Les sanctions sont alors le signe du développement d'un pouvoir propre de l'OMC, qui impose sa volonté à ses États membres."

Coming soon

INTA/European Parliament:	
Votes in INTA:	Trade files in plenary:
 O4 December: Tariff treatment for goods originating from Ecuador Autonomous trade preferences for Moldova Objection to the Commission delegated act granting GSP+ status for the Philippines Early re-instatement of duty-free trade regime for Kenya 	December 2014: Autonomous trade preferences for the Republic of Moldova Conclusion of an agreement on the participation of the Republic of Croatia in the European Economic Area and the three related agreements
INTA meeting dates 21-22 January 2015 23-24 February 2015	Delegation to the CARIFORUM - EU Parliamentary Committee Thursday, 29 January 2015, from 15.00 to 16.30 in Brussels
European Union	World Trade Organisation
Commission Work Program Key documents	WTO Events calendar 2014
Trade negotiations	10-11 December: General Council
Free trade agreements: tentative dates of upcoming negotiation rounds	16-18 December: Trade Policy Review: United States of America
All dates are indicative and subject to possible changes and postponement.	17 December: Dispute Settlement Body
Intersessional - EU-Vietnam FTA negotiations 25 - 27 November, Brussels, Belgium 15 - 17 December, Hanoi, Viet Nam	<u>WTO</u>
11th round of EU-Vietnam FTA negotiations 19 – 23 January, Hanoi, Viet Nam	
TiSA - Trade in Services Agreement 01 - 05 December, Geneva, Switzerland	
UE-Morocco DCFTA negotiations - 6th round 01 - 05 December, Brussels, Belgium - to be confirmed	
EU-China Investment Agreement - 4th round 08 - 12 December, Brussels, Belgium - to be confirmed	
EU-Japan FTA - 8th round 08 - 12 December, Tokyo, Japan	
More information	
EU Trade Council meetings	
12 - 15 December	

Various

VARIOUS

Useful links

<u>List of INTA Members</u> <u>INTA Intranet & *e*-Committee</u> INTA Internet

European Commission - Trade

European Council
Council of Ministers
Italian presidency

Documents and publications

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