To: [Art. 4(1)(b)]

Cc: NYMAN Jon (CAB-MALMSTROM); [Art. 4(1)(b)]

Subject: Cabinet meeting with EBCA, 25 May 2016

The Cabinet (J. Nyman) and DG trade services [Art. 4(1)(b)] met EBCA on 25 May 2016.

In <u>relation with RoO</u>, EBCA raised the question whether in the post-Nairobi context there are further reflections on the possibility to simplify and relax the preferential RoO. The Commission pointed out that Nairobi gives an important step in the direction of simplification and relaxation mainly in the case of textiles and clothing for LDCs. It explained that further engagements in the FTAs negotiations were very difficult considering also that the discussions on non-preferential RoO were in a halt.



With regard to Indonesia, EBCA conveyed its interest in forthcoming FTA negotiations with Indonesia, but drew attention to persisting – and increasing- trade barriers and asked how the Commission intends to deal with this situation in the current context.

In particular, it highlighted SNI (Indonesia's standards) for baby clothing, testing, licensing and import procedures which are lengthy and cumbersome. [Art. 4(2)]

EBCA also pointed to unsolved issue of cumbersome imports and restricted port access for batik patterned fabric, as well as to a new issue concerning import restrictions on wood made products and interior, which are stopped at the border.

The Commission conveyed that it is aware of the current difficulties which do not exclusively affect the textile sector. It considers FTA negotiations as a challenging exercise, but under the proactive and visionary Indonesian political leadership it also sees it as an unique opportunity to open negotiations and gain access to Indonesia's market and tackle, inter alia, existing trade barriers. The long list of protectionist measures gives the EU some leverage in negotiations. The Commission continues to raise these issues bilaterally and in multilateral fora.

VISA by Jon Nyman

Regards,

[Art. 4(1)(b)]

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