

**From:** Art 4.1(b) (TRADE)

**Sent:** Wednesday, April 29, 2015 5:36 PM

**To:** Art 4.1(b) (TRADE); Art 4.1(b) (TRADE); Art 4.1(b) (TRADE);  
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**Cc:** TRADE LIST B2

**Subject:** Meeting with Digital Europe on 29 April 2015; Local Content Requirements

Digital Europe: Diane Mievis; Esa Kaunistola (Microsoft); Cate Nymann (CISCO); Julia Jasinska (Nokia); Karolina Telejko (SAP)

DG Trade ( Art 4.1(b) – B.2; Art 4.1(b) -B1; Art 4.1(b) – G3; Art 4.1(b) - F3)

Purpose of the meeting: Update and Exchange of views on "forced localisation measures in third countries"

Summary of the discussions:

Art 4.1(b) reported on forced localisation requirements and key barriers in certain key markets ( Art 4.2 first indent )

COM (CP) gave an overview of EU's bilateral FTA and investment negotiations and underlined the objective to obtain best conditions for European companies in third markets, including in the ICT sector, through provisions in the procurement chapters as well as services, investment and specific performance requirements disciplines. In some cases, such as Brazil, COM has taken WTO DS action against local content policies in breach of WTO rules.

Art. 4.1(a) third indent and 4.1(b)

The discussion also touched on performance requirements other than local content measures - mentioned a problem in China with hiring non – local personnel and visa problems.

Art 4.1(b) mentioned problems Art 4.2 first indent as regards the requirement of local testing of equipment under the reasoning of so called "security considerations". Digital Europe expressed its concern what essential security interests might mean and COM 4.1(b) recalled the approach used in (Article XIV) GATS. The Localisation requirements applying to 4G LTE spectrum

Art 4.2 first indent . Art 4.1(b) reported about possible Localisation measures against ICT services Art 4.2 which are currently on hold but a constant threat to foreign (also EU) industry. COM 4.1(b) took note and asked Digital Europe to provide information about the exact problem and the size of the problem.

Art 4.1(b) finally reported on a meeting with DG CONNECT last week on a "Trade 2.0" project and promised information in this respect

Art 4.2 first indent

It was agreed to continue the exchange of information in future.