



**EUROPEAN COMMISSION**  
 Directorate-General for Trade  
 Directorate G - Trade Strategy and Analysis, Market Access  
**Market Access, Industry, Energy and Raw Materials**

MAAC 2016-021

Brussels, 14 June 2016

All redactions marked with "\*" are made under Art. 4.1(a)

All redactions marked with "\* \* " are made under Art. 4.2.

***DRAFT MINUTES***  
***MARKET ACCESS ADVISORY COMMITTEE***  
***Conference Centre Albert Borschette, room 1 D***  
***Thursday 26 May 2016, 9:30 – 13:00***

**1. APPROVAL OF THE DRAFT AGENDA (MAAC 2016 – 017)**

The agenda was approved without any additions.

**2. ANNOUNCEMENTS FROM THE CHAIR**

The **Chair** informed the Committee about the following upcoming WTO Trade Policy Reviews:

- Tunisia on 13 and 15 July 2016; deadline to send input to DG Trade 20 June;
- China on 20 and 22 July 2016; deadline to send input to DG Trade 24 June;
- Singapore on 26 and 28 July 2016; deadline to send input to DG Trade 17 July.

**3. SUCCESS STORIES:**

**3.1. Brazil: modification of Brazilian CET exceptions**

**COM** explained the background of this case: in 2008 Brazil's Foreign Trade Chamber (CAMEX) added to its List of Exceptions to the Common External Tariff of Mercosur (CET) – Peaches, prepared/preserved, sweetening water, incl. syrup (2008.70.10) and Peaches, otherwise prepared or preserved (2008.70.90). The original tariff was 14% and was then included in the List of Exceptions with the maximum rate of 55%. In 2011 CAMEX increased temporarily the tariff for codes 2008.70.10 and 2008.70.90 from 14% to 35%. With subsequent decisions it extended the validity of the rate 35% until today, but the products remained in the List of Exceptions with the applicable rate of 55%. On July 4, 2014 CAMEX removed code 2008.70.90 from the List of Exceptions and the applicable rate became 35%. The main interesting code for EU exporters 2008.70.10 remained in the List of Exceptions and was still subject to a 55% import duty. The main affected country is Greece.

The COM informed that this case was now solved: the CAMEX Resolution 42/2016 of 5 May 2016 (published in the official gazette on 06 June 2016) removed 4 tariff lines (8 digits level) from the CET exceptions and replaced them by 4 tariff lines. Among the removed tariff lines was canned peaches (NCM 2008.70.10) for which tariffs were lowered (as of the day of publication) from 55% to the CET level of currently 35%.

The COM and the Delegation have raised this issue in bilateral contacts and in Joint Committees since 2011. \* thanked the COM for its efforts and mentioned that it expects further tariff lowering, if not liberalization for its exports, in the framework of the on-going EU-Mercosur FTA negotiations.

### 3.2. Israel: registration for marketing of pharmaceutical products

The case related to Israel's refusal to grant market authorization for pharmaceutical products to EU MS that joined the EU as of 2004 on the grounds that they were not "recognized" countries as the other MS. The matter was initially raised in May 2013. It was discussed in the MAAC and since January 2015 listed as a key barrier.

The COM explained that this barrier was solved. On 15 May the Head of the Pharmaceutical Division of the Ministry of Health informed that the submission for registration of pharmaceutical products which were registered in any EU MS would be allowed with immediate effect. The EU DEL in Tel Aviv and the COM services in Brussels have been very active and the issue was discussed on several occasions with the Israeli authorities. COM noted that the EU DEL will continue putting pressure on the Ministry of Health's Medical Equipment Division, in order to stop a similar discrimination between so-called "recognized" and "non-recognized" EU MS for the purpose of imports of medical equipment in Israel, using the precedent of the pharmaceutical products.

\*, \* and \* supported the COM and thanked for its efforts.

### 3.3. China: further opening of Chinese Information Security Standardization Technical Committee, known as TC260

COM explained the success stories of the opening of the Chinese Technical Committee TC 260 (Chinese Information Security Standardization Technical Committee) to European companies. This standardisation committee, which develops information security-related standards at national level, was previously completely closed to foreign industry. Some progress was noted in July 2015, when the Committee was opened to foreign companies. But only 4 US companies were able to join (\*\*, \*\*, \*\* and \*\*). Following combined lobbying of the EU DEL in Beijing, DG TRADE in cooperation with DG CNECT (e.g. EU-China High Tech Working Group in Beijing on 1 March and the Economic and Trade Working Group in Brussels last month) as well as the \*\*, the Committee opened up again to foreign industry and several EU companies applied. The \*\* has successfully made it into this body and further applications from other EU industry are ongoing and likely to succeed also.

## 4. PRESENTATION OF AN EU-FUNDED PROJECT ON MARKET ACCESS BARRIERS IN INDIA

COM briefly introduced the project and its objectives. The Team Leader of the project, Art.4.1.(b), gave a detailed presentation of the project to the Committee.

\*, \*, \*, \*, \*, \* and \* gave their positive feedback and strong support to the project as the Indian market is of strategic importance for them. In general, they welcomed the market access clusters chosen (Local Content Requirements, Compliance Assessment and Certification Requirements, barriers in India to imports of plants and plant products from the EU) and the fact that the project will focus not only on the Federal level but also on the States level. \* asked in particular whether issues like import restrictions of apples through one port would also be tackled. COM replied that this would certainly be the case, even though the issue is currently solved (India opened again the imports through all ports of interest to European exporters).

All MS asked what would be the format for cooperation with the COM and with the team leading the project (modalities and deadline to submit information and comments). COM clarified that the flow of information to/from the members of the Market Access Advisory Committee would be channelled through the secretariat of the Committee (Art.4.1.(b)), while direct contacts with the project team can take place with all other stakeholders Art.4.1.(b).

■■ mentioned their counterpart importer association in Delhi and they draw attention to the fact that there are 28 different states in India and some of them are more problematic than others; recalled that alcohol is a state competence in India and for those reasons, it would be wise to make a choice of problematic states. COM replied that of course specific states will be proposed by the project team in the inception report, according to an economic criteria and in consultation with MS and industry. COM also specified that missions to the different states were already foreseen in the project's budget.

The COM asked the Committee

- to provide the following information to the MAAC Secretariat (■■ Art.4.1.(b) ■■), by the 10<sup>th</sup> June 2016: contact details of the trade counsellors of their Embassies in Delhi, the National Chambers of Commerce in India and in the EU, the trade promotion organisations and local trade delegations in India and in the EU; about the project and share contact information for relevant people as indicated below;
- to disseminate information about the project to the above entities and to industry engaged in India, located both in the EU and in India;
- to share contact information of interested parties that could contribute to the mapping and inception report.

## 5. FOLLOW-UP OF PREVIOUS MAAC MEETINGS

### Turkey: imports of machinery

The **Chair** underlined the complexity of the question, very much related to the operation and monitoring of the EU-Turkey Custom Union agreement, taking into consideration that there is no specific mechanism for settlement of disputes there. In any case, this would be the object of the next activities in the framework of the Custom Union Committee and the TBT Committee. The Chair recalled the ongoing online public consultation on the future of EU-Turkey trade and economic relations.

**COM** explained the background of the activities carried out by DG GROW in the Machinery sector. In this sense, a specific point was added to the agenda of the Machinery AdCo meeting on 25-26 May, and the related working documents have been circulated to the members beforehand, in particular the request from the Commission services, the letter sent by ■■■ and other EU Industry associations to DG GROW which includes a list of examples of problems faced in exporting to Turkey, and a summary presentation prepared by ■■■. At the meeting itself, the representatives of ■■■ gave the presentation with an "Overview of Engineering Industry's cases related to machinery exports to Turkey", asking for comments and opinions.

■, ■, ■, ■, ■ and ■ thanked the COM for its efforts to address the problem and to seek an urgent solution, and asked for more information on the next steps which could be taken. In particular, ■ mentioned the problems related to the national market surveillance database ("TAREKS") implemented in Turkey, and suggested to draft a specific letter from the Commission services to the competent Turkish authorities, in case no relevant information is provided within a reasonable time after the Machinery AdCo meeting.

■■ remarked the interest of the EU Industrial associations to tackle the problems with Turkey as soon and as effectively as possible, for the significant troubles they have to face with their products and the different types of related costs.

The Chair underlined the continuous cooperation between the COM services from DG TRADE and DG GROW on the question, to try to find a solution involving also political and economic aspects, going well beyond those legal and technical related to the Custom Union agreement and the applicable sectorial legislation.

## 6. MARKET ACCESS CASES

### 6.1. Dominican Republic: Law 173-66 on the Protection of Import Agents of Goods and Products

The case was discussed in the MAAC meeting of October 2015; it relates to Law 173 of the Dominican Republic, which makes mandatory the use of local distributors by foreign providers of goods and services. Foreign supplier who had signed a distribution contract with a Dominican agent may not terminate it but in exceptional circumstances..

COM explained that following the response of the Dominican Trade Minister to the EU waiver request, two technical meetings between the EU Delegation and the DR Ministry of Trade took place in November 2015 and March 2016. In these meetings and during these last 6 months, several issues and actions have been discussed and taken. The Delegation, in cooperation with the MS based in the DR, have been analysing the real impact of the Law on EU operators. The EU Delegation is now hopefully in the final phase of clarifying with the DR Trade Ministry and the DR Central Bank (who administers Law 173) the exact scope of the application of the Law to EU companies.

\* referred to the information received from its Embassy, according to which Law 173-66 would be revised and replaced by DR Foreign Investment Law 16-95. However, many companies still rely on the Law 173. COM agreed to check this information.

\* reiterated its concerns.

### 6.2. Egypt: Rules Governing the Registration of Factories eligible to export their products into Arab Republic of Egypt

The COM briefed participants on the latest developments. At political level, there was no real progress. [REDACTED]

[REDACTED] \*

[REDACTED].  
At technical level, both parties agreed to meet on 6<sup>th</sup> June in Brussels, in order to discuss trade irritants on both sides. One of the main issues on the EU side will be the mandatory registration of foreign companies. The COM invited participants to share, prior to the meeting, latest available information on a number of companies effectively registered and practical obstacles faced in the registration process.

As a joint initiative of the EU Delegation in Cairo and MS Trade Counsellors, a letter has been sent to the Chairman of the General Organisation of Export and Import Control highlighting practical obstacles linked to the registration procedure.

[REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED] reiterated their concerns and thanked the COM for its efforts. [REDACTED] asked about a possibility to request discussion on this Egyptian measure in the framework of the upcoming TBT Committee. The COM confirmed that this item was already on the agenda.

### 6.3. Algeria: import quotas

The COM provided an update on import quotas introduced by Algeria at the beginning of 2016. As of today, 3 industrial products are under non-automatic licenses: cement, steel bars for reinforced concrete and cars. Announcements have been made as to the extension of this regime to a wider list of products, notably foodstuffs and second-hand vehicles. Following a *note verbale* sent in January 2016 and a meeting with the Trade Minister (17<sup>th</sup> January), another *note verbale* was sent on 3<sup>rd</sup> March in order to request the opening of technical dialogue ("*table technique*") between the EU and the Algerian authorities and the creation of a point of single contact for EU businesses affected by the new regime. As there was no reaction to the note, the COM reiterated this request during the meeting of the EU-Algeria

sub-committee on trade in May 2016. Algeria promised to inform in advance the EU and operators when changes take place as regards the regime of quotas. At the same time, Algeria ensured the COM that in the distribution of quotas they apply transparent procedures while respecting historic market shares and traditional markets. Quotas are determined and granted by an inter-ministerial committee (Ministries of Agriculture, Finances, Industry and Trade) and importers have the possibility to submit an appeal in case they do not agree with the received quantities. In order to verify that quota distribution respects existing market share and historical trade the COM invited MS to inform the COM or the EU DEL in Algiers on quotas received for the above products.

\*, \*, \*, \*, \*, \*, \*, \*, \*, \*\* and \* expressed their concerns with regard to the Algerian measure heavily affecting MS' industries and thanked the COM for the support and activities undertaken.

#### **6.4. Canada: crafted alcoholic beverages**

\* raised concerns with draft law No. 88 promoting the development of the artisanal alcoholic beverage industry in Quebec, which would authorise the sale of wines produced by local artisanal producers, in supermarkets and retail outlets, without being subject to the mark-up by the alcohol monopoly. They considered it discriminatory against imports and contrary to the bilateral agreement and WTO rules, as well as inappropriate as it was being introduced following the conclusion of the CETA negotiations.

\*\*, \*, \*, and \* supported \*.

COM indicated it had raised this issue systematically, inter alia, during the bilateral meeting under the Wines and Spirits Agreement in January 2016. In addition, Commissioner Hogan had raised it with the Canadian Minister for Agriculture. CETA includes a joint declaration whereby the EU and Canada will discuss such issues once CETA comes into force. Also, the bilateral agreement will become part of CETA, which will give additional leverage to address issues concerning the provincial monopolies. Although the provincial monopolies are independent, at the federal level, Canada has indicated it is addressing the issues with the provinces. COM is working together with other affected countries such as the \* and \* and in some cases, joint letters have been addressed to Canada. Provincial issues have also been raised in the WTO framework.

\* indicated they hoped the actions would cover all types of alcoholic beverages.

#### **6.5. Eastern African Community: standards on alcoholic beverages**

\*\* requested an update on the issue related to the East African Community drinks standard.

Following COM's request for clarification regarding the countries affected by the issue, industry and MS confirmed that Kenya was the most problematic country but that was not the only country presenting problems (e.g. Tanzania).

The COM briefed MS and BU on the developments that took place since the last TBT Committee: the COM discussed the issue with Tanzania in a bilateral meeting on the sides of the TBT Committee in March, but unfortunately, despite of several reminders and an official enquiry through the TBT Enquiry point, COM had not received any feedback. The COM explained that, on grounds of the above, it is bringing the issue to the TBT Committee in June. The content of the intervention still needs to be defined, but at least procedural issues will be raised: lack of notification - the COM will request suspension of the implementation of the measures until they have been notified and WTO members are given the opportunity to provide comments. Additional information on the revision of the EAC standards on

alcoholic beverages will also be requested. The COM noted that it hopes to influence this process.

## **7. PREPARATION OF THE TBT COMMITTEE, 15-16 JUNE, GENEVA**

The **COM** informed that the EU will be raising 22 previously raised specific trade concerns and 4 new issues, namely the following:

China – three mandatory standards for furniture (G/TBT/N/CHN/1094-1095-1096)

China – Formula Registration Regulation for Infant and Follow-Up Formula (G/TBT/N/CHN/1165)

Egypt – Registration of importers (G/TBT/N/EGY/114 and G/TBT/N/EGY/115)

Kenya – East African Community (EAC) alcoholic beverage standards.

Several **MS** and **BU** took the floor and reiterated their concerns.

COM also provided an update on Indonesia's SNI certification, and noted that during the bilateral meeting with Indonesia in the margins of the TBT Committee meeting in March, the EU reminded Indonesia that compulsory standards (SNI) have to be based on international standards and shall be notified. Indonesia confirmed that there were no changes on standards for baby clothing and that there will be mandatory standards for towels and adult garment.

COM explained that during the TBT thematic session, Indonesia made a presentation on its Conformity Assessment System, explaining the new Law on standards and conformity assessment. In principle, SNIs are basically voluntary, but when it relates to health and safety, they may be made compulsory. In this case the Indonesian government has to make sure that SNIs are complied with, by default the conformity assessment procedure includes certification by Conformity Assessment Bodies (CABs), which shall be accredited by KAN (the national accreditation body) and designated by the respective regulators. For example, for the SNI on toys, CABS that comply with it have to be designated by the Indonesian Ministry of Industry. In order for CABs for exporting countries to be recognised in Indonesia they have to be (a) accredited by KAN, or (b) by an accreditation body under a government-to-government mutual recognition agreement – no such agreement exists between the EU and Indonesia.

COM also mentioned that the EU will seek again clarification on the new system foreseen in China for new cosmetics ingredients (registration for high-risk ingredients and notification for other ones). Regarding the Indian tyres case and the Russian measure on children and adolescent products, as there were no new developments, the EU will raise the same concerns as before. On the Russian mandatory certification on cement, COM informed that the Commission is preparing written comments on the TBT notification RUS/49, following the written comments sent to Russia on RUS/48. No response has been received from Russia so far. The EU will raise the issue both in the TBT Committee and in a bilateral meeting with Russia on the margins of the Committee.

## **8. AOB**

### **Russia - new rules for cement certification:**

\* raised the recent Russian certification obligation issue asking about the actions taken by the Commission vis-à-vis Russia.

The **COM** replied by recalling the actions undertaken since March 2016 (information request from the EU TBT contact point to its Russian counterpart, issue raised at the March WTO TBT Committee and bilaterally with Russia in the margins of the meeting, issue raised bilaterally in Moscow on 14 April, comments sent in reaction to the notification of these measures to the WTO, recent letter of Commissioner Malmström to two Russian ministers).

The Commission also mentioned that it is carrying out a technical and legal analysis of this case.

\* , \* , \* asked for urgent action. \* thanked the Commission for its actions.

#### **Belarus – market access restrictions for construction material:**

COM recalled its request for Belarus to amend recently introduced measures which create trade barriers for EU businesses and which are not compatible with the WTO/ international principles. COM noted that the sides agreed to address the issue of trade irritants under the Trade Dialogue. The first meeting of the Dialogue will take place in July 2016. Responding to the request of the Belarussian side, interested in concrete examples of the difficulties faced by the EU business resulting from the Belarussian regulations, COM encouraged the MS to provide details about such problems by 24 June (COM stressed that names of the companies will not be shared with the Belarussian side).

#### **FOLLOW-UP ACTIONS:**

##### **EU-funded project on market access barriers in India**

MS to provide contact details of the trade counsellors of their Embassies in Delhi, the National Chambers of Commerce in India and in the EU, the trade promotion organisations and local trade delegations in India and in the EU; share contact information for relevant people by the 10<sup>th</sup> June 2016; disseminate information about the project to the above entities and to industry engaged in India, located both in the EU and in India; share contact information of interested parties that could contribute to the mapping and inception report.

##### **Egypt: Rules Governing the Registration of Factories eligible to export their products into Arab Republic of Egypt**

MS and BU are asked to share latest available information on a number of companies effectively registered and practical obstacles faced in the registration process

##### **Algeria: import quotas**

MS to inform the COM or the EU DEL in Algiers on quotas received in order to verify that quota distribution respects existing market share and historical trade.

#### **Belarus – market access restrictions for construction material:**

MS and BU are asked to provide concrete examples of the difficulties faced by EU businesses resulting from the Belarussian regulations by 24 June 2016.

#### **FOR MEMBER STATES ONLY**

#### **9. APPROVAL OF THE DRAFT MINUTES OF THE MAAC MEETING OF 21 APRIL 2016 (MAAC 2016-016)**

The minutes of the MAAC meeting in March 2016 were distributed on 10 May 2016. Revised minutes were sent on 20 May following comments from \*. The minutes were adopted.

*DG TRADE, Unit G.3*