



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 27 January 2009

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NOTE

from: General Secretariat of the Council
to: Delegations

Subject: Meeting of the Committee on International Trade of the European Parliament,
Brussels, 19-20 January 2009

1. "Mode 4" and the circulation of workers (Hearing)

"Mode 4" is a provision under GATS permitting temporary service provision by way of natural persons (independent professionals) or service supplier (employees) in another WTO Member State. Presentations were given by Mrs. CARZANIGA (WTO), Mr. WAGHORNE (International Union Confederation) and Mr. KERNEIS (European Services Forum). They highlighted the different aspects of "mode 4" from the perspective of their organisation.

Mr. KAMAL (PPE-DE/UK) raised the question whether highly qualified staff using "mode 4", was not causing a brain drain in particular from developing countries. As regards worker's protection, he asked what happened in some countries where there are no agreements between the government and trade Unions and also questioned the lack of reciprocity in some cases.

Mrs. MANN (PSE/DE) would like to be informed on the effect of the Doha round on "mode 4" and asked to have an overview of bilaterally agreements and their effects generated by the previous GATS negotiation round.

Mr. LIPIETZ (Greens-EFA/FR) had particular concerns on the south borders of the EU for which he asked whether there was a kind of screening before permitting access. This would only be favourable for highly skilled labour force and/or already wealthy workers. He also questioned possible abuses and the relationship of "mode 4" with the Services Directive.

Mrs. CARZANIGA replied that the main focus of the Doha round is on market access and less on services and that the Uruguay round just confirmed a status quo on "mode 4". She further said that although bilateral agreements need to be notified to the WTO, there are very few data available on number of people and trade involved in "mode 4".

Mr. KERNEIS stated that since "mode 4" is temporary, there is no real brain drain since people go back to their home country which can benefit from their additional training and experience at that moment. He admitted that there was a problem with reciprocity since many countries did not offer anything in return. This was the case for India, the US, Korea, Brazil, China and most Asian countries.

He also expressed his opinion that as regard legal migration, the EU was much less competitive than other countries such as Switzerland, Canada and the US and he called for a better management of legal migration.

From a Union's point of view, Mr. WAGHORNE did not particular favoured "mode 4" but was not aware of anti-migration positions of a trade union in any country. As regards entry in the south of the EU, he said that it were not only high skilled or wealthy people who seek entrance but that people where often chosen by a local community in their home country, for their high potential. He informed that he was in favour of an effective monitoring of workers rights and obligations, also under the Services Directive.

A representative of the Commission emphasised the distinction between "mode 4" and legal migration but in both cases the services providers should respect social protection rules. He said that in the Doha round, the EU was offering a broadening of the scope of sectors concerned and an extension of commitments as regards independent professions and training. He also stressed the temporary character of "mode 4" and highlighted that before EU Member States enter into bilateral negotiations, a Council mandate which can be tailored to the specific needs of the third country

involved, is requested. He also stated that the reciprocity issue is a difficult one in particular since "mode 4" can't be separated from an overall services package but admittedly, the situation with India and the US was not very satisfactory.

2. An EU-India Free Trade Agreement

Rapporteur: Mr. KARIM UK/EPP-ED

INTA/6/62893 2008/2135(INI)

Consideration of draft report

The rapporteur Mr. KARIM highlighted the different features of the negotiation process of which some progress well (civil aviation, energy, research, intellectual property rights) but other remain problematic (public procurement, investment). He considered the agreement to be a good one since covering a broad scope but warned that further progress should not be harmful to one or another party Trade sustainable development should be a key issue. He also stressed the importance of human rights clauses as an essential element of the text to be agreed upon.

Mr. FORD (PSE/UK) said that he was still not convinced that India was really eager to have an agreement at all and asked to have binding guarantees for the agreement to be concluded also after the forthcoming elections. He further disagreed with paragraph 31 of the draft resolution which calls India to ensure that the benefits of the agreement also reach Dalits and Adivasis since this would implicitly indicate a recognition of the Indian cast system.

Mr. SCHMIDT (Greens-EFA/De) on behalf of the DEVE Committee, emphasised that India was an industrial power but at the same time a developing country which was struggling with poverty and human right issues. As Mr. FORD, he considered the draft of paragraph 31 as a hidden agreement with the cast system which was unacceptable from a human rights perspective as was paragraph 32 which calls India to sign the Non Proliferation Treaty (NPT) but which in his opinion should be made conditional for further EU co-operation.

A representative of the Commission welcomed the draft report as a useful input and agreed that the broad coverage of commitments, including non tariff barriers, makes the agreement more beneficial to both parties. He expressed some optimism as regards the potential to conclude the agreement before the end of 2009 but admitted that some extra efforts would be needed to ensure swift progress after the elections in India.

Mr. KARIM ensured Mr. FORD that there is not a lack of interest from Indian side to conclude the agreement and he also acknowledged the validity of remarks on the draft of paragraph 31. Nevertheless he said that this was a very sensitive issue for India and care should be taken not to upset the Indian government which could create delays in the negotiations. However he promised to look for some alternative wording.

Deadline for amendments: 23 January 2009.

After the closing of the discussions on the draft motion for a resolution, Mr. KARIM also reported on the EP delegation's visit to India from 25-27 November 2008 where they visited representatives from government, business and civil community as well as the newly established European Business and Technology Centre.

3. Interim Partnership Agreement between the EC and the Pacific States

INTA/6/70415

2008/0250 (AVC) COM (2008)0857

Rapporteur Mr. Glyn FORD (PSE/UK)

Consideration of draft recommendation

The rapporteur, Mr. FORD stated that so far only two out of the potential 15 countries had signed the Interim agreement and that this would condition the scope and content of future agreements with other partners in the region. He called for a close monitoring of the period between the interim agreement and the full EPA.

Mrs. ZIMMER (UEL-NGL/DE) rapporteur for the DEVE Committee, welcomed the report which should indicate the Commission which way to go. In her view, fishery policy should be prioritised and supported by broadening the interpretation of the rule of origin clause for fishery products. As regards Fiji she questioned how this country with a military regime and for which the EU sugar protocol payments are suspended, could be considered as a legitimate trading partner. For Papua New Guinea she expressed the idea that since this country does not have an important production sector there was no need for a sophisticated EPA but focus should rather be given on services under GATS.

A representative of the Commission stressed that indeed the Pacific was a very specific region of which the particularities had been duly considered i.e.; some agreements do not cover goods if there is no real interest. A broadening of the rules of origin has been offered to the Pacific states but this requires careful tailoring to have an added value in the full EPA. He admitted that development co-operation support was indeed needed to protect fish stocks but this would also be addressed once the full EPA is going to be negotiated.

Deadline for amendments: 22 January 2009.

4. Votes

Following acts were adopted:

Reports:

- International Trade and the Internet INTA/6/64016 2008/2204 (INI) Mr. PAPASTAMKOS
- Trade and Economic Relations with China (INTA:6/62975 2008/2171 (INI) Mrs. WORTMANN

Opinion:

- The obligations of operators who place timber and timber products on the market
INTA/6/69237 2008/0198 (COD) COM (2008) 0644 Mr. FORD

5. Next meeting

Due to time constraints many points of the initial agenda were carried to the next extraordinary meeting which will take place in Strasbourg on 2 February 2009 starting at 19.00.