



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 6 September 2013

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NOTE

from:	General Secretariat of the Council
to:	Delegations
Subject:	Summary record of the meeting of the European Parliament Committee on International Trade (INTA) , Brussels, 5 September 2013

The meeting was chaired by Mr Moreira (S&D) who announced in his opening remarks that the Uzbek government had accepted a high level ILO mission to monitor child labour during the forthcoming cotton harvest. He considered this to be a great success for the European Parliament that had exerted constant pressure by upholding the EU- Uzbek agreement.

1. EU guarantee to the European Investment Bank against losses under financing operations supporting investment projects outside the Union

INTA/7/12841 2013/0152(COD) COM(2013)0293 – C7-0145/2013

Consideration of draft opinion

The rapporteur, Mr. JADOT (Greens) emphasised the importance of the EIB as a factor of sustainable development in third countries and explained the main concerns highlighted in his draft opinion. These were the coherent functioning of intermediaries, the increase of funds for climate friendly projects (however, some funds were used, for instance by China, for the development of solar panels which was contrary to the interests of EU companies, as demonstrated in the recent anti dumping case) and - in line with what was proposed for export credit agencies - reporting by the EIB that should be more transparent on non-financial issues.

Members Mr. CUTAS (S&D) and Mr. SCHOLZ (GUE) agreed on the draft, which reflected the opinion of the Committee. However, some amendments would be tabled to reinforce the arguments of the rapporteur.

While the representative of the Commission stressed the urgency of EP proceedings, the representative of the EIB warned against additional administrative burdens which would hinder a swift reaction designed to address the current crisis. The EIB was a pioneer amongst international organisations in that it drew up a greenhouse gas emission assessment for each of the projects it supported. The allocation of funds to China for the development of solar panels had been suspended since the anti dumping case had been initiated. The Commission was, moreover, checking the compatibility of each project with broader EU policy goals.

2. **Import of Laogai-made goods into the European Union**

INTA/7/13299 2013/2708(RSP)

Consideration of question for oral answer

Consideration of draft motion for a resolution

The rapporteur for China, Mr. SCHOLZ, explained that goods produced by forced prison labour was a longstanding and important issue in EU- China relations. Major questions on the issue would be addressed in the draft resolutions. Mr. LANGE (S&D) proposed that the issue should also be addressed in the context of the negotiations of a EU- China investment agreement. Mr. JADOT considered that it was the right moment to address these competitiveness concerns since the EU faced an economic crisis.

The representative of the Commission clarified that this was not a specific Chinese issue, but that forced labour was also a problem in other countries. Cooperation was necessary with the United Nations and the International Labour Organisation (ILO), and this worked well. The Commission interservice group set up to study the issue had difficulties in collecting reliable data, but considered that only a small part of the goods produced by forced labour was exported. Traceability would be difficult since certain legal and certification criteria were needed for which good cooperation with the countries concerned was necessary. The 2014 ILO Labour Convention would issue a new report on the problem. The representative of the EEAS emphasised that the issue was taken up with the Chinese authorities on a regular basis and that they seemed to have engaged in a reform process.

The Chair and Mr. JADOT considered that the replies were extremely cautious and diplomatic and failed to express the political will to explore a possible traceability system.

3. **Trade with Euromed**

INTA/7/13360 2013/2739(RSP)

Consideration of draft motion for a resolution

Mr. MARTIN said that the resolution was input for the Ministerial EU-Euromed Conference that would take place in November. He focused on the need to provide rapid assistance to Jordan as regards trade facilitation, regulatory convergence and the relaxation of rules of origin with a view to maintaining its stability. Mr RINALDI (ALDE) advocated that association agreements on their own were not sufficient to boost the economy, for instance in the area of services. He raised further concerns on the difficult business climate, increasing diversification in Euromed countries, the stringent visa requirements for business people, the need, too, to address B2B and SME issues and the creation of Chambers of Commerce. Mr. IACOLINO (EPP), considered that there was a great need to bring stability and promote growth in the area. This would also help to stop immigration to Southern European countries. A revival of political will to promote trade in the Mediterranean area was badly needed. Mr. JADOT commented on a number of specific paragraphs and asked why no reference had been made to Egypt. On behalf of Ms. SAIFI, Mr. PROUST (EPP), said that the level of development of each country should be taken into account, that rules of origin should be better integrated, that bilateral agreements should only complement a multilateral or regional approach and that the economic weakness of some countries could be explained by their difficult political situation. Mr. MURPHY (GUE) considered that, to date, the EU approach had not produced much effect on the ground. Regrettably, business interests, rather than democratic concerns, were driving EU policy.

The representative of the Commission said that owing to the rapidly changing situation in many Euromed countries, progress was slow. It was clear that rules of origin needed to be simplified and the Commission was trying to narrow down the list of "problematic" products. DCFTA were instrumental in creating a favourable business climate but, until now, only Morocco was progressing well with negotiations. Non Tariff Barriers (NTB) were being tackled on a regional basis. Regional integration, WTO Membership and trade facilitation mechanisms were being promoted.

Mr. MARTIN replied that Egypt had not been addressed in the draft resolution because the political situation was unclear and no obvious negotiation partners were available.

The deadline for amendments was 9 September. The vote in Committee would be on 17 September and the vote in plenary in October II.

4. Market surveillance of products

INTA/7/12004 2013/0048(COD) COM(2013)0075 – C7-0043/2013

Consideration of amendments

The rapporteur of the opinion for IMCO, Mr. Cutaş (S&D), informed the Committee of his concerns which included issues such as the lack of resources in Member States used to develop an appropriate market surveillance system, the enhancement of cooperation with third countries, the handling of the issue in trade negotiations and the creation of a pan-European database.

Whereas Mr. IACOLINO considered cooperation between the authorities of Member States as a key requirement, Mr. MURPHY proposed to extend risk assessment beyond consumer protection to dangerous production processes, social rights of workers etc.

The representative of the Commission welcomed the amendments that had been made to strengthen market surveillance. She emphasised that there was already an action plan for Member states to increase cooperation, doubted whether Member States would have sufficient resources to feed a pan-European database and proposed that other community instruments should be examined before the scope of risk analysis was extended.

Consumer product safety

INTA/7/11992 2013/0049(COD) COM(2013)0078 – C7-0042/2013

Consideration of amendments

In the absence of the rapporteur of the opinion, Ms. Muscardini (ECR), the Chair stated that a new proposal on origin labelling had been tabled by the Commission but that this was IMCO's responsibility. Mr. IACOLINO and Mr. LEICHTFRIED (S&D) made a number of comments supporting the draft and the representative of the Commission outlined the need for a practical, not overloaded and well balanced approach.

Referring to the amendments on both proposals, the Chair commented on the fact that amendments on an opinion could only deal with issues that were within the Committee's remit. As he considered that many amendments did not fall within this remit, he said he would be strict and reject those which were not applicable.

The vote in the Committee would be on 17 September.

5. Commission staff working document: Trade and Worst Forms of Child Labour
SWD(2013)0173

Presentation by the Commission

The representative of the Commission presented the background and content of the Staff Working Document which was the follow-up to a similar 2010 paper. The document set out a factual framework, describing the link between trade and the worst forms of child labour. It had been drafted in cooperation with ILO and UNICEF. It does not, however, contain any specific proposals.

Hazardous work accounted for 90 % of all child labour. 10% could be categorised as illegal/criminal. The agricultural sector accounted for 60 % of child labour, the services sector for 26 % and the manufacturing sector 24% thereof. The collected data provided evidence that 5% of child labour was directly related to export and that an increase of trade promoted economic growth, which in turn reduced child labour. It was therefore concluded that trade restrictions were ineffective in combating child labour and that trade policy should be incentive-based and not sanction-based. The recent experience with the Uzbek government was quoted as a good example of this principle.

The few Members present intervened by commenting on state responsibility, CSR, GSP and GSP+ conditions and unequal income distribution. The Chair concluded that trade policy can be part of the solution to eradicate child labour, but that more could be done. In this respect, he questioned whether the EU (Commission) had not been too restrictive in respect of launching the appropriate GSP+ investigations on countries which had the worst records on child labour.

6. **Monitoring Groups Activities**

INTA/7/08162

Exchange of views

Canada: Mr. STASTNY (EPP) considered that negotiations were dragging on, which would make it impossible for the EP to give its consent before the end of its legislature. However a final deal was now within reach. Outstanding issues were beef/pork, public procurement and pharmaceutical research.

Central Asia: Ms. KELLER (Greens) reported on two meetings. The first was with the Uzbek Ambassador, the ILO and the Commission. In this the situation on child labour was assessed (see opening of meeting). The second meeting was with, inter alia, the Kazakh Ambassador who expressed opposition to outside influence and disappointment with the EU negotiation offers, and refused to be bound by EU rules.

Japan: Mr. KZAZK (ALDE) discussed progress after the second round of negotiations with the Japanese Ambassador and representatives of the automotive and railway sector. Sectoral representatives were more positive than before, but stressed the need to tackle NTB and public procurement adequately. Japan was committed to delivering on the removal of NTBs at an early stage.

South Asia: Mr. MURPHY reported on the meeting with the Commission regarding labour conditions in factories in Bangladesh, regarding which several initiatives were underway. he also reported on procedural issues on delegated acts in the context of the application of Pakistan and the Maldives for GSP +.

United States: Mr. MOREIRA welcomed the progress of negotiations which would always be preceded and followed by a meeting between the INTA monitoring group and the Commission's negotiating team.

Russia: In the absence of Mr. STURDY (ECR), the Chair briefly mentioned the meeting with the Commission on 4 September in which the WTO case on the Russian car recycling tax had been discussed.

Thailand: The Chair announced that the constituent meeting of this group, with Mr. PROUST as Chair, had taken place in June.

7. Votes

Adopted with amendments:

General budget of the European Union for the financial year 2014 - all sections

INTA/7/13155 2013/2145(BUD)

Consideration and adoption of budgetary amendments

Adoption of draft opinion

Adopted without amendments:

Amendment of Regulation (EC) No 428/2009 setting up a Community regime for the control of exports, transfer, brokering and transit of dual-use items

INTA/7/07664

Vote on the decision to enter into negotiations with the Council and the Commission with the aim of reaching an early second reading agreement

Amendment of Council Regulation (EC) No 774/94 of 29 March 1994 opening and providing for the administration of certain Community tariff quotas for high-quality beef, and for pig meat, poultry meat, wheat and meslin, and brans, sharps and other residues

INTA/7/08381 2011/0445(COD) COM(2011)0906 – C7-0524/2011

Consideration and vote on the decision to enter into negotiations with the Council and the Commission with the aim of reaching a first reading agreement

Amendment of Council Regulations (EC) No 2008/97, (EC) No 779/98 and (EC) No 1506/98 in the field of imports of olive oil and other agricultural products from Turkey as regards the delegated and implementing powers to be conferred on the Commission

INTA/7/08396 2011/0453(COD) COM(2011)0918 – C7-0005/2012

Consideration and vote on the decision to enter into negotiations with the Council and the Commission with the aim of reaching a first reading agreement

Trade between the Community and third countries in drug precursors

INTA/7/10782 2012/0250(COD) COM(2012)0521 – C7-0316/2012

Consideration and adoption of the outcome of the trilogue negotiations with the aim of reaching a first reading agreement

8. Date, time and place of next meeting

- 16 September 2013, 15.00 – 18.30 (Brussels)
 - 17 September 2013, 9.00 – 12.30 and 15.00 – 18.30 (Brussels)
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