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Foreign Affairs

Trade issues

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President **Peter Žiga**
Minister for Economy of the Slovak Republic

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- Where declarations, conclusions or resolutions have been formally adopted by the Council, this is indicated in the heading for the item concerned and the text is placed between quotation marks.
- Documents for which references are given in the text are available on the Council's internet site (<http://www.consilium.europa.eu>).
- Acts adopted with statements for the Council minutes which may be released to the public are indicated by an asterisk; these statements are available on the Council's internet site or may be obtained from the Press Office.

ITEMS DEBATED

Trade defence instruments - New anti-dumping methodology

The Council discussed the 2013 Commission proposal for **modernisation of the EU's trade defence instruments**. The discussion focused on the 'lesser duty rule' on the basis of a compromise paper presented by the presidency. Ministers expressed their willingness to find a compromise on all aspects of the modernisation of trade defence instruments before the end of the year, as mandated by the European Council.

The EU's trade defence instruments are aimed at tackling unfair competition by foreign companies. Anti-dumping and anti-subsidy duties are used to shield EU producers from damage caused by unfair trade practices. In anti-dumping cases the lesser duty rule involves applying the dumping margin at a lower level if sufficient to eliminate the injury to the industry.

Ministers also took note of the Commission proposal for a **new anti-dumping methodology**, presented on 9 November 2016. The Council agreed to work on it in a speedy manner and to continue discussions at a technical level.

This new methodology is timely in the context of the upcoming expiration of certain WTO provisions allowing to treat, inter alia, China as a non-market economy in anti-dumping cases. This proposal would not grant market economy status to any country. It would be country neutral and could be applied equally to all members of the World Trade Organisation.

[Commission proposal for the modernisation of trade defence instruments, 2013](#)

[Commission proposal on a new anti-dumping and anti-subsidies methodology, 9 November 2016](#)

[European Council conclusions, 21 October 2016](#)

[Commission communication on EU trade policy, October 2016](#)

WTO: follow-up to Nairobi conference

The Council discussed the way forward on the '**post-Nairobi**' process, focusing on a possible package for the 11th WTO ministerial conference, scheduled for 2017.

The approach of the Commission includes several areas of focus such as fisheries subsidies, transparency and good regulatory practices, domestic regulation in services, e-commerce and agricultural domestic support.

The 10th WTO ministerial conference took place in Nairobi in December 2015. It concluded with agreement on a series of initiatives covering trade in agriculture and issues related to least-developed countries (LDCs).

The Commission also presented the state of play of negotiations on two plurilateral agreements: the **trade in services agreement (TiSA)** and the **environmental goods agreement (EGA)**. Developments on these are still expected before the end of the year.

TiSA is a trade agreement currently being negotiated by 23 members of the WTO, and which seeks to open up trade in services. EGA seeks to remove tariffs on a broad list of environmental goods and is being negotiated by 17 WTO members.

[WTO webpage on the outcome of the 10th ministerial conference](#)

[Commission webpage on TiSA](#)

[Commission webpage on EGA](#)

EU-US trade and investment negotiations

The Council reviewed developments in negotiations on TTIP, the transatlantic trade and investment partnership with the United States, particularly in the light of the US elections. The next steps in the negotiations will need to be assessed once the new US administration is in place.

The most recent TTIP negotiating round was held in New York in the week of 3 October 2016, and focused on the consolidation of the text.

The Commission is leading the negotiations on behalf of the EU and its member states, on the basis of a mandate agreed by the Council in June 2013. In October 2014, the Council decided to make public its negotiating directives for the TTIP negotiations.

[Report of the 15th TTIP round of negotiations](#)

[EU negotiating mandate for TTIP](#)

[Commission webpage on trade with the US](#)

EU- Japan free trade agreement

The Commission informed the Council of the state of play of negotiations on a free trade agreement with Japan. It confirmed that, following calls by EU leaders, it is actively pursuing negotiations with a view to reaching a political agreement by the end of the year.

Negotiations with Japan were launched in March 2013, on the basis of a mandate issued by the Council in November 2012. The last round of negotiations took place in the week of 26 September 2016.

Japan is the EU's second biggest trading partner in Asia (after China). Together, the EU and Japan account for more than a third of the world's GDP.

[Commission webpage on trade with Japan](#)

EU- Mercosur free trade agreement

The Commission informed the Council of the state of play of negotiations on a free trade agreement with Mercosur, South America's largest economic bloc.

The aim is to conclude an agreement covering trade in industrial and agricultural goods, as well as services, establishment and government procurement. The agreement would also involve the improvement of rules in areas such as government procurement, intellectual property, customs and trade facilitation and technical barriers to trade. It would be part of a region-to-region association agreement with political and cooperation provisions.

Negotiations were launched in 2000 but were practically suspended between 2004 and 2010. At an EU-Latin America and Caribbean (CELAC) summit in Brussels in June 2015, the EU reconfirmed its commitment to a comprehensive free trade agreement with Mercosur. The last round of negotiations took place between 10 and 14 October 2016 in Brussels.

[Commission webpage on trade with Mercosur](#)

Lunch item

Ministers discussed the lessons learnt from recent experiences delivering trade agreements. They focused on how to set agreements on a stronger political footing, improve transparency and communication and make better use of the time between the start of negotiations and the final conclusion.

OTHER ITEMS APPROVED

TRADE POLICY

Ecuador - accession to the EU-Columbia/Peru trade agreement

The Council adopted a decision to sign and provisionally apply the protocol of accession of Ecuador to the EU's free trade agreement with Colombia and Peru. The signature took place after the Council meeting. For more information, see the [press release](#).

GATT - Brazil - Croatia

The Council approved decisions to sign and to request the consent of the European Parliament to conclude an agreement with Brazil on the modification of Croatia's concessions under the 1994 General Agreement on Tariffs and Trade following its accession to the EU ([13779/16](#) + [13036/16](#) + [13037/16](#) + [13038/16](#)).

EUROPEAN ECONOMIC AREA

46th meeting of the EEA Council

The Council established the EU's common position for the 46th meeting of the European Economic Area Council, to take place in Brussels on 15 November 2016.

JUSTICE AND HOME AFFAIRS

Schengen - Internal border controls

The Council adopted an implementing decision setting out a recommendation for prolonging temporary internal border control in exceptional circumstances putting the overall functioning of the Schengen area at risk ([13979/16](#)).

For more information see [press release](#)

Schengen Evaluation - Netherlands

The Council adopted an implementing decision setting out a recommendation on addressing the deficiencies identified in the 2015 evaluation on the application of the Schengen acquis in the field of management of the external borders by The Netherlands (13817/16).

Schengen Evaluation - Italy

The Council adopted an implementing decision setting out a recommendation on addressing the deficiencies identified in the 2016 evaluation of Italy on the application of the Schengen acquis in the field of the common visa policy (13590/16).

INDUSTRY

Motor vehicles - Technical prescriptions for type-approval

The Council adopted a [decision](#) aimed at supporting certain amendments to UN regulations of the agreement of the United Nations Economic Commission for Europe (UNECE) concerning the adoption of uniform technical prescriptions for wheeled vehicles, which need to be adapted to reflect technical progress.

The decision also includes support for:

- a new UN regulation on heavy duty dual-fuel engine retrofit systems (HDDF-ERS)
- amendments to UN global technical regulations 15 and 16
- two new UN global technical regulations on the measurement procedure for two- or three-wheeled motor vehicles with regard to certain types of emissions and to on-board diagnostics
- a new resolution on the common specification of light source categories (R.E.4)

[UNECE](#) develops harmonised requirements intended to remove technical barriers to the trade in motor vehicles between the contracting parties of the agreement. The EU is a contracting party to that agreement and votes on behalf of the member states.