DRAFT MINUTES
MARKET ACCESS ADVISORY COMMITTEE
Charlemagne building, room MANS
Thursday 15 December 2016, 10:00 – 13:00

1. APPROVAL OF THE DRAFT AGENDA

Following issues were requested to be added to the Agenda:
- : China - two notifications regarding New Energy Vehicles;
- : Russian modification of the terms of cooperation regarding delivery of inbound letter mail;
- : Market access restrictions related to import of pharmaceuticals in Belarus.

The Agenda was adopted with these additions.

2. ANNOUNCEMENTS FROM THE CHAIR

Chair started the meeting referring to the work done in 2016 and underlining the need to deliver even more results in the future.
Chair announced the provisional planning of the MA Working Groups for the first half of 2017 (February: Medical Devices, March: Automotives, April: ITC, May: Textiles). He also provided an overview of upcoming Joint Committee meetings for the coming months and asked MS to share information on their bilateral meetings with third countries in order to coordinate a common messaging.
Chair then introduced the EC-ITC survey “Navigating Non-Tariff Measures: Insights from a Business Survey in the EU” and the speakers: Ms. Arancha González, Executive Director of the ITC and Mr. Jean-Luc Demarty, Director General of DG Trade.


Arancha González presented the survey, which is the result of a good collaboration between ITC and COM. A similar survey has also been carried out by ITC for 35 Developing Countries. The survey is based on replies from exporters and focuses on both real and perceived barriers. Ms Gonzalez clarified that non-tariff measures are in normal case a legitimate way to protect interests of the Country concerned, like security, environment etc. However, these measures can became trade barriers and be particularly important for the SMEs. The added value of this report is to focus on granularity, providing more details to support the Countries and their businesses. The same kind of problems identified in the surveys for Developing Countries were also found in relation to the EU Member States. It is
essential for the SMEs to have access to information, for example on tariffs, standards, rules on investment and on procurement. For this reason, ITC (together with the WTO and the UN) also created an alert system called epingalert: the system send alerts to the SMEs of the documents notified to the WTO SPS and TBT committee, helping them to be aware of the changes and to adjust accordingly. Concerning the Non-Tariff Measures analysed by the survey, ITC drawn some conclusions: it is important to be aware of the obstacles for the exporters in order to achieve better focus in the FTAs negotiations, as well as to monitor the implementation of the Agreements, once in force.

Jean-Luc Demarty explained that the findings of the EC-ITC report on non-tariff measures (NTMs) confirm the necessity for MS and business to work closer and more actively together with the COM in the MAP. The report also shows that MS must do more in streamlining their internal export rules and procedures "at home" to reduce export hurdles. This comes together in the "reinforced market access partnership". JLD then announced the main objectives of the Reinforced Market Access Partnership:

1. Manage priorities more effectively (better prioritization in Key Barrier lists and intensified coordination on a more limited number of barriers where progress is achievable in the short/medium term);
2. Reinforce coordinated action (intensified aligning of messages, demarches and pressure through increased coordination, including two-way flow of information and input);
3. Improve information flow on barriers and FTA implementation (launch of MACFLOW for analysis, coordination and barrier removal work and expansion of MADB with a new FTA section, grouping all information relevant for FTA implementation and outreach); JLD underlined that MS must make sure MS and their business use these tools to their fullest extent to bring the FTA implementation agenda forward and use it actively for promotion, communication and outreach. This also requires that MS have appropriate structures in place. This is why discussions on best practices will continue in the New Year.
4. Communicate better on our work on the barrier removal and FTA implementation front. JLD insisted that this is more important than ever in the current context and that MS and business associations have a central role to play. For this purpose, the TIBR 2017 will be revamped to concentrate on barriers that truly matter for EU companies and adding a "human face" with concrete testimonies of joint successes reached by the EU, MS and business. The new FTA implementation report will also be important in this context.

JLD concluded by repeating the need to step up joint efforts to reach results on the barrier removal and FTA implementation fronts, to communicate better on those results and the critical role of MS and business in this regard. Given the political importance, JLD finally announced that he intends to participate in the MAAC once every year to discuss main political lines.

Q&A with Ms. González (AG) and Mr. Demarty (JLD)

MS and BU thanked the COM and ITC for the report and strongly supported the reinforced market access partnership. underlined the need for market access to remain a priority in the MAP. Several business organisations confirmed that the results of the study are in line with their own study (replies of 600 companies), where local content and local production requirements were identified among the main problems and asked whether the report includes any recommendations towards MS (to reduce export hurdles "at home"). For labelling is among the main issues. They also made the link to the Trade Facilitation Agreement and inquired whether its implementation
will be discussed with Business. asked whether the entry into force of the different FTAs will result in organisational changes and inquired whether there are plans to reinvigorate the TBR. For the main NTMs are access to raw materials, Rules of origin and the different standards. They have agreed with the US counterparts on a simplified set of Rules of Origins and inquired whether these could be used in FTA negotiations. They also underlined the importance of international standards and that, resource-wise, a lot can be gained by increased coordination between MS and the COM (using every occasion to pass common messages). Finally they underlined the importance to fully include barriers in the FTA negotiations. underlined the importance to ensure that the MADB and exchanges are focused on information that is important for business and inquired whether COM could improve information on the rules of origin. On the Barrier removal front, the DE G20 presidency will keep "anti-protectionism" on the agenda and DE will reinforce its structures with additional contact points on Market Access Barriers and FTA implementation in several chambers of commerce (e.g. soon in Singapore).

JLD replied that the pressure on resources confirms the necessity to coordinate and cooperate more intensely to ensure synergies and to better prioritise; in reply to he referred to the report which indeed confirms that the agro-food sector is slightly more affected by NTMs than other sectors. On the "home" problems, JLD made the link to preference utilisation rates, which is also to be seen in the bigger picture: insufficient awareness of the benefits and successes of our work (e.g. the Korea FTA), in particular also in those countries where the preference utilisation rate (PUR) are low. Hence, there is a need to look at the issue more generally and work together more actively and intensely. In reply to JLD confirmed the increased attention to FTA (e.g. increased coordination and new MADB section) and that we will soon be at a turning point (implementation overtaking negotiation work). JLD also confirmed that we are ready to use TBR, but that it requires sufficient evidence on WTO incompatibility. He agreed that it is important to simplify the Rules of Origin (keeping in mind they are different from US rules), but also underlined that it is mainly MS responsibility to circulate the information through their structures. Finally JLD agreed with the need to use Chambers of Commerce more actively and to have more cooperation (and less competition) between MS Embassies.

AG underlined the maximum attention should be dedicated to the granularity and that many of the identified issues can be solved with minimum costs, e.g. to reinforce the national enquiry points. Concerning the issues related to the Rules of Origin, she informed that there is an ongoing interagency working group that is aiming at the simplification of Rules of Origin and agreed that information should better circulate from the WTO to the business.

Chair thanked the speakers and started the technical sessions.

4. TECHNICAL SESSION ON THE EC-ITC SURVEY

explained the rigorous methodology was used in carrying out the survey. The work done has taken into account the differences of the products and the specificities of the partners.

explained that Non-Tariff measures analysed by the survey were burdens for exporters in general terms, more than real barriers in legal terms. Indeed, most of the problems identified in the survey relate to the implementation of the measures more than to the letter of the law. This also means that these issues can be solved more easily than real barriers, for instance by an improved flows of information between MS and businesses.

Q&A with Mr. and Mr.
requested information about the barriers identified by the survey that had a protectionist aim, while asked more details about the issues related to Rules of Origin.

clarified that the survey has taken into account all NTMs, most of them were tackling legitimate interests of the third country concerned, while others could have a protectionist aim.

confirmed that the main objective of the survey was to consider all NTMs, since they all equally matter for the exporters. Concerning the Rules of Origin, he reiterated that in many cases the information is available, for example because it is collected by the chambers of commerce, but it should be better disseminated and shared.

5. Key Barriers Exercise:

- Review of the Key Barriers list for Australia

COM presented the draft list of key barriers for Australia which had been reviewed a year ago in the MAAC and explained that for three barriers (Luxury Car Tax, Import restrictions applied to chicken meat and Wine Equalisation Tax Rebate) there were question marks on whether to keep them on the list.

MS and BU thanked the COM and reacted to the proposed list.

asked the COM to keep the luxury car tax on the key barriers list, as Australia is the 7th largest export market, the measure is having a real impact and Australia will cease its own car manufacturing in 2017. raised the issue at a meeting with the Australian Ambassador to the EU and in public consultations. COM asked to quantify the economic impact of the luxury car tax. It is important to figure out ways how all can work together to dismantle trade barriers.

expressed its support to the proposed list. was pleased to see that meat products are covered by the list and drew attention to the health certificates for milk products, where the procedure is still pending. welcomed that raw milk cheese standards figure on the list.

welcomed the first six barriers and required to keep the wine equalisation tax rebate on the list and promised to send further figures. Moreover, raised SPS restrictions regarding apples, shallots and smoked salmon. COM asked to provide the economic impact.

had sent further information on the maturation of ham. It would be difficult to calculate the economic impact, though. Further, three additional months were requested for certain visa applications. underlined the importance of feta cheese and Kalamata olives among the GIs. thanked the COM for the very good key barriers list and supported the point made by on luxury car tax and on the smoked salmon. Additionally, there is a lack of transparency regarding local content requirements.

COM underlined the importance of sharing information before the meeting. agreed with the list and underlined its issues encountered with pig meat exports and on counterfeit furniture. supported on the luxury car tax.

The Chair asked MS and BU to submit their comments and arguments for prioritisation as key barrier, as well as next steps by 9 January 2017.

- Review of the Key Barriers list for New-Zealand

COM presented the draft list of key barriers.

raised the issue of labelling on agricultural products, import restrictions on 2 500 products, patents of pharmaceuticals, IPR issues, restrictions to foreign investment, constraints on services and procurement issues.
The Chair asked MS and BU to submit their comments and possible arguments for prioritisation as key barrier, as well as next steps by 9 January 2017.

6. MARKET ACCESS CASES

6.1. Brazil: Technical Regulation on food additives and technology authorised in Wine (WTO notification G/TBT/N/BRA/649)

This point was raised by ** who introduced the issue. It concerns a text that was first notified by Brazil in December 2015 and on which EU comments were submitted. The final text has now been made public and still presents some concerns for EU wine exporters.

COM replied that it is currently assessing the text to see to what extent its comments were taken into account. COM underlined the need to have an idea of the economic impact of the remaining diverging standards on EU wine exports.

If it can be proved that the final measure would create significant barriers, it could be envisaged to escalate the issue following the usual channels, i.e.:

- Raise our concerns to Brazil in the EU-BZ Joint committee that will take place in the beginning of 2017
- Raise the issue at the next TBT Committee in March 2017

** will send to the COM their detailed assessment of the new text.

The point was supported by *, * and *. * also considered that EU exporters are probably not the only exporters affected. Therefore, in order to better tackle the issue, synergies with other affected exporters should be sought.

6.2. Indonesia: import restrictions for tyres – Regulation Nr. 77/M-DAG/PER/11/2016

** presented the point, which relates to a revamped barrier that had already been solved in 2015, but it is proposed again with minor changes. Regulation Nr. 77/M-DAG/PER/11/2016 should enter into force on 1/1/2016 and establishes a non-automatic import license system and pre-shipment inspections. All exports of tyres from the EU will be affected. The association already provided a written factsheet, including a translation of the Regulation, but it is available to provide further information, if needed.

COM confirmed that it is analysing the measure and that the protectionist aim of it is sufficient to justify a reaction. COM, together with the EU Delegation in Jakarta, prepared a letter that will ask Indonesia to repeal the Regulation.

*, * and * supported the point made by **. * also considered that EU exporters are probably not the only exporters affected. Therefore, in order to better tackle the issue, synergies with other affected exporters should be sought.

7. AOB


* raised its concerns related to these two notifications regarding New Energy Vehicles.

COM thanked * for their letter of 6 December raising 4 points with regard to New Energy Vehicles and requested an NTB factsheet on the different issues.

As concerns CHN/1187, COM mentioned that comments are being prepared in response to the TBT notification by GROW/CLIMA.
With regard to CHN/1188, COM will carefully take *’s comments into consideration in its assessment of the measure. COM is currently evaluating it to see if there is any discrimination from a TBT point of view. Furthermore, as China did not provide a sufficient time for comments, COM requested an extension of the commenting period through its TBT Enquiry point. COM also asked whether the measure would create any problems for other MS and BU. Finally, COM mentioned that comments on G/TBT/N/CHN/930/Rev.1 were submitted on 6 December.

* will send more detailed comments on CHN/1188.

** thanked the COM for its comments on CHN/930 and will provide comments on NEV. The point was supported by * who noted that they have been working on issues for Small Volume Manufacturers.

7.2. Russian modification of the terms of cooperation regarding delivery of inbound letter mail

* informed that on 5th of December the Post received an official letter from the Russian Post stating that as of 1st of January 2017 Russia is modifying its terms of cooperation regarding the delivery of inbound letter mail. All Russia inbound letter mail will be processed through Mirnyj mail processing center (Yakutia, western territories of Russia). This change of rules will add additional burden on transportation as ** does not have any direct air connections with Mirnyj airport. The new requirement will also negatively affect the pricing and it may also be difficult to fulfill other technical conditions set in the new Terms due to very short deadline.

COM took note and asked * to send details via the NTB factsheet in order to assess the case.

7.3. Market access restrictions related to import of pharmaceuticals in Belarus

* informed about some difficulties encountered by a pharmaceutical group on exports to Belarus, in particular for one of its products. * mentioned overly delayed certification process.

COM thanked * for the NTB fact sheet. However, COM asked * to provide information about the laboratory concerned and the administrative procedure used. COM also asked whether any written reply has been submitted by the laboratory on the alleged delay.

* agreed to send further details in written.

FOLLOW-UP ACTIONS:

Brazil - Technical Regulation on food additives and technology authorised in Wine (WTO notification G/TBT/N/BRA/649): ** to send to the COM their detailed assessment of the new text; * and * to provide COM with some data on the economic impact of the measure on their wine exports.

China TR CHN/1188: * to send detailed comments;

Russian modification of the terms of cooperation regarding delivery of inbound letter mail: * to send details via the NTB fact-sheet;

Market access restrictions related to import of pharmaceuticals in Belarus: * to provide details on this case, following COM’s questions
FOR MEMBER STATES ONLY:

8. NEW MACFLOW SYSTEM

COM explained that the new MACFLOW tool is now fully integrated in the MADB; MS have full access to MACFLOW barrier sheets via the MADB reserved for COM and MS (http://madb.europa.eu/madb/indexMs.htm).

COM recalled that if not yet done, MS should request access to the MADB platform restricted to MS (requests to be sent to TRADE-MARKET-ACCESS-DATABASE@ec.europa.eu).

COM further informed that factual information on market access barriers from MACFLOW (general description of the barriers) is available in the barrier section of the public MADB. There is no difference in the updates of the barriers in MACFLOW and the public MADB. However, MS have access to the full analysis of the cases (assessment, common message to be conveyed, actions undertaken to tackle the barrier) whereas the public has a partial view.

* sent comments to COM and mentioned some missing information. COM explained that the updates had been completed and asked * to verify. * will provide feedback in written. * asked whether MS Embassies would also have access to the restricted MADB. COM agreed and encouraged MS Embassies to contact COM if they need to obtain access rights.

COM asked MS to review the barrier sheets in MACFLOW and provide any additional information or to inform about any missing barriers.


COM presented and explained the implementation of the 2016 budget and the provisional 2017 budget for planned expenditures in relation to market access activities. The two documents had been sent to MS ahead of the meeting. No negative opinion was received from the Members of the Committee.

* asked about the successful tender in relation to the open procedure for the provision of data for 13 customs areas to be included in the MADB. COM briefly explained the selection procedure.

10. APPROVAL OF THE DRAFT MINUTES OF THE MAAC MEETING OF 17 NOVEMBER 2016 (MAAC 2016-048)

The draft minutes of the MAAC meeting of 17 November 2016 were distributed on 28 November. No comments were received. The minutes were adopted.

DG TRADE, Unit G.3