



**COUNCIL OF
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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, 24-25 April 2013

1. Joint debate

- **Exchange of views on the Parliament's priorities for the Budget 2014 with Anne E. Jensen, rapporteur in the Committee on Budgets**
- **2014 Budget - Mandate for the Trilogue**
INTA/7/11868 2013/2017(BUD)
Consideration of draft opinion

The general rapporteur for the 2014 budget, Ms JENSEN, emphasised that the uncertainty on the MFF, the dispute with the Council on the legal basis for implementing legislation, payment appropriations which had become a political issue, and the Commission's proposal, which is not expected to arrive until the end of May, create a difficult context in which the 2014 budget is being prepared.

The key messages of Mr STASTNY (EPP), rapporteur for INTA, focused on the need to increase the resources needed to address adequately the negotiating power of the EU and the proper implementation of agreements. He referred specifically to the long translation process of agreements, which delayed the economic benefits for companies by several months.

Specific concerns raised were the position of SMEs in international trade, trade related aspects of neighbourhood policy which were affected by the proposed cuts of 20% for macro-financial assistance, and the need for a quicker and better spending mechanism for the Commission, e.g. for pilot projects.

Intervening Members such as Mr LANGE (S&D), Ms KELLER (Greens) and Mr CASPARY (EPP) expressed their agreement with the issues raised by the rapporteur and asked that care be taken that the resources of the Committee itself would enable the appropriate follow-up of all trade negotiations and initiatives. They proposed a reshuffling of Commission resources, and highlighted the need for a proper independent trade consultancy instrument inside the European Parliament. The Chair, Mr MOREIRA (S&D), informed the Committee that he had already taken up the Commission's trade resources issue with the Presidency.

The representative of the Commission said it shared the concerns of the Committee, stressing that cuts in administrative appropriations would adversely affect enforcement of Free Trade agreements and negotiations, which, on the eve of the biggest trade negotiations ever, was unfortunate.

2. Amendment to the fuel quality directive and the renewable energy directive (Indirect Land Use Change)

INTA/7/11010 2012/0288(COD)COM(2012)0595 – C7-0337/2012

Consideration of draft opinion

The rapporteur, Ms ANDRES BAREA (S&D), referred to the previous debate on this issue (see item 10, 7820/13), the outcome of which was reflected in her draft report.

On behalf of Ms KOSTIGER (EPP), Mr CASPARY focused on the need to ensure the protection of investments made and the need to make markets more attractive, and questioned whether the 5% goal was sustainable. Mr MURPHY (GUE) considered that food-based biofuel did not offer the right solution but that on the contrary, social problems were being created, particularly in developing countries. Mr LANGE advocated a smooth transition from first to second generation biofuels and the need to put imports and own production on an equal footing. Ms DE SARNEZ (ALDE) expressed her concern about food production and about deforestation, and asked whether the Commission should not completely revisit its concept of biofuel. Mr DESS (EPP) contested the scientific evidence in the Commission proposal.

The representative of the Commission considered that the draft opinion was shifting too much towards investment protection, which jeopardised the delicate balance between investment protection and the environmental concerns of the proposal.

The rapporteur responded that legal certainty was needed and that the real problem might lie in the flawed Commission policy on biofuels, which required adjustment.

Deadline for amendments was 3 May 2013.

3. Exercise of the Union's rights for the application and enforcement of international trade rules

INTA/7/11538 2012/0359(COD)COM(2012)0773 – C7-0415/2012

Consideration of working document and first exchange of views with stakeholders

The rapporteur, Mr RINALDI (ALDE), informed the Committee about the substance of the proposal, which aimed at introducing a dissuasive strategy against trade partners that did not respect international trade rules. Retaliatory measures were a last resort but, in contrast to the current lengthy procedure, needed to be in place to enable rapid reaction. The issues raised were the exclusion of services and Intellectual Property Rights (IPR) from the scope of the instrument, public procurement retaliation that could be used only in the area of public procurement, the role of the European Parliament that needed clarification, and the review clause after three years, which the rapporteur considered too early. Several stakeholders from industry shared their experience and expectations with the Committee, welcoming the fact that the new procedure would be more effective and rapid compared to the current practice, which took several years. Whereas retaliatory measures for services were indeed considered problematic and complex in practice, cross retaliation (between different sectors) should be made possible.

Similar issues were raised by Members such as Mr PROUST (EPP), Mr CUTAS (S&D) and Mr SCHOLZ (GUE), who proposed further reflection and exchange of views with stakeholders, in particular from the services and IPR sector. The representative from the Commission confirmed that as regards services, cross retaliation was possible in other more effective areas such as goods, and that information to the European Parliament about cases would be assured. A second exchange of views would take place at the May meeting and the draft report would be debated in June, with the aim of having a Committee vote in July and a plenary vote in September.

4. Reindustrialising Europe to promote competitiveness and sustainability

INTA/7/11640 2013/2006(INI) COM(2012)0582

Consideration of draft opinion

Referring to the previous debate (see item 7, 6761/13), the rapporteur, Ms. DE SARNEZ, emphasised the need to have urgently an offensive industrial strategy to combat the crisis, that support to all industrial sectors should be confirmed, that the increase in competitiveness of the EU industry would not come from decreasing salaries but rather from the added value created by research and innovation, that investment in areas such as transport, energy and telecom was key, as was a coherence of policies, and that access to third country markets should be efficient, based on reciprocity and respect for trade rules. Subsequent interventions mainly repeated arguments already put forward in the previous debate focusing on the role of SMEs, the shift from industrial investment to investment in financial products, commercial policy serving industrial policy and the need for efficient EU instruments. In this respect Mr JADOT (Greens) referred to the photovoltaic sector, which is completely disappearing from the EU and on which the Commission is reacting only very slowly. In this context both the Chair and the rapporteur considered that the proposal to revise the trade defence instruments was going in the wrong direction.

Deadline for amendments was 10 May 2013.

5. EU-Mexico Economic and Trade Relations

INTA/7/12421

Exchange of views with Sandra Fuentes-Berain, Ambassador of Mexico to the European Union

postponed

6. Delegation to United States (Washington, D.C.), 8-12 April 2013

INTA /7/12517

Presentation of mission report

The Chair informed Members about this mission which he considered very timely and successful. Meetings had taken place with counterparts from the US Congress, representatives of the executive branch and stakeholders from both the US and the EU. It was clear that awareness of FTA negotiations was increasing.

7. State of play of ongoing trilogue negotiations

INTA/7/04325

Exchange of views

The Chair reported that, as regards the conciliation trilogue on macro-financial assistance to Georgia, the results of the trilogues on the macro-financial framework were awaited as they would be helpful in finding an agreement on the former proposal.

8. Collective management of copyright and related rights and multi-territorial licensing of rights in musical works for online uses in the internal market

INTA/7/11465 2012/0180(COD)COM(2012)0372

Consideration of draft opinion

Following up the previous debate on this issue (see item 11, 7820/13), the rapporteur, Mr SCHOLZ, informed Members that he had organised meetings with a wide variety of stakeholders and that expectations from INTA were high. He emphasised the need to guarantee a high level of protection of right holders also outside the EU. Ms SCHAAKE considered that reform of IPR was always difficult but should foster the creative industry. While she advocated more transparency and the right for right holders to choose how to manage their rights, she pointed out that collecting societies were alleged to withhold authors' remuneration.

The representative of the Commission explained that they had not chosen to cover collecting societies established outside the EU but that Member States had gone for this option when transposing the Directive. However, this could create enforcement problems and it was more likely that an exchange of information with third countries would be the preferred option. Replying to a question put by Ms. SCHAAKE, the rapporteur said that since the rights of creative artists could not be compared with industrial intellectual property rights, the Services Directives should not apply. Third country markets could be covered by the forthcoming Trade In Services Agreement.

Deadline for amendments was 3 May 2013.

9. Recommendation to the Council, the Commission and the EEAS on the negotiations for an EU-Malaysia partnership and cooperation agreement
INTA/7/12226 2013/2052(INI)

Consideration of draft opinion

The rapporteur, Mr RINALDI, recalled the history of the agreement, in respect of which negotiations had been put on hold while awaiting the elections that would take place in May this year.

Important issues covered were the death penalty, public procurement, access to medicines, religious restrictions and land ownership. While Mr MARTIN and Mr JADOT both raised the issue of the exploitation of natural resources which should not be encouraged, Mr MURPHY referred to the poor implementation of labour rights and living conditions of migrant workers as a matter of concern. Replying to comments, the representative of the Commission clarified that the PCA was negotiated in parallel with the FTA, but that the two instruments were separate agreements. She confirmed that the issues raised by Members were taken into account during negotiations.

Deadline for amendments was 3 May 2013.

10. First annual report from the Commission to the European Parliament on the activities of Member States' Export Credit Agencies
INTA/7/11265 2012/2320(INI)

Consideration of draft report

Referring to the exchange of views with experts (see item 14, 7820/13), the rapporteur, Mr JADOT, explained that the status of the Commission report was still not fully clear, that the period for the EP to decide under the comitology procedure had been extended, and that for the next reporting exercise, a more substantiated report should be made available.

Like Mr LANGE, Mr MURPHY advocated that this report be made public and that reporting on non-financial data should be more adequately tackled. Mr DARTMOUTH, on the contrary, considered that this reporting requirement was detrimental to the functioning of the ECAs and that its bureaucratic approach only served the ambitions of the EEAS.

Mr CASPARY (on behalf of Ms QUISTHOUDT-ROWOHL) likewise criticised some suggestions made in the draft report, alleging that these were not applicable in practice, and since not all global competitors were respecting OECD guidelines, ECAs should not be overburdened. The representative of the Commission informed the Committee that the report transmitted was only a draft and that due to Member States' internal procedures, the final version was still being drawn up. Mr. JADOT concluded that the purpose of his report was not to set new standards but to create more transparency in the use of taxpayers money. Deadline for amendments was 6 May 2013.

11. Stepping-stone Economic Partnership Agreement between the EC and Central Africa
INTA/7/00113 2008/0139(NLE)

Consideration of draft recommendation (consent)

Referring to the exchange of views with the Cameroonian Ambassador (see item 8, 6761/13), the rapporteur, Mr MARTIN, expressed some concern about the country's governing capacity and breach of gay rights, and he suggested further dialogue on these issues. Regretting that the EPA would not promote regional integration since it had been signed by Cameroon only, he recommended that consent be given nevertheless. Intervening Members such as Mr RINALDI and Mr STASTNY endorsed the rapporteur's assessment and considered that the EPA constituted a challenge for the country. Ms KELLER referred to Cameroon's request to defer the dismantling of tariffs in order to safeguard regional integration and requested a more principled reflection on EPAs in general. Likewise Mr SCHOLZ considered that the signing of an EPA with one country went against the very principles of an EPA and asked whether an update was not required. The representative of the Commission explained that the political dialogue with Cameroon was taken seriously and that the EPA was an important signal to the region. The agreement was of an interim nature which allowed further negotiations and updates.

Deadline for amendments (to the resolution) was 26 April 2013.

12. State of Play on WTO accessions
INTA/7/05941

Presentation by the Commission

The representative of the Commission informed Members that Tajikistan and Laos had joined the WTO recently and that later in the year the accession of Kazakhstan, Serbia, Bosnia and Herzegovina, and of Yemen was expected. Negotiations were ongoing with Afghanistan and Belarus but more work was required, as was the case for Algeria and Seychelles.

Replying to questions, he said that the main stumbling block for accession was often the position of Ukraine, that was defending its local industry in almost all sectors. The situation of Belarus was politically complex and required consensus before membership could be granted. However, since Belarus was a partner in a customs union with other WTO members, membership seemed necessary.

13. Market surveillance of products
INTA/7/12004 2013/0048(COD)COM(2013)0075

Exchange of views

Only the rapporteur of the opinion, Mr CUTAS, and the representative of the Commission took the floor to inform the Committee about the main features of the proposal, which were the creation of a clear single community instrument to ensure a high level of consumer protection and to enable better coordination between Member States.

The draft report would be discussed in the INTA June session.

14. State of play of negotiations on the Trade In Services Agreement (TISA)

"in camera"

15. Opening of negotiations on a Plurilateral Agreement on Services

INTA/7/12248 2013/2583(RSP)

Consideration of draft motion for a resolution

Since Members had probably already expressed their opinion during the preceding "in camera" session, only interventions by Mr MARTIN and Mr SCHOLZ were noted. They were concerned about services of general public interest, the sensitivities of "Mode 4" and the capacity of participating countries to provide a strong legislative framework, in particular for financial services. Negotiations should be followed with caution. The representative of the Commission welcomed the draft resolution, which shared the Commission's approach to come to an ambitious agreement.

Deadline for amendments was 6 May 2013.

16. Extension of the provisions of the EC-Uzbekistan Partnership and Cooperation Agreement to bilateral trade in textiles

INTA/7/04519

Exchange of views on the follow-up of the Interim Report

The rapporteur, Mr CUTAS (S&D), recalled briefly the history of the agreement and the reasons why the European Parliament had deferred its consent, namely because of child and forced labour in the cotton harvest and the refusal of the Uzbek government to agree on a high-level ILO monitoring mission. Once again the Ambassador of Uzbekistan had been invited to the meeting but had reacted by sending a letter to the INTA Chair. However, the rapporteur had had an informal meeting with him in which it was reported that there was a good cooperation with the ILO and that a UNICEF report had demonstrated progress (*i.e. a reduction*) on child and forced labour in the 2012 cotton harvest. A representative of the ILO explained exhaustively all the efforts made by her organisation over the years, but stated that the final results were poor. The dialogue with the Uzbek government was ongoing and last year an order had been issued to ban child and forced labour. However, several sources indicated that, in practice, only the labour of children under 15 had somewhat declined. The representative of the Commission explained that the extension of the PCA to textiles was mainly in the interest of EU companies, that child labour was addressed in all meetings with the Uzbek government, that the reform and diversification of the agricultural

sector was being stimulated, that efforts were being undertaken to bring the Uzbek government and the ILO closer together, that the Commission did not favour a policy based on sanctions and that the ILO had not yet issued an opinion indicating a systematic and serious infringement of its Convention which would justify an examination that could result in the withdrawal of GSP.

Subsequent interventions by Members were all critical of the Uzbek Ambassador's approach, and insisted on further efforts to invite him and a UNICEF representative. They expressed concern about child labour in other parts of the world where countries did not sign up to ILO Conventions and which should receive similar treatment. Extra pressure on the Uzbek government was required.

Replying to comments from Mr MARTIN, the representative from the Commission explained that the example of withdrawal of trade benefits from Sri Lanka was a different situation, since this country was part of the GSP+ list which applies conditions different to those for GSP applicable to Uzbekistan. He reassured the Committee that if the ILO were to make a negative recommendation after its meeting in June, the Commission would apply the relevant rules.

17. FTA negotiations between the EU and Thailand and trade relations
INTA/7/12483

Exchange of views with Committee on Economic Development of Thailand

A delegation from Thailand's national parliament visited INTA to raise awareness at the European Parliament about potential problems that may result from the EU-Thailand trade negotiations. Major concerns were access to generic medicines, which could be jeopardised if the FTA contained TRIPS+ provisions and the state-investor dispute settlement clauses that were alleged to prohibit Thailand from having an appropriate health policy.

Members such as Mr MARTIN and Mr MURPHY stated that they were worried about labour and union rights, and consultation of civil society, and referred to geographical indications as being of mutual interest.

The representative of the Commission replied that although formal negotiations only start at the end of May, the general policy of the Commission was not to hamper access to medicines in an FTA nor to affect local health policy by way of investor protection dispute settlement, which was dealt with under national legislation anyway. A substantial chapter on sustainable development would address issues such as labour and environmental rights.

18. Monitoring Groups Activities

INTA/7/08162

Exchange of views

Postponed

19. CARIFORUM - EU Joint Parliamentary Committee Meeting

INTA/7/12481

Presentation of the report of the delegation to Port of Spain, Trinidad and Tobago, 3-4 April 2013

postponed

20. Votes

The following acts were adopted with amendments:

-Trade between the Community and third countries in drug precursors

INTA/7/10782 2012/0250(COD)

Adoption of draft report

- EU-Norway trade relations

INTA/7/11970 2013/2547(RSP)

Adoption of question for oral answer

Adoption of motion for a resolution

- Reinstatement of Myanmar/Burma's access to generalized tariff preferences

INTA/7/11545 2012/2929(RSP)

Adoption of motion for a resolution

- EU trade and investment agreement negotiations with the United States

INTA/7/12078 2013/2558(RSP)

Adoption of motion for a resolution

The following recommendation was adopted without amendments

- EU-Canada Agreement on customs cooperation with respect to matters related to supply chain security

INTA/7/09236 2012/0073(NLE)

Adoption of draft recommendation (consent)

21. Date, time and place of next meeting:

- 27 May 2013, 15.00 – 18.30 (Brussels)
- 28 May 2013, 9.00 – 12.30 and 15.00 – 18.30 (Brussels)
