



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

MAAC 2016-034

Brussels, 03 October 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 4B
Thursday 22 September 2016, 10:00 – 13:00

1. APPROVAL OF THE DRAFT AGENDA (MAAC 2016 – 030)

Following issues were requested to be added to the agenda:

- * asked to express its concerns about the numerous market access issues Turkey
- COM announced the presentation of the final Key Barriers list for Mexico under point 2.

The agenda was adopted with these 2 additions.

2. PRESENTATION OF THE FINAL LIST OF KEY BARRIERS FOR MEXICO

COM presented the final list of key barriers for Mexico, in the follow-up of a first discussion in the MAAC in July and after having received comments from MS (*, * and *). COM explained that the list of key barriers will not vary. However, text modifications will be introduced after verification of the issues reported: in the text of "Labelling" (on-going problems for textile products and new cases of other product categories), "Registration of health products" (additional information on the procurement practices and of food additives registration) and "Arbitrary customs procedures" (affected sectors are textiles, footwear and steel). Other comments, notably received from FR addressed non-key barriers.

*, *, * highlighted investment and procurement barriers. COM explained that these issues would be addressed in the EU-Mexico FTA modernisation negotiation. HR stressed that the protocol on EU accession is still not signed.

A revised table with the description of the key barriers will be sent to the Committee.

COM (Chair) thanked MS for their input and noted that the discussion would be fed into the modernisation negotiations. COM noted that many barriers were long-standing and invited MS and BU to reflect on ways to further strengthen our common efforts to fight these barriers. In this context the Chair asked MS and BU to share with the COM the following information regarding Mexico's key barriers:

- inform the Commission about any cooperation projects they may have with Mexico, which could have an incidence on a given key barrier;
- notify their upcoming visits to Mexico where these issues will be raised;
- report on the perceived difficulty of achieving progress in these key barriers, evaluating the difficulties on a scale 1-3:

1. issue difficult to solve due, for instance, to the political context
2. difficult to tackle, but doable
3. issue represents a low hanging fruit.

COM welcomes this input by 12 October 2016, in order to discuss jointly on further actions. MS and BU welcomed this request.

* welcomed the process of modernisation of the agreement with Mexico and noted that a position paper was in preparation. * noted that the access to information on minutes and briefings of meetings in EUDELs and committees should be improved. * stressed the importance of the removal of market access barriers, even in the context of negotiations of trade agreements. ** and ** underlined the high value of Commissioner Hogan's business delegation visits in third countries.

COM agreed to the comments provided by MS and BU, which are in line with an enhanced cooperation between all stakeholders in the Partnership.

COM announced the planned key barrier reviews in forthcoming MAAC meetings: India in October, Argentina/ Brazil in November, Australia in December and China in January 2017.

3. TRADE FOR ALL COMMUNICATION – ROLE OF THE MARKET ACCESS STRATEGY IN THE ENHANCED PARTNERSHIP: FOLLOW-UP OF THE DISCUSSION OF THE MAAC MEETING IN JULY 2016

Following the MAAC lunch discussion with the MS in December 2015 and a first presentation to the Committee in the MAAC in July on the role of the Market Access Strategy in the Enhanced Partnership, the purpose of this point was to launch a more concrete discussion and exchange of views on the topic with MS and BU. COM stressed the important role of the MAP structures and made clear that FTA implementation was not an exclusive task of the Commission but a joint responsibility of MS, BU and the COM. The discussion in the MAAC is part of a broad internal reflection how implementation could be streamlined and improved within the Commission but also externally with increased involvement of all actors. COM outlined the main actions potentially envisaged from the side of COM in terms of awareness raising, implementation and reporting (FTA communication package, outreach activities, webpages, expanding the MADB to include specific information on FTA and possibly a Rules of Origin calculator, more systematic and advance planning of FTA implementation discussions in the MAAC based on an indicative calendar and list of topics for discussion).

The COM also formulated following questions for reflection on ways to enhance active cooperation on FTA implementation issues:

A. FTA awareness Raising:

1. How do you organise FTA awareness raising in your country/within your business organisation with a view to ensure maximum FTA utilisation by your business (at the time of entry into force of an FTA and throughout its lifetime) ?
2. Do you have any best practices (in terms of structures, organisations, websites, contact points, regular events...) to share with the other MS/other business organisations?
3. Do you think a dedicated platform (e.g. in MADB, restricted/not) should be set up and used to systematically share such best practices and other information of (common) relevance to FTA awareness raising/implementation (reports, analysis, presentations...)? What do you consider should this platform contain?

B. FTA implementation:

1. Do you actively follow up on the implementation of one or more specific FTAs and how?
2. Is there room/interest for developing best practices here?
3. Do you think it would be useful to have an indicative list of issues that should be systematically discussed at MAAC sessions dedicated to FTA implementation and what should this list include in your view (e.g. overview and evolution of main trade barriers, progress/lack thereof on regulatory front; information on the effectiveness of the FTA including the preference utilization rate; trade statistics since entry into force; important messages to convey; overview of latest FTA implementation and awareness raising activities conducted in your MS; debrief on, and ahead planning of, your meetings with FTA partners, customs related issues, such as approved exporter status and rules of origin certificates ...)?
4. Would you be prepared to share your country's/business organisation's calendar of trade-related missions to third countries, with a view to determine possible synergies and specific messages to convey? Would you be willing to share this calendar largely with all MS?
5. Should the MADB be expanded to include FTA implementation related information and what do you propose it should include (if possible with indication of priority)? (e.g. hymn-sheets on FTA implementation; FTA enquiry points; rules of origin calculators; awareness raising-related information and brochures; MS/business organisations' best practices on awareness raising and/or implementation; MS reports, information gathered or prepared in preparation of MAAC/MAT meetings dedicated to FTA implementation,...)

C. Any other proposals to enhance the partnership (with a view to improve barrier removal and/or FTA implementation).

COM (Chair) asked the committee to provide their input by 10 October 2016 in order to wrap up the discussion in the MAAC in October.

MS and BU welcomed this approach and were open for further steps.

* explained that it was benefitting from an extended network of business associations and mentioned the creation of a specialised agency for trade barriers. * noted that information on FTAs is already provided through various channels, such as events and dedicated Internet pages (*) and that the * are building up staff to enhance the outreach. * also mentioned some difficulties encountered by * exporters in relation to the use of the EU-Korea FTAs, namely the procedure concerning the 'approved exporter' status, which seems to be less a problem for bigger companies, but affected SMEs. * further underlined the importance of involving the Civil Society and NGOs in relation to trade agreements.

* outlined the different bodies it has in place to help businesses getting international. Many events are organised, regions are also very active. * is elaborating an action plan to provide better practical information, targeting in particular SMEs, such as a series of questions and answers by sector.

* stressed that although FTA implementation is a priority, MA issues must be continued to be tackled and attention must be paid to the good coordination between the different committees in order to remain coherent. * asked for more information about the different actors involved in Brussels and locally and expressed its concerns about the reduced frequency of MA WGs. It also underlined the importance of an up-to-date MADB and that it could be useful to have a central "contact point for enforcement". It also inquired about the resources that the COM intends to allocate to this exercise.

* supported the idea of a 'rules of origin' calculator and echoed the concerns of its SMEs that origin-issues are sometimes so complex (both upstream and downstream) that companies don't apply for privileged treatment.

* announced the creation of an agency to support the export activities of its businesses. In regard to the improvement of the Partnership, * asked to have more information on the outcome of the discussions in the MATs. It also supported a possible 'rules of origin' initiative.

*, *, echoed the previous speakers. ** welcomed the enhanced partnership and more coordination, in particular in the field of NTBs. ** reiterated its request for an additional MA WG dedicated to the wood and paper sector.

COM replied that particular attention will be paid to specific problems linked to FTA implementation - the issue of rules of origin being one of them - and indicated that in this respect it was essential to receive MS's views on how best these issues could be solved. As for the organisation of working groups, COM noted that this was not directly linked to FTA implementation issues, but agreed to pursue further reflection on how to manage the groups in a coordinated fashion. COM also indicated that the question of resources was part of the reflection process, and that some ways should be explored to foster the cooperation between COM and MS, notably in the area of the various programmes already in place. COM mentioned the Partnership Instrument, where some resources could be freed to enhance the work on FTA implementation, and also provided a concrete example of good practice, citing the positive cooperation with the UK on implementation issues in China on the service sector, where resources were pulled together and information shared with all other MS.

4. Market ACCESS CASES:

4.1. USA: import restrictions of sturgeons and derivatives

* reiterated its concerns about the US import restrictions of sturgeons and derivatives which was raised in previous MAAC meetings in 2014 and asked the COM to pursue this dossier further.

COM referred to the various actions already undertaken, including at highest political level. The content of the US replies of September to the EU's Questions regarding Sturgeon Trade was explained. These answers were contradictory to previous US' statements and not satisfactorily. Therefore, the upcoming WTO Market Access Committee on 11 October will raise the issue. MS were requested if they have raised the point with the US since there were recent contacts (especially on lobster).

* was not aware of contacts with the US. * stated that the US replies were a contradiction to the US statement that farmed fish can still be exported. * pointed out that since 2013 three tonnes of caviar products worth 1.3 million Euro were exported. * stated that it is increasing its caviar production since the US is an interesting market. * supported further action at WTO level.

COM (Chair) made it clear that the lobster issue should not be linked to the caviar case. * was invited to send written reports of the aforementioned meeting with the US. MS were invited to inform the COM about upcoming events where they would discuss this issue and to provide a quantification of the economic impact, as well as other actionable input they may have (e.g. where in the US the relevant species are produced). COM will provide MS with a LTT/defensives for their contacts with US.

4.2 Indonesia: import restrictions for wood-made products

** informed about severe licencing and certification issues in Indonesia for imported wood-made products. Since 1 January 2016, several shipments of **'s members of

wood-made products (paper, carton) have been blocked by Indonesian customs authorities at the border. Importers must request a specific import licence to get their products released. Documents on traceability must be provided to demonstrate the country of origin of the wood. ** stated that all but one of their members have yet to receive a license.

COM explained that the EU does not consider this measure, which was only notified to the WTO International Licencing Committee (ILC) in March, as an automatic import licencing system. In this respect the EU raised a number of specific questions at the WTO ILC in April, notably whether Indonesia could clarify why, in the notification, the import scheme for forestry products had been declared as an 'automatic procedure' and whether Indonesia could demonstrate its compliance with Article 2 of the WTO Import Licencing Agreement. So far, Indonesia has not provided any answers to the EU's questions. The COM intends to raise the case again at the upcoming ILC meeting in November.

The COM encouraged ** to work closely with local EU business representations on the ground, such as notably ** and finally noted that the COM was reflecting whether this issue could be raised in the context of the recently launched FTA negotiations with Indonesia if the problem was persisting.

* asked whether this new licencing requirement was linked to Indonesia's general import licencing regime applied to many products. * confirmed that its industry was affected, and asked for clarification in regard to the procedure to follow. * mentioned that a big company who was not compliant had its consignment destroyed at the border but noted that it seems that there are, however, ways to obtain the licence.

COM replied that mainly paper and wood products were affected and confirmed that this specific import licence comes on top of broader non-automatic import licencing regimes already in place. The COM briefly explained the procedure to follow (recommendation letter, on-line registration). The COM asked ES to share further information on best practices in regard to the procedure to follow to obtain the licence.

COM announced that it will finalise its analysis with regard to the WTO compatibility of Indonesia's specific licencing regime and will circulate a LTT to use when this issue is raised with counterparts in Indonesia.

4.3. Russia, Kazakhstan: Draft Amendment No. 2 to the Technical Regulation of the Customs Union on “Safety of Toys” (CU TR 008/2011).

** informed the Commission about an issue in relation to the Draft Amendment No.2 to the Technical Regulation of the Customs Union “On Safety of Toys” (CU TR 008/2011) proposed by Kazakhstan and recently issued by the Eurasian Economic Union. ** explained that this new regulation, notified to the WTO under the TBT Agreement on 8 July 2016 by Russia and Kazakhstan, introduces psychological and pedagogical criteria for imported toys. This could potentially represent a trade barrier as it is not clear how the products are going to be assessed and on which scientific basis. Industry is concerned that the notified amendment could enter into force early next year.

** asked for clarifications about the TBT process in the COM and informed members that the public consultation process launched in the Eurasian Economic Union has been extended until the end of November and they already participated. ** also mentioned that its Director General would be in Moscow end of September and will meet the EUDEL.

COM confirmed that comments on the TBT notification are being prepared and shall be sent to the WTO TBT in the course of the week of 26th of September. COM asked MS and Industry to provide further information, notably on the rationale behind this measure and on the potential economic impact for affected stakeholders. COM also recommended affected MS to get in touch with the EUDEL in Moscow correlate their participation in upcoming meetings.

*, *, * and * supported the point made by **. * mentioned that this issue was also raised by their toys industry's national association. * could potentially join the common meeting with EUDEL and **'s DG in Moscow.

4.4. Egypt: registration of operators eligible to export products

This issue was raised in several MAAC meetings, last time in May. At *' request, the COM provided the state of play on this case.

COM reported that following a joint initiative of the EU Trade Counsellors a joint letter was sent to Egypt's Import and Export Control body mentioning the EU's concerns about the registration procedure, the significant delays in the registration process, the lack of transparency of the process, the various problems with documentation required from companies and requesting clarification on the quality control certificates. COM further noted that the point was raised in the TBT Committee meeting in June, where the EU requested the suspension of the Decree and review in line with WTO principles. COM also reported about EUDEL's outreach to local media following misleading coverage of the TBT Committee meeting in the Egyptian press. With regard to Egypt's TBT notifications (EGY 114 and EGY 115) COM replied in writing to Egypt's reaction to the EU's comments sent in April 2016.

The COM also informed that the technical meeting which was foreseen to take place in May has been postponed and a date for a new meeting is being discussed. The COM (Chair) reiterated its request for MS and BU to provide as many details as possible in regard to the registration procedure (how many companies affected, how long the procedure takes etc) in order to substantiate the EU's arguments. The Chair further asked the Committee to explore a more global solution and asked MS and BU to identify areas where the EU and MS facilitate imports from Egypt into the EU to have arguments to feed into the discussions.

MS (*, *, *, *) and BU (**, **, **) supported the COM. * noted important problems in the exports of cosmetics which fell by 50% since January 2016 which is due to the registration issue but also to Central Bank's limitations on access to foreign currency. ** reported that only few of their members could register, but even though difficulties were still persisting after registration. ** will provide details.

* reiterated its concern regarding Egypt's refusal to include the MS who joined the EU after 2004 in its reference list for the import of pharmaceuticals.

5. AOB

* expressed strong concerns about the numerous market access problems in Turkey, notably in relation to additional duties, proof of EU origin, licencing. * will provide further details.

FOLLOW-UP ACTIONS:

Key Barriers exercise: MS and BU to provide the COM by 12 October with information in regard to **Mexico's key barriers** as outlined by the COM (Chair) under point 2. Issue to be discussed in MAAC of 20 October 2016.

Role of the Market Access Strategy in the Enhanced Partnership: MS, BU to provide input until 10 October 2016 following the questions formulated by the Commission under point 3.

USA: import restrictions of sturgeons and derivatives: MS to provide the estimation of the economic impact on their industry. MS and BU to share information on upcoming meetings where this issue can be raised. COM to provide MS with a LTT/defensives for their contacts with US.

Russia, Kazakhstan: Draft Amendment No. 2 to the Technical Regulation of the Customs Union on “Safety of Toys” (CU TR 008/2011): MS and BU to provide information on the rationale behind this measure and on the potential economic impact for affected stakeholders. MS and BU to share information on upcoming meetings where this issue can be raised.


Egypt: registration of operators eligible to export products: MS, BU to provide input as regards

- Number of companies registered by sector;
- Number of companies waiting for registration, with the indication of the date of application
- How long have the companies had to wait before the registration;
- Quantification of the measure, what cost/burden it represents for the EU companies.

MS and BU to share information on upcoming meetings where this issue can be raised.

FOR MEMBER STATES ONLY

6. APPROVAL OF THE DRAFT MINUTES OF THE MAAC MEETING OF 15 JULY 2016 (MAAC 2016-029)

The minutes of the MAAC meeting in July 2016 were distributed on 3 August 2016. A revised version following comments from  was circulated on 12 September. The revised minutes were adopted.

DG TRADE, Unit G.3