



**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 **Committee on International Trade (INTA)**, Brussels, 6 November 2012

1. Transitional arrangements for bilateral investment agreements between Member States and third countries

INTA/7/10941 2010/0197(COD)11917/1/2012 – C7-0328/2012

Consideration of Council position

Consideration of draft recommendation for second reading

In the absence of Mr MOREIRA (S&D), rapporteur (and Chair), Mr LANGE (S&D) told the Committee that agreement had already been reached on a compromise text at the last trilogue meeting, held in May. Some legal and linguistic amendments still needed to be made but they did not affect the substance. He therefore recommended continuing the procedure with a view to a plenary vote in December. In the absence of a representative of the Presidency, the Commission confirmed that the text of the Council position did indeed reflect the agreement reached at first reading.

Ms KELLER (Greens) considered the compromise as unsatisfactory since it did not contain a sunset clause, which was the ultimate aim of the proposal. Her group would therefore vote against. Mr SCHOLZ (GUE) raised similar concerns and said that the compromise may have been reached too quickly. The voting position of his group was still under consideration.

2. State of play of ongoing trilogue negotiations

INTA/7/04325

Exchange of views

Mr LANGE reported that the trilogues had not resulted in an agreement on the proposal to grant **Macro-financial assistance to Georgia**, since the Council needed more internal deliberations to establish its position. If no agreement was reached before December, conciliation would be required. The Committee's recommendation for a second reading was adopted later in the meeting (see item 11).

3. Monitoring Group Activities

INTA/7/08162

Exchange of views

Mr SCHOLZ announced that the monitoring group on **China** had examined the results of the EU-China summit and had prepared the hearing on investments that would take place later in the meeting. He welcomed the signing by the Commission of a Memorandum of Understanding on competition policy which would enhance further cooperation in this sensitive area. He also proposed discussing developments after 10 years of Chinese membership of the WTO, as well as on the concept of "market access" more generally.

The acting Chair, Mr JADOT (Greens), referring to the solar panels dumping case, emphasised that the EU was now in a crucial phase of its relationship with China and that their approaches to industrial planning were completely different, with the EU lagging behind. Ms BEARDER (ALDE) said that China was supporting illegal trading in ivory in Africa and asserted that stopping Chinese dumping in the EU would only shift it towards developing countries that were dependent on China.

Mr SUSTA (S&D) reported on his visit to Brazil in the context of negotiations on an Association Agreement with **Mercosur**. He said that recent political developments (i.e. in Venezuela and Paraguay) were slowing down the trade process. Though Brazil was not in favour of bilateral negotiations, Mercosur was unable to submit a proposal. He considered that the Council should reconsider its negotiating mandate in the light of recent developments. Mr. SCHOLZ emphasised that after effectively breaking up the Andean Community, the EU should now focus on regional partnerships and increase regional integration. Mr ZALBA (EPP) had visited Panama and Costa Rica. He said that whilst Panama would probably ratify the Association Agreement this or next month, the situation in Costa Rica was more complex and ratification could only take place in the first quarter of 2013. Panama, which had an excellent growth rate, was requesting the opening of an EU delegation and Costa Rica had asked for EU support for its OECD candidacy.

Mr LANGE reported on a delegation visit to **Russia** which included meetings with different stakeholders. In his view, the Russian attitude towards the EU, based on Russia's economic strength, was not very positive. The Russian Energy Minister had, for example, criticised the Nabucco project and called on the EU to behave as a real partner. Mr LANGE considered that the loss of revenue caused by Russia's recent membership of the WTO was now being compensated for by other levies, which were creating new trade barriers. The recycling tax for used cars was, for example, only levied on cars not produced domestically.

4. Development aspects of intellectual property rights on genetic resources: the impact on poverty reduction in developing countries

INTA/7/09954 2012/2135(INI)

Consideration of draft opinion for DEVE

The rapporteur, Mr SCHOLZ (GUE), referred to the previous debate on this complex issue (see item 7 of 14908/12) and stressed the importance of coordination, the implementation of the Nagoya Protocol, the upcoming WIPO conference on the issue and the need to ensure sustainable development in poor countries by letting them benefit from IPR.

Ms ANDRES BAREA (S&D) agreed that the indigenous population should get its fair share of benefits but that the report should also reflect on a definition of bio-piracy and on trade in seeds. Ms KELLER considered that some basic questions, such as the definition of traditional knowledge, the patentability of genetic resources, the compliance cost of IPR and the participation of local communities, had not been addressed. Ms BEARDER emphasised the need for consistent enforcement and highlighted the conflict between the cost of research and the open source principle.

The representative of the Commission said that the issue was broader than IPR since it was concerned with the common interest in an open system enabling innovation. The sovereign rights of states and indigenous peoples should be taken into account, and genetic resources were not a specific North-South issue and so went beyond development. On the ratification of the Nagoya Protocol he announced that a proposal for an implementing Regulation to facilitate and speed up Member States' ratification processes would be submitted shortly under the ordinary legislative procedure.

The deadline for amendments was 8 November 2012.

5. Joint debate:

- Corporate Social Responsibility: promoting society's interests and a route to sustainable and inclusive recovery

INTA/7/09588 2012/2097(INI) COM(2011)0681[01]

Consideration of draft opinion for EMPL

- Corporate Social Responsibility: accountable, transparent and responsible business behaviour and sustainable growth

INTA/7/09598 2012/2098(INI) COM(2011)0681[02]

Consideration of draft opinion for JURI

The rapporteur, Mr LANGE (S&D), referred to the previous debate (see item 12 of 14013/12) and explained the main thrust of his draft opinions. He said that CSR should no longer be an opt in or opt out issue but a binding requirement, particularly since he considered that EU companies setting up in third countries tended too easily to adopt the less demanding standards in those countries. Mr SCHOLZ and Ms HANDZLIK (EPP) supported the drafts as did Ms KELLER, who requested the inclusion of CSR provisions in FTAs, if necessary by means of amending existing ones.

The representative of the Commission emphasised that the debate on CSR should not focus on whether or not the measures should be compulsory but on the impact of the company's business on society, which should be positive rather than negative. He confirmed that CSR provisions were already contained in the GSP, the GSP+ and several existing FTAs (e.g. with Korea and Columbia/Peru) and were being addressed in the negotiations. Since these provisions made reference to the OECD Guidelines, there was no need for implementation measures as such. He also considered that some issues, such as access to justice, went beyond CSR and could be addressed better in other instruments. He announced that the Commission was working on a proposal on reporting of non-financial data, which would be submitted shortly. Replying to a question from Mr LANGE on the state of play of the action plan, he said that some actions, including the peer review and Member States' coordination, were already going ahead.

6. Trade and investment-driven growth for developing countries

INTA/7/08738 2012/2225(INI) COM(2012)0022[02]

Exchange of views with OECD representatives

Consideration of working document

Mr DAVID (EPP), standing in for the rapporteur Ms SAIFI, briefly introduced the working document which addressed issues such as the importance of developing countries establishing their trade policy themselves, the impact of the economic crisis on the financing of development aid, which required a more efficient use of resources and other support measures, the need to assist LDCs in their WTO accession bids and the exploring of alternatives to trade adjustment.

A representative of the OECD commented on the Commission 's Communication and emphasised the role of innovative financing tools and the importance of tackling supply chain constraints on export competitiveness. He then explained the approach of his organisation on investment and development and the relevant bodies, mentioning the Advisory Group on Investment and Development (AGID), the Policy Framework for Investment (covering ten policy fields to mobilise investment for sustainable development), the enhancement of the investment environment in specific sectors such as agriculture and clean energy and the Global Forum on International Investment.

Ms BADIA I CUTCHET (S&D) welcomed the update on the Commission's policy since many developing countries had changed since 2002. This called, in her view, for a differentiated approach and she proposed some amendments aimed at better coordination, facilitation of access to global markets and increased regional integration. Ms BEARDER affirmed that "equal partnership" was only serving EU interests and she criticised the paternalistic approach of development policy. Ms KELLER considered that trade and investment policies should not be aims in themselves but should serve development; in that regard stimulating local and regional aid could contribute to a wider objective. She said that the Commission's Communication was lacking any self-criticism, since the EPA policy had clearly not been very successful and had not achieved the expected results.

The representative of the Commission explained that the aim of the Commission Communication was not to change the policy substantially but to update it in line with global developments, such as emerging economies. He considered that the Commission had been constructive and patient with regard to the EPA negotiations, that it was up to beneficiaries to decide how to make best use of aid for trade and that the new GSP and more comprehensive FTAs were indeed contributing to development goals.

7. Trade Agreement between the EU of the one part and Colombia and Peru of the other part

INTA/7/06949 2011/0249(NLE) 14762/2011 – C7-0170/2012

Consideration of amendments

Exchange of views on the follow-up of EP resolution of 13 June 2012

The rapporteur, Mr DAVID (EPP) welcomed the contributions received from Columbia and Peru as a follow-up to the European Parliament's resolution. In his view they demonstrated the progress made and the commitments adopted in the areas of human rights, labour rights, involvement of civil society and sustainable development. He therefore proposed to vote consent at the next Committee meeting.

The Ambassador of Columbia and a representative of the Embassy of Peru presented the papers which had been sent and which listed in detail the actions already mentioned by the rapporteur.

Mr LANGE welcomed these presentations as an example of how the European Parliament could contribute and monitor the implementation of FTAs. Ms BEARDER, Mr SCHOLZ and Ms KELLER said they were not satisfied with the replies given, however, since the proposals of the two countries were not results-based, insufficient evidence of progress had been demonstrated, the documents were not a roadmap for the future but just a list of past actions, and feedback from NGOs was critical.

In response to a proposal from the acting Chair, Mr JADOT, to organise a meeting of the relevant monitoring group to analyse the documents further and to hear all parties before the Committee vote on 27 November, the rapporteur replied that exhaustive hearings and debates had already been organised over the last two years. However, he would look for slots in the agenda to organise such a meeting without affecting the timetable.

8. Sustainability in the global cotton value chain

INTA/7/10926 2012/2841(RSP)

Consideration of draft motion for a resolution

Postponed

9. Exchange of views with Members of the Foreign Affairs, Defence and Trade Committee of the New Zealand Parliament on mutual trade and investment relations

The delegation consisted of four members, one of whom was a former Foreign and Trade Minister. In their short interventions they recalled the long-standing excellent relationship between New Zealand and the EU based on shared values, emphasised the importance of the EU as a trade partner, and expressed their continued belief in multilateralism and openness on trade. They said they looked forward to a stronger EU involvement in trade in Asia and to benefiting from reciprocal non-tariff treatment for their products on the EU markets.

After a brief round of questions from Committee members, they replied, amongst other things, that negotiations with China on an FTA (New Zealand is the only OECD Member which has such an FTA) had run smoothly, probably because New Zealand only has a small economy, and that exports to China had tripled over the last couple of years. They further reassured Committee members that the intense trade activities with Asian countries would not be to the detriment of relations with the EU.

10. Public hearing

EU-China Investment Policy

INTA/7/10947

EU and Chinese academics, the Secretary-General of the EU Chamber of Commerce in Beijing, representatives of the European Commission and the Chinese Trade Mission examined challenges and possibilities for mutual investment and key elements for a bilateral treaty. During the discussion it was noted that, despite common perceptions, Chinese

investment in the EU was rather limited, particularly compared to investment in other parts of the world. Nevertheless, investment was growing, although the lack of adequate data did not enable the identification of strategic trends. The EU Merger Regulation would face new challenges in this respect. EU business in China faced major regulatory barriers which were impeding new opportunities. A potential treaty should therefore address these issues as well as the removal of equity restrictions and the granting of national treatment. The Chinese authorities should be made aware of the possible relocation of EU investment.

11. Votes

The following acts were adopted with amendments:

Financing EU SMEs' trade and investment: facilitated access to credit in support of internationalisation

INTA/7/09002 2012/2114(INI)

Adoption of draft report

Award of concession contracts

INTA/7/08528 2011/0437(COD)COM(2011)0897 – C7-0004/2012

Adoption of draft opinion for IMCO

The following acts were adopted without amendments:

Implementation of the bilateral safeguard clause and the stabilisation mechanism for bananas of the Association Agreement between the EU and Central America

INTA/7/07318 2011/0263(COD)COM(2011)0599 – C7-0306/2011

Consideration and adoption of the final outcome of the trilogue negotiations

Implementation of the bilateral safeguard clause and the stabilisation mechanism for bananas of the Trade Agreement between the EU and Colombia and Peru

INTA/7/07320 2011/0262(COD)COM(2011)0600 – C7-0307/2011

Consideration and adoption of the final outcome of the trilogue negotiations

Further macro-financial assistance for Georgia

INTA/7/09075 2010/0390(COD)05682/1/2012 – C7-0221/2012 T7-0207/2011

Adoption of draft recommendation for second reading

Partnership and Cooperation Agreement between the EU and Iraq

INTA/7/04460 2010/0310(NLE) 10209/2012 – C7-0189/2012

Adoption of draft opinion for AFET

12. Date, time and place of next meeting:

- 26 November 2012, 15.00 – 18.30 (Brussels)
- 27 November 2012, 9.00 – 12.30 and 15.00 – 18.30 (Brussels)
