

COUNCIL OF THE EUROPEAN UNION



9541/14

(OR. en)

PRESSE 269 PR CO 23

PRESS RELEASE

3311th Council meeting

Foreign Affairs

Trade issues

Brussels, 8 May 2014

President

Panagiotis Mitarachi

Vice Minister for Development and Competitiveness of Greece

PRESS

Main results of the Council

The Council adopted conclusions and negotiating directives on a "green goods initiative" for the liberalisation of trade in environmental goods.

Welcoming this initiative by WTO members, the Council called for a rapid start to negotiations as the first step towards establishing it on a multilateral basis. It expressed support for the elimination of tariffs on a broad range of products that contribute to green growth, environmental protection and sustainable development. It emphasised the need to explore the ground for the liberalisation of environmental services, including trade-related services, and to address non-tariff barriers to environmental goods and services.

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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.

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Mr Karel DE GUCHT Member

ITEMS DEBATED

EU-CANADA TRADE NEGOTIATIONS

The Council was briefed by the Commission on the latest developments in negotiations with Canada on a comprehensive economic and trade agreement (CETA). It discussed progress made on the main outstanding issues.

The Council noted that the Commission expects the agreement to be completed in the near future, and that member states will have sufficient time to examine the complete finalised text before it is initialled. It also took note of member states' concerns stemming from mixed competences under the agreement, and emphasised that it will not agree to the signature and conclusion of CETA as an EU-only agreement.

The agreement is expected to remove more than 99% of the tariffs that are currently imposed on trade between the two economies. It will provide for improved market access for services, greater certainty, transparency and protection for investments, enhanced cooperation on regulatory development, labour mobility and in other areas, and new opportunities in government procurement markets. It is also expected to include provisions on intellectual property rights, sanitary and phytosanitary measures, sustainable development, mutual recognition, trade facilitation, cooperation on raw materials, dispute settlement and technical barriers to trade.

Once implemented, the CETA is expected to boost bilateral trade in goods and services by 23%, equivalent to about €23 billion.

In October 2013, Canadian Prime Minister Stephen Harper and Commission President José Manuel Barroso announced a political agreement on the key elements of the CETA, with technical issues remaining to be settled. Since then, negotiators have been working on translating that agreement into legal text.

The talks with Canada have been on-going for about four years, on the basis of a mandate agreed by the Council in April 2009. In September 2011, the Council authorised the Commission to start talks on investment protection within the framework of the CETA.

EU-JAPAN TRADE NEGOTIATIONS

The Council was informed by the Commission of progress made in negotiations with Japan on a free trade agreement. The Commission also briefed ministers on the main elements of a report on implementation by Japan of its commitments on the elimination of non-tariff barriers and on government procurement.

The Council called on the Trade Policy Committee (TPC) to discuss the report on 23 May, and asked the Commission to make the report available in time for that meeting.

When the Council in November 2012 approved a mandate for the Commission to negotiate a free trade agreement with Japan, it included a review clause specifying that one year after the beginning of the negotiations, the Commission would report on implementation by Japan of its commitments on non-tariff barriers and government procurement. The Commission would determine, in consultation with the TPC, whether implementation was fully satisfactory. If it were found not to be satisfactory, the negotiations would be suspended.

The agreement is expected to provide for the progressive and reciprocal liberalisation of trade in goods and services and investment, as well as rules on trade-related issues and the elimination of non-tariff barriers.

Along with the negotiating mandate for a free trade agreement, in November 2012 the Council authorised the opening of negotiations with Japan on a framework agreement, covering political, global and sectorial cooperation. The agreements are being negotiated in parallel and will create a strengthened overall framework for the EU's relations with Japan.

DOHA DEVELOPMENT AGENDA - ENVIRONMENTAL GOODS

The Council discussed the EU's "post-Bali" agenda following the WTO ministerial conference held at the end of 2013.

It adopted the following conclusions as well negotiating directives on a multilateral "green goods initiative" in order to guide the Commission in negotiations.

- "1. Recalling paragraph 31 (iii) of the Doha Ministerial Declaration, committing the WTO Members to negotiate "the reduction or, as appropriate, elimination of tariff and non-tariff barriers to environmental goods and services", the Council welcomes the announcement made by fourteen WTO Members, on 24 January 2014 in Davos, to achieve global free trade in environmental goods. This initiative launched by the main players in environmental trade aims to make progress on the DDA agenda on trade and environment. The Council looks forward to the rapid start of the negotiations as the first step in a process towards a multilateral outcome.
- 2. The Council supports the liberalisation of trade in environmental goods and services, given the important contribution this can make to the international environmental protection agenda and to action on climate change, as well as growth and jobs. The EU will work together on the green goods initiative with WTO Members similarly committed to liberalisation.
- 3. The Council supports negotiations towards an agreement covering a critical mass of trade in environmental goods, anchored to the WTO rules, applied on a Most Favoured Nation basis and conducive to its future multilateralisation. Building on the September 2012 APEC commitment to reduce tariffs on 54 environmental goods, the Council supports the objective of eliminating tariffs on a broad range of additional products that directly and positively contribute to green growth, environmental protection, and sustainable development. The Council emphasises the need to explore the ground for liberalisation of environmental services, including trade-related services, and to address Non-Tariff Barriers to environmental goods and services.
- 4. As regards its relationship with the Doha Development Agenda, the Council intends for this initiative to make a positive contribution to the post-Bali agenda and to complement the non-agricultural market access negotiations."

OTHER BUSINESS

- Economic partnership agreements

The Council was briefed by the Commission of progress in negotiations on economic partnership agreements, focusing on those closest to finalisation, i.e. with West Africa, the East African Community and the South African Development Community.

Implementation of trade preferences for Croatia

The Council was briefed by the Commission on the extension of trade preferences to Croatia by third countries that have free trade agreements with the EU.

* *

Over lunch, ministers took stock of progress in **negotiations with the United States** on a transatlantic trade and investment partnership (TTIP).

The next round of negotiations is scheduled to take place in Washington D.C. during the week starting 19 May.

The talks have been on-going on the basis of a mandate agreed by the Council in June last year. A first negotiating round was held in Washington in July. The fourth and latest round of talks took place in Brussels on 10-14 March.

The agreement is expected to be structured around three main components: market access; regulatory issues and non-tariff barriers; and rules.

OTHER ITEMS APPROVED

TRADE POLICY

International trade rules

The Council adopted a regulation aimed at creating a common legislative framework that will enable the EU to defend and enforce its rights under international trade agreements (*PE-CONS* 27/14).

The regulation lays down rules and procedures to ensure an effective and timely exercise of the EU's rights to suspend or withdraw concessions or other obligations under international trade agreements.

<u>AGRICULTURE</u>

Illegal logging

The Council adopted an amendment to regulation 2173/2005¹ on the establishment of a FLEGT (forest law enforcement, governance and trade in timber products) licensing scheme for imports of timber into the EU. This follows an agreement at first reading with the European Parliament (PE-CONS 39/14).

This regulation aligns regulation 2173/2005 on articles 290 and 291 of the Treaty on the Functioning of the European Union as regards the implementing and delegated powers conferred upon the Commission. The TFEU makes a distinction between the powers delegated to the Commission to adopt non-legislative acts of general application to supplement or amend certain non-essential elements of the legislative act as laid down in Article 290(1) of the TFEU (delegated acts), and the powers conferred upon the Commission to adopt uniform conditions for implementing legally binding Union acts as laid down in Article 291(2) of the TFEU (implementing acts).

OJ L 347, 30.12.2005, p. 1.

The Commission may therefore adopt delegated acts to review the exemptions to licensing schemes (provided for by regulation 2173/2005) of timber products of species listed in annexes to regulation 338/97¹ on the protection of species of wild fauna and flora by regulating trade therein. The Commission is further empowered to adopt detailed requirements for application of regulation 2173/2005. By means of delegated acts the Commission may also amend annexes detailing further the list of partner countries and their designated licensing authorities, the list of timber products to which the FLEGT licensing scheme applies irrespective of the partner country as well as the list of timber products to which the FLEGT licensing scheme applies only in relation to the corresponding partner country.

Expenditure relating to the food chain and animal and plant health

The Council adopted a regulation laying down provisions for the management of expenditure relating to the food chain, animal health and animal welfare, and relating to plant health and plant reproductive material. This adoption follows an agreement at first reading with the European Parliament (*PE-CONS 24/14*.

The objective of the regulation is to modernise the financial provisions for this area in accordance with the provisions of the conclusions of the European Council of 7/8 February 2013 on the multiannual financial framework (MFF) for 2014-2020. The regulation replaces the current financial provisions with multiple legal bases by one single financial framework which optimises the implementation and the functioning of financial management of expenditure in the field of food and feed. In particular, the financial management structures will be simplified on the basis of clear objectives and indicators. Funding rates will also be clearer and more simplified.

The regulation is part of the 'Healthier Animals and Plants for a Safer Food Chain Package' and offers a framework to finance measures provided for under the animal health policy, the plant health regime, the regime for production and making available on the market of plant reproductive material and the rules which govern official controls.

For further information, please see press release 9490/14.

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OJ L 61, 3.3.1997, p. 1.

FISHERIES

Recovery plan for bluefin tuna

The Council adopted an amendment to regulation 302/2009 concerning a multiannual recovery plan for bluefin tuna in the eastern Atlantic and Mediterranean following an agreement at first reading with the European Parliament (*PE-CONS 61/14*).

At its annual meeting in 2012, the International Commission for the Conservation of Atlantic Tuna (ICCAT) adopted a recommendation further amending the multiannual recovery plan for bluefin tuna to better adapt the fishing seasons to the activity of the fleets. In 2013, ICCAT adopted a complement to this recommendation in order to allow modifications to the fishing seasons for baitboats and trolling boats in the eastern Atlantic that do not affect the protection of bluefin tuna spawning grounds in the Mediterranean. This complement also lays down rules for the use of stereoscopic cameras in the context of caging operations.

The purpose of this regulation is to transpose into EU law the latest ICCAT recommendation modifying the recovery plan for bluefin tuna in the Eastern Atlantic and Mediterranean.

The EU has been a party to ICCAT since 1997 and the recommendations become binding on contracting parties which do not object to them. The EU has a responsibility to apply recommendations adopted.

HEALTH

Funding for strengthened monitoring of medicines*

The Council adopted at regulation aimed at ensuring the funding of strengthened post-authorisation monitoring of medicines for human use ("pharmacovigilance") conducted at EU level (<u>PE-CONS</u> <u>44/14</u> + <u>8795/14 ADD 1</u>), following an reached at first-reading agreement with the European Parliament in February.

For details, see <u>9355/14</u>.

FOOD LAW

Honey*

The Council approved¹ a directive amending Council directive 2001/110/EC relating to honey (<u>PECONS 65/14</u> + 8803/1/14 REV 1 ADD 1). This follows an agreement at first reading reached with the European Parliament.

The directive provides that pollen is a natural constituent, and not an ingredient, of honey. In order to ensure fair commercial practices, to protect consumers and to set out the relevant methods of analysis to verify the compliance of honey with the directive, the Commission is empowered to supplement the directive by defining two quantitative parameters related respectively to the floral or vegetable origin of honey and the minimal content of pollen in filtered honey.

The directive will be published in the Official Journal of the EU after being signed by the Presidents of the Council and of the European Parliament and will enter into force 20 days after its publication.

EMPLOYMENT

Employment statistics

The Council adopted an amended regulation on the labour force sample survey (<u>PE-CONS 63/14</u>). The aim of the regulation is to amend regulation (EC) No 577/98² in order to align it to the new institutional context of the Lisbon Treaty, and to allow the EU to provide for a financial contribution in the form of grants to the national statistical institutes and other national authorities.

Public employment services

The Council adopted a decision on enhanced co-operation between public employment services (PES) (*PE-CONS 32/14*).

The aim of the decision is to formalise the current heads of PES (HoPES) informal advisory expert group and turn it into a fully-fledged network.

SOCIAL POLICY

Fund for the most deprived

The Council decided not to oppose the adoption by the Commission of a regulation supplementing regulation 223/2014 on the Fund for European aid to the most deprived (7776/14+7776/14 ADD1).

¹ The Hungarian and Luxembourg delegations voted against. The Czech and French delegations abstained.

Council Regulation (EC) No 577/98 of 9 March 1998 on the organisation of a labour force sample survey in the Community (Official Journal L 077, 14/03/1998 p. 0003 - 0007)

The draft regulation is subject to the regulatory procedure with scrutiny. Now that the Council has given its consent, the Commission may adopt the regulation, unless the European Parliament objects.

CULTURE

Return of cultural objects

The Council adopted a directive on the return of cultural objects unlawfully removed from the territory of a member state (*PE-CONS 55/14*).

The directive is aimed at improving the efficiency of mechanisms to secure the return of cultural objects classified as national treasures, updating and completing the current directive 93/7/EEC. See press release 7049/14.

TELECOMMUNICATIONS

Broadband cost reduction*

The Council adopted a directive which will make it easier and cheaper to roll out high-speed electronic communications networks, among other things by promoting the joint use of infrastructure, such as electricity, gas and sewage pipes (<u>PE-CONS 48/14</u>; statement: 8799/14 ADD 1)¹. The United Kingdom abstained.

For details see press release <u>9499/14</u>.

The United Kingdom abstained.

TRANSPORT

eCall emergency calls

The Council adopted a decision to introduce a mandatory EU-wide system to handle emergency calls sent automatically by cars or triggered manually by people in the car in case of a crash (eCalls) (*PE-CONS 77/14*).

For details see press release <u>9353/14</u>.

Fleet capacity policy

The Council adopted a regulation updating EU fleet capacity policy to promote inland waterway transport (*PE-CONS 67/14*).

For details see press release <u>9352/14</u>.

Maritime safety committee

The Council adopted a decision establishing the EU position for the 93rd session of the maritime safety committee of the International Maritime Organisation, in relation notably to the adoption of amendments to several other regulations concerning safety of life at sea (9247/14 ADD 1).

INTERNAL MARKET

Construction products

The Council decided not to oppose the adoption by the Commission of a regulation amending regulation 305/2011 with a view to facilitating the actions of manufacturers and the functioning of notified bodies authorised to carry out third-party tasks in the process of assessment and verification of constancy of performance of construction products. (6853/14 and 6853/14 ADD 1).

Regulation 305/2011 lays down harmonised conditions for the marketing of construction products and the Commission has been delegated the task of adapting annex V to the regulation.

The amendment to regulation 305/2011 can now enter into force unless the European Parliament objects.