

To: VELASCO MARTINS Pedro (CAB-MALMSTROM); ASENIUS Maria (CAB-MALMSTROM)
Cc: Art.4.1(b) (TRADE); Art.4.1(b) (TRADE)
Subject: Report: Meeting Maria Asenius, Head of CAB Commissioner Malmström with ESF, 9 February 2018

out of scope

Friday, 9 February 2018

Participants

Maria Asenius, Head of Cabinet, Commissioner Malmström
Pedro VELASCO MARTINS, Member of Cabinet, Commissioner Malmström
Art.4.1(b), Art.4.1(b), Services, DG TRADE

European Services Forum

Pascal Kerneis, ESF
Tilman Kupfer, British Telecom
Noel Clehane, BDO

The ESF presented its latest position papers to Commissioner Malmström's Head of Cabinet (MA) regarding trade in services in general and in the context of ongoing/upcoming FTA negotiations with Mexico, Mercosur, Chile, Australia and New Zealand.

Sharing some new data material and presentations, the overall stressed the need to enhance the understanding of the importance of trade in services for the EU economy and ensure better data collection that demonstrates how services are key in FDI and also in value added for export of goods.

For them, implementation of FTAs particularly was important and ESF welcomed the new COM –implementation report but stressed that services were neglected in this context. It called on the COM to try and coordinate more with MS who are responsible for trade promotion to ensure that road shows and direct advocacy with companies can happen on the ground; explained how they are involved in Canada to promote the benefits of CETA to local business.

MA explained that a lot of work was being done including direct outreach by the Commissioner but that indeed capacity was limited at COM level and MS were in charge of local promotion activities.

ESF raised TiSA and asked whether this could go ahead even without the US. As regards the outcome of MC11, they also asked about SMEs since this was particularly important for services with many micro-smes.

MA explained how MC11 had demonstrated how difficult it is at present to move at a multilateral but even at a plurilateral level and that there were no discussions about TiSA at this stage. Stressed the outcome on e-commerce and domestic regulation further explorative work at MC11. Highlighted that Micro-SMEs had in fact been quite

prominent in the discussions and people were aware of the need to do more on this front.

On data flows, ESF stressed the importance to be ambitious and asked about the state of play.

MA informed them that a political letter explaining the COM position was about to be sent to the Council PRES and EP and would then be subject to further discussions with MS and EP. ESF voiced concerns over lack of ambition on data flows and said that they had much favoured the TPP text at the time.

On ongoing negotiations, ESF expressed satisfaction with the outcome on Japan but disappointment over Mercosur, Mexico and Chile; Notably they flagged the complexity of hybrid lists used for Mexico.

On Mercosur they highlighted the need for ambition on financial services, telecommunications and maritime transport.

ESF asked about the Turkey mandate for the modernisation of the customs union and whether this would then become a DCFTA including services. MA highlighted that this was still in a preliminary stage of discussions on the mandate.

As regards AUS & NZ ESF asked for next steps and how the discussions on the negotiating directives related to the discussions on FTA architecture. MA explained that this was indeed an important consideration for progress on the negotiating directives. Explained that the ECJ Singapore Opinion had provided much needed clarity on competence and that COM was building on this in respect to future FTA's structure.

ESF also flagged the importance of public procurement in services and public works.

ESF (BDO) called on COM to focus on traditional trade elements and spoke out against mandatory standards for corporate social responsibility or sanctions against sustainable development infringements.

MA explained that modern FTAs now were unthinkable without TSD chapters. COM's approach was to seek adoption of key international standards in areas such as labour and environment.

To conclude ESF stressed the importance of EU27-UK services trade and said it hope this could be dealt with in manner in the future relationship that would allow trade in services to continue.

Art.4.1(b)



European Commission

DG TRADE

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