



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

MAAC 2016-008

Brussels, 1 March 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 AB-4C***  
***Thursday 18 February 2016, 10:00 – 13:00***

**1. APPROVAL OF THE DRAFT AGENDA (MAAC 2016 – 005)**

\* asked to add an issue related to the imports of machinery into Turkey to the agenda.  
 The agenda was adopted with this addition.

**2. ANNOUNCEMENTS FROM THE CHAIR**

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

- Turkey on 15 and 17 March 2016; deadline to send input to DG Trade 22 February
- Saudi Arabia: 4 and 6 April 2016: deadline to send input to DG Trade 11 March

**3. FOLLOW-UP OF PREVIOUS MAAC MEETINGS:**

**3.1 Turkey: increase of tariffs for imports of sweet corn**

\* complained in the last MAAC about the raise of tariffs for the imports of sweet corn into Turkey following the application of Decree 2015/8306. \* informed that its trade attaché had a discussion in the Ministry of Economy of Turkey on 10 February where he was told that the aim of the decree is to support domestic production. On the other hand, \* is an important partner and they would be open to revise the provision affecting imports of sweet corn if \* provides them with the names of the \* exporting companies, their Turkish import partners, and how much they export to Turkey.

**COM** noted that Sweet corn CN 0710 40 00 is a Processed Agricultural Product ruled by decision 01/95 of the EC-Turkey Association Council section V. However, both sides can apply an Agricultural Element Duty (EA). COM will further analyse the case and report back to the Committee.

\* supported \* as this issue was also affecting PL's exports to Turkey.

**3.2. Indonesia: Halal products**

**COM** presented the state of play on the Indonesian legislation on Halal (Law 33/2014) and reported that the timeframe for its implementation has been extended to 2019. The Indonesian authorities will reportedly follow a sector-by-sector approach and start with food in 2016.

COM is active on various fronts in seeking a more lenient implementation of the frame law, including on labelling, which, if fully implemented, would be extremely trade restrictive. At multilateral level (meetings of the TBT and SPS Committees and in the margins), the COM has raised the issue and also replied to recent notifications of measures, which contain halal – related requirements (import of carcasses and meat). The COM also conveyed its concerns to Indonesia at the Working Group on Trade and investment in September 2015 and the EU DEL in Jakarta is in regular contact with the Indonesian authorities. Furthermore, international business chambers, including \*\*, intend to publish a joint study and organise a public consultation.

To questions from some MS (\*, \*, \*, \*, \*, \*) and organizations (\*\*, \*\*) the Commission replied by providing an overview of the current situation in Indonesia including on the implementation of the reform packages which have been issued since September 2015. The new Minister of Trade is proactive and willing to ease the trade and investment environment. However, the process is slow. While the COM witnesses some positive developments (e.g. removal of tyre trade barriers), and discussions are currently ongoing to liberalise investments in some sectors, most protectionist measures are still in place. Furthermore, lack of transparency continues to be an issue.

On cosmetics, the situation with regard to import licenses is confusing and subjected to the issuance of a certificate to test the level of heavy metals. Halal rules will also cover cosmetics, but have not been implemented yet.

Sectorial organisations who wish to do so, can provide input to the joint study by the international chambers, via EUROCHAM and business in loco. The COM took note of the information provided on ongoing mutual recognition arrangements on halal (\*) and will inquire to obtain more detailed information.

COM asked the Committee to send comments on the draft key barriers list before 29 February.

#### **4. REVISED PROPOSAL FOR AN INTERNATIONAL PROCUREMENT INSTRUMENT (IPI)**

COM presented the background to the IPI proposal and underlined that the ongoing negotiations with major trading partners like the \*, \* and- in the context of the GPA-China, make the need for this instrument even more pressing. COM referred to the two pillar structure of the original proposal and developed briefly on the novelties in the revised proposal (focus on centralised pillar no longer a possibility for local authorities to initiate action; no longer a market closure but price penalty of max 20 %; less administrative burden, expanded exemptions for GSP+ countries as well as EU SMEs and last but not least publishing of the results of investigations regarding alleged discriminations). COM also underlined that the idea is that MS should have more of an influence over the instrument.

\* underlined that the revised proposal was an improvement compared to the original proposal but underlined that it is still analysed \*. \* suggested that IPI could \*. \* welcomed the deletion of the decentralised pillar. \* and \* said they support the proposal. \* said that the proposal included a number of improvements but underlined it regretted the deletion of the decentralised pillar.

#### **5. KEY BARRIERS EXERCISE**

##### **Singapore: fist exchange of views**

COM gave a brief update on EU trade relations with Singapore and presented a draft revised Key Barriers list for Singapore to replace the earlier one that dates back to 2010. The new draft list includes 2 main issues: IPR (performers rights) and SPS (regionalisation).

Regarding IPR, the issue of neighbouring rights for performers and phonogram producers is included as a barrier. While FTA negotiations have allowed to address the right to an equitable remuneration by phonogram producers, performers would continue to be excluded from the attribution of royalties. COM would propose to keep the barrier in the list to signal COM's close monitoring on developments in this area, but would like to subject the question to MAAC members' consideration.

With regard to the SPS, the COM proposed to change the BSE related barrier to regionalisation. COM informed that Singapore's BSE related import conditions are still not fully in line with the international standard of OIE, but in recent years Singapore has lifted several BSE related bans on EU MS and several MS have been allowed to export beef. However, Singapore continues to impose a country-wide ban on MS affected with an animal disease outbreak instead of respecting international rules and to recognise regionalisation measures for outbreaks of animal diseases for clear trade rules exist in the international standards of the international organisation of animal health (OIE). The Commission continues its efforts towards Singapore to request for recognition of regionalisation measures as applied in the EU. Thus requiring from Singapore to stop imposing country-wide bans whenever an animal disease outbreak occurs in the EU for which the EU has strictly implemented measures which guarantee safe trade to continue from areas free of the disease. This recognition is an obligation under the WTO SPS Agreement. The objective is to finding a workable solution with Singapore on this barrier which would allow for a more stable and predictable trade flow. Current country-wide bans imposed by Singapore on the EU relate to outbreaks of African swine fever (pig sector) and avian influenza (poultry sector). Overall, Singapore remains an important export market for Agri-food from the EU. In 2015, the EU exported Agri-food for a value at over €2 billion (with an increase in value of approx. €90 million compared to year 2014). In 2015, the EU exported to Singapore animal meat and offal for a value of approx. 90 million. These commodities are most likely being affected by country-wide bans imposed by Singapore where EU's regionalisation measures are not being recognised after an animal disease outbreak.

On SPS issues, \* reported that it would prefer to keep the key barrier on BSE as difficulties \* are in place and \* provided support on the key barrier on regionalisation as still problems are seen with the import conditions due to African swine fever.

\* mentioned additional existing barriers with regard to the entry of persons (intracorporate transferees) and government procurement (previous experience on local market) and will share information with COM.

## **6. EARLY WARNING CASES**

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

\* indicated it had been informed by Industry that Quebec was introducing a new law which would allow the local wine producers of artisanal products in Quebec to sell directly to the supermarkets and thus avoid the mark-up normally applied by the Quebecois monopoly "SAQ". They considered this would breach the EU-Canada Wines and Spirits Agreement.

\*\* indicated there were similar problems in several Canadian provinces. COM had indicated it would raise these issues in relevant bilateral Committees but had not done so yet.

COM responded that they had been aware of the Quebec issue for several weeks and had already raised it with the Canadian authorities in the Wines and Spirits Joint Committee in January. COM indicated that there are a number of derogations in the bilateral Wines and Spirits Agreement concerning market outlets with regard to British Columbia and Ontario, where only Canadian wine can be sold and another derogation for Quebec, whereby wine bottled in Quebec can be sold in supermarkets and corner stores as long as there is no

appellation of origin and no indication of varietal names vintage or grape variety on the label. COM would need to analyse the case further with regard to the provisions in the 1989 Agreement. COM mentioned that the federal authorities had promised to discuss the issue with the Quebec provincial authorities. COM indicated they would follow up with the EU Delegation and the Market Access team locally.

■\* and ■\* supported ■\*.

## **7. MARKET ACCESS CASES**

### **7.1. India: Food Additive Regulation**

COM informed Member States on the concerns regarding the revision by India of the list of additives allowed to be used in food products and in alcoholic beverages. The 2011 Regulations and consequent addendum of December 2015) do not include all the additives for wine (and beer and, to a lesser extent, spirits) referred to in CODEX ALIMENTARIUS and exclude those captured by the International Organisation of Vine and Wine (of which India is a member of). This has created an unclear and unpredictable set of reference standards hampering EU exports of wines, spirits and beers. The review by India of the comments submitted by EU companies and authorities to the Indian Draft 2015 Regulation on this subject has not been finalized. However, the Indian competent authority (FSSAI) has showed a cooperative attitude, accepting a dialogue with the EU and fixing a meeting between their scientific committee and the European alcoholic industry.

COM asked MS and Industry for feedback on whether consignments to India had been blocked due to the lack of clarification caused by the conflicting regulatory frameworks.

■\*\* confirmed that the Notification of December 2015 had yet to impact consignments to India. ■\*\* agreed to report back to COM on the issue. MS confirmed that at this stage there were no issues with consignments.

■\* and ■\* raised their concerns about the Draft Standard on Alcoholic Beverages. Industry groups flagged the issues that the Notice on Food Additives remains inconsistent to the Codex Alimentarius or the International Organisation of Vine and Wine (OIV).

COM noted the concern of MS and Industry groups, informed that comments have been submitted on the Draft Standard on Alcoholic beverages and agreed to keep MS abreast of the next steps.

### **7.2. India: requirements for the import of mineral waters**

COM briefed MS on the complex conditions for EU mineral water imports to India (which includes a burdensome export license, a lack of clear standards for packaging and labelling, hygiene and safety control, etc). The decision by the FSSAI not to draft new standards for these products, coupled with the fact that the content of the new text on draft standards for packaged drinking water notified by India to the WTO has yet to be seen, makes the issue a concerning one.

COM requested ■\* and other MS to submit updated information on the problems faced by the industry. Moreover, COM asked MS to provide any information they have on the new draft standards for packaged drinking water notified to the WTO on 5 February.

■\* and ■\*\* agreed to relay new information to COM to feed into the process. MS agreed to recover a copy of the text on packaging standards.

### 7.3. India - Veterinary certificate for pork and pork processed products

COM confirmed that there are two versions of health certificates for the import into India of pork meat and pork meat product: One version of the health certificate (with very strict sanitary requirements) in the Internet website of the competent authority of India – the Department of Animal Husbandry, Dairying and Fisheries (DAHD) – and another version (with less strict requirements) officially communicated to the European Commission by the DAHD. The COM encouraged Member States to officially test the less strict version (shared by the COM), while asking the DAHD to confirm that it is indeed the good version of the certificate and that consignments will not be blocked as a result of the existence of a different certificate in the Internet website of the DAHD. The COM also asked Member States to provide their assessment of the officially communicated certificate and how it will work in practice. The feedback received will help the COM to calibrate the message towards India, depending on the level of difficulty of the requirements of the health certificate (i.e. whether they make trade more or less difficult or impossible).

### 7.4. Egypt: Required consularisation of certificates of origin and other documents

COM explained to the MAAC the different actions taken by Commission services in order to understand the consequences of circular No 202 dated 17/11/2015 written by the Customs authority of Egypt for EU economic operators, which foresees that the certificate of origin or other documents establishing the origin and their accompanying documents shall be submitted after being authenticated by the Egyptian Embassy or Consulate in the exporting country.

COM informed that in parallel to this circular, Egyptian customs had requested explanations regarding the presentation of invoice declarations (proofs of preferential origin used notably by 'approved exporters'). Egyptian authorities pointed out that some invoice declarations are not clear enough and required a harmonization of practices of EU exporters. COM underlined that this latter request could be linked with paragraph 3 of the circular 202 where the formal aspect of invoices are put forward (*For releasing the imported goods, they shall be accompanied by an invoice containing the producer's name and the trade mark, if any, as well as his address, telephone / fax no. and e-mail address (article no. (8) of the import regulations)*).

Participants in the MAAC were informed that EU MS authorities have been notified of these questions relating to proofs of origin in the preferential aspect of the Association Agreement between the EU and Egypt. COM (in particular TAXUD, TRADE and the EU DEL in Cairo) explained its willingness to follow-up this matter through 5 axes: Information of economic operators (MAAC is one forum); economic operators are invited to send any appropriate feed-back to customs authorities of MS or to TAXUD of any problems relating to acceptance of proof of origin (mainly invoice declarations by approved exporters); contact with Egyptian authorities have been launched and COM is now waiting for replies; on harmonisation of invoice declaration by approved exporters, COM should continue to work with Egypt; at a larger scale, COM (TAXUD) is continuing its efforts to put in place best practices examples for the participants of the Pane-Euro-Med zones.

About consularisation, \*, , \* and \*\* confirmed that this practice is an issue for economic operators. \*, \*, \* did not experience any problem yet in the framework of preferential trade.

\* noted that a few years back, consularisation could cost up to 20% of the value of goods.

As a conclusion, COM will remain vigilant and will try to clarify this circular 202 with the Egyptian Authorities.

#### **7.5. Russia: New rules for cement certification**

\* presented the point which relates to a complaint by the \* Cement producer \* regarding the Russian Standard GOST R 56836-2016 “Validation of conformity. Rules of Cement Certification” which entered into force on 1<sup>st</sup> February and will be applicable from 7<sup>th</sup> march 2016. The main issue on the new certification process is that cement imported from third countries (outside Eurasia Economic Union) for domestic consumption must be controlled by authorized personnel. The certification process could become costly and shipments held in customs for 28 days. \* and \* supported \*.

COM explained that the introduction of the national standard GOST was considered in principle as a positive development. However, the standard fails to explain by whom and how samples will be taken or how the tests will be performed, how long it may take whether after sampling and testing the shipment will be allowed to proceed further to the unloading point and end customer. COM also noted that EU Certification is not recognised. COM mentioned that a similar experience has been made with Belarus where mandatory certification of cement entered into force in August 2015 – this has led CEMEX not to export Cement to Belarus any longer because of the extra costs.

COM informed that Russia has been requested to notify this cement ruling to WTO under the TBT Agreement and to postpone its implementation until a notification has been carried out and the opportunity has been given to the other WTO Members to analyse the legislation and to comment on it.

COM indicated that the measure fits into the Russian policy of import substitution being conducted by Russia since 2014 and that the COM perceive this measure in a broader context together with Russian measures in the areas of SPS or restrictions in public procurement in Russia for foreign companies. COM indicated that most probably there will be similar measures in various trade areas in the near future. COM encouraged MSs to inform the COM as soon as any measure of this kind is introduced against their economic operators.

#### **8. PREPARATION OF THE TBT COMMITTEE, 9-10 MARCH 2016, GENEVA**

COM presented the provisional list of offensive cases the COM intends to raise in the forthcoming TBTC meeting and outlined the 2 new offensive cases it considers.

MS and BU thanked the COM for the inclusion of several issues of their concerns. \*\* asked to raise the Eastern African alcohol beverage standards as Tanzania is now enforcing the standards and blocking the consignments (COM asked for further information on this issue); \*\* mentioned three Chinese standards affecting exports of a wide range of furniture related products; \* expressed concerns regarding a TBT notification of the United Arab Emirates on the use of hazardous substances in electrical and electronic equipment (G/TBT/N/ARE/265); \*\* asked to include a point on China’s notification on the measures for Registration of Infant Formula Formulations; \* asked to remain vigilant in regard to Brazil’s notified Draft Ordinance establishing quality requirements for wine; \* also mentioned that a formal reply from Ecuador in regard to the notification on labelling requirements of wine products was still awaited. \* further raised concerns about a TBT issue related to the application of US norms.

The COM noted that Thailand will also be asked for updated information on the graphic health warning issue, and will be encouraged to TBT notify any draft measure in this respect.

The COM further informed that an EU reply had recently been sent (27 January 2016) to the notification by Malaysia on the draft amendment to Regulation 361, Food Regulations 1985: General Standard for Alcoholic Beverage (G/TBT/N/MYS/59).

#### **8.1. SAUDI ARABIA: APPLICATION OF TYRE LABELLING AND MINIMUM REQUIREMENTS**

COM informed about the latest developments regarding the Saudi Arabian (TBT notifications SAU/835 and SAU/907) and the Indian (TBT notification IND/40) tyres issues. COM explained that currently EU comments are under preparation and to be sent to Saudi Arabia concerning the TBT notification SAU/907, which is a new version of the draft notified as SAU/835. The EU is going to raise the issue with Saudi Arabia during the March TBT Committee, both on the plenary session and on a bilateral meeting. He informed the MAAC that the EU has done so already during the last TBT Committee concerning SAU/835, but unfortunately did not receive much feedback from Saudi Arabia.

Regarding the GCC tyre labelling measure raised by \*\*, COM confirmed that neither the EU, nor the European industry has a copy of it. The EU TBT Enquiry Point sent a request to the TBT enquiry points of the GCC countries, but received no reply. The EU will try to find out more about this measure during the bilateral meetings on the margins of the TBT Committee. Finally, COM underlined that the Indian tyre issue is one which is ongoing for a long time. It seems that recently new, more frequent testing requirements were introduced by India. The EU will raise the issue during the next TBT Committee.

#### **9. AOB:**

\* reported about problems encountered by a \* company **exporting machinery to Turkey**. Turkish authorities had asked the company to provide stickers with information in Turkish such as the names of the distributors, which is not in conformity with the Machinery Directive. \* indicated that \*\* was supporting the case.

\* reiterated its concerns expressed in the previous MAAC meeting about the problems faced by \* companies with CE-marked products being stopped at the border to Turkey and asked the COM to report about its visit to Turkey beginning February.

*DG TRADE, Unit G.3*