



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 4 May 2010

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NOTE

from: General Secretariat of the Council
to: Delegations
Subject: Meeting of the European Parliament Committee on International Trade, Brussels,
27-28 April 2010

At the start of the meeting, the Chairman, Mr MOREIRA (S&D/P), announced that the planned meeting with Commissioner DE GUCHT on the Commission's trade working programme for 2011 on 5 May 2010, had still not been confirmed pending authorisation by the President. He informed INTA Members that the Committee of Committee Chairs had formally complained that the envisaged timetable of the Council did not permit the European Parliament to be in a position to draw up a substantive opinion on the Europe 2020 strategy but that INTA was expected to give its input as regards the trade chapter.

1. EU's Trade relations with Latin America

INTA/7/002462

Hearing

Ms AYUSO (Barcelona Centre for International Affairs), as an invited expert, highlighted the difficulties of reconciling a bilateral approach with a multilateral one, but clearly favoured the latter, since a differentiated approach was creating regional tensions. Nevertheless, she said that a careful selection of specific sectors and transitional periods could help avoid potential problems.

Bolivian Vice-Minister for Foreign Affairs Mr GUZMAN emphasised that the agreement between the EU and Columbia and Peru was a bilateral one and should not be presented as an agreement between the EU and the Andean community. He explained that it was the EU that had decided unilaterally to suspend negotiations with Bolivia, which had not withdrawn from negotiations. He said that Bolivia had challenged the decision of Columbia and Peru to continue bilaterally before the Andean Community Court, since the terms of their negotiation mandate were multilateral.

In a first round of questions, most Members stated that INTA was not the right place to discuss intra-Andean issues and defended the approach taken by the Commission to continue negotiations with Columbia and Chile only.

Replying to questions from Mr JADOT (Greens/F) and Mr LANGE (S&D/D), Ms AYUSO said that the EU should not impose any particular model of regional integration but rather create appropriate incentives and mechanisms to enhance the involvement of all actors. She also favoured the inclusion of natural resources and sustainable development in the negotiation process.

Following up comments from Mr HIGGINS (GUE/IRL), Mr GUZMANN said that the Bolivian government was committed to ending poverty, but would not sacrifice its natural and human resources. He asked whether the EU wanted to have good relations with all Latin American countries or with only a privileged few.

Mr GILOLMO informed Members about the success story of Telefónica in Chile and Latin America, from which 40% of their worldwide income is derived. However, he warned the EU to be vigilant since emerging economies were also interested in entering this market.

Mr RAMIRO of the Observatory on Multinationals in Latin America was more critical of the presence of big companies in Latin America. In his opinion they should pay more attention to respect for social and human rights and to safeguarding natural resources. Since public opinion was also turning against foreign investment, he advocated a binding code of conduct for multinational companies.

A representative of the Commission confirmed its full commitment to the EU's Latin American strategy, as reflected in various declarations and at summit meetings. He emphasised that trade relations should help both regional integration and wider integration of the region into the world economy.

In a second question round Members took up some of the comments from the last two invited speakers regarding social rights and working conditions.

A draft report will be made available in June for adoption by the plenary in September.

2. European External Action Service

INTA/7/02432 2010/0816 (NLE) 08029/2010 - C7-0030/2010

Consideration of draft opinion

The Chair informed Members about the continuing conflict between Council and Commission on this proposal and stated that the European Parliament would not deliver its formal opinion before the full set of EEAS-related proposals has been received.

The rapporteur, Mr ZHRADIL (ECR/CZ), said that in his draft he tried to find the lowest common denominator of all political groups and to send a strong signal to the High Representative to respect the different competences of Commissioners as set out in the Lisbon Treaty.

Mr ZALEWSKI (EPP/PL) confirmed that INTA should indeed safeguard its interests and called for sufficient transparency in the chain of command.

A representative of the Commission and the Cabinet of the High Representative reported that the Council had reached an important agreement on the proposal which will be the basis for discussion with the European Parliament. They made clear that staff in delegations involved in trade would indeed receive instructions from the Commission but that it could sometimes be more appropriate if the head of delegation could be the central contact point for third countries so as to ensure coherence of policy.

Mr KAZAK (ALDE/BG) wanted the role of the European Parliament to be spelled out very clearly and emphasised the need to develop a methodology for cooperation and information flow.

Mr JADOT said he was not in agreement with the amendments proposed by the rapporteur since they were too detailed and would create confusion. For him it was important that the EEAS should operate in a community framework and not end up as an intergovernmental institution.

Mr SCHOLZ (GUE/DE) asked for it to be made clear that the High Representative had no autonomy as regards trade policy, and would prefer a better wording of the amendments.

The rapporteur concluded that he was trying to align the wording as far as possible with the provisions of the Lisbon Treaty and that INTA should defend the position of the Trade Commissioner.

The deadline for amendments was set at 3 May 12.00.

3. The arrangements for importing fishery and aquaculture products into the EU with a view to the future reform of the CFP

INTA/7/02532 2009/2238 (INI)

Consideration of draft opinion

The rapporteur, Mr JADOT, stressed that whereas the report of the lead committee (PECH) was focused on economic aspects, his draft opinion emphasised the environmental trade and social aspects of CFP reform. The main concern was to consider fish as a sensitive product; this would allow for the establishment of safeguards, export limits and controls and import quotas. He therefore called on the Commission to take the initiative in the WTO and FAO so as to ensure that fish were no longer subject to industrial NAMA rules.

Intervening Members all welcomed the draft and supported the ideas expressed by the rapporteur.

The representative of the Commission however was of the opinion that taking such initiatives could encourage other sectors to apply for similar treatment, which would hamper horizontal applicable rules. Moreover he said that the results of such initiatives would only be effective in the longer term and that the negotiating mandate could not be amended.

Mr JADOT replied that the fisheries sector did not have a certification procedure on respect for environmental and social conditions, and he was doubtful whether the Commission, which was not able to manage its own stock, would successfully manage those of third countries. He concluded by saying that even if the questions are difficult they should be tackled.

4. Accession of the Member States to the Convention relating to international exhibitions signed at Paris on 22 November 1928

INTA/7/02279 2010/0015 (NLE) COM(2010)0018

Consideration of draft report

The rapporteur, Mr CUTAS (S&D/RO), fully agreed with this uncontroversial proposal, which would permit Luxemburg, Latvia and Ireland to join the convention. The final calendar would be determined at a later stage.

5. Amendment of Council Regulation (EC) N° 1215/2009 introducing exceptional trade measures for countries and territories participating in or linked to the EU's Stabilisation and Association process

INTA/7/02328 2010/0036 (COD) COM (2010) 0054 - C7 - 0042/2010

First exchange of views

No real debate was held on this item; the rapporteur, Mr MOREIRA, welcomed the proposal, which extends the application period for the exceptional trade measures for the Western Balkans, and the Commission representative said that the comitology provisions would be revised in the package the Commission was currently preparing to align them with the Lisbon Treaty.

6. Indication of the country of origin of certain products imported from third countries

INTA/7/02414 2005/0254 (COD) COM (2005)0661 - C7-0048/2010

First exchange of views

The rapporteur, Ms MUSCARDINI, recalled that the European Parliament had always been in favour of this proposal, which dates from 2005, but that certain Member States were opposing it in Council. She said that the EU was the only major trade partner which did not have such rules.

The representative of the Commission confirmed this statement but also drew the attention of Members to the option paper of the Commission published last year which proposed to focus on consumer products.

Mr CASPARY said he was worried about the lack of progress and invited the Commission to amend its proposal so that it would be acceptable to the Council. At the same time, labelling should add some value for the consumer and not merely provide information on the origin of the product.

Mr SUSTA (S&D/IT) agreed to this proposal and added that not only is the origin important but also respect for all safety, quality and health requirements. He called for reciprocity with other trade partners and consistency with the adopted resolution to put pressure on the Council.

This stance was shared by Mr RINALDI (ALDE/IT), who added that such labelling should not be considered as a protectionist measure, but rather as protection of consumers.

Ms MUSCARFINI concluded that points of agreement should be sought for and proposed commissioning a study to assess the effects of similar provisions with trade partners.

A draft report would be discussed on 13/14 July; the deadline for amendments was set for 19 July, the vote in INTA for the end of August and the plenary vote at the September II session.

7. Bilateral safeguard clause in the EU-Korea free trade agreement

INTA/7/02256 2010/0032(COD) COM (2010)0049 - C7 - 0025/2010

Second exchange of views

The rapporteur, Mr ZALBA (EPP/ES), recalled that the role of the European Parliament was not to amend substantive parts of the agreement nor to act against its spirit, but to ensure that the safeguard clause was effective and binding and that it would protect those industry sectors that were likely to be affected. He suggested incorporating the duty draw-back into the mechanism, creating an online platform for stakeholders, publishing a yearly report containing information on investigations, trade and duty draw-back statistics, better defining products directly competitive with Korean ones, introducing the possibility for the European Parliament to request an investigation, introducing regional safeguards and establishing a monitoring committee.

Several Members (Mr LANGE, Ms MUSCARDINI, Mr SUSTA, Mr ARIF (S&D/F)) intervened to remind the Commission representative that Commissioner DE GUCHT had promised that there would be no provisional application of the agreement until the European Parliament had given its agreement. Others claimed that the maximum duration of the investigation period was too long and asked specific questions on the forthcoming carbon regulation in Korea and nuclear safety. Most joined the rapporteur in his call to give the European Parliament the option to ask for an investigation and to introduce the duty draw-back into the safeguard instrument.

The representative of the Commission explained that the Council will not decide on the provisional application of the agreement before the European Parliament has given its green light. He informed Members that the safeguard clause will work for both sides; Korea could also tackle alleged abuses and, if need be, restore normal customs duties. As regards the introduction of duty draw-back into the mechanism he said that this was also being considered by several Member States and would be further considered in Council. He said that the maximum duration of an investigation should not be looked at as if EU companies would be without immediate defence, since during the investigation provisional measures could be taken.

However he considered regional safeguards and the establishment of an on-line platform less feasible in the near future.

Mr ZALBA expressed his satisfaction with this reply and announced the following timetable:

10 May: issuing of the draft report in English; 1 June: discussion of the draft report; 3 June: deadline for amendments, 23 June: vote in INTA; and vote in plenary in July.

8. Control by Member States of the Commission's exercise of implementing powers

INTA/7/02491 COM(2010)0083 COM(2010)0083 -C7- 0073/2010

Exchange of views/Consideration of draft opinion

The rapporteur, Mr MOREIRA, announced that the Committee vote on this proposal should be taken on 1 June and emphasised its importance for all files. He suggested that the title of the proposal should be changed to stress, what he considered, the autonomy of the Commission (Member States should not interfere) but claimed that the choice between advisory procedure and examination procedure should be left to the legislators and not to the Commission. According to him rights of the European Parliament should be safeguarded and MEPs should be enabled to participate as observers in the advisory committees.

A representative of the Commission explained that the proposal was aiming to simplify and make more transparent the existing four comitology procedures. He explained, that Member States could not stop an implementation measure on their own but needed a qualified majority to do so. He said that it did not seem necessary to repeat the scrutiny powers of Council and European Parliament in this Regulation.

Mr LANGE (S&D/DE) opposed this latter opinion and insisted on repeating the rights of the European Parliament in the Regulation. He was also strongly in favour of MEPs and observers in the advisory committees.

Mr CASPARY (EPP/DE) agreed with explicit references to the rights of the European Parliament, and, like Mr SCHOLZ, disagreed with the idea of MEPs being observers in advisory committees. In this respect he said that each institution had the right to work in its own sphere of competence. However, he proposed the idea that members of the secretariats of European Parliament committees could be observers.

The deadline for amendments was set at 3 May 2010.

9. EU Market access to third countries: latest developments

INTA/7/02556

Presentation by Commission

A representative of the Commission made an exhaustive presentation of recent work by the Commission in this area. A list of 200 market access barriers had been established and will be thoroughly examined over the next couple of months and will serve as background for coordinated action. Ongoing monitoring of protectionist measures will result in a public report to be published by the end of May which will feed into the WTO exercise. A high-level dialogue was being set up with a number of trade partners such as China, Russia and Argentina to tackle important new trade barriers. Activities will be further strengthened in the near future for reporting to the spring Council in 2011 in order to set out a comprehensive strategy.

10. State of play of International Trade negotiations

INTA/7/01417

"in camera"

11. International Trade Policy in the context of Climate Change imperatives

INTA/7/02208

First exchange of views

The rapporteur, Mr JADOT, outlined his ideas for his forthcoming own-initiative report, which would address issues such as the transfer of environmental high tech, interaction of national climate policies and sustainable trade policy, coherence of policies, competitiveness and environmental dumping. The report would be drafted in close cooperation with the ENVI Committee, aiming for a vote at the end of this year.

Some Members asked for labour and working conditions issues and the financing of environmental friendly technology also to be addressed.

The representative of the Commission welcomed the initiative and suggested that the report would develop positive ideas to demonstrate how trade could contribute to the achievement of environmental goals.

12. Situation in the steel sector

INTA/7/02688

Exchange of views

Several representatives of the steel industry and a union representative presented the difficult situation in the sector on the basis of data and statistics. They claimed that they suffered from unfair competition from third countries and regretted the rare use of trade defence instruments to protect their sector. They said that since their industry was completely dependent on imports of raw materials, the globalisation of the economy and the overcapacity of certain countries had dramatic effects for EU-based steel companies.

Mr RINALDI called for more investment in R&D and for a strong European industrial base, which he alleged was being neglected in favour of services. Others questioned the poor reputation of the sector as regards environmental and social protection and speculation on the prices of raw materials.

The representative of the Commission said that developments were being monitored closely and that meetings were held regularly with representatives of important steel-producing third countries. He said that the procurement of raw materials from a limited number of companies was more a competition problem than a trade one, which explained the limited use of trade defence instruments in the sector.

13. Raw material Trade Strategy

INTA/7/02687

Presentation by the Commission

As a follow-up to the preceding debate, the Commission representative explained that the European industry is mainly a processing business, for which up to 80% of the resources are imported. Recent developments have demonstrated a proliferation of export restrictions on raw materials, which were nevertheless not always contrary to WTO rules.

He said that the Commission was trying to limit these restrictions by incorporating rules into bilateral agreements, organising seminars for third countries to explain the problems, and where necessary launching WTO dispute cases. Trade in raw materials was considered a global problem both for importing and exporting countries but the Commission was not pursuing developing countries which had justified reasons to protect their natural resources.

Several Members called for more attention to be paid to monopolistic positions in certain raw material markets and for involving other policies in the issue.

The latter suggestion was followed up by the representative of the Commission, who said that indeed several Commissioners would aim to agree on a coherent policy but that this was a complex problem which needed time to develop.

14. WTO dispute settlement- Recent developments

INTA/7/00938

Presentation by the Commission

The representative of the Commission briefly presented recent developments in pending cases. However, most of them were at the panel phase or waiting for a report (inter alia the Boeing and Airbus cases).

15. Votes

The following opinions were voted with amendments:

- Union for the Mediterranean INTA/7/01731 2009/2215 (INI)

- Internet of Things INTA/7/01763 2009/2224 (INI)

- Progress towards the achievement of the Millennium Development goals: mid-term review in preparation of the UN high-level meeting in September 2010

INTA/7/02387 2010/2037 (INI)

16. Dates of the next meetings

- 1 June 2010, 9.00 - 12.30 and 15.00 - 18.30 (Brussels)
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