Brussels, 10 May 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
Building Charlemagne, room JENK
Thursday 21 April 2016, 14:30 – 17:30

1. APPROVAL OF THE DRAFT AGENDA (MAAC 2016 – 012)

Following issues were requested to be added to the agenda:

- Indonesia’s Halal labelling requirements for the imports of cosmetics
- Import ban on apples in Tunisia
- Imports of hop in Algeria: will send details on this issue in written (fact sheet).

The agenda was approved with these additions.

2. ANNOUNCEMENTS FROM THE CHAIR

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

- United Arab Emirates on 1 and 3 June 2016; deadline to send input to DG Trade 9 May;
- Democratic Republic of Congo on 15 and 17 June 2016; deadline to send input to DG Trade 23 May.

COM further provided a brief outline of the Commission report on Trade and Investment Barriers and Protectionist Trends 2016. The COM explained that this new report will merge the previous two reports (the TIBR and the “protectionism report”) which were published on a yearly basis and complemented each other. COM indicated that the Report is expected to be adopted in June, ahead of the Foreign Affairs Council.

enquired about specific trade concerns and whether the list of barriers to be included in the Report was firm, COM confirmed and explained that the Staff Working Document, which will be attached to the report, will further describe protectionism trends in 31 countries.
3. **FOLLOW-UP OF PREVIOUS MAAC MEETINGS:**

- **Russia: new rules for cement certification**
  
  Russia, supported by other countries, reiterated their concerns about Russia’s new measures on imports of cement, explaining that the issue does not relate to quality compliance, but is about the certification procedure itself and indicated that only Russian companies had received the certification since the introduction of the measures.

  COM confirmed that the 2 Russian measures making certificates for cement compulsory (and certificates issued only to local companies) and imposing additional requirements for imported cement seem to be discriminative. The measures took effect in February and March 2016, blocking de facto imports of cement into Russia. The issue was raised at the TBT Committee meeting in March and COM is still waiting for answers. It was also discussed in a technical meeting with Russian authorities which took place on 14 April in Moscow.

  COM indicated that it has undertaken a legal and technical analysis of this issue while preparing a reply to the letter sent to Mr Demarty, Director-General for Trade, by four Member States (EE, LV, LT, PL).

4. **TRADE RULES AND TECHNOLOGICAL CHANGE: THE CASE FOR MODE 5 SERVICES**

  Mr ** presented the topic and drew the attention of the committee to the growing importance of indirect services value-added trade as the share of mode 5 services (i.e. services embodied in goods exports) was increasing. COM indicated that it was now looking for practical ways to reflect these changes at the level of international trade rules and asked the MS to provide a list of services which would be most relevant for customs valuation in EU exports.

  COM agreed to send the presentation to the Committee.

  **, **, **, **, **, ** and ** showed interest for this issue, and thanked the COM for the initiative. ** asked whether the COM could present this topic to their members, to which the COM agreed.

5. **STATE OF PLAY OF ONGOING REGULATORY AND INDUSTRIAL POLICY DIALOGUES**

  The COM (DG GROW) gave a general overview of the state of play of the existing cooperation activities with its principal partners (China, Japan, South Korea, Taiwan, Russia and Brazil) including an update on the dialogue on Euro-Mediterranean Industrial Cooperation (with Morocco, Algeria, Tunisia, Egypt, Jordan, Israel, Palestine and Lebanon) in the framework of the European Neighbourhood Policy.

  A detailed report on this point is attached to the minutes.

  The Chair stressed the importance of linking trade policy with these dialogues in the framework of Economic Diplomacy and the Enhanced Partnership.

6. **KEY BARRIERS EXERCISE**

  **Malaysia - first exchange of views:**

  COM introduced the draft revised Key Barriers List for Malaysia which will replace the earlier one that dates back to 2010. COM indicated that most of the issues highlighted there were intended to be solved in the FTA negotiations launched in 2010, however FTA
negations are still on hold since 2012 and despite efforts on COM side, the situation has slightly worsen on SPS barriers.

COM further explained that the COM has been in regular contact with Malaysia who is keen to resume negotiations, in particular now that TPP negotiations have been concluded.

Regarding SPS barriers with Malaysia, the COM explained the problems related to the export approval of meat establishments: inspection fees and import permits are requested by Malaysia; for meat different than pork, only Halal dedicated establishment can be authorised to export to Malaysia following an inspection of two different Malaysian administrations which causes delays in the audits, lack of information regarding the Halal requirements and the validity of the approval is only for one year with a possible extension up to 2 more years; for pork and pork products, Malaysia is doing a bad implementation of the pre-listing system agreed in 2014 and is requesting to audit every new establishment wanting to export to Malaysia. In addition, all the costs have to be borne by the exporting country.

The COM also informed about the non-recognition of regionalisation by Malaysia regarding avian influenza and the import ban imposed by Malaysia on bovine and bovine products from Member States with controlled BSE risk status by OIE.

A number of MS (*, *, *, *, *, * and *) made comments on the list either in support or to ask introduction of new barriers. On SPS *, ** confirmed significant delays on the audits performed by Malaysia; * highlighted the difficulties with the Halal requirements, which also apply to vaccines; * indicated that the Malaysian Halal requirements are one of the most stricter in the world and the certification process covers every stage of the manufacturing process; * informed that there are 13 * dairy establishments still waiting to be approved to export to Malaysia since 2011 and complained about the inspection fees; * informed about the ban due to avian genetic imposed by Malaysia since November 2015 and complained about the need of having Halal checkers in the process assorted with excessive inspection fees. * would like to add a barrier on wines and spirits (including import licenses and discrimination regarding the local production).

COM (chair) asked MS and Industry to send their written comments on the draft list by Friday 29/04.

7. Market Access cases:

7.1. Korea: recognition of pharmaceutical compendia

* explained and clarified a number of issues related to the lack of acceptance by Korea of the * pharmaceutical compendium. While Korea recognises the compendiums of only a few MS (DE, FR, IT), it does not recognise the compendium of many other MS such as HU, PT, AT, BE, SW, IR. This lack of recognition makes the registration of pharmaceutical products much costlier than for countries whose compendiums are recognised since products would have to follow clinical trials and other registration requirements.

COM thanked * for the clarifications provided which were not included in the fiche sent by *. COM said it would consider raising the issue with Korea in the working group on pharmaceutical and medical devices under the framework of the implementation of the FTA taking place on 22 June in Brussels. But COM also said it would need further clarifications from *.

7.2. Nigeria: prohibition of foreign exchange for some sectors

* asked for updated information on the foreign exchange restrictions put in place last year by the Central Bank of Nigeria, which is affecting trade and is leading companies to hold operations.
COM indicated that it is following the measure closely. A new government was appointed in November last year but is taking time to settle, especially on economic matters. The EU raised the issue at the Council for Trade in Goods on 15/04, together with several WTO members. The IMF has recently been very critical of the measure, which also starts being questioned locally for its impact on prices and on the supply of basic goods, in addition to its negative impact on local and foreign investment. [*] also reported that businesses are complaining about the measure.

7.3. China: mandatory standards on furniture

[*], supported by [**], [*], and [**] raised concern on the Chinese TBT notification of July 2015 of three technical standards (G/TBT/N/CHN/1094, 1095 and 1096) on furniture products (wooden furniture, mattresses, and sofas) i.e. not being compatible - in major aspects, with the international standards, technically problematic, not validated and prone to unreliable results. The COM was asked to address this barrier to trade in all competent fora given the growing economic importance of the Chinese export market for the EU furniture industries.

COM indicated that COM is aware of this potential barrier to trade, shares the assessment and has already taken a number of actions - in close cooperation with industry, including through a formal TBT comment to the Chinese notification (October 2015), and discussions in the TBT Committee meeting of 9-10 March and in the TBT WG of the EU-China Economic and Trade Working Group on 19 April. Additionally, TBT comments are being circulated in response to the so far mixed Chinese responses in the various fora. Further information will be requested as to which parts of the standard will be voluntary, the timeline of implementation, and if China will accept equivalent international standards for these product categories. The EU also extended an invitation to China to bring its proposal for discussion to ISO. If needed, the barrier will again be discussed in the TBT Committee of June.

8. Early warning cases

Cameroon: minimum threshold for levying taxes on certain wine imports

[*] raised its concerns with regard to the Cameroon Ministry of Finance’s Decision No. 4941 Regarding the minimum thresholds to be levied on certain wine imports. They indicated that certain brands would be subject to a minimum threshold on which to calculate the tariffs to be levied upon their import to the Cameroon market.

COM confirmed that the issue, which had been signalled to COM by [**], is of concern. However, the text of the Decree is confusing as it mentions some products (brands) to which it applies, but also indicates that the list might not be exhaustive. COM had reacted quickly and the EU DEL had met with the Cameroonian Director General for Customs that morning. [*] and [**] also attended, while [*] was also involved. Preliminary feedback from the meeting indicated that the Decision refers to import duties and has been put in place as a measure to counteract under-declaration of import prices in order to pay lower import duties, by some importers. COM is now waiting for the report of that meeting in order to decide further steps.

COM further mentioned that particular attention will be paid to the issue in the context of the concluded EPA, which inter alia, incudes customs valuation clause.
9. Update on EU funded SME support projects in Asia and “EU Asia Business Link” EALINK

EALINK was already on the agenda of the MAAC meeting in December 2015. COM provided an update about EU funded projects in Asia and asked for feedback from MS and business organisations about EALINK and these Asian projects, in particular if the provided services and market information is used by MS and BU organisations in their activities to expand trade and investment in these markets.

The representative of DG International Cooperation and Development (DG DEVCO) recalled the Commission’s approach in the 9 on-going projects promoting EU economic and commercial interests in China and 8 countries in South East Asia. These projects consist in (1) strengthening locally the single voice of European business for the conduct of business-driven advocacy; (2) strengthening and widening the offer of first-entry support services for European companies, SMEs in particular; and (3) pro-active outreach in the EU to sensitize European companies the business potential of those dynamic economies. It was also underlined that these projects are implemented in ways that are compliant with the principles of subsidiarity, of complementarity with EU MS activities in the same domains and of financial sustainability by way of revenue generation. In conclusion, the potential benefits for EU MS’ economies were highlighted and national and pan-European business organisations/intermediaries were invited to use their privileged relationship with SMEs and to inform them about those projects – EAlink in particular – that are designed to assist them in their internationalisation in Asia.

10. AOB

- *, supported by * and *, voiced concerns about Indonesia’s Halal labelling requirements for the imports of cosmetics and stressed the systemic risk of this issue; *
asked the COM to reflect together with MS how to tackle discrimination in imports due to Halal certifications. COM agreed to look into the matter.

- * also mentioned that no progress was achieved on the import ban of apples in Tunisia due to the fire blight bacteria and asked the issue to be raised in future negotiations with Tunisia. COM took note.

FOR MEMBER STATES ONLY

11. Approval of the draft minutes of the MAAC meeting of 17 March 2016 (MAAC 2016-011)

The minutes of the MAAC meeting in March 2016 were distributed on 1 April 2016. The minutes were adopted.

DG TRADE, Unit G.3
Market Access Advisory Committee – meeting of 21 April 2016
Information on DG GROW ongoing regulatory and industrial policy dialogues

DG Internal Market, Industry, Entrepreneurship and SMEs holds a series of regulatory and industrial policy dialogues with EU's important partners. They aim to achieve a greater convergence of the rules affecting global business, reducing barriers and costs and making it easier for European companies, especially small and medium-sized enterprises (SMEs), to do business on an international scale.

CHINA

DG GROW has well established dialogues with several Chinese administrations.

The oldest dialogue is with the Administration for Quality Supervision, Inspection and Quarantine of China (AQSIQ) since 2001 at Director General/Vice-Minister level. It covers Automotive, Chemicals, Conformity assessment, Electrical and mechanical products, Standardisation, Textile, Toys, Wine and spirits, Medical devices and cosmetics. Cooperation is notably active on standards and conformity assessment.

It has concrete outcomes: for example the EU-CN Working Group Standardisation" with the Standards Administration of China (SAC) has identified some 90 ENs which have been adopted as Chinese standards. This technical harmonisation is further supported by the National Standardisation Bodies such as DIN and BSI which concluded standard-related agreements with China (SAC). Also, since October 2012 a web-based tool “CESIP”, the China-Europe Standardisation Information Platform was launched. It gives businesses information about standards applicable to highly traded regulated products and so helps SMEs to internationalise. Regarding conformity assessment, we can report improvements in simplifying certification procedures and reducing the number of products subject to China's compulsory certification (CCC). There is also more flexibility regarding product testing (manufacturers with high standards of internal quality control are allowed to use their own laboratories to perform the test)s. The last Plenary with AQSIQ took place on 11 November 2015 in Beijing.

With the Ministry of Industry and Information Technology (MIIT), DG GROW has a dialogue since 2009 at Director General/Vice-Minister level, covering industrial policy in general and with specific working groups on energy efficiency and emissions reduction in industry, SME policy, Automobile, Shipbuilding and Raw Materials. The last Plenary with MIIT took place on 19 November 2015 in Brussels. This dialogue gives us a chance to discuss in detail important subjects such as overcapacity in the steel sector. Also, in a key sector like automotive, the dialogue has already led to good progress. The Chinese approach to emission and fuel efficiency, as well as in recall of defective vehicles is largely aligned and compatible with the EU regulatory approach.

Dialogue on Space with the Ministry of Science and Technology (MoST) at dG/Vice-Minister level. A Joint Statement on our cooperation was signed during in September 2012. The third meeting of the European Union-ESA–China Space Dialogue took place on 19 June 2015 in ESA HQ, Paris.

The Regulatory Dialogue with China on Public Procurement was established in 2006 with the Chinese Ministry of Finances (MoF) in particular with the view of promoting progressive convergence of the public procurement regimes, providing transparency and ensuring a fair level playing field for companies on both sides. The last formal session of the Dialogue took place in May 2015 in Beijing. This Dialogue allows for concrete discussions on the GPA accession process.
The Consultation and Cooperation Mechanism with China Food and Drug Administration (CFDA) covers medical devices and cosmetics. The collaboration has resulted in a number of tangible actions, resulting in improved market access for EU companies.

The dialogue on sustainable tourism with CNTA (Chinese National Tourism Administration) started in 2013. As a result an EU-China Seminar on Tourism Cooperation took place in Beijing on 20 January 2016. We are exploring with CNTA interest in having a China-EU tourism year in 2018.

**JAPAN**

DG GROW maintains Industrial Policy dialogue with the Japanese Ministry of Economy Trade and Industry. Last meeting took place on 22 April 2016 in Tokyo.

The general topics of the agenda reflect the priorities of the EU and of the Japanese Government (steel overcapacity; circular economy; promotion of the internet of things; raw materials; investment and industrial cooperation).

METI and DG GROW agreed in 2015 upon a Regulatory Cooperation Joint document which aims to further strengthen the regulatory cooperation in existing WGs such as chemicals, automobile and climate change and the environment but also to initiate cooperation in new areas like robots, medical devices and construction.

Through the cooperation, both sides’ ambitions are to prevent potential difficulties, solve existing problems and work together to develop convergent regulations where possible.

Outside the regulatory aspects, the Dialogue also deals with the EU-Japan Centre for Industrial cooperation which is, as you know, a Centre co-managed and co-supported by METI and DG GROW.

EU-Japan Industrial Dialogue on railways with the Ministry of Land, Infrastructure and Transport. The Dialogue was set up since the railways sector in Japan is particularly closed and the EU industry has important offensive interests in accessing the Japanese market. The Dialogue is important for our industry as it provides for a platform where it can voice its position and look for enhanced access to the Japanese procurement market in the sector. The next meeting will take place on 31 May 2016 in Brussels.

EU-Japan Space dialogue: The EU and Japan met for the 2nd EU-Japan dialogue on civil space cooperation in Brussels on 9 March 2016. On "Global Navigation Satellite Systems" the meeting was the occasion to update on the respective programmes: Galileo/EGNOS on the EU side and QZSS on the Japanese side. An exchange of views on how to promote satellite navigation applications took place and it was agreed to deepen cooperation between the EU and Japan in the following application areas: autonomous driving, rail, agriculture as well as GNSS standardization. On Earth Observation/Copernicus Japan presented its views on Satellite Remote Sensing Policy. Japan also explained its EO satellite programmes. The EU gave an overview of the current state of the Copernicus programme. The EU and Japan discussed to further expand their cooperation on the access and sharing of Earth observation data and information on the basis of reciprocity.

Both sides informed each other on the status of their respective space cooperation. Japan informed on its dialogues with the US and Australia. The EU informed on its dialogues with US, Russia, China and South Africa, underlining that the dialogue with Russia is on hold.
**SOUTH KOREA**

Industrial Policy Dialogue between DG GROW and the Ministry of Trade, Industry and Energy (MOTIE). The industrial policy dialogue with South Korea is very recent as it was established in September 2014. Until now only one meeting of the Dialogue took place with a prominent discussion on SME policy issues. Next meeting most probably in June 2016. It contains discussions on "support of SMEs", "technical cooperation" in areas such as international standards, ICT, health, or energy sectors (e.g. smart grids). Korea is also an active and successful member of EEN.

**TAIWAN**

The industrial dialogue met for the first time on 4 June 2015. The dialogue is a useful complement to the current Annual Trade Consultations, to which our DG already participates actively (notably on TBT and pharma), coordinated by DG TRADE. It allows us to exchange on relevant policies and measures on both sides so as to identify possible scope for cooperation and also to improve the framework conditions for enterprises from the EU and Taiwan.

The domains covered are: industrial competitiveness, internationalisation of SMEs, standards and conformity assessment, entrepreneurship, innovation, technical cooperation, to help matching companies and facilitating joint projects, creativity and non-technological innovation.

The second meeting of the industrial dialogue is scheduled on 1st June 2016 in Taipei also back to back to COMPUTEX. Since Taiwan is very strong on ICT technologies and innovation, DG Connect and DG RTD will be joining DG GROW's dialogue this year. A full EU Innovation week is being organised from 30 May to 2 June, with seminars on smart health, smart mobility, smart industry, 5G, nano-electronics and Horizon 2020. The B2B, B2C and C2C (C as clusters) matchmaking meetings will bring Taiwanese and European companies, clusters and institutes together to facilitate business and research cooperation. A delegation of 15 EU clusters is already confirmed. One of them, Silicon Europe is organising three of the seminars that will take place in the Innovation week. We invite MS to participate and promote the event. The MS trade counsellors in Taipei have already been informed. All information is available in the following website: [https://www.b2match.eu/eu-taiwan-2016](https://www.b2match.eu/eu-taiwan-2016)

**EUROMEDITERRANEAN INDUSTRIAL COOPERATION**

On a regional level, DG Grow coordinates and steers the dialogue on Euro-Mediterranean Industrial Cooperation (with Morocco, Algeria, Tunisia, Egypt, Jordan, Israel, Palestine and Lebanon) in the framework of the European Neighbourhood Policy. The dialogue aims at a better regulatory environment, and one fostering innovation, internationalisation and specialisation of industry, in particular SMEs. The Working Group on Euro-Med industrial cooperation met on 23 February in Brussels to take stock of progress in the implementation of its work programme 2014-16.

**RUSSIA**

Since the Ukraine – Russia crisis erupted, DG GROW has halted industrial and regulatory policy dialogues with Russia, in line with the Commission and EEAS guidelines.

Dialogues halted are:
- **Industrial and regulatory policy dialogue** with the Ministry of Industry and Trade including two horizontal working groups (on SME policy and on conformity assessment and standardisation) and four sector working groups (on textile and light industry, chemicals, construction and the forest based industries (woodworking; furniture, pulp & paper; printing).

- **SME dialogue** (specifically on internationalisation issues) with the Ministry of Economic Development

- **Tourism dialogue** with the Ministry of Culture (never de facto started due to the UA crisis)

- **Space dialogue** with the Russian Federal Space Agency (technical cooperation between the Russian space agency and ESA continues)

- **Public procurement dialogue** with the Ministry of Economic Development
  Technical contacts with Russian authorities continue on a less regular basis where the EU has strong offensive interests, on automotive industries, mining and metals, and on technical regulation and standardisation. Russia is also still a member of the EEN.

**BRAZIL**

Pilot regulatory and industrial policy dialogues on textile and clothing, steel, non-ferrous metals and minerals, forest-based industries started in 2009. Meetings took place in 2009 and 2010, but there have been no meeting since 2011 mainly due to Brazilian reluctance to advance on these issues.