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3573rd Council meeting

Foreign Affairs

Trade issues

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President

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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>).
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ITEMS DEBATED

WTO ministerial conference in Buenos Aires

The Council discussed preparations for the 11th WTO ministerial conference, to be held in Buenos Aires from 10 to 13 December 2017.

Ministers stressed the importance of maintaining the central role of the WTO in the multilateral trading system and the need for the EU to work towards a substantive and balanced outcome to the ministerial conference. They considered the priorities that the EU should pursue in Buenos Aires and assessed possible deliverables either for the Buenos Aires meeting itself, or for inclusion in a future-oriented agenda that WTO members could pursue.

Since the last meeting in Nairobi in December 2015, the EU has been preparing its position for the Buenos Aires ministerial conference, in order to play a leading role in the process. Among the key items are a possible agreement disciplining harmful fisheries subsidies, agriculture-related deliverables, and efforts to advance outcomes on domestic regulation in services, investment facilitation, SMEs, trade and gender and e-commerce.

[WTO webpage on the 11th ministerial conference](#)

State of play of negotiations with Mexico and Mercosur

The Council took stock of ongoing trade negotiations with Mexico and Mercosur. Ministers gave their support to the objective of reaching ambitious and balanced agreements on the main outstanding issues in the near future and welcomed the increased momentum in both sets of negotiations, while stressing the need to ensure that all sensitive issues for the EU are adequately addressed. They highlighted their priorities ahead of the next crucial steps in the process and stressed the economic, political and geo-strategic importance of both agreements.

The negotiations on the modernisation of the free trade agreement with Mexico were launched on 25 May 2016. On 1 February 2017, Commissioner Malmström and the minister of economy of Mexico, Ildefonso Guajardo, agreed to accelerate the talks. On this basis, three further rounds of formal negotiations and several intersessional meetings were held between April and September 2017.

The last negotiating round with Mexico took place in the second half of September. The next round is scheduled to take place during the week of 27 November. Overall, the discussions have progressed steadily and constructively on all 21 areas of negotiations. An initial market access offer on goods, services and public procurement was exchanged in July. While some issues have yet to be resolved, all textual proposals have now been exchanged and some chapters have already been agreed.

Negotiations with Mercosur were launched in 2000, but have occasionally been suspended since then. At an EU-Latin America and Caribbean summit in Brussels in June 2015, the EU reconfirmed its commitment to a comprehensive free trade agreement with Mercosur. The most recent round of negotiations between the EU and Mercosur took place during the week of 6 November 2017, in Brasilia. The previous round had been held during the week of 2 October 2017, also in Brasilia.

The agreement is intended to cover trade in industrial and agricultural goods, as well as services, establishment and government procurement. It 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.

While an agreement with Mercosur would be politically and geo-strategically crucial and the EU could draw important economic benefits from it, important concerns have been expressed about the possible impact on the EU agricultural sector. During the round of negotiations in October, the EU presented a complete tariff offer taking account of those concerns.

[Council webpage on trade agreements](#)

[Commission webpage on trade with Mercosur](#)

[Commission webpage on trade with Mexico](#)

Other business

– ***Implementation of the EU's free trade agreements***

The Commission informed ministers about the ongoing work on the implementation of the EU's free trade agreements, on the basis of a report published on 9 November.

The report follows up on the discussion at the Trade Council in May 2017, at which ministers stressed the importance of ensuring that agreed provisions are applied as effectively as possible, so as to ensure that EU operators and citizens benefit fully from them.

Commission report on the implementation of free trade agreements in 2016 ([14111/17](#) + [ADD 1](#))

Lunch items

– *Trade agreement with Japan*

Ministers took stock of the state of play of the economic partnership agreement with Japan.

On 6 July 2017, the EU and Japan reached agreement in principle on the main elements of a free trade deal, known as the economic partnership agreement (EPA). Work is currently underway to address the remaining open issues and finalise the legal text, with a view to the signature and conclusion of the agreement.

Negotiations with Japan were launched in March 2013, on the basis of a mandate issued by the Council in November 2012. This mandate was made public by the Council on 14 September 2017.

[Commission webpage on trade with Japan](#)

– *Implementation of trade and sustainable development chapters*

Ministers discussed the implementation of trade and sustainable development chapters in free trade agreements.

In the context of its reflection paper on harnessing globalisation published in May 2017, the Commission initiated a debate on possible ways to improve cooperation with third countries on sustainable development issues in the context of trade negotiations and to ensure that agreed commitments are enforced. Since the EU-South Korea trade agreement, the EU has been systematically pushing for the inclusion of ambitious commitments on labour rights and environmental protection, as well as an active role for civil society, in current and future trade agreements.

[Commission services' non-paper on TSD chapters in EU trade agreements](#)

OTHER ITEMS APPROVED

TRADE

Trade relations with Colombia and Peru

The Council adopted a decision on the position to be adopted by the EU as regards the clarification of the coverage of government procurement entities at sub-central level in Colombia in the existing trade agreement between the EU and Colombia and Peru.

This trade agreement was signed on June 2012 and has been provisionally applied with Peru since March 2013 and with Colombia since August 2013. Its objective is to open up markets on both sides and to increase the stability and predictability of the trade and investment environment. Bolivia, which is a member of the Andean community together with Colombia and Peru, also has the possibility to seek accession to the trade agreement.

JUSTICE AND HOME AFFAIRS

New psychoactive substances

The Council adopted a regulation amending regulation 1920/2006 as regards information exchange on, and an early warning system and risk assessment procedure for, new psychoactive substances. ([PE-CONS 26/17](#))

This is part of a package reforming the legislation on new psychoactive substances, which also includes a directive amending the 2004 Council framework decision on the minimum provision on the constituent elements of criminal acts and penalties in the field of illicit drug trafficking, for which the Council adopted its position at first reading on 25 September 2017.

New psychoactive substances are natural or synthetic substances that affect the central nervous system and induce an effect similar to that of illicit drugs, such as cocaine, heroin or cannabis. The new mechanism will allow for a more effective and efficient EU response to these substances, which are appearing on the EU market at an unprecedented pace, posing a risk to public health and safety.

Eurojust

The Council approved the election of Mr Ladislav Hamran as President of Eurojust.

Under article 28 of the Council decision setting up Eurojust, the College of Eurojust shall elect a president from among the national members. The result of the election shall be submitted to the Council for approval. ([13706/17](#))

ECONOMIC AND FINANCIAL AFFAIRS

Financial assistance to member states

The Council concluded, in the light of a Commission three-yearly report, that the EU's 'balance of payments' facility for financial assistance to member states in difficulty still serves the purposes for which it was established ([12150/1/17 REV 1](#) + [11845/17](#)).

Article 10 of regulation [332/2002](#) specifies that on the basis of a Commission report, the Council must examine the facility every three years to establish whether it still meets the need for which it was established.

The Commission approved its report on 30 August 2017. The Economic and Financial Committee issued an opinion on 27 October 2017.

Financial benchmarks

The Council decided not to object to four Commission regulations supplementing regulation [2016/1011](#) on financial benchmarks:

- specifying technical elements of the definitions laid down in article 3(1) of the regulation ([13499/17](#) + [12724/17](#));
- specifying how the nominal amount of financial instruments other than derivatives, the notional amount of derivatives and the net asset value of investment funds are to be assessed ([13500/17](#) + [12725/17](#));

- with regard to the conditions for assessing the impact resulting from the cessation of or change to existing benchmarks ([13502/17](#) + [12866/17](#));
- specifying how the criteria of article 20(1)(c)(iii) of the regulation are to be applied for assessing whether certain events would result in significant and adverse impacts on market integrity, financial stability, consumers, the real economy or the financing of households and businesses in one or more member states ([13501/17](#) + [12726/17](#)).

Insurance distribution

The Council decided not to object to two Commission regulations supplementing directive 2016/97 on insurance distribution. The regulations concern:

- product oversight and governance requirements for insurance undertakings and insurance distributors ([13487/17](#) + [12463/17](#));
- information requirements and conduct of business rules applicable to the distribution of insurance-based investment products ([13488/17](#) + [12465/17](#)).

INTERNAL MARKET

Motor vehicles - Technical prescriptions for type-approval

The Council adopted a [decision](#) aimed at supporting amendments to a number of 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 includes support for new proposals laying down uniform provisions concerning International Whole Vehicle Type Approval, accident emergency call systems, anchorage systems for child seats, the safety of electric vehicles and test procedures for the measurement of interior emissions of vehicles.

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

ENVIRONMENT

EU and Swiss emissions trading systems

The Council adopted a decision authorising the signing, on behalf of the EU, of an agreement between the European Union and the Swiss Confederation, linking their respective emissions trading systems (ETS) ([13074/17](#)). The agreement is scheduled to be signed soon.

The Council will now forward the text of the agreement ([13073/17](#)) to the European Parliament for its consent in order to conclude the agreement ([13076/17](#)).

This agreement will be mutually beneficial for both the EU and the Swiss Confederation, allowing both parties to attain their emissions reduction targets, and in particular their commitments under the Paris Agreement.

For more information, read [flash](#)

FISHERIES

Common Fisheries Policy regulation amended

The Council approved the European Parliament's position on a draft regulation amending regulation (EU) No 1380/2013 on the Common Fisheries Policy ([PE-CONS 48/17](#)). The legislative act is therefore adopted.

Regulation (EU) No 1380/2013 lays down provisions concerning the Common Fisheries Policy (CFP), covering: (a) the conservation of marine biological resources and the management of fisheries and fleets exploiting such resources; (b) measures on markets and financial measures in support of the implementation of the CFP, fresh water biological resources, aquaculture, and the processing and marketing of fisheries and aquaculture products.

The new amended regulation allows for a longer period during which the Commission may adopt discard plans in the absence of multiannual plans or management plans (3 + 3 years).

TRANSPARENCY

Public access to documents

On 10 November 2017, the Council approved replies to confirmatory applications No 19/c/01/17 (12119/17), No 23/c/01/17 ([12428/17](#)), and No 24/c/01/17 ([12653/17](#)).
