



**COUNCIL OF
THE EUROPEAN UNION**

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NOTE

from: General Secretariat of the Council
to: Delegations

Subject: Summary record of the meeting of the European Parliament's **Committee on International Trade (INTA)**, Brussels, 20-21 June 2012

In the absence of the Chair, Mr MOREIRA (S&D) several Vice-Chairs and senior Members took over the chairing of the meeting.

1. State of play of ongoing trilogue negotiations

INTA/7/04325

Exchange of views

Mr STURDY (ECR), informed the Committee that a first trilogue had taken place on 5 June on the revision of the Regulation on macro-financial assistance to third countries. On Pakistan a trilogue took place on 14 June; the Council took on board some EP amendments but surprisingly rejected some others which in INTA's view were duly justified.

2. 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 2011/0310(COD)COM(2011)0704 – C7-0395/2011
Consideration of draft report

The rapporteur Mr FJELLNER (EPP) recalled the main features of this proposal, which were needed to maintain industry's competitiveness and required rapid updating of the annex.

He felt that the Commission proposal was a good one and that the European Parliament should not take a micro-level supervising approach.

Ms KELLER (Greens) identified an industrial problem and security aspects as two sides of the issue. She asked for the EP to be able to execute ex-ante checks on the list of items and wanted to wait for a revision of the substance of the Regulation before deciding on delegated acts.

Ms SCHAAKE (ALDE) questioned the need to establish a list of "single use" goods and technologies which were increasingly being used by countries to introduce censorship and spy on human rights activists. In view of rapid changes in technologies, she asked whether assessments were made on a rolling basis and considered that the current system whereby Member States were responsible for enforcement should be replaced by an EU initiative to put all Member States on an equal footing.

The rapporteur replied that the proposal under discussion was only focusing on a particular issue of "dual use" for which an ordinary legislative procedure was not well suited. This was confirmed by the Commission representative, who added that subsequent to the publication of a Green Paper last year follow-up would be considered in autumn of this year.

Deadline for amendments: 22 June

3. Amendment to Annex I to Council Regulation (EC) No 1528/2007 as regards the exclusion of a number of countries from the list of regions or states which have concluded negotiations

INTA/7/07312 2011/0260(COD)COM(2011)0598 – C7-0305/2011

Consideration of amendments

During the debate on this item, the rapporteur, intervening members and the representative of the Commission put forward arguments similar to those already expressed in the previous debates on this issue (docs. 5835/12 item 4 and 9463/12 item 11)

The rapporteur, Mr MARTIN (S&D), reiterated his proposal to agree on 1 January 2016 as date of entry into force. This was backed by Ms BEARDER (ALDE). If 1 January 2014 were maintained he suggested that the proposal as a whole should be rejected.

Mr SCHOLZ proposed rejecting the proposal immediately as was also *de facto* suggested by Ms KELLER, who referred to a similar DEVE opinion and pointed to some formal legal problems which would make it impossible to terminate the Regulation.

The Committee would vote on the report the next day, including the amendment of the rapporteur on the date of entry into force.

4. EC-Israel Agreement: Conformity Assessment and Acceptance of Industrial Products (CAA), Additional Protocol to the Euro-Mediterranean Agreement

INTA/7/09739

Consideration of question for oral answer

Mr KASOULIDES (EPP) suggested that the concept of "legally binding" in the text of the oral question be clarified; he considered this a prior condition for the EPP to vote in favour.

Mr LANGE (S&D), Ms KELLER, Ms SCHAAKE and Mr SCHOLZ confirmed that this wording was part of the compromise and insisted that the issue should be voted on as quickly as possible. (The oral question was adopted the next day for debate in the July plenary session.)

5. 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 to the Interim Report

The rapporteur, Mr. CUTAS (S&D), briefly summarised the history of the Agreement, the European Parliament's consent to which was subject to a certain number of conditions for which the results of an ILO observer mission on child labour in the cotton harvest were crucial.

Representatives from the Commission and EEAS explained exhaustively the different steps the Commission and the Danish Presidency had taken to put pressure on the Uzbek government. This had finally resulted in Uzbekistan's agreeing to an ILO observation mission during the next harvest, the arrangements for which however still needed to be agreed upon. It was also pointed out that the Commission could not start a procedure to suspend the GSP since the ILO had not formally reported on any ILO Convention infringement.

Mr MURPHY (GUE), questioned the optimistic tone of the Commission's intervention since other reports were still indicating a massive amount of child labour and the fact that the Uzbek government would only accept a limited ILO observer mission whereby observers would not be allowed to move around freely.

This opinion was shared by Ms KELLER, who insisted that the observer mission should be executed under the conditions specified in the European Parliament's resolution.

The rapporteur welcomed the progress made but stressed the difficulties with the strict timeframe and the need to have confirmation of the scope and results of the ILO mission before proceeding further with the debate.

6. Ad hoc delegation to Colombia and Peru, from 31 May to 1 June 2012

INTA/7/09784

Mr LANGE, shadow rapporteur for the EU-Colombia Free Trade Agreement, reported on his two-day visit to these countries together with Mr DAVID. Contacts had been established with government, industry and civil society representatives and the substance of the European Parliament resolution had been clarified also with the two Presidents.

Reactions had been generally positive and European Parliament proposals coincided with similar government initiatives.

A full report in writing will be made available next week.

7. Monitoring Group Activities

INTA/7/08162

Exchange of views

The Chair of the Central America group Mr ZALBA (EPP) reported that after formal Council adoption of the Decision authorising the signature and provisional application of the trade aspect of the agreement with Central America, INTA would be called upon to recommend consent and draft an interim report and safeguard clause in which certain horizontal legal problems could be addressed.

The full procedure was expected to be finalised with a vote in the October plenary session.

8. Presentation by Pia Olsen Dyhr, Minister for Trade and Investment of Denmark, representing the President-in-Office of the Council, on the achievements of the Danish Presidency in the area of International Trade Policy

After the usual round of mutual acknowledgements, the Minister presented an exhaustive overview of achievements and progress made under the Danish Presidency.

She expressed particular satisfaction with the agreements reached at first reading on the GSP and Bilateral Investment treaties, the finalisation of the Japan scoping exercise, the signing of the Peru-Columbia Free Trade Agreement and the forthcoming signature of the agreement with Central America. She furthermore reported *inter alia* that the agreements with Canada and Singapore were coming close to finalisation, that negotiations with the Southern Neighbourhood would be launched soon, a new trade agreement with Russia beyond WTO commitments would be envisaged and that relations with the US were good and could result in the most extensive free trade agreement ever concluded. Pending political developments in Ukraine this agreement had been put on hold, and similarly negotiations with Mercosur and India were progressing slowly.

Replying to questions from Members, she said among other things that the architecture of a possible FTA with the US was still open, that the decision on a negotiating mandate with Japan was according to the Treaties within the responsibility of the Council but that the opinion of the European Parliament would be considered, that policy coherence was very important, that Member States were also looking into human rights issues and that the interests of Least Developed Countries were taken into consideration in the GSP.

9. EU SMEs' access to capital for internationalisation

INTA/7/09627

Hearing

This hearing with experts from the OECD, the World Bank, EuroCommerce and UEAPME participating, had little success, with very few Members participating.

The experts mentioned different reasons - such as the high risk profile for financing SMEs, the lack of appropriate knowledge, fear of late or non-payment and the difficulties in finding guarantees, staff and distributors - as potential problems for the internationalisation of SMEs.

In addition the broad definition of SMEs, which covered a wide diversity of businesses, did not favour the success of "one size fits all" measures.

Possible solutions could be found in more targeted interventions, support beyond financing, risk share facilities, a guarantee fund under the new MFF and alternative financing such as venture capital.

The Commission representative highlighted the Commission's ongoing and future actions which included COSME and parts of Horizon 2020.

10. Exchange of views with Karel DE GUCHT, Commissioner for Trade, on ACTA

In a last minute attempt to influence the vote on ACTA, Commissioner DE GUCHT addressed the Committee emphasising the importance of the decision to be taken. Not only fundamental rights were at stake but equally the defence of IPR in the EU and the rest of the world.

He said he was convinced that the ECJ would deliver a positive opinion as regards the fundamental rights issue and that as regards substance nothing would alter the Community acquis: ACTA was an enforcement tool that did not affect substantive IPR rules.

He suggested therefore to postpone the vote until the ECJ had delivered its opinion on what he considered to be the main obstacle for INTA. He would in the mean time strive for further clarifications on inter alia the definition of "commercial scale" and "sharing information" and the Commission would propose a new digital approach to IPR. However, if the European Parliament would reject ACTA, the Commission would not withdraw its proceedings with the ECJ and in case of a positive outcome, submit ACTA again for consent by the European Parliament.

Mr. FJELLNER (EPP) who had tabled an amendment aiming for conditional consent, considered that the Commission had not done enough to meet concerns and that the offer of the Commissioner now came too late. He therefore announced that he would withdraw his amendment but announced his group's willingness to postpone vote pending the ECJ opinion.

Mr. MARTIN, speaking on behalf of S&D, said not to criticise the objectives of ACTA but considered that substantive problems such as the policing of the Internet by service providers, the definition of "commercial scale" and disproportionate sanctions lead his group to propose rejection of ACTA. Waiting for the judgement of the ECJ was not needed since the Commission request addressed different issues. Rejecting ACTA was not a legal but a political choice and the Commission should come up with other solutions.

Ms. ANDERDOTTER for the Greens said that after so long time of debate the Commission was still at its starting position and needed to accept that the public was in disagreement.

Mr. KAMALL (ECR) expressed concern on the unclear definition of "commercial scale" which he considered to be open for interpretation but proposed to wait for the ECJ judgment before voting.

Mr. RINALDI on behalf of ALDE regretted that INTA had not followed his suggestion to consult itself the ECJ with an own set of questions but considered that after two year debate it was time for the European Parliament to take responsibility and vote.

For GUE, Mr. SCHOLZ spoke along the same lines, saying that the European Parliament should award the public opinion which considered ACTA as a threat and therefore should reject ACTA avoiding control by few over many.

The following day, the recommendation of the rapporteur to withhold consent was adopted by INTA 19 votes against 12.

11. EU accession to the International Cotton Advisory Committee (ICAC)

INTA/7/08168 2011/0420(NLE) COM(2011)0861

Consideration of working document

The rapporteur, Ms MUSCARDINI (EPP), briefly referred to the outcome of the hearing with stakeholders that had been organised at the previous meeting and said she was in favour of the Commission proposal. However she identified voting rights and the financial contribution as issues to be resolved. ICAC working methods do not provide for weighted voting but each member has one vote. This would mean that the eight votes of the Member States which are currently Members would be replaced by one EU vote. Moreover ICAC requested financial compensation for lost Memberships.

Mr CUTAS said that ICAC Membership would strengthen the influence of the EU and allow it to enter into direct dialogue with e.g. Uzbekistan on child labour in the cotton harvest. Ms KELLER enquired *inter alia* how the Commission would defend the interests of the two cotton-producing Member States.

The representative of the Commission confirmed that voting rights were a problem but that this could be addressed once the EU was a Member. He explained that as for all meetings of international bodies, the Commission coordinated with Member States to formulate a common position .

12. Union Customs Code (Recast)

INTA/7/09109 2012/0027(COD)COM(2012)0064 – C7-0045/2012

Exchange of views

In a short debate, Ms MUSCARDINI explained that the proposal was intended to align the customs code with the Lisbon provisions on delegated and implementing acts and highlighted some aspects of customs matters which could be improved, e.g. the opening hours of offices.

The representative of the Commission replied that the proposal was a recast, which limited its scope for making changes. He said that the opening hours of customs offices were the responsibility of Member States but that the Commission was striving for harmonisation. Moreover, the move to e-customs would overcome these problems.

13. EU-Russia trade relations following Russia's accession to the WTO

INTA/7/09569

Consideration of draft motion for a resolution

Mr WINKLER (EPP), on behalf of Mr STURDY, said that this resolution was an expression of the hope and ambitions of the EU, after Russia's accession to the WTO, to go beyond WTO commitments and to remove further unfair trade barriers.

Whereas Mr SCHOLZ suggested incorporating green trade and energy issues, Ms KOCH-MEHRIN recalled a recent remark by Commissioner DE GUCHT, who was less optimistic regarding a possible new trade relationship with Russia; but she supported the motions as a reminder to bring Russia back on track.

The representative of the Commission confirmed that indeed Russia had undertaken a maximum of commitments when becoming a WTO Member and that even President PUTIN had made a statement asking for compensation of the cost of WTO Membership. It was clear that expectations should be tempered.

Deadline for amendments was 25 June 2012.

Vote in INTA 11-12 July 2012

Vote in plenary: September 2012

14. Motion for a resolution on the Commission recommendation concerning the Council decision on opening negotiations between the European Union and Japan

INTA/7/09509

Consideration of draft motion for a resolution

Ms MUSCARDINI (EPP), in her capacity as acting Chair, said that since the June plenary had already adopted the resolution, a new resolution on the actual negotiating mandate would be tabled probably in September.

15. General budget of the European Union for the financial year 2013 - all sections

INTA/7/09533 2012/2092(BUD)

First exchange of views

The rapporteur, Mr STATSNY (EPP), reported briefly on the 2013 Budget issues of relevance for the Committee. He highlighted in particular that although improvements could be made, in general the outcome on trade issues was satisfactory. However, he invited Members to reflect on budget lines which could benefit from an increase and those of which the credits could be reduced.

16. A Digital Freedom Strategy in EU Foreign Policy

INTA/7/09575 2012/2094(INI)

First exchange of views

The rapporteur, Ms. ANDERSDOTTER, briefly informed the Committee that her draft opinion would focus on issues such as the use of new technologies to fight authoritarian regimes, the introduction of substantial law in third countries and the creation of international digital markets.

The draft would be discussed at the next meeting with a view to an INTA vote in September.

17. Votes

The following acts were adopted with amendments:

Amendment to Annex I to Council Regulation (EC) No 1528/2007 as regards the exclusion of a number of countries from the list of regions or states which have concluded negotiations

INTA/7/07312 2011/0260(COD)COM(2011)0598 – C7-0305/2011

Adoption of draft report

Macro-financial assistance to the Kyrgyz Republic

INTA/7/08386 2011/0458(COD)

Adoption of draft report

Establishing a European Neighbourhood Instrument

INTA/7/08327 2011/0405(COD)

Adoption of amendments

Amendment of Directive 2004/109/EC on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market and Commission Directive 2007/14/EC

INTA/7/08161 2011/0307(COD)

Adoption of draft opinion

Small and Medium Size Enterprises (SMEs): competitiveness and business opportunities

INTA/7/09053 2012/2042(INI)

Adoption of draft opinion

Establishing a Partnership Instrument for cooperation with third countries.

INTA/7/08336 2011/0411(COD)

Adoption of draft opinion

Establishing common rules and procedures for the implementation of the Union's instruments for external action

INTA/7/08645 2011/0415(COD)

Adoption of draft opinion

Instrument for Pre-accession Assistance (IPA II)

INTA/7/08317 2011/0404(COD)

Adoption of draft opinion

Establishing an Instrument for Stability

INTA/7/08348 2011/0413(COD)

Adoption of amendments

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)

Adoption of draft report

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 pigmeat, poultrymeat, wheat and meslin, and brans, sharps and other residues

INTA/7/08381 2011/0445(COD)

Adoption of draft report

The following acts were adopted without amendment:

Anti-Counterfeiting Trade Agreement between the EU and its Member States, Australia, Canada, Japan, the Republic of Korea, Mexico, Morocco, New Zealand, Singapore, Switzerland and the USA

INTA/7/06356 2011/0167(NLE)

Adoption of draft recommendation (consent was not given)

EU/New Zealand agreement amending the Agreement on Mutual Recognition in Relation to Conformity Assessment between the European Community and New Zealand

INTA/7/03040 2010/0139(NLE)

Adoption of draft recommendation (consent)

EC-Israel Agreement: Conformity Assessment and Acceptance of Industrial Products (CAA), Additional Protocol to the Euro-Mediterranean Agreement

INTA/7/09739

Adoption of question for oral answer

Amendment of the Agreement on mutual recognition in relation to conformity assessment, certificates and markings between the European Community and Australia

INTA/7/03045 2010/0146(NLE)

Adoption of draft recommendation (consent)

The following opinion was rejected:

Annual financial statements, consolidated financial statements and related reports of certain types of undertakings

INTA/7/08984 2011/0308(COD)

18. Date, time and place of next meeting:

- 11 July 2012, 9.00 – 12.30 and 15.00 – 18.30 (Brussels)
 - 12 July 2012, 9.00 – 12.30 (Brussels)
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