



EUROPEAN COMMISSION

Directorate-General for Trade

Directorate G – Trade Strategy and Analysis, Market Access
Market Access, Industry, Energy and Raw Materials

MAAC 2012 010

Brussels, 16 March 2012

DRAFT MINUTES
MARKET ACCESS ADVISORY COMMITTEE
Brussels, Charlemagne – room Jenkins

20 February 2012, 10:00 – 13:00 h

1. APPROVAL OF THE DRAFT AGENDA (MAAC 2012 – 005)

BU requested to put the issue of restrictions on EU exports of dairy products by third countries due to the Schmallenberg virus under AOB.

The draft agenda was approved with the above addition.

2. ANNOUNCEMENTS FROM THE CHAIR

COM clarified the criteria for agenda point inclusion and presented its general approach for handling requests from MS/Business related to issues that had already been raised in the Committee. COM undertakes to include agenda items requested by MS/Business whenever substantive developments warrant bringing them again to the Committee's attention. Similarly, MS are requested to bring any new important information to COM's attention.

COM informed Member States that a new business association, the European Man-made Fibres Association, has asked to be able to attend the MAAC meetings with a view to sharing its expertise and will be invited to participate at the committee meetings.

COM informed that the EU-Korea FTA Working Groups meeting will take place at the end of April (originally planned for March), which will allow to have more time for preparation of the meetings in the MAAC.

COM informed the Committee that some upcoming MAAC dates have changed due to meeting room unavailability: 29 May instead of 24 and on 26 June instead of 21.

3. TRADE AND INVESTMENT BARRIERS REPORT

COM outlined the timeline of the report (adoption by COM on 21/02, discussion in the TPC on 24/02, publication on 27/02), and briefly presented the structure and general content of the report (assessment of the 21 barriers from last year, introduction of new priority issues and qualitative analysis of recent protectionist trends by emerging economies). COM stressed the importance of the enforcement strategy and the need to re-redouble efforts in this area to further improve progress achieved (e.g. through various high level events), and invited MS to do more in sharing these efforts. MS enquired

whether the report would be circulated before the TPC discussion. **MS** [
deletion] asked when the report would be made public. **COM** replied that it
intends to circulate the report ahead of the TPC discussion and [
deletion]

4. UPDATING OF KEY BARRIERS LIST

4.1. Kazakhstan

COM presented the final version of the revised key barriers list (removal of export declarations and inclusion of two issues: registration for the renewal of drug/preferential treatment to local drug producers in tenders). **COM** also noted further to previous comments made by **MS** on telecoms that barriers related to this sector should be eliminated upon Kazakhstan's WTO accession. **COM** further added that it included two additional key barriers from those proposed by the pharmaceuticals industry relating to discrimination between locally produced & imported medicines. [
deletion

] **BU** stated the pharmaceutical industry's capacity to import faces many barriers, such as redundant quality control, lack of a transition period for new labelling requirements and changes in regulations without consultation. It welcomed the addition of the two key barriers noting the de facto discrimination in registration, and requesting similar treatment between domestic and foreign manufacturers. **COM** took note of comments and on the basis of further verification it will finalise the list.

4.2. Ukraine

COM presented proposed amendments to the original list, in particular the removal of two issues (VAT refund arrears and restriction on public procurement of foreign operators) and the inclusion of four new issues (born, raised and slaughtered requirement for the import of animals, procedure of receipt of quarantine permits from import, local content requirement for renewable energy and excise mark requirements for alcoholic beverages). **MS/Business** were invited to make comments on the revised list by 2 March 2012. **MS, BU** stated that customs procedures and customs valuation remain an ongoing concern and enquired about **COM**'s plans for taking this issue further. **MS** noted the example where the same product was shipped from its country and the USA, but had varied tariff rates that were unjustified by customs authorities. **MS, BU** welcomed the addition of the born, raised and slaughtered requirement; a **MS** added that problems may arise with **MS** that have bilateral agreements with **UA**; **BU** informed on the difficulty of veterinary certificate requirements. **MS** stressed the importance of local content requirement for renewable energy to its industry (echoed by **MS**) and requested an

update on this matter. **MS** alerted to a 50% tariff increase on hops which was not believed to be in violation of WTO obligations. A **MS** noted the importance of IPR application/enforcement (repeated by other **MS**) and the excise mark requirements for alcohol as being the largest barriers for its industry. **MS** further raised as important barriers the export of seedlings and ornamental plants, BSE slaughter beef ban, VAT refund problems (echoed by **MS, MS, MS**), intensification of tax controls, [
deletion

]. **MS** proposed that VAT repayment be put back on the key barriers list. **MS** requested clarification on how wide of a problem VAT repayment is and what solutions could be made for this issue. **MS** requested that the problem with importation of samples be included in the key barriers list. **MS** further noted that its trade authority met with Ukrainian customs authorities and were informed that many problems would be solved with introduction of the new tax law coming into effect in January 2013. **MS** also informed that textile, steel and construction companies are greatly affected by UA actions. **MS** informed that its companies are having problems with discriminatory taxes on seeds and cereals. **MS** informed of financial services barriers including a restriction on repatriation of profits over \$50,000 which must be bank registered and taxes paid. [
deletion

] **BU** informed of the problem faced by one of its members with goods being held without justification and enquired about any feedback further to the letter sent in December 2011 regarding the new excise stamp regulation. **MAAC** will revert to the issue of key barriers in Ukraine in its next meeting. **COM** informed that the hotline set up by UA on customs valuation issues was not working properly and stated that written comments were especially welcome regarding issues not on the proposed key barriers list. It further noted that the local content requirement for renewable energy was raised in January 2012 Trade Subcommittee and followed up by letter. **COM** informed that the issues of customs valuation and VAT repayment have been raised for a number of years. For customs valuation, it noticed some positive developments in second half of 2011 that have now gone away. It further noted that UA appears to be applying a "minimum value" valuation which is WTO inconsistent. For VAT repayments, it noted the budgetary issue that UA faces and that this would be raised in March 2012 meeting.

5. MARKET ACCESS CASES (MAAC 2012 – 009)

5.1. Argentina: recent import restrictions

MS enquired about **COM**'s planned steps to solve these problems and expressed its view that despite some multilateral efforts no WTO partner seems determined enough to pursue the matter in the WTO. **COM** gave a general overview of the strategy towards Argentina in following this problem and presented the efforts made so far both at bilateral and multilateral level. In fact, despite these efforts, new measures are appearing and being implemented, i.e. resolutions creating a Single Electronic Window and imposing a prior import authorisation on all imports, adding up to the already existing import licensing system and extending to all imports to Argentina. This trend is clearly worrying. **COM** will make last attempts to find an amicable solution; however, if those actions fail to achieve it, the option of resorting to WTO dispute settlement becomes more and more realistic. [
deletion

deletion

J. COM informed MS about the finalised argumentaire as per MS' request as well as about the recently updated fiche in the MADB and concluded that this issue will be examined again in the next MAAC.

5.2. India: export tariffs for iron ore

MS informed that India has increased the export tariffs for iron ore from 20% to 30% thereby affecting the world price and infringing its G20 commitments. BU stressed that India is one of the world's leading iron ore producers with high quality production highly demanded in the international markets. Contacts with both the Indian industry and government in the framework of the OECD Steel Committee could not prevent India from increasing export tariffs on iron ore. This is of great concern to BU. Export duties cause global market disruptions and increases in prices severely hampering access to high quality iron ore by European companies. COM indicated that the export duties issue is currently tackled in the EU-India FTA negotiations where the COM has requested India accepts disciplines on export duties for industrial raw materials based on similar disciplines applying in GATT to export quotas, notably in the context of the Article XI.2(a) and Article XX of GATT. Only recently has India accepted to discuss this issue. Finally, COM informed that export duties will be included in the next negotiating round to be held end of March in Delhi.

5.3. Brazil: Good Manufacturing Practices Certification

MS reminded that the point had also been raised by MS at last meeting. MS industry is concerned by burdensome process for certification of medical devices in BZ. BZ has recently notified a new draft text to TBT Committee, and MS would like to know

whether this would facilitate certification, or if not, which route could be envisaged. COM thanked MS for their input and indicated that several solutions had been suggested to BZ already. So far, industry reports delays of around 18 months. COM will raise this issue again formally in TBT Committee of 21 March. These delays combined with a lack of transparency indeed limit access to BZ market. A proposed alternative could be temporary authorisation by BZ of products that have been marketed in the EU pending BZ audit. MS also suggested that BZ could subcontract the GMP audits to internationally recognised auditing bodies. [

deletion

]. As regards the recent TBT notification received, it relates to BR criteria to optimise inspections. Although foreseeing inspections in chronological order, it envisages priority/accelerated procedure for products for which there is no internal substitute (doubts on transparency), and might not accelerate inspection process. It was suggested checking possible agreements of unilateral acceptance by BZ of US FDA certificates which could help indirectly EU companies (as most of them have FDA authorization). COM also mentioned that EU delegation in BZ can intervene at local level to help companies on an ad-hoc basis and deal with ANVISA directly.

6. EARLY WARNING CASES: POTENTIAL BARRIER TO TRADE

6.1. US: draft marketing order for olive oil

MS presented the difficulties with the current regulation affecting olives and the potentially future regulation concerning olive oil in the US. EU olive producers face currently 100% control of the imported goods contrary to what is usual in the control of food stuffs. It leads to major delays and economic losses due to warehousing and inspection fees. In addition, US producers in the US want to now to put forward a Marketing Order on the basis of which it is not clear whether EU olive oil categories would correspond and can be further imported into the US. It also states that olive oil is tested against US standards which do not correspond to the international ones set by the International Olive Council and applied by main olive producers. ES fears domestic industry wants to protect itself against the imports (75%) from the EU. COM replied by stating that both US marketing regimes should be distinguished. The current legislation was subject to a WTO TBT Notification and the EU replied to that notification. As regards the new Marketing Order, it is not clear whether the order will enter into force (it is a lengthy process) and it is not clear whether it will concern imported olive oil as well (although that is very likely given the fact that the order is developed allegedly to counter fraud in quality control). COM has in the meantime alerted its services (AGRI) and the EU Delegation in US. [*deletion*

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The current legislation and the concerns could then also be discussed at that meeting.

7. DEBRIEF ON THE EU-CHINA SUMMIT OF 14 FEBRUARY 2012

COM debriefed the MAAC about the trade related outcome of the EU-China Summit, notably good progress on the possible launching of negotiations on an EU-China investment agreement including also market access and not only protection. As key reference, the Joint Statement refers to all issues of interest to either side, thus including market access negotiation [*deletion*]. In this regard, the internal process will be continued with the finalisation of the impact assessment and then request of a negotiation mandate from the Council. In the Joint Statement there is

also reference to start discussion on subsidies and export credits in the framework of dialogues, which shall be formularised later. More generally in the context of market access and openness, the EU passed clear messages on the need to have level playing field and transparency, while on raw materials the need to comply with WTO ruling was highlighted. EU raised concerns with regard to the new initiative/draft measure on medical implants since the proposed establishment of price control system might trigger discrimination between domestic and imported products according to EU reading. COM informed that the next High Level Economic Dialogue would take place somewhere in May 2012.

8. ANY OTHER BUSINESS

BU expressed concerns about planned restrictions on EU exports of dairy products by third countries following the detection of Schmallenberg virus in the EU. BU informed that Egypt has already banned the import of EU dairy products and requested COM's help to lift this ban. COM confirmed that it is fully aware of the measures taken by a number of countries following the discovery of this virus in the EU. It is important not to overstate the significance of this disease. EU scientists (the European Centre for Disease Prevention and Control, ECDC), have found that there is no known risk to human health. There is no justification for trade measures. Recent papers issued by the International Organisation for Animal Health (OIE) fully confirm the Commission's views that measures on meat and dairy products are not justified. [*deletion*

] For the technical argument, COM referred to the EU statement of 17 February 2012. COM considers the measures of Egypt an overreaction and continues to work on resolving the issue with the Egyptian authorities. Updated information, including overview tables of trade restrictions and hymn sheets for MS are available on the Market Access Database.

FOR MEMBER STATES ONLY

9. APPROVAL OF THE DRAFT MINUTES OF THE MAAC MEETING OF 19 JANUARY 2011 (MAAC 2012-006)

The minutes were adopted.

10. ANY OTHER BUSINESS

No further items were discussed.

DG TRADE, Unit G.3.



Brussels, 19 April 2012

***DRAFT MINUTES
MARKET ACCESS ADVISORY COMMITTEE
Brussels, Charlemagne – room DURI***

22 March 2012, 10:00 – 13:00 h

1. APPROVAL OF THE DRAFT AGENDA (MAAC 2012 – 011)

COM informed the Committee that it had added the presentation of two success stories, Turkey aluminium and Ecuador ceramics, to the agenda under AOB.

[MS] requested to put the issue of India's increased customs duties and taxes on cars under AOB.

[MS] requested to put the issue of Turkey's import restrictions on beef and sheep meat under AOB.

[BU] requested to put the issue of increased tariff on ceramic tiles imposed by Brazil under AOB.

The draft agenda was approved with the above additions.

2. ANNOUNCEMENTS FROM THE CHAIR

COM informed the Committee that the TPR exercise for China will take place on 12-14 June 2012 in the WTO and requested MS/BU to submit comments by 10 May in this regard.

3. MARKET ACCESS CASES (MAAC 2012 – 014)

3.1. Argentina: update on import restrictions

COM referred to information already provided in previous meetings and reported that [
deletion

] **[MS]** and **[BU]** supported the approach suggested by the Commission. MS added that the problem with health certificates for pork meat should also be raised at the Joint Committee meeting.

COM indicated its consideration to raise the health certificates issue at the Joint Committee.

3.2. Bosnia and Herzegovina: list of essential medicines

[MS] informed about the process in Bosnia and Herzegovina to implement a new Decision on the procurement of essential drugs. According to Article VIII of the new Decision, domestic producers must be on the list of named suppliers for each category of drug (five producers/category). There are four major generic drug producers in BiH and the Decision therefore appears to discriminate against foreign generic drugs producers. If the 4 domestic producers are automatically selected under the procurement rules, it could effectively block market entry for foreign competitors. COM informed that EU DEL met with BiH authorities on 21 March to discuss a number of trade matters, and asked about the new criteria for the procurement of essential medicines and raised EU's general concerns. BiH will provide more information and justification in writing while COM will assess the information provided in relation to the Stabilisation and Association Agreement.

3.3. Vietnam: Electromagnetic Compatibility Testing

[MS] presented Vietnam's Circular 30 on type approval certification and declaration of conformity for IT and telecommunications products requiring equipment to be tested by designated labs located in Vietnam. [BU] asked for clarification and justification of the measure and added that even if the measure was justified, Vietnam should grant a transition period allowing industry to comply with new requirements. [*deletion*

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4. EARLY WARNING CASES: POTENTIAL BARRIER TO TRADE

4.1. Vietnam: draft price law

[MS] expressed concerns with regard to the scope of the new draft price law in Vietnam, excessive government intervention, penalty provisions and prices set at levels below cost. MS asked COM to look into the WTO compatibility of the measure and whether this issue could be addressed in the FTA scoping exercise. [MS] stated that such measure would go against the idea of launching an FTA soon. [BU] expected that the situation would deteriorate and asked COM to pursue this actively, in particularly with regard to WTO compliance. COM shared concerns and agreed to look into WTO compatibility of price controls and price setting mechanisms.

4.2. Russia: import ban on EU livestock

[MS] expressed concerns over Russia's ban of 20 March, [*deletion*]. [MS] believes that the Schmallenberg virus, which is Russia's reason for the embargo, does not affect live pigs and that Russia's behaviour is not compatible with its WTO obligations. [MS] asked COM for an update regarding what they could expect from Russia and how long the ban would last. [MS], also negatively affected by the Russian measures, [*deletion*

deletion]. [MS] repeated these veterinary barriers imposed by Russia are not in compliance with the WTO SPS agreement, as the virus does not affect live pigs. [MS] further informed that as of 26 March Russia will also introduce ban on some products of animal origin for feeding animals on the grounds of risk of BSE contamination spread on Russian territory, and sought further information from COM.

On the measure of live pigs, COM stated that Russian authorities announced the measure as not directly related to the risk of Schmallenberg disease but as an illustration of the lack of effective health checks in the EU. Russia found that a number of products were not in compliance with the rules – documentary errors, difference on what is written on the label and the certificates, errors in the description of the products, errors on the name of the establishments, which differ from the establishments held by Russia. However, COM said that those errors do not constitute a risk of the safety of the product. The measures were qualified by the Russian authorities of being temporary and remedial, with the aim to increase the level of compliance of the EU products. On 21 March Russia stated that the measures related only to live pigs and were based on the recent inspections in [MS] in the quarantine period. [

deletion

]. On a bilateral basis, COM has protested against the lack of justification and the disproportionality of the measures based on the documentary errors found and the total irrelevance of the Schmallenberg virus for pigs. Letters were sent by Commissioners Dalli and De Gucht to their counterparts, COM asked the Minister for Agriculture for consultations. COM will also discuss it with the POTSDAM Group on veterinary matters to see what kind of remedial measures could be taken.

COM commented another embargo in place with regard to the Schmallenberg disease, which concerns ruminants; MS affected by the disease are [MS]. COM will continue technical and scientific contacts, but the potential for transmission of the disease from animals to humans is very unlikely – there is no justification for restrictions, as there is no international standard with recommendations on this. COM will organize a scientific discussion with main stakeholders and main 3rd countries imposing restrictions, which will take place beginning of April. More than EU's half of the animal exports are affected [*deletion*

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Regarding the ban on feed products of animal origin, COM was informed that these restrictions will be in place, if these proteins animals will be used for farm animals. COM informed that as such restrictions are also in place in the EU, Russian measures were announced as a mirror image of the EU prohibition. Therefore a big effect is not to be expected, provided there is a real convergence on the prohibitions. Fish meal and fish proteins are excluded from the embargo, as well as proteins used for pet food. There is uncertainty about products which COM does not classify as processed and is unclear whether Russian will cover these or not – primarily blood meal – authorised for feed of non ruminants in the EU.

[MS] shares concerns raised by [MS] and pointed to possible WTO incompatibility on the measure of 26 March. Following the outbreak of the Schmallenberg virus, [BU] informed that the dairy sector has been affected in its exports to Egypt where a specific veterinary certificate is required for most dairy products. [BU] requested COM help to lift these restrictions. [MS] supports COM in its actions and wants a firm line on Russia. [MS] supports COM in its position and is worried about possible new restrictions.[

deletion

] COM added on the issue of the animal feed – that according to the EU TSE Regulation MS are not free to export these animal proteins, unless bilateral agreements are in force. COM informed on Egypt it has written several letters to the Egyptian authorities for the measures which cover live animals, meat and dairy products. COM has already asked for a bilateral meeting of the SPS committee in Geneva and will continue pressing Egypt for scientific justification of the measures. COM takes the issue very seriously and considers that none of the measures is justified by the risk of the virus.

5. UPDATING OF KEY BARRIERS LIST

5.1. Ukraine

COM presented the updated list which includes customs procedures and valuation, VAT refund and different VAT regime for imported and locally produced goods, IPR enforcement, local content requirements in renewable energy, insurance of import permits for the products of animal origin, and the born, raised and slaughtered requirement. COM removed two items from the list: procedure of receipt of quarantine permits for import because it has been solved and the excise mark requirement because COM believes that it is more an administrative issue than a key barrier.

[BU] clarified the nature of the excise mark problem by stating that the new interpretation by the Ukrainian tax authority is not a new regulation but rather an administrative practice. Importation of products is allowed after the completion of the tax stamp application process, which usually takes 4-5 months, and reapplication for stamps is not possible before that time has lapsed. This requires companies to build relatively large stocks in Ukraine and pay the tax in advance, irrespective of the actual needs, which is why industry considers it trade restrictive. [BU] also informed about a new legislation that has passed the parliament and would be close to be promulgated by the President which would ban the use of alcohol trademarks for promotional purposes. [BU] welcome any action COM is able to take. [BU] welcomed the mention of local content requirements and enquired about developments further to the Trade Subcommittee with Ukraine of January 2012. [BU] requested the inclusion of the issue of high export duties on hides and skins - essential raw materials for the leather sector in MS. [BU] added that it is uncertain whether export duties are applied also for wet-blue. [MS] supported [BU] on excise marks and requested clarification if the Ukrainian WTO notification (of a draft resolution requiring all food stuff to be labelled either with GMO or without GMO) covers alcoholic beverages. [*deletion*

] [BU] supported the inclusion of the born, raised and slaughtered issue in the list while questioned [*deletion*

]. [BU] stressed concerns and uncertainties with regard to GMO labelling and requested clarification how to label GMO and which products should be labelled as GMO free. [*deletion*

] [MS] stressed the customs value identification and the VAT issues as artificial increases in the customs value have doubled the negative effect because there is more VAT leverage. [MS] supported other MS with regard to the customs valuation and asked to maintain

pressure and attention in that area. Regarding the exports of MS beef and live animals, [MS] requested more details on requirements under the scope of the FTA. [MS] appreciated the inclusion of the VAT reimbursement issue in the key barriers list. [MS] welcomed the VAT refund and customs procedures on the list, supported [BU] on excise duties, [BU] on hides and skins. [MS] asked COM position on the ban of [MS] live cattle and beef due to a threat of BSE contamination – although [MS] is a country of limited risk of this virus according to WHO. [MS] stressed customs procedure problems and stated that permanent changes of classification of goods and creative customs valuation cause extra charge to its exporters.

COM informed that local content was raised during the Trade Subcommittee of 25 January 2012, Ukraine promised to send clarification which is still awaited. COM is checking the WTO compatibility but as the measure is still not in place, direct actions on it are not foreseen. On hides and skins – apart from the Ukrainian WTO commitments which is a bound rate of 20%, the FTA agreement provides for a gradual phasing out of these export duties over a period of 10-15 years, and makes it therefore unnecessary to mention this issue on the list. Regarding issues on the alcoholic beverages, COM needs more concrete information on the exporters' problems. GMO free labelling it is still a project, not a law, COM is checking if it is WTO compatible but needs more information. On import permits for products of animal origin, COM has information that work is ongoing in Ukraine to approximate rules with EU ones and expected to be finalised by the end of this year. COM needs more clarification from MS and business of what are their exact concerns in terms of live cattle and beef in general terms. COM stated that the key barriers list will be further considered and the new revised version will be further circulated. [deletion

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6. UPDATE ON SECTORAL WORKING GROUPS UNDER THE EU-KOREA FTA

COM informed the MAAC that the next EU-Korea Summit will be held on 28 March 2012 in Seoul. Although a short meeting, the Summit will address trade issues, in particular NTB for cars, SPS and Rules of Origin. The issue of restrictions imposed by Korea on imports of beef from the EU (and not from US and Canada) will also be raised. COM also informed the MAAC that dates had been proposed to Korea for the Working Group meetings under the FTA as follows: Motor Vehicles and Parts (26 April), Chemicals (27 April a.m.), Pharmaceuticals and medical devices (27 April p.m.). [deletion

] for inclusion on the agenda and by [BU] for the Working Group on Pharmaceuticals and medical devices. DG Trade was also cooperating closely with DG ENTR which has the technical expertise on these issues. If Member States wish to provide any comments these should be provided by close of business on 26 March as the agenda proposal is being finalised. The [MS] supported COM's work towards implementation and [MS] asked COM to share the agenda. [MS] enquired about the feedback from Korea on the direct transport provision that was originally proposed by the EU but now was an issue for exporters. COM clarified that this was a standard clause in FTAs but that the provision in the EU-Korea FTA did not allow splitting consignments which was an issue for exporters, in particular for those shipping through Singapore. The non manipulation clause will now become standard in new FTAs. EU proposed to Korea to revise this clause and will raise it at the Summit to highlight its importance. [MS]

asked whether cosmetics would be part of the agenda of the Working Group Meetings. COM clarified that there is no working group specific to cosmetics but that cosmetics issues were dealt with in the context of bilateral meetings and in TBT committees. COM informed that the possibility to organise a DVC or a meeting on TBT issues back to back to TBT committees was currently explored. [BU] drew attention to additional elements on tyre grading of concern under notification KOR 319 and offered working level support. The [MS] raised an issue about alleged new Korean requirements that would see manufacturers adding a new certification mark to products. COM asked [MS] to provide more information on this issue as a preliminary check with EU Delegation in Korea did not allow identifying the reported measures.

7. MADB ACTION PLAN

COM informed that the homepage of the MADB will be adapted to the Commission's new visual identity. In the course of the redesign search facilities will be made more user-friendly further to recommendations of the MADB evaluation last year. COM will be seeking for MS's help to better promote this practical tool, to this end material will be provided by COM. [MS] underlined their wish towards more visibility of the links to TBT while [MS] requested to add sanctions to the database. MS/BU were invited to submit comments by 30 March 2012 on the distributed Action Plan, and subsequently discussion is foreseen in the next MAAC.

8. ANY OTHER BUSINESS

COM had been informed by the industry that Turkey had published a Decree related to the import regime which was setting customs duty rates that were not consistent with the EU-Turkey Customs Union, i.e. import duty rates applied to aluminium products were set at 0% by Turkey whereas EU import duties were of 3% for unalloyed aluminium and 6% for aluminium alloys. Concretely Turkish producers could import aluminium at a 0% duty rate whereas the EU producers pay a 3-6% duty thereby putting the Turkish producers at an advantageous position in comparison. COM raised this issue with Turkey at the last EC-Turkey Customs Union Joint Committee in November 2011 and asked Turkey to take actions to respect the alignment of Turkey on Community common customs tariff. Turkey promised during the meeting to consider abolishing it with 2012 Import regime decree. This became effective with the publication by Turkey in December 2011 of the Import Decree which corrected the import duty rates of the aluminium products concerned with an effective date as of 1 January 2012.

COM informed that Ecuador has recently clarified import rules for ceramic tiles. In 2010, Ecuador modified the conformity assessment procedure for ceramic tiles through Resolution No. 18 which rendered the conformity assessment procedure stricter than the previous practice. The new rules imposed a third party conformity assessment procedure where a certificate of compliance must be issued by the Ecuadorian authorities. The EU had suggested in bilateral talks and at the WTO TBT Committee that Ecuador reverts to its previous less burdensome practice (Suppliers' Declaration of Conformity) or, should Ecuador insist on third party conformity assessment, that compliance tests carried out in EU laboratories shall be formally accepted. Ecuador has recently confirmed that conformity assessment tests carried out in attesting compliance with ISO standard 13006 throughout the EU will be recognised if conducted by laboratories accredited by the International Laboratory Accreditation Cooperation of the International Accreditation Forum.

[BU] repeated concerns over increased tariff on porcelain tiles up to 35 % imposed by Brazil as of September 2011 and pointed to main problem of HS code definition for various tiles products. [BU] requested COM/MS to pass clear message in their contacts to decrease tariffs and/or to effectuate changes in the HS code definition. **COM** informed that it will follow up with EU DEL on this matter.

[*deletion*

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[MS] informed about India's increased customs duties and taxes on cars from 17 March 2012 onwards. [MS] believes that while India has no WTO binding for the car sector, this goes against its political anti-protectionism commitment in the context of G20. [MS] asked about COM's planned action on this measure. **COM** shared concerns and pointed to the high value of having an FTA with India with a view to avoiding such problems.

FOR MEMBER STATES ONLY

9. APPROVAL OF THE DRAFT MINUTES OF THE MAAC MEETING OF 20 FEBRUARY 2012 (MAAC 2012-013)

The minutes were adopted.

10. ANY OTHER BUSINESS

No further items were discussed.

DG TRADE, Unit G.3.



Brussels, 16 May 2012

MINUTES
MARKET ACCESS ADVISORY COMMITTEE
Brussels, Charlemagne – room JENKINS

25 April 2012, 09:30 – 13:00 h

1. APPROVAL OF THE DRAFT AGENDA (MAAC 2012 – 017)

[MS] requested to put the issue of Canada Provincial Liquor Board Practices under AOB.

The draft agenda was approved with that addition.

2. ANNOUNCEMENTS FROM THE CHAIR

COM informed Member States that a new business association, the International Fur Trade Federation, has asked to be able to attend the MAAC meetings with a view to sharing its expertise. The associations will be invited to participate at the committee meetings.

COM reminded MS/BU to submit comments by 10 May 2012 regarding the WTO TPR exercise for China which will take place on 12-14 June 2012.

[MS] informed about the upcoming Market Access Conference (13 June 2012) which programme will focus on the Market Access Strategy, Free Trade Agreements and trade in green goods and encouraged participants to register as soon as possible.

3. DISCUSSION ON THE MADB ACTION PLAN

COM presented the mock-up of the new Market Access Database (MADB) homepage which follows the Commission's new visual identity. In the course of the adaptation of the overall lay-out, the MADB pages will be redesigned to improve their user friendliness and follow the recommendations from the evaluation undertaken in 2011. There will be a test phase in the second half of the year before the revamped site goes online. MAAC members are still welcome to comment on the draft action plan that has been sent prior to the meeting. [MS] asked for further information on the coordination between MS websites and the MADB. [MS] pointed to the outdated key barriers lists and asked whether draft revised lists could be placed in the database before they are finalised. COM concluded that a more focused exercise is planned to update barriers regularly and pointed to a more active use of the Complaint Register by Member States.

4. PREPARATION OF THE 9TH PROTECTIONISM MONITORING REPORT

COM presented its timeline for the 9th Report on Potential Trade Restrictive Measures, which is planned to be issued by the end of May 2012 to the TPC as input to the next G20 Summit in Los Cabos. EU Delegations recently contributed to the process by submitting an overview of the main potential measures enacted by G20 members over the last year. TIBR and MAAC will also serve as input to the report. The 9th report will provide an overview of the main countries including Russia, Argentina, Brazil and India on the potential barriers related to import and export, government procurement, investment and services, and stimulus packages. MAAC Members were asked to preferably provide input if any by 4 May 2012. [MS] welcomed the countries to be included. [MS] asked about the link between this report and the TIBR and asked in particular whether the positive message of the TIBR with respect to Russia was still justified given the recently taken or planned trade unfriendly measures. The [MS] echoed by [BU] enquired whether economic impact/prioritisation of barriers would be also addressed in the report. COM clarified that there was no need to submit known barriers and as regards Russia noted that such updates were being considered, in order to reflect the recent reality.

5. UPDATE ON SOUTH KOREA

5.1. EU-Korea FTA implementation

COM announced that three Working Groups foreseen in the Annexes to the EU-Korea FTA, namely motor vehicles and parts (26 April), Chemicals (27 April morning) and Pharmaceuticals and Medical Devices (27 April afternoon) would take place over the following two days. A delegation of 18 Korean representatives from various ministries, including Foreign Affairs and Trade, Knowledge Economy, Environment, Health and Welfare as well from sectoral bodies would participate to the meetings. COM indicated that the draft agendas received by member states had been confirmed by Korea, with minor revisions to the automotive agenda (removal of point on truck tractors and addition of point on studded tyres from Korea). COM expected the most intense discussions on issues related to automotives. Pharmaceuticals issues mostly relate to transparency and recognition of the value of innovation. On chemicals, Korea is expected to implement a Reach like regulation and is seeking our cooperation. COM indicated it would report on the outcome of the meetings at the next MAAC as well as to the TPC. COM further indicated that following the entry into force of the FTA on 1 July 2011 EU companies are benefiting from reduced tariffs, reduced NTB's and increased regulatory cooperation. Despite the economic situation, EU exports to Korea had increased by 20% since that day. Sectors particularly benefiting include automotives (premium models), industrial machines and parts network equipment, iron and steel, luxury goods, cosmetics, pharmaceuticals, food and beverages and services. COM indicated it would be important to continue addressing NTBs through the Working Groups and to develop regulatory cooperation further.

5.2. Overview of market access cases

COM updated the MAAC on the latest state of play of a number of priority market access issues with Korea with reference to ongoing non-tariff barriers in the automotive sector which are being addressed through the Automotives Working Group, attempts by COM to persuade Korea to amend their Rules of Origin clauses in the FTA to allow for transshipment via regional hubs, the continuing ban on EU beef, attempts to ensure fair reimbursement prices for original EU pharmaceuticals, implementation of FTA

commitments for services (financial, insurance, legal, postal, professional), NTBs for cosmetics and reform of the electromagnetic compatibility (EMC) and electrical safety certification regimes.

[*deletion*] MS, MS, MS, BU raised concerns about increased imports of non-premium cars and comparatively lower increases in exports of the same segment to Korea. MS indicated the importance of electric vehicles for the future. COM and BU agreed to meet bilaterally to review conflicting statistics. BU indicated that tyre issues were well covered in the FTA and tyre issues seemed to be moving in the right direction. MS, MS, MS, BU requested feedback on the Rules of Origin problem for products transshipping in regional hubs. BU emphasised the importance of resolving the issue for future FTAs and suggested a visit to a regional hub. MS and BU raised the importance of price reimbursement for pharmaceutical products, with BU stressing the value of innovation and the need for greater regulatory cooperation with Korea. MS also emphasised the need to continue dialogue on cosmetics, while MS raised lengthy approval procedures for agricultural products and the issue of pre-listing for pork.

[*deletion*]
With regard to Rules of Origin, no timeline has yet been agreed to change the FTA but once agreed the process should be relatively quick (3-4 months).[*deletion*

] Pharmaceutical reimbursement issues would be addressed in the upcoming Working Group, while agriculture issues would be discussed in the SPS Committee in June. COM is considering the development of a key barriers list for Korea.

6. UPDATING OF KEY BARRIERS LIST: UKRAINE

COM presented the final revised list and explained the changes that had been introduced further to the March MAAC, notably the issues of excise mark requirements for alcoholic beverages and GMO labelling. Participants welcomed the changes introduced. BU informed that the bio-safety law is already in force. BU expressed concerns over customs procedures and enquired about other means than political to solve these issues while MS flagged the issue of safeguard investigation for cars. COM indicated that hymn sheets and barrier fiches will be made available at the earliest opportunity.

7. EARLY WARNING CASES: POTENTIAL BARRIER TO TRADE

7.1. Brazil: new protectionist measures

MS and the MS expressed their deep concerns about Brazil's announced package of measures of 3 April 2012 in support of their local industry, in particular a stricter import regime for the automotive sector. BU echoed strong concerns for the textile and clothing industry as part of the announced package and reiterated previous concerns. They stated that T&C goods are systematically being placed, within the channels system, in the "red channel" by the Brazilian customs authorities to increase controls and inspections. This measure delays customs clearance significantly and in some cases goods stay in the customs for more than two weeks, which is harmful for fashion

products. In addition, Euratex stated that Brazil is preparing a safeguard investigation on clothing. COM intends to look at every implementing law in each sector and stated that companies having investment plans might be partially exempted from the IPI industrial tax. COM will discuss in depth at the EU-Brazil Annual Joint Committee at the end of May 2012. On textiles, COM explained the main issues at stake: On the one hand, Brazil has announced several measures, especially related to tax incentives, which will be granted to their T&C industry to help boost their competitiveness. COM is waiting to receive the current legislative texts to analyse the compatibility of the measures with WTO provisions. On the other hand, Brazil is asking for the original of the Certificate of Origin of the raw material, which is a requisite very difficult for companies to comply with. In addition, Brazil continues to have in place the system of channels in their customs. COM informed the Committee about a technical meeting in Brasilia and requested the industry to provide new elements about the specific irritants. MS asked about TRMS compatibility of the announced regime for cars and stressed concerns on the safeguard investigation for wine which was repeated by MS, MS. BU flagged a new problem with product registration in particular for the plant protection sector. MS pointed to the difficulties with currency transfer. [*deletion*

] COM invited participants to provide additional information in light of the upcoming meetings.

7.2. India: Finance Bill 2012 – retrospective taxation

MS pointed to proposals of 16 March 2012 in the Indian budget to change the tax legislation with retrospective effect and put additional measures to allow the Indian tax authorities to collect tax from tax payers regardless of judicial decisions. The proposals would permit Indian authorities to tax sellers' or purchasers' gains on international mergers and acquisitions since 1962 and payments for satellite communication services and computer software since 1976. [*deletion*

] COM shared concerns and informed that EU DEL has sent a letter to the Indian Finance Minister. It is expected to contact the Finance Minister or have feedback before 7 May when the proposals will be discussed in the Indian Parliament. US, Australia, Japan and Canada have also expressed their concern about this issue, which may also apply to cross-border provision of services and thus affect companies without commercial presence in India. [*deletion*

] COM concluded that it would monitor this closely and the MAAC would be updated of the situation if necessary.

8. MARKET ACCESS CASES

8.1. Argentina: update on import restrictions

MS asked for an update regarding the planned measures by Argentina on import restrictions. COM works on three main blocks of measures imposed by Argentina – first the prior approval declarations, second the non-automatic import licensing system which was extended to about 600 tariff lines since 2005 and finally the conditions to speed up the import licences. [*deletion*

] COM set 15 May 2012 as a deadline for providing sufficient evidence. For this purpose, COM seeks assistance from

MS and industry with the necessary documentation as evidence for the import restrictions imposed. COM underlined that industry could rely on full confidentiality and that it will use the information provided only after authorisation by the industry. MS asked if there could be an analogy made of the case with Argentina with another one from the WTO case law. [*deletion*

] COM pointed out that there is not a universal template for information gathering but still the information needs to be as clear as possible. [*deletion*

] COM insisted on the active role of MS and companies for gathering of evidence. MS requested further clarification of what should appear on the evidence paper (e.g. a table with indicators) so as not to endanger the position of the exporters to Argentina. BU welcomed the COM's serious involvement in the issue and the extension of the deadline for evidence and pointed out that at least two of its members provided evidence. COM reiterated when it comes to confidentiality, companies could rely fully on COM which would contact them in case a disclosure is needed (mainly in case of Panel proceedings).

8.2. India: local content requirements for electronic systems/railway sector

[MS] expressed concerns about the Indian local content requirements in the railway sector – the [MS] business authorisation for safety systems in the railway will be withdrawn from 1 July 2012 because of not 100% compliance with Indian government local content requirements for transferred technology. [MS] asked if the joint letter sent to the Indian authorities by some MS and the EU Delegation in April 2012 has led to results. COM said that the letter from 4 April 2012 contained the EU position on the WTO incompatibility of the requirements and warnings on their impact on the safety of the Indian railway sector, as supposedly no company is able to fulfil the requirements. COM received an unofficial reply from the Indian railway board that the requirements might be relaxed but still waiting for an official confirmation. COM continues to gather information and monitor the situation.

9. DEBRIEF ON THE TBT COMMITTEE, GENEVA, 20-22 MARCH 2012

COM briefed the Committee about the main results of the latest TBT Committee in Geneva where the EU had raised 35 specific trade concerns (three new cases: China – certification bodies, Saudi Arabia – motor vehicles, and Egypt – textiles, leather and footwear) with some positive developments on India - cosmetics, India - tyres, Korea – whisky Radio Frequency Identification (RFID) tags, USA – transportation of lithium batteries, Mexico - labelling of drinks with caffeine. MS asked COM view on the WTO compatibility of Brazil's tobacco additives Regulation and enquired about the timeline of the Russian draft technical regulation for alcoholic beverages. MS also asked if Brazil's legislation on tobacco additives is compatible with articles 2.1 and 2.2 of the TBT Agreement and requested an update on Australia's tobacco plain packaging bill and on India's mandatory standards for steel products. MS supported MS and MS in relation to tobacco measures in Australia and Brazil and asked if COM would take actions against them. MS also supported MS, MS and MS on these two cases, and recalled its concerns on India steel products Order. BU welcomed the positive developments on Korea whisky RFID tags and enquired about the timeline of the final legislation. BU welcomed

the progress on India tyres and enquired about the timeline of the removal of the ban on the export of marked tyres. **BU** was concerned that the Russian technical regulation on alcoholic beverages would lead to the declassification of many beverages as beers, and asked COM to try to postpone it until a decision is taken at the level of the Russia-Kazakhstan-Belarus Customs Union. **BU** thanked COM for raising the toy conformity assessment cases in India and Indonesia and warned against Indonesia's stated intention to protect the local toy industry and postpone the WTO notification of the measure. **BU** asked about any new developments and about coordination with other WTO Members, for example the US. **COM** gave feedback on requested issues: on India steel - discussions to resolve this issue had not been very fruitful and India was going ahead with the implementation of the certification procedures; future interventions of COM would therefore have to focus on the functioning of these procedures. On India tyres – India had not given a concrete timeline for the change of the BIS agreement; on toys - COM has supported the US position in the TBT Committee, but had no additional news on these issues. COM would therefore welcome any information from BU that can be used to put more pressure on India and Indonesia; on Russia alcoholic beverages – Russia had provided replies in the TBT Committee but is still not obliged to make TBT notifications as it was not yet a full WTO member; on Korea whisky RFID tags - Korea had explained that exemptions would be granted on a case by case basis, upon an application from the importers. On Australia – tobacco plain packaging, COM stated that 13 countries had expressed concerns on Australia's tobacco plain packaging, but there were also other WTO Members that supported its approach. Ukraine and Honduras had requested WTO consultations and the EU had asked to join as a 3rd party because of its interest in the issue. On Brazil – ban on tobacco additives, Brazilian health authorities had now adopted the measure (as ANVISA Resolution 112) and communicated it as an amendment to TBT notification BRA/407. COM experts had deemed that the adopted version is neither significantly different, nor more restrictive than the previously notified draft.

10. DEBRIEF ON THE MARKET ACCESS MISSION IN CHINA, 19-23 MARCH 2012

COM informed that the mission focused on market access issues, with a special emphasis on IT encryption (one of the key market access barriers), on a bilateral global value-chain seminar and discussions relating to the industrial policy programme under the 5-Year-Plan. Meetings took place with numerous Chinese interlocutors (e.g. MofCOM, MIIT, SFDA, SCLAO, OSCAA, TC 260, CATR, CPC) plus MS, industry [*deletion*]. Other market access barriers raised included: restrictive guidelines for government procurement of cars, discriminatory price controls for medical implants, cosmetics (new ingredients). It proved useful to discuss market access issues not only with the Ministry of Commerce (MofCOM) but also with the originating line ministries, and this if possible at an early stage of the drafting procedure where our comments can more easily have an impact. Some signals of improvement were given on cosmetics and some IT encryption issues. The **MS** asked on the sequence of further EU-CN meetings and cooperation between the EU and MS on China issues. **MS** requested if a written mission report would be circulated. COM informed that the EU-CN Joint Committee is most likely to come next, consultation took place e.g. on IT encryption with the US and clarified that it is unusual to circulate reports of such meetings/missions at Director level.

11. ANY OTHER BUSINESS

MS asked for an update on COM activities and latest developments regarding Canada Provincial Liquor Board practices as there are some complaints concerning the burdensome import procedures for alcoholic beverages in some Canadian Provinces. COM replied that it is well aware of a number of discriminatory practices applied by certain Canadian Liquor Boards which have negative impacts on EU exports of wine and spirits. COM is constantly raising these practices in different forums, such as in the context of the EU-Canada wine and spirits Agreement (Joint Committee), [
deletion

]

FOR MEMBER STATES ONLY

12. APPROVAL OF THE DRAFT MINUTES OF THE MAAC MEETING OF 22 MARCH 2012 (MAAC 2012-018)

The minutes were adopted.

13. ANY OTHER BUSINESS

No further items were discussed.

DG TRADE, Unit G.3.



Brussels, 25 June 2012

***DRAFT MINUTES
MARKET ACCESS ADVISORY COMMITTEE
Brussels, Centre Albert Borschette– room AB-2D***

29 May 2012, 09:30 – 13:00 h

1. APPROVAL OF THE DRAFT AGENDA (MAAC 2012 – 025)

MS requested to put market access issues for spirits in Chile and Vietnam under AOB.

MS requested to put the issue of Turkey import duty on textiles and clothing under AOB.

MS and BU requested to put the issue of Philippines spirits under AOB.

The draft agenda was approved with those additions.

2. ANNOUNCEMENTS FROM THE CHAIR

COM informed Member States that two new business associations, the European Smoking Tobacco Association and the European Landowners' Organisation, have asked to be able to attend the MAAC meetings with a view to sharing its expertise. The associations will be invited to participate at the committee meetings.

3. MARKET ACCESS SUCCESS STORIES

3.1. Philippines: salmonella testing requirement on imported meat and meat products

COM informed the Committee that the Philippines had recently lifted the 100% testing for salmonella on imported offal and meat after joint intervention of COM, DEL and industry. COM added that it continues to work on outstanding SPS barriers imposed by PHIL, notably the accreditation process for EU meat establishments. MS and industry were invited to provide updated information on experience with SPS measures.

4. MARKET ACCESS CASES

4.1. Argentina: import restrictions

COM reported about the announcement to start WTO consultations on Argentina's import restrictions. The consultation is addressing Argentina's non-automatic import licenses system and the sworn importer declaration which are needed for importing goods to Argentina. If after 60 days no agreement would be reached, the EU could

request the establishment of a WTO panel to hear the arguments of both sides and deliver a panel ruling. Companies are still called to provide evidence for this case. If a panel were to be established, COM would contact companies to seek their agreement for evidence submitted by them to be used in the panel as WTO procedures require submission of such evidence.

[*deletion*

] MS remarked that evidence is difficult to provide due to the informal character of the implementation of the Argentinean measures and asked what kind of evidence would be appropriate.

COM replied that the WTO consultations are addressing import restrictions. However, all is done to pursue the interests of [del.] with instruments available at EU level .

With regard to evidence for the import restrictions, companies are asked to send copies of their emails or correspondence with Argentinean authorities when they reply to informal official requests on imports, balancing import with exports, investments or other related issues. Other examples of evidence are copies of print screens of the official databases, which importers have to use, showing the dates of the request and the approval of the non-automatic import license (if the period exceeds 60 days) or if it was not approved after 60 days, the source (official database) and the date of the print. Also print screens of the prior sworn importer declarations are needed, which should show the date when the import request was initialled and approved (if more than 15 days were needed), and in the case observations were done what was needed to fulfil these in order to get the import approval.

5. EARLY WARNING CASES: POTENTIAL BARRIER TO TRADE

5.1. Brazil: testing, certification and labelling requirements for stationary products

MS informed that Brazil is preparing a law which will oblige producers and importers to test and certify products used in schools such as writing and drawing tools. The Brazilian "INMETRO" would be the only institution allowed to perform such tests and to issue certificates. Each product lot ("batch") has to be certified and a certificate has to be fixed to the product and the packaging. The draft law seems to be a trade barrier as Brazil's requirements are only marginally different from other countries or sectors (e.g. for products of the toy sector) and international exporters and international certification institutions are carrying out such tests for a long time and therefore should also be allowed to do the tests required by Brazil. There are doubts that INMETRO would be able to pursue for each locally produced and imported batch the foreseen tests and long delays could be expected, which would impede exporters to react to changing local market conditions. Furthermore, the foreseen certification is not ensuring an enhanced security for Brazilian consumers. Consequently, companies would be faced with costly and long lasting test and certification requirements and would need a dedicated production line for exports to Brazil to fix the certificates. [*deletion*

]. Brazil should acknowledge tests and conformity assessments of international certification institutions, accredited laboratories

and company laboratories. The procedure should be simplified and testing of every batch should be replaced by a test of the same product every two years. **COM** informed that **COM** services will start a dialogue with Brazil on this issue.

5.2. Russia: recycling fees for imported vehicles

COM stated that Russia is preparing a legislation concerning recycling of vehicles which would discriminate against imported vehicles. For the imported vehicles the recycling fee is supposed to be paid together with the customs duties while for vehicles produced in Russia, producers can just provide a guarantee certificate that the vehicles will be taken for recycling. **COM** believes that this new measure is not in line with the WTO and asked for bilateral consultation on the matter by the end of June at Deputy Director General level. **COM** will also raise this issue at the EU-Russia summit on 3-4 June in St. Petersburg in the framework of the protectionist measures taken by Russia prior to its accession to the WTO. **MS** added that the draft regulation is close to be signed, which specified that a producer with 40 dealers in the country (in different regions) was to be seen as local. **MS** stated that the fees will vary with the size of the vehicle. **MS** wondered whether the draft regulation is the best way to achieve the (environmental) purpose as the foreseen tax for old cars is double than the one for new cars (environmentally friendlier). **MS** enquired about the scope, i.e. only passenger cars or specific vehicles are also included. **MS** asked whether the definition of beer will be addressed at the Summit in which case it asked for an update at the next MAAC. **COM** noted that the scope it still to be clarified and that the EU has already a very efficient recycling scheme in place.

5.3. Turkey: conformity assessment procedures for electric products

MS informed the MAAC that Turkey requires, since 1 January 2012, a burdensome conformity assessment check by the Turkish Standardization Institute for all consignments of consumer electronics exceeding 99 pieces per article. **DE** added that European conformity certificate is not accepted by Turkey. **MS** signalled that its companies also face the same issue. **COM** stated that **DEL** was alerted and invited **MS** and **BU** to provide details on the economic relevance/size of trade concerned to facilitate the further investigation of the matter.

6. PRESENTATION OF THE SECOND ACTIVITY REPORT ON EU TRADE POLICY FOR RAW MATERIALS

COM presented its Second Activity Report on raw materials which deals with the three main pillars of the **COM** trade strategy – negotiations, enforcement, and outreach. The highlights include EU-Korea FTA as a good precedent, full elimination of Ukraine's export duties in raw materials and continued inclusion of export duties issues on WTO accession negotiations. On the enforcement part, most important are the WTO cases regarding China's export restrictions. Moreover, **COM** referred to market access activities to tackle restrictions. Moreover, **COM** has given inputs and support to the OECD secretariat inventory with a database including export restrictions of raw material producing countries. This inventory has the potential of becoming a useful transparency mechanism and monitoring tool (without prejudice to the lawfulness of the restrictions listed). As part of outreach, **COM** also invests efforts in the bilateral dialogues such as the ones with China and USA. Whilst little progress is registered in the dialogue with China on the issue of export restrictions, the dialogue with the US (in the Transatlantic Economic Council) had led to an action plan which included a trade pillar that was intended to move the global agenda forward (including OECD, G20 and the respective

FTA approaches towards the topic of export restrictions). COM was also involved in broader policy activities regarding financial and resource transparency for raw materials. As a final note, COM observed that tackling export restrictions remained a difficult item not least given the increase in the use of export restrictions as one of the instruments used under the growing protectionism.

MS supported COM's general approach and stressed the need for plurilateral and multilateral disciplines in spite of the difficulties. MS welcomed the report, encouraged COM to keep working on the 3 pillars and requested an update on the dispute settlement case against China on rare earth. MS welcomed the report, pointed to the importance of the financial transparency and asked where to find the COM inventory of export restrictions. MS appreciated COM work in raw materials and encouraged it in facilitating the supply and removal of trade barriers. MS asked if COM considered linking the OECD database with the EU market access database.

[*deletion*

COM noted the shortcomings in the Commission's inventory making it not suitable for publication, clarified that the OECD inventory would be a more suitable one as all measures had been verified that the OECD inventory would be a better document. For these and other reasons, linking the database on export restrictions to MADB was difficult.

7. EVALUATION OF THE MARKET ACCESS PARTNERSHIP

The consultancy company BU , contracted by the Commission to carry out the evaluation of the EU's Market Access Partnership (MAP), met the MAAC to exchange views on the impact of the implementation of the MAP and the functioning of the service provided within its framework. MAAC members were asked to suggest possible changes/adaptations to be made to the structure and the scope of the MAP in order to enhance its effectiveness. In various interventions participants (MS and BU,

) responded to the specific questions put forward in advance by ECORYS, suggesting the following improvements: a more structured and focused discussion both thematically (more strategic/horizontal discussion of barriers related to an issue such as public procurement/local content requirements) and geographically (dedicated strategic discussion of a country involving Delegations) in the MAAC, which would be alternated with meetings with the "usual" agenda; focus more on barriers than on general presentations in the MAAC; better prioritisation of barriers (some participants explained that they were using a set of criteria to determine whether or not to take up an issue as a case), with different views expressed as to whether this would lead to less cases; better distribution of workload and division of labour with Market Access Teams. Several commented on the difficulties to manage and follow cases in light of the divergence of approaches and practices in case handling and proposed to establish a "protocol" or standard approach for dealing with market access cases and to set up mechanisms for monitoring and following up on new cases (with info on the status, who leads etc). MS suggested to better disseminate information within their Embassies. MS and BU were requested to submit written comments by 12 June 2012.

8. REGULATORY COOPERATION IN THIRD COUNTRIES

COM updated on upcoming regulatory dialogues with the US, Russia and the Mediterranean countries. Concerning Russia, **COM** will have a meeting on 31 May regarding all industrial and regulatory cooperation. **COM** will then discuss with the new Russian administration whether there should be any changes in the terms of reference for the cooperation. **COM** is watching closely the ongoing creation of the Customs Union of Russia, Belarus and Kazakhstan because some aspects of the regulatory cooperation among them will have an impact on the regulatory dialogue with Russia. Regarding the Mediterranean countries, **COM** will have a working group on industrial cooperation and meeting on 10 July for a discussion on the working program. Further adaptation of the cooperation is needed because of the Arab Spring last year. As regards US, the High-Level Group on growth and jobs puts heavy emphasis on regulatory cooperation and its contribution to a barrier-free common economic space for growth creation on both sides. Currently, **COM** is in the phase of implementation of the Communication from November 2011 regarding the support for the EU SMEs that want to go to the international markets. Moreover, as an instrument of regulatory cooperation, Commissioner Tajani has developed an agenda for "Missions for Growth" for important 3rd countries – for example USA and Latin America. The purpose of these missions, in which companies representatives are also present, is to promote industrial cooperation and growth for both sides. **BU** asked if there are plans to develop more comprehensive regulatory dialogue with FTA countries in Asia, as some of the issues do not fit in the FTA agenda. **BU** mentioned Vietnam as a case in which the initiated regulatory dialogue was abandoned and asks if such dialogue could be reactivated. **MS** asked about the margin to discuss agriculture within the scope of regulatory cooperation with USA. **COM** said that EU has institutionalised regulatory discussions with China and Japan, but it is rather difficult to have such discussions with more Asian countries because of the resource constraints. Regarding agriculture with the US, the agenda consists of topics with positive prospects of resolving and tries to avoid long standing conflict issues.

9. PREPARATION OF THE TBT COMMITTEE, GENEVA, 13-15 JUNE 2012

COM stated that it is not considering bringing new offensive cases, but would rather focus on some previously raised issues such as India/tyres, China/requirements for ICT products, Colombia/alcoholic beverages and milk powder, Egypt/decrees on textiles, Indonesia/toys, Argentina/lead content, Brazil/GMP for health products and Korea/cosmetics. **BU** suggested several more issues that could be raised – on notification KOR/338, Korea should be asked to issue guidelines on the RFID requirement; Thailand's warning label should remain on the agenda of the TBT Committee; India labelling of alcoholic drinks is a long-standing issue that needs constant raising, India is also working on a draft regulation on alcoholic drinks that causes concerns to **BU**; Russia needs to be reminded of its TBT obligation about notification of the alcoholic drinks definition. **MS** asked if not putting the Australia/Plain packaging on the agenda is due to the ongoing WTO consultations. **MS** is concerned about the new labelling requirements on textiles/footwear in Egypt. **MS** shared **MS**'s concern and asked for **COM**'s actions with regard to tobacco problems in Australia and Brazil and their compliance with international rules. **MS** asked about the new development on the Brazil's manufacturing practices and the India's telecommunication related rules. **COM** explained that it will most likely raise the Korea RFID bilaterally. **COM** will ask Korea whether it intends to issue the guidelines on the exemptions for small bottles and those for which the application for the RFID tag is very difficult. **COM** also asked **BU** to follow the implementation very closely and notify **COM** in case of

problems. Regarding Thailand, COM does not intend to raise the issue as it has been pending for more than two years, but will support some of the other countries in case they raise it. Regarding India, last time the issue was raised by USA and COM will consult USA to find out if they will raise it again. Regarding Russia, COM does not intend to raise the issue since the country is not yet a WTO member, but if another country decides to do so COM may decide to give its supporting. COM confirmed that the Australian tobacco issue is not raised anymore because of the ongoing WTO consultations that the EU has joined as a third party. Regarding Brazil-tobacco ingredients, COM will not raise it anymore because the legislation is already adopted and it is not significantly different from the one notified a year ago. Furthermore, as explained on previous occasions, COM is currently working on a draft revised tobacco control directive which will also include aspects related to packaging and ingredients. Regarding the two Egyptian decrees on leather, footwear and textiles products, COM will deepen its comments on the substantial issues on this TBT Committee. As India's telecommunication issue has not been notified, it will be again raised at the TBT Committee. On GMP Brazil, COM confirmed that there has been a new notification linked to Brazil 328.

10. DEBRIEF ON SECTORAL WORKING GROUPS UNDER THE EU-KOREA FTA

COM debriefed on the first meetings of the EU-Korea FTA Working Groups on Motor Vehicles and Parts, Chemicals and Pharmaceuticals and Medical Devices, which took place end of April. On Motor Vehicles and Parts, progress was achieved on aspects related to tyre marking, approval of cars in the same family, standards for chargers for electric vehicles and evaporative gas standards. On Chemicals, the EU welcomed the interest of Korea to engage in co-operation for the setting up and implementation of K-Reach. On Pharmaceuticals and Medical Devices, the EU invited Korea to take into account the comments submitted on pricing reform for pharmaceuticals products and medical devices. Korea committed to continue consultation with the EU, including its industry. The **MS** asked whether WG meeting would take place annually and whether **MS** would be involved in the preparations. **BU** asked if industry could get copy of minutes and if WG could take place more than once a year. **MS** asked for detailed written minutes. **MS** asked when the SPS WG meeting would take place. **COM** clarified the latter is still under discussion and the periodicity of the WGs is in principle once per year. **COM** indicated that industry and **MS** would receive further detail in writing once Korea will have agreed with the joint report.

11. UPDATE ON WORKING GROUPS

The following Working Group meetings are planned: SPS (30 May 2012); alcoholic beverages (6 June 2012); textiles and clothing (7 June 2012).

12. ANY OTHER BUSINESS

COM updated the Committee on the Philippines spirits case and explained actions already undertaken to exert pressure on Philippines in order to make its taxation legislation WTO compatible by 8 March 2013 (date of expiry of the reasonable period of time to comply) in line with the WTO Panel ruling. [*deletion*

]

MS raised concerns with regard to Turkey's additional duties on imports of certain textiles and apparel products of non-EU origin. [*deletion*] advocated for more action and stronger take up on this long-standing issue. **COM** updated participants and informed that the issue was lately discussed in the Customs Cooperation Committee. **COM** is following the issue closely and a further update of the issue is envisaged in the MAWG on Textiles on 7 June.

MS raised concerns with regard to pre-labelling regime of excise stamps as well as new license requirements for foreign operators to trade in alcohol in Vietnam. **MS** also flagged a new bill in the making on increased excise duty for spirits in Chile. **MS** requested **COM** to monitor the situation in Vietnam and maintain pressure on Chile. **COM** took note and indicated that a more detailed discussion could take place at the upcoming WG on alcoholic beverages on 6 June.

FOR MEMBER STATES ONLY

13. APPROVAL OF THE DRAFT MINUTES OF THE MAAC MEETING OF 25 APRIL 2012 (MAAC 2012-026)

The minutes were adopted.

14. ANY OTHER BUSINESS

MS suggested that future MAAC meetings start at 11 am since they have difficulties to reach the meetings at 9.30 or 10 am due to flight connections. **COM** took note of this request and asked other **MS** to submit their preferences of timing for the schedule of the meeting.

DG TRADE, Unit G.3.



Brussels, 11 July 2012

MINUTES
MARKET ACCESS ADVISORY COMMITTEE
Brussels, Centre Albert Borschette– room AB-3C

26 June 2012, 10:00 – 13:00 h

1. APPROVAL OF THE DRAFT AGENDA (MAAC 2012 – 029)

MS requested to put the issue of pharmaceutical patents in Argentina under AOB.

MS requested to put the issue of international transport permits in Russia under AOB.

MS requested to put the issue of payment authorisation in Argentina under AOB.

The draft agenda was approved with those additions.

2. ANNOUNCEMENTS FROM THE CHAIR

COM informed the Committee about the upcoming EU-US SME workshop under the Transatlantic Economic Council taking place on 12-13 July 2012 in Rome and invited participants to register.

MS announced that an open seminar on EU-Russia trade relations with specific focus on Russia's WTO accession will take place on 7 September 2012 in Helsinki. Invitation will be circulated early July to both MAAC MS and BU.

COM clarified its intention to hold Committee meetings from 10 a.m. until 1 p.m. If required, COM is ready to have a full-day meeting. Starting the meeting later than 10 a.m. would not deem to be possible from a logistical and budgetary point of view.

3. UPDATE ON RECENT IPR DEVELOPMENTS IN CHILE

COM highlighted some positive developments regarding IPR in Chile, while stressing that improvements still need to be made. COM mentioned the new institutional set up (INAPI, BRIDEPI), the new copyright legislation, more active police and customs enforcement and the alignment to international standards in the area of trade-marks and patents. As regards the outstanding issues, COM raised concerns about the effective enforcement of the liability of online intermediaries as foreseen in the new copyright law. COM also informed about the draft amendments to the industrial property law (yet to be examined in Congress). COM noted that questions remained with respect to data protection for the registration of pharmaceuticals and agro-chemical products, to which, however, changes were not envisaged by the draft law on industrial property. Finally,

licensing and enquired about requirements get such a license. [*deletion*

] **COM** confirmed that DNI is on its radar screen, clarified that all products are covered by the import licencing Regulation and that import licenses will be required per chapter. COM stated that the Indonesian Minister of Energy and Mineral Resources in 6 February issued a Regulation No. 7/2012 on Minerals Value Added by Mineral Processing and Purifying Activities. The regulation stipulates that all raw metal and non-metal minerals as well as stones — including gold, copper, nickel, bauxite, iron, diamond, granite, etc — have to be processed in the country. The regulation also obliges the secondary products and residuals of mineral and stones to be used for local manufacturing, and an export ban and taxes are part of the package. [*deletion*

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6. PRESENTATION OF THE 9TH REPORT ON POTENTIALLY TRADE RESTRICTIVE MEASURES

COM presented its ninth monitoring report on protectionism covering the period September 2011 to the end of April 2012 and published on 7 June 2012. COM thanked the Member States for their contributions and cooperation. The new edition confirms the trend of previous reports. The pace of introduction of new measures has even accelerated as was also confirmed by the WTO/OECD/UNCTAD report. EU report identified 123 new potential trade restricting measures, which brings the total stock since the beginning of the crisis in 2008 to 534. There are three focus areas in the report: i) emerging countries continue to resort to the highest number of trade restrictive measures often in the context of broader industrialisation plans; ii) increasing number of potential restrictions on Foreign Direct Investment being adopted, including of course the decision of Argentina to expropriate REPSOL shares in YPF; iii) Russia, which introduces and envisages several measures. This deserves close scrutiny, especially in light of Russia's upcoming WTO accession. COM remains very vigilant and determined to take action where warranted. In the recent G20 summit, EU obtained an improved implementation of the anti-protectionism pledge which was strengthened with regard to the monitoring, transparency and notification process amongst G20 members. In addition, the pledge was extended until end of 2014. [MS] welcomed the report in the context of WTO monitoring exercise and requested COM to press for implementation of G20 commitments through multi- and bilateral avenues. [BU] reminded about the worrying trend, in particular the protectionism coupled with industrial policy measures in support of domestic producers in emerging markets. [MS] echoed [BU] and requested COM for further actions. [MS] thanked for including Argentina's investment measures in the report and pressed COM to put more pressure on countries for strengthened implementation of the G20 commitments. **COM** confirmed that the report should be seen in the context of the EU enforcement actions and reminded the Committee of Karel De Gucht's recent statement to insist on a genuine implementation of G20 commitments.

7. DEBRIEF OF THE TBT COMMITTEE, GENEVA, 13-15 JUNE 2012

COM debriefed the Committee about the main results of the latest TBT discussions in Geneva where the EU raised 27 specific trade concerns (four new cases: China/Draft

Mobile Smart Terminal administrative measure, Korea/tyres energy efficiency, Vietnam Decree 38 implementing the Food Safety Law, Vietnam Decree 40 relating to liquor production and trading). Positive developments have been noted on Colombia/alcoholic beverages – possibility to label in warehouses upon arrival; Colombia/milk powder – new addendum published addressing EU concerns; on India/tyres – confirmation to remove Art. 6.3 concerning IS marked tyres of the BIS Agreement, no specific timeline provided but removal will be done "in due time"; on India and Indonesia/toys – draft texts will be notified to the TBT Committee. **MS** requested further information on Korea/cosmetics KCGMP, i.e. new version of the regulation. **MS** enquired about the current stage of consultation on Australia/Plain Packaging Act for tobacco and requested update echoed by **MS** on the current revision of the EU tobacco directive. *[deletion]* requested further information on Korea/tyres and the support needed from industry. **COM** confirmed that it is monitoring very closely the Vietnamese decrees 38 and 40 together with other third countries concerned. **COM** stated that the content of the new Korean KCGMP cosmetics regulation is not clear yet but Korea had assured that national treatment would be provided; however, according to the latest information from industry, the benefits of KCGMP certification may be smaller than initially thought; on Korea/tyres, industry is requested to specify what they consider as confidential information under the requirements and on Australia/tobacco, TBT Committee interest has fallen significantly and there is still no request for a panel from either Ukraine or Honduras. Replying to questions from **MS** and **MS**, **COM** stated that MAAC is not the appropriate forum to discuss work on the revision of the EU directive on tobacco and reiterated the need for **MS** to coordinate with their respective health colleagues.

8. ANY OTHER BUSINESS

MS reported about different interpretation by Russia of international transport permits than the usual practice, requiring not only the forwarder being registered in the country of shipment of goods but also the goods originating in the same country as well as the sender. **MS** enquired whether this issue could be dealt at EU level besides the bilateral framework since problems are registered in *[MS]*, as well. **MS** informed the Committee that Russia adopted a new Federal Law changing the state control rules in the area of international transport (and foreseeing sanctions for violation) which is not in line with their bilateral Agreements (*[MS]* are also affected). **MS** reported about ongoing bilateral consultations on the issue. **COM** clarified that Russia has not taken any WTO commitments for this type of road services (cross-border/mode 1 in terms of GATS) and has scheduled an overall MFN exemption for international road transport services. *[deletion*

]

MS expressed concerns about a recent resolution in Argentina with the aim of restricting the scope of patents for pharmaceutical products (in particular second generation of patents are affected) which seems to be incompatible with TRIPS Art. 27. **COM** explained the actions taken on the matter (concerns expressed to Argentinean authorities in form of a letter; follow-up with local pharma industry) and referred to ongoing analysis of the Guidelines. **COM** invited **MS** to provide further information on the matter.

MS reported about progress on import licencing in Argentina but signalled new problems with regard to the delays of payment authorisation in foreign currency via the new electronic system. **MS** asked whether other **MS** have encountered similar problems. **COM**

stated that it will examine whether this issue is linked to the sworn declaration issue or to any other ongoing measures challenged in the WTO.

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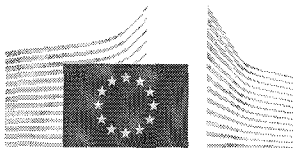
9. APPROVAL OF THE DRAFT MINUTES OF THE MAAC MEETING OF 29 MAY 2012 (MAAC 2012-032)

The minutes were adopted.

10. ANY OTHER BUSINESS

No other items were discussed.

DG TRADE, Unit G.3.



Brussels, 25 September 2012

***DRAFT MINUTES
MARKET ACCESS ADVISORY COMMITTEE
Brussels, Centre Albert Borschette– room AB-4B***

19 July 2012, 10:00 – 13:00 h

1. APPROVAL OF THE DRAFT AGENDA (MAAC 2012 – 033)

MS requested to put a public procurement related issue in Morocco under AOB.

MS requested to put the issue transit of beef and sheep exports through Turkey under AOB.

The draft agenda was approved with those additions.

2. ANNOUNCEMENTS FROM THE CHAIR

COM presented to the Committee two newcomers in the unit, namely the Deputy Head of Unit as of 1 September 2012 and an AD colleague as of 16 July 2012.

COM reminded the MAAC about the on-going online consultation of stakeholders on the Vietnam FTA and requested contributions by mid-August in view of the first round of negotiations in October 2012.

MS briefly presented the main trade policy priorities during their Presidency: expand and deepen trade relation with the Southern Mediterranean countries; possibly conclude FTA negotiations with Singapore and Canada and support initiation for negotiations with key strategic partners such as Japan, US and China; support efforts to revive DDA; on the legislative front, focus will be on bilateral safeguard clauses, Market Access Regulation, and Omnibus I and II.

3. KEY BARRIER PROCESS FOR SOUTH-KOREA (ESTABLISHMENT OF A LIST OF KEY BARRIERS)

COM presented the draft key barriers list for Korea, covering 10 issues of various sectors (automotive, cosmetics, electronics, renewable energy, SPS/food/alcohol and pharmaceuticals). MS/Business were invited to make comments on the list by 5 September 2012 with a view to present a final list at the next meeting in September.

[BU] reminded participants about a tyres issue that is not in the list and enquired about the criteria to select key issues. MS raised questions on the state-of-play of some barriers: MS on heart rate monitors listed as medical devices in Korea, MS on

certification of organic food, MS on "squatting" of trademarks, MS on beef issue, MS on cars and the MS on direct transport, financial services, [BU] tags on whisky bottles, and toothpaste and denture cleaning products classified as drugs in Korea. The MS also reported on indications that Korean authorities were contacting EU companies to ask them to reduce prices of products sold on the Korean market.

COM clarified that the key barriers are selected on the basis of a combination of factors, including number of MS affected, economic importance as well as a legal/political hook which would allow to address the issue appropriately. On heart rate monitors, COM indicated that this was an on-going issue throughout last year, and DEL had encouraged the [MS] Embassy to establish contacts for further consultation but since then had not received any substantial feedback from them. On trademark "squatting", COM commented that the issue was initially raised by MS in Seoul last June and was then on the agenda of an informal discussion with KIPO (Korea Intellectual Property Office). To summarise, under the current domestic legislation, the objection procedure is available when the application for the registration of certain trademarks is published and as the company concerned did not take any action at that stage, KIPO indicated that nothing could be done. Nevertheless, further ways to solve this problem will be explored in a more general context with the involvement of experts. [*deletion*

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4. DEBRIEF ON EU-US TEC SME SEMINAR, ROME, 12-13 JULY 2012

COM debriefed on the third Workshop where almost 200 business and administration representatives from the EU and US exchanged views on a transatlantic marketplace and how SMEs can benefit from it. The Workshop was organised by COM together with the US administration (USTR and Department of Commerce) and Italy's Ministry of Foreign Affairs and Confindustria. At the opening, Vice-president Tajani, Deputy USTR Sapiro and Italy's Undersecretary of State Dassu, underlined the strong political will to deepen trade relations and to attract more EU and US SMEs to take advantage of the huge bilateral markets. Panels focused on access to finance, practical business support, innovation and entrepreneurship. A joint EU-US report on the outcome is in preparation. Next Workshop will be in Washington before the next TEC meeting. MS added that participants were satisfied with the results of the Workshop bringing crucial visibility for market access issues. EU companies are convinced that a transatlantic market place is for their benefit and that extending this initiative to SMEs would be an advantage for the whole business community.

5. MARKET ACCESS CASES

5.1. Argentina: import restrictions

COM briefly reported on the WTO consultations with Argentina of 12-13 July. There was an intense exchange of information between Argentina and the EU on how the import system in Argentina is designed and operating. COM is re-assessing the situation

in the light of the information received. The consultations are confidential in accordance with Dispute Settlement Understanding rules.

5.2. Argentina: test sample requirement for ICT products

[BU] noted that exporters of ICT products are affected by a new trade barrier in Argentina which established a mandatory certification system. As of 1 July 2012, foreign manufacturers and importers of ICT products are required to submit a non-renewable test sample to the Argentinean Certification Body (CB) in order to obtain Argentina's "S-Mark" safety license. Local certification bodies will verify the CB test reports against a physical product sample before issuing safety certificates. This measure was not notified to the WTO TBT Committee. An additional concern is that all product samples have to be imported into Argentina under the prior importer declaration procedure which leads to delays and non-approval of product samples and therefore restricts ICT imports. [] asked industry to provide a more detailed description of the new measure, written evidence from companies and information on negative consequences for business. DG Trade will raise this issue bilaterally with Argentina and, if appropriate, at the next TBT Committee. The importer declaration issue was also raised in the mentioned consultations with Argentina under Article 4 of the Dispute Settlement Understanding regarding import restricting measures.

5.3. Brazil: increased import duties on ceramic tiles and ceramic refractories

[BU] presented Brazil's protectionist measure of increasing tariffs for ceramic tiles and refractory bricks which are a serious concern for affected EU companies. In September 2011, the tariff for ceramic tiles was raised to 35% and consequently EU exports declined by 30%. As of 1 September 2012, the tariff for refractory bricks will increase from 10% to 35% and will have a direct negative impact on EU exports. [

deletion

]. COM is in regular dialogue with Brazil and raises its concerns regarding such protectionist measures. The issue on ceramics and refractory bricks will be raised in this context.

5.4. Russia: recycling fees for imported vehicles

COM presented the state of play concerning the recycling fee legislation for vehicles. The Duma adopted in third reading on 13 July 2012 the framework legislation. An implementing government Decree should be adopted in the coming days concerning the exact implementation (level of recycling fees and exact definition of exempted producers). The recycling fee will be adopted as of 1 September 2012. [*deletion*

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MS stated that the recycling fee would not only impact cars but also trucks for which the trade to Russia would stop. MS asked what possible action the EU could take. MS insisted on the fact that the current fees would prohibit EU exports to the Russian market. [*deletion*

]. MS enquired about the possibility to ask Russia to postpone the entry into force of this legislation. MS echoed MS on trucks and stressed the importance to monitor the implementing Decree and to make sure it is in conformity with WTO rules. MS mentioned that they are

exporting important volumes of passenger cars and trucks to Russia, stated that this measure would not be consistent with the WTO and enquired about further steps. MS insisted on the problem for the light commercial vehicles where the planned recycling fee would compensate the decrease in import duties upon WTO accession (from 25% to 10%). MS stated that this measure is not compatible with WTO and COM should reflect on further steps. MS said that COM should carefully follow the adoption of the implementing Decree, the economic damage would be important for Italy as they export cars and trucks to Russia and it would be devastating for an important economic sector in the EU to pay recycling fees for export to Russia. [*deletion*

]. [BU] wanted to know what volumes of export are affected compared to manufacturing capacities in Russia. MS stressed that this was a crucial issue for them as many cars manufactured in their country were exported to Russia and enquired about COM's next steps. MS said that this is a worrying situation and COM should ask for an extended deadline before the entry into force.

COM repeated that close monitoring of the situation is on-going. COM has to be prepared for a quick reaction as such a measure would be a blatant violation of article III GATT on national treatment. This sector is very important for the EU and exports to Russia were more than 7 billion euros for cars and more than 1 billion euros for trucks in 2011.

6. EXCHANGE OF VIEWS WITH MARIANNE GUMAELIUS, HEAD OF TRADE SECTION IN DELEGATION, ON MARKET ACCESS ISSUES IN CHINA

DEL referred to the current political changes in China this year which makes progress on market access issues more difficult. She gave an overview on market access issues focussing on sectors such as investment, public procurement and services. On investment, two major instruments – the Foreign Investment Catalogue and the National Security Review Process - have major negative implications on conducting foreign investment in China. On public procurement, there is a clear discriminatory environment promoted by protectionist measures such as "Buy Chinese" and Indigenous Innovation, coupled with the issue of financing (access to cheap credits for Chinese companies). On services, the sector is still closed in many respects for foreign operators; COM pointed to recent protectionist measures in the postal area. COM noted that if investment negotiations are launched with China, it will address some barriers related to investment and services.

[MS] pointed to the need to have a more strategic and coherent approach in trading relations with China. [BU] raised concerns about the revision of the organic legislation which will change the procedure for audit and for approval of milk and dairy products as organic products and create a tremendous administrative burden for EU industry. BU enquired about the prospects of a mutual recognition agreement in organic food products. MS echoed by [BU] flagged concerns about market access of ICT products. [BU] pointed to regulatory barriers affecting the registration of certain cosmetic products and requested COM to keep raising this issue with China at all relevant fora. [BU] indicated the positive cooperation with China on market access for maritime transport services. MS whether COM intends to open up a panel in this respect.

COM stated that TPC is the appropriate forum to discuss the strategic dimension of our trade relations with China. On organic legislation, DEL took note of concerns and promised to pass the message to colleagues in the Agri Section of the Delegation. DEL confirmed that registration of cosmetic products is constantly raised and stated problems on market access for ICT products are still very pertinent.

7. EXCHANGE OF VIEWS WITH BALAZS GARGYA, TRADE OFFICER IN DELEGATION, ON MARKET ACCESS ISSUES IN INDIA

DEL presented broadly the MA strategy in India, [*deletion*

]. Some sectors however might now be the subject of a more formalized/regular set-up (ICT, automotive and pharmaceutical sectors). DEL underlined the role and support of the European Business Group, the good cooperation with other trade partners, and the extensive work with Member States in tackling MA issues. It then referred to the top-10 priorities list, and the need to re-assess its content in the light of the evolution of FTA negotiations. COM added that its mission to India, on the occasion of the next Working Group on Textiles and Clothing in September 2012, will give the opportunity to raise the issue of export restrictions on cotton.

MS advocated for more attention to market access issues and more coherent action, due to the importance of India as a trade partner. MS also asked whether it was possible to solve the policy divergences between state and central government authorities. MS drew attention to the poor record of India in accepting EU regulatory standards. MS inquired about the EU's cooperation with Indian business on certain of our market access issues. BU underlined the significance of India as the second most important target market for EU business, but also the difficulties EU companies were facing on the ground, and asked specifically about the future implementation of PMA notifications.

DEL pointed to the possibility to carry out specific market access action at state level too. On SPS, DEL explained it was mainly due to the feeble state framework in applying SPS policies, but that Indian authorities were making real efforts in that area. On standardisation, COM emphasized the sheer amount of work being done to correct the situation, and gave as an example BU standards in the automotive sector, where 80% of Indian norms are BU-based. [*deletion*

] On cooperation with Indian business, DEL confirmed efforts are made in that respect and that Indian companies have been helpful in some cases. DEL acknowledged India was developing a specific telecoms- and even telecoms equipment- policy, which is accompanying a gradual move further in the value chain. On PMA notifications, DEL will monitor the developments, as the government is currently preparing guidelines on the application.

8. EXCHANGE OF VIEWS WITH ANTONIO BERENGUER, HEAD OF TRADE AND ECONOMIC SECTION IN DELEGATION, ON MARKET ACCESS ISSUES IN THAILAND

DEL gave an overview of the efforts to revamp the implementation of the Market Access strategy in Thailand, Cambodia and Laos, and reported about the set-up of the European-

ASEAN Business Centre (EABC) in Thailand as a trade association (as well as the creation of the Eurocham Cambodia and the European Chamber of Commerce and Industry in Laos). This is gradually allowing the establishment of an organised business voice on different market access issues and a platform from which to address key barriers, including the one prohibiting the establishment of a multi-country Chamber of Commerce, such as a European Chamber of Commerce, in Thailand. EABC has very recently issued position papers on various market access issues, which will provide useful input for the revision of the key barriers list, which is already in progress. On the issue of precise market access barriers, DEL gave a snapshot of the most salient barriers by type of measure. On the issue of discriminatory measures, DEL reported on tax discrimination on alcoholic beverages, and stated that Thailand is working on a general tax reform to correct the excise discrimination against foreign alcoholic beverages, although there is currently no indication for the precise timeframe. On issues regarding equity caps, DEL reported that progress has been noted in the insurance sector: an EU company was allowed to increase its shareholding in its local operation to 86% which is well above the foreign equity caps (25% and 49%) established in the Insurance Acts as a ramification of the Foreign Business Act. These efforts should continue to be made to maintain the sector's openness, although they came about as a result of the de-capitalization that the sector suffered as a consequence of payments that followed last year's floods. DEL referred to close monitoring of the new draft regulation on foreign dominance for telecom businesses and pointed to related concerns with regard to potential violation of Thailand's GATS commitments on foreign shareholding structure and management controls. On more general regulatory issues, DEL referred to IPR and reported on the High Level Dialogue which took place in February 2012 to discuss issues such as registration of patents, enforcement and customs. In closing, DEL noted that Thailand is exploring possibilities to launch FTA negotiations with the EU, first scoping is planned for 23 July. [*deletion*

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9. ANY OTHER BUSINESS

MS stated that a new public procurement decree is being prepared in Morocco affecting in particular the construction sector. The decree would mean that foreign company tenders in public procurement by the state, regions and municipalities can be treated as 15% more expensive than tenders from domestic enterprises, in order to support the latter. **COM** clarified that according to information received from Morocco, the principle of national preference has been there since 1998 and is applied on a case by case basis when domestic and foreign offers are identical, but in reality it was hardly ever evoked. In addition, it seems to be in line with Article 5 of the GPA (even though Morocco is not a member).

[*deletion*

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MS raised concerns with regard to exports of beef and sheep to Jordan through Turkey because Turkey does not authorise the transit of beef and sheep based on SPS reasons. COM took note and will follow up with relevant services on the matter.

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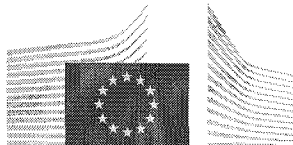
10. APPROVAL OF THE DRAFT MINUTES OF THE MAAC MEETING OF 26 JUNE 2012 (MAAC 2012-034)

The minutes were adopted.

11. ANY OTHER BUSINESS

No other items were discussed.

DG TRADE, Unit G.3.



Brussels, 18 October 2012

***DRAFT MINUTES
MARKET ACCESS ADVISORY COMMITTEE
Brussels, Charlemagne– room Mansholt***

24 September 2012, 10:00 – 13:00 h

1. APPROVAL OF THE DRAFT AGENDA (MAAC 2012 – 037)

[BU] requested to put the issue of countervailing duties on dredging vessels in India under AOB.

MS requested to put the issue of special consumption tax for automobiles in Turkey under AOB.

MS requested to put a steel related issue in Morocco under AOB.

MS requested to put a wood related issue in Morocco under AOB.

MS requested to put the issue of medical devices in China under AOB.

MS requested to put the issues of import duty on paper and paperboard products, import quotas on steel pipes as well as possible expansion of recycling fees in Russia.

[deletion

]. COM had no news on the issue at this point.

The draft agenda was approved with those additions.

2. ANNOUNCEMENTS FROM THE CHAIR

COM invited the MAAC to submit comments by 8 October on Israel's upcoming WTO Trade Policy Review (taking place on 30 October - 1 November 2012).

COM informed Member States that a new business association, the BU , has asked to be able to attend the MAAC meetings with a view to sharing its expertise. The association will be invited to participate at the committee meetings.

3. KEY BARRIER PROCESS FOR SOUTH-KOREA (ESTABLISHMENT OF A LIST OF KEY BARRIERS)

COM presented the final key barriers list for Korea (no changes since July 2012) and gave feedback on comments made by **MS**. **COM** added that other issues not figuring on the list will be monitored and raised at appropriate levels, such as the direct transport provision in the Trade in Goods Committee (TGC) of 25 September. **[BU]** stressed the importance of the direct transport provision for the wines and spirits sector; **MS** for the postal/courier service providers; and **MS** for the pharmaceuticals industry. **MS** raised concerns regarding the upcoming import duties on aircraft engines as of January 2013.

MS requested to widen the scope of the SPS key barrier (currently covers only exports of meat) and include fruits and vegetables as well as enquired about the certification of organic food. **MS** highlighted concerns about export documentation requirements for colour cosmetic and on limit values in application of cosmetic ingredients. **COM** responded that a technical level meeting with industry might be envisaged on the direct transport provision; import duty on aircraft engines can be raised in the TGC (though it seems to be compliant with the FTA and Korea's WTO binding tariffs); wording of the SPS barrier can be adjusted to include fruit and vegetables and certification of organic food will be raised in the TGC.

4. UPDATING OF THE LIST OF KEY BARRIERS FOR THAILAND

COM presented the proposed amendments to the list, in particular the removal of two issues (Chamber of Commerce Act and Draft Retail Act) and the inclusion of four new issues: SPS issues (meat import restrictions related to BSE, non-application of system audit for meat and dairy exports, import fees and burdensome pest risk assessment on certain plant and plant products); technical barriers to trade; restrictions in the telecom sector, non-automatic licensing on the nitrocellulose imports. **MS/Business** were invited to make comments on the revised list by 5 October 2012. **COM** added that all key market access issues were raised in the EU-Thailand Trade and Investment Working Group of 13 September where Thailand indicated their intention to introduce a single excise rate for alcohols but without any precise timeline. **MS** welcomed customs valuation and SPS/fruit and vegetables on the list. **MS** pointed to problems related to import licensing of marble and granite which in their view could be added to the list by broadening the scope of the barrier on nitrocellulose import licensing. **MS** will submit detailed information in writing. The **MS** welcomed IPR and excise taxation on the list; the latter was echoed by **BU** and **MS** and they stressed the need that pressure should be kept on Thailand to bring their law in line with WTO obligations. **BU** also enquired about any existing structure to discuss IPR issues with Thailand. **COM** indicated that there is a structured annual IPR Dialogue; next meeting will be in February 2013.

5. OVERVIEW OF SME INTERNALISATION SUPPORT

COM provided an update on SME internationalisation activities.

- The implementation of the Communication on SME internationalisation "Small business, big world" of November 2011 is on-going. A report ("Mapping exercise" on available business services in the EU and abroad is expected in January.
- A pilot project of the "Online portal" and a consultation on the portal's structure will be launched in November. With regard to the EU-US TEC SME Workshop, **COM** is expecting a US proposal for the next workshop in Washington, which should take place end of the year before the next TEC meeting.

- ICI+ (amended Financing Instrument for Co-operation with Industrialized Countries extending its scope to developing countries) funding for the period 2012-2013 is possible for EU business support in line with the SME internationalisation Communication. MS in the ICI+ Committee had no objection against future projects in Indonesia, Malaysia, Philippines and Vietnam. Future funding is available for similar projects in South Africa and Latin America.

- In the context of the Market Access Strategy, MAAC members are invited to send an informal email with comments on how they make their companies aware of already available EU supported business services such as: Centres in India <http://www.ebtc.eu/>, China <http://www.eusmecentre.org.cn/> and Thailand <http://www.eabc-thailand.eu/>, Market Access Database <http://madb.europa.eu/>, China IPR SME Helpdesk <http://www.china-iprhelpdesk.eu/>, SME Trade Defence Helpdesk <http://ec.europa.eu/trade/tackling-unfair-trade/trade-defence/information-for-business/sme/>.

- For information and awareness raising purposes: There are many more business support structures with services for all EU companies, for example: Eurochambres <http://www.eurochambres.eu/>, European Business Organisation Network (EBO) <http://www.ebonetwork.eu/>, Enterprise Europe Network <http://portal.enterprise-europe-network.ec.europa.eu/>.

[MS] stressed that all EU funded support must refrain from trade promotion, be complementary with existing business structures (no duplication of efforts) and be well coordinated with MS. [BU] welcomed all EU initiatives for SME internationalisation. [BU] remarked that the mapping exercise would lead to avoid overlaps of available support activities and asked if all EU activities are coordinated between the various COM services, such as the Enterprise Europe Network or "Missions for growth". COM explained that the responsible leading COM services are ensuring coordination within COM and with MS as well as complementarity and subsidiarity with MS' activities and competences.

6. MARKET ACCESS CASES

6.1. Argentina: import restrictions

COM updated on EU activities against Argentina's import restrictions. [deletion

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6.2. Brazil: market access concerns

COM described Brazil's increasing protectionist actions. Based on a Mercosur Summit decision of December 2011, Brazil announced on 4 September to raise 100 tariff lines up to 25% (well below WTO bound rates) and it is expected that tariff hikes will be effective as of 26 September. Brazil decided to include products in line with set criteria and after consultations with local industries. Mainly capital goods are included in the list

such as steel or chemicals, but also ceramics, paper, viscose yarns, shoe soles and upper parts as well as processed potatoes. Overall, 4% of EU exports to Brazil with an estimated value of € 120 million are affected. No specific countries are targeted with these tariffs. [*deletion*

]. It seems that a new list with 100 tariff lines could be added in October in line with the Mercosur decision of June.

[*MS*] requested strong action from the EU as this measure has a significant negative impact on EU exports and that such an aggressive local industrial policy and protectionism cannot be accepted. In addition to the tariff hikes, *MS* informed the Committee that car (part) producers will be affected by additional future import restrictions through a new car certification system in 2013 and a new regulation on car batteries (all batteries have to be certified by manufacturers and a disposal system has to be set up). *MS* mentioned various unresolved SPS barriers for milk and dairy products and delayed reports of veterinary missions in Poland in 2011. [*BU*] stressed that besides tariff hikes also antidumping cases will be launched in the near future which could include some paper products. *MS* added other forms of import restrictions through tax breaks for local companies. *MS* remarked these practices are against the spirit of the ongoing FTA negotiations and that it is difficult to tackle NTBs, customs or antidumping issues. *COM* replied that the EU is strongly opposing all old and new protectionist measures and is actively involved in a dialogue with Brazil. Information from *MS* and business is requested to get an overview of the impact and to prepare EU action.

[*BU*] commented that the list of 100 tariff lines is reviewed every 6 months and together with *MS* requested reinforced bilateral diplomacy to solve this issue.

7. EARLY WARNING CASES

7.1. Chile: public procurement

MS reported that there are still burdensome public procurement procedures for foreign companies in Chile, including requirements of registration, qualification certificates, provision of certain original documents and reference projects. *COM* gave an overview of this issue which has been tackled for the last 2 years in a bilateral dialogue with Chile and raised in the last Association Committee meeting of November 2011. A list of specific issues was drafted with *MS* and submitted to Chile. Chile is open for discussion and gave a detailed reply, but some areas remain unsolved. *COM* will raise these topics at the Association Committee meeting in Chile on 3 October 2012 and *MS* will be informed in the TPC.

7.2. ECOWAS: introduction of a Common External Tariff

MS raised concerns that in the context of ECOWAS members' discussions to define their common external tariff (CET), there was the possibility of a considerable increase in import duty on alcoholic beverages (from 20% to 35%) which if confirmed, would result in certain members breaking their WTO bindings. *COM* indicated that the issue is a lot wider than just spirits as it concerns all items which might potentially be included in the fifth tariff band (e.g. pharmaceuticals, chemicals, flour etc.). [*deletion*

]. This may have contributed to recent discussions

between ECOWAS members to reduce the list of products in the fifth band. COM will continue to follow ECOWAS discussions closely and work to ensure that the planned ECOWAS CET will not be a step backwards from the fairly ambitious liberalisation course taken by many countries in the region. MS supported the MS concerns.

7.3. Norway: Increase in import duty on large *hydrangea macrophylla* (hortensia)

MS expressed strong concerns about the customs reclassification of the plant hortensia by Norway in the Norwegian customs Tariff without prior notification and resulting in an increase in the customs duty from 0 to 72% with an immediate effect. MS believes that this step violates the tariff liberalisation objective of the EEA Agreement and runs counter the G20 commitments to refrain from protectionism. MS further reported that Norway may switch from specific to ad valorem duties for cheese, beef- and lamb meat.

[deletion

] **COM**

indicated that regarding reclassification of hortensia, COM has been examining this case and in order to complete the assessment, complementary information is needed from EU exporters on the tariff reclassification: precise product description (how it was declared on customs declarations) and Norwegian customs codes under which this product was exported before the circular by the Norwegian Customs Authority of February 2011. Regarding the second issue, concrete products affected within the three products groups are to be identified. COM (at a level of Director General of DG AGRI) sent already in May 2012 a letter to Norway raising its concerns if such change were to happen; COM will strongly defend the EU interest. Council EFTA WG is also discussing and monitoring closely the situation.

8. UPDATE ON WORKING GROUPS

The following Working Group meetings are planned: services postal-courier (4 October 2012); chemicals (18 October 2012).

9. ANY OTHER BUSINESS

MS informed the MAAC that thanks to good cooperation among COM, MS and industry, India removed the unfair import duties affecting dredging vessels and parts since March 2011 but added that the situation still needs to be monitored.

MS raised concerns regarding Turkey's special consumption tax for automobiles in particular affecting cars with higher engine capacity and enquired about COM's actions.

[deletion

] **COM** raised

the issue in the EC-Turkey Customs Union Joint Committee last year and will continue to do so although the discriminatory character of the measures is difficult to demonstrate.

MS reported about a possible opening of steel safeguard investigation by Morocco on certain products requested by the Moroccan Steel Association. **COM** stated that the issue will be raised with Morocco in the margins of an upcoming seminar (26-28 September) in Casablanca.

MS indicated that they are still waiting for further information from Morocco regarding steel certification (impossible to get certificates for new importers/new products). MS further reported about problems related to the certification of wood and wood panels, and

a 12% reforestation tax applied only on imported products. This tax might be extended to furniture and other wood products. **COM** took note of the concerns and would follow up with the Delegation on the matters.

MS inquired about a number of issues related to Russia's WTO accession. First, the Russian import duty rates on certain coated paper and cardboard have very recently been raised to a level of 15% via the Customs Union Single Customs Tariff, despite Russia's commitments according to the WTO Accession Protocol whereby the bound import duty rate upon WTO accession amounts to 5% for the tariff lines in question. **COM** replied that the Russian side had first described this as a "technical error", but now the responsible Ministry in Russia has promised that the duty rate will be corrected after consultations with WTO members. **COM** is in close contact with Russian authorities to push for a quick correction of the respective import duties. Second, **MS** asked whether further information on the recent decision of the Eurasian Economic Commission (EEC) to introduce import quotas on stainless steel pipes would be available. **COM** explained that this decision of the EEC was adopted following a review of an earlier Russian safeguard measure on stainless steel pipes. The new measure is on the **COM**'s radar screen, but we have no definitive information yet on the management of the quota system. **COM** will inform Member States once this information becomes available. Third, **MS** expressed concern about the possible extension of the Russian recycling fee on cars and other vehicles to agricultural, forestry, construction and road machinery. **COM** stressed that such an extension would increase the negative impact on affected EU exporters, but it would not change the EU's general strategy on the recycling fee issue. **COM** will continue the work on the basis of the current measure and modify this as necessary once the extension is adopted.

MS reminded **COM** about difficulties with registration of medical devices in China and enquired about any developments. **COM** confirmed that this issue is on its radar screen (issue being a key barrier) and suggested following up on the situation bilaterally or in the next MAAC.

FOR MEMBER STATES ONLY

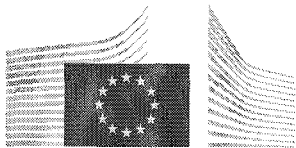
10. APPROVAL OF THE DRAFT MINUTES OF THE MAAC MEETING OF 19 JULY 2012 (MAAC 2012-040)

MS remarked that correction should be made on page 5 under point 7 in paragraph 2. In their statement, **MS** meant sheer number of SPS market access barriers and not success stories. Revised version of the minutes will be circulated. The minutes were adopted.

11. ANY OTHER BUSINESS

No other items were discussed.

DG TRADE, Unit G.3.



Brussels, 15 November 2012

***DRAFT MINUTES
MARKET ACCESS ADVISORY COMMITTEE
Brussels, Centre Albert Borschette – room AB-3D***

18 October 2012, 10:00 – 13:00 h

1. APPROVAL OF THE DRAFT AGENDA (MAAC 2012 – 041)

MS requested to put the issue of medical devices in China under AOB.

MS supported by MS requested to put the issue of olive oil marketing order in the US under AOB.

MS requested to put the issue of textiles and leather certification in Egypt under AOB.

The draft agenda was approved with those additions.

2. ANNOUNCEMENTS FROM THE CHAIR

COM invited the MAAC to submit comments by 23 November on the upcoming WTO Trade Policy Review for the US (taking place on 18-20 November 2012).

COM informed Member States that the annual informal MAAC lunch will take place on 13 December 2012.

3. FEEDBACK ON SME INTERNATIONALISATION SUPPORT

COM summarised the discussion on SME internationalisation at the last MAAC meeting and asked for feedback how MS and business are viewing and using available EU support. COM thanked MS for the reply on the on-going mapping exercise. A draft report on available SME internationalisation support will be presented in mid-December at the first Annual Forum of SME internationalisation stakeholders organised by DG Enterprise and Industry. The online portal, a one stop shop for relevant SME information, is in preparation and will be operational early next year and cover about 25 countries in the first stage. Market Access Teams have been asked to be contact points for SMEs in 2013.

MS and MS raised issues related to complementarity and EU added value of EU funded business support, coordination among COM services and with MS. MS stressed that EU support should focus on SMEs entering the market and on comprehensive information a contact point is needed where they can get assistance to overcome problems. MS reported that there was so far almost no overlap of EU funded activities with MS

structures and that local coordination is working, but this has also to be ensured in future initiatives. **MS** confirmed that there is almost no overlap and proposed to cover more countries such as Russia, Ukraine and Kazakhstan. [**BU**] stressed that support for the service sector is needed. [**BU**] mentioned that it worked closely with the China and Thailand projects, but more support for newcomers is expected.

COM noted that SME is a cross-cutting issue and many COM services are involved. Mapping exercise is useful to have an overview of available support and to avoid duplication of existing services for business. EU business support should, as first task, ensure services for companies not yet in the market. An appropriate website would be an efficient tool to provide transparent information services for all companies. MS are responsible and best placed for direct contact and provision of other crucial issues for companies, such as financing, administrative support, trade promotion, training, etc. The MAAC is working as a coordination instrument for COM services, MS and business and includes SME internationalisation. The Annual Forum on SME internationalisation will reinforce the coordination among all stakeholders. COM explained the close coordination within COM services. COM informed about the efforts of DG Enterprise and Industry and direct contacts with many of the MS on this issue. COM informed about available and future financial instruments for SME internationalisation and which countries can be covered with EU projects.

4. UPDATING OF THE LIST OF KEY BARRIERS FOR THAILAND

COM presented the final version of the revised key barriers list; one modification has been introduced in the list since September: scope of non-automatic import licensing has been extended to marble and granite at the request of **MS**. Hymn sheets and barrier fiches will be made available at the earliest opportunity. [**BU**] enquired about opportunities to discuss key barriers with Thai authorities. [**BU**] pointed to potential problems for foreign insurance providers (life and non-life) following a recent change in the Thai legislation that will be implemented next year; [**BU**] referred to a letter addressed to Thailand by the [**BU**] and requested COM to keep monitoring the issue. **MS** questioned why TBT issues are not reflected in the list; **MS** suggested setting up the monetary value of the barriers listed and improving the list by prioritising issues according to the likelihood of getting them removed (echoed by the **MS**). **MS** thanked COM for the introduction of marble and granite, pointed to a new TBT concern, namely labelling requirements for the ceramic sector and asked COM to monitor the notification. The **MS** thanked COM for keeping excise taxation on the list. **MS** pointed to problems with registration of brand names and would send further information in writing. **COM** responded that key barriers are discussed in the context of the annual Trade and Investment Working Group and the IPR Dialogue apart from other ad hoc or less formal structures, TBT issues are on the list, and further information is welcome on insurance and IPR registration. COM pointed to the difficulty of assessing the precise economic impact of trade barriers partly due to their different nature such as investment restrictions or more horizontal schemes.

5. DEBRIEF ON THE JOINT EU-INDIA WORKING GROUP ON TEXTILES AND CLOTHING, AND ON MARKET ACCESS MEETINGS (17-21 SEPTEMBER 2012)

COM debriefed the Committee on the JWG on Textile and Clothing, which took place on 17 September in India. The most relevant topic discussed was the export restrictions on cotton on which India ruled out relatively firmly the introduction for the next season

of any export restrictions. The aim is to now capture this in the joint minutes of the meeting which are being finalised. Other important topics of discussion for the EU side were certain labelling requirements applicable in India and the requirement to perform mandatory tests in Indian laboratories attesting that no azo dyes are used in the production process. [deletion

]. With regard to azo dyes, India was asked to take into account that azo dyes cannot be used by EU producers as they would infringe REACH, thus, there is no use in forcing EU producers to make an extra test. The India side also raised several topics that are of their interest and that are raised on a regular basis, such as the EU legislations on REACH and GSP. In the context of this mission, COM also raised key market access concerns, namely mandatory certification for steel and tyres, export restrictions on certain raw materials, and local content requirements for telecom equipment. Regarding tyres certification, COM informed about the fact that India had - shortly after the mission - withdrawn one of the restrictive elements – the ban on exports of Indian-certified products, and that other ones will be carefully monitored and raised with the authorities. Regarding telecoms equipment, COM informed that it obtained during the mission some clarifications on the state of affairs, but that unfortunately India had officially implemented the provisions regarding local content requirements in government procurement, which was contrary to G20 commitments (even if not to WTO rules, as India is not party to the GPA). The implementation of remaining rules potentially upcoming – on requirements linked to security - will be closely monitored and opposed by the EU, as these rules would concern commercial transactions and could therefore be WTO-incompatible.

[deletion

]. [BU] also added that it would be welcomed if India accepted the self-certification on azo dyes. [MS] pointed out the need to find a long term solution to India's export restrictions on cotton that provides predictability to the cotton market. [deletion

]. MS signalled problems about internal taxation affecting a MS operator namely about a practice by the Indian tax authority to withhold income tax for direct shipments of goods to India. MS will come back with more information to COM on that matter. [deletion

]. It also informed that the certification process required the transmission of business-sensitive information. COM asked MS to provide more information, if available. MS expressed worries that the 6 months period will be sufficient for companies to complete the application for steel certification, and complained that the delays in registration might be a deliberate process to foreclose the market. COM took good note, but also reminded MS of the need for their companies to introduce the necessary license requests. MS pointed to the existence of a potentially burdensome certification scheme for certain types of ceramics (azulejos). [BU] expressed its concerns about the local content requirements for telecoms equipment and expressed satisfaction at the issue being raised with the Indian authorities. [BU] also enquired whether the FTA would help to find solution. COM clarified that, since the WTO rule book does not provide COM with tools to tackle government procurement issues with India, a solution to this problem could be found through the FTA. [deletion]

6. DEBRIEF ON THE EU-RUSSIA CONSULTATIONS IN MOSCOW ON THE IMPLEMENTATION OF THE BILATERAL WOOD AGREEMENT (1-2 OCTOBER 2012)

COM presented problems related to the implementation of the bilateral Wood Agreement (entered into force on a provisional basis upon Russia's WTO entry), namely Russia has issued only a few export licences so far and is very slow in implementing their commitments. COM held consultations with Russia on 1-2 October and achieved some progress on important technical issues such as the exact tariff codes to be defined at 8-digit level and the generic product description to be used in quota authorisations issued by EU Member States. Russia seems to respect the agreement on these technical aspects but compliance will have to be further monitored. Parallel to COM's Moscow mission, the problems with the wood TRQs were also raised at higher level at an EU-Russia bilateral coordination meeting in Geneva. On the other hand, COM is very concerned about new restrictive conditions for the granting of export licences which Russia has introduced. Russian Resolution N° 779 of 30 July 2012 establishes a number of conditions for the issuance of export licences which are clearly in violation of the bilateral Wood Protocol. COM stated that Russia's reply during the consultations was quite disappointing: they do not seem willing to repeal the restrictive legislation and said the restrictions were necessary only to ensure the "legality" of wood exports under the TRQs. MS requested to address a very strong and firm message to Russia as well as underlined that strong support from MS is crucial. MS echoed that firm COM line is needed in order to obtain full use of wood quotas to the benefit of EU operators. COM repeated that contacts take place at both technical and senior level and implementation of Russia's WTO obligations is closely monitored.

7. MARKET ACCESS CASES

7.1. Ukraine: renegotiation of WTO tariff lines

COM gave an update on Ukraine's recent notification to the WTO under Article XXVIII to modify import tariffs for a large number of agricultural and industrial products (about 370 tariff lines). COM indicated that Ukraine's proposal to re-bind the affected tariff lines is not clear yet but EU exports will be largely affected. The request is worrying from a systemic point of view and might create a dangerous precedent. COM stated that it has been discussing with Ukraine on bilateral level for seeking explanation on the reasons behind this action and requesting to reconsider their position. COM pointed to upcoming elections in Ukraine on 28 October and hopes to have more constructive discussions after the elections. On multilateral level, COM is having contacts with other WTO members [del.], and has raised serious concerns at the WTO General Council on 3 October and at Market Access Committee on 16 October. [MS

] supported COM's approach and shared systemic concerns. [MS] requested Commission to be ready with a list of products for compensation. MS urged for a quick signature of the DCFTA which would bring more stability for economic operators. BU enquired whether apparel and footwear will be affected by the tariff renegotiation and expressed concerns that Ukraine will increase some tariffs by transposing HS codes. COM responded that apparel and textiles will be affected to a certain extent while footwear fully and that Ukraine has an obligation to transpose HS codes for 2012 but without increasing any tariffs. COM indicated that first it has to respond to the notification by 12 December before starting any compensation negotiations. [

deletion

]

8. UPDATE ON WORKING GROUPS

The following Working Group meetings are planned: chemicals (18 October 2012); SPS (7 November 2012).

9. ANY OTHER BUSINESS

MS raised concerns regarding exports of medical devices to China, notably the unpredictable certification, testing and renewal of approvals which is far stricter and longer than the international practice. **COM** confirmed that these concerns are well-known and have been raised bilaterally with the Chinese State Food and Drug Administration. **COM** will raise it in the context of the next Medical Devices Experts Roundtable in Beijing at the end of October. In addition, **COM** is expecting the revision of the Chinese Order 276 on medical device, which could partially solve these issues, notably the overlapping responsibilities of Chinese authorities. **COM** invited other **MS** to submit similar concerns.

MS presented the issue of possible olive oil marketing order in the US which would impose on imported olive oil new standard definitions, testing and labelling deviating from international rules. **MS** requested **COM** to continue proactively following this situation and guiding **MS** on necessary moves in order to avoid the adoption of the new rules. **COM** referred to very good cooperation between the **DEL** and relevant **MS** in Washington and stated that the issue has been raised several times with the US. **COM** indicated that the amendment that would pave the way for the marketing order is in the draft of the House Committee on Agriculture but is not yet included in the final Farm Bill. The Farm bill will be delayed most probably to next year. [deletion

]. **COM** is also monitoring the investigation by the US International Trade Commission on olive oil conditions of competition between the US and foreign suppliers. [**MS**] supported concerns made by **MS**. **MS** pointed to other 20 existing marketing orders not compatible with the WTO which have to be tackled as well; **MS** seeks more action in the context of the HLWG with the US.

MS expressed concerns regarding certification of textiles and leather in Egypt and requested an update on the state of play. **COM** explained that situation is still unclear regarding the implementation of Decrees 626 and 660 (on new conformity assessment procedure for imports of certain textiles and leather goods). **DEL** in Cairo and **DG Trade** are following this issue very closely. The **DEL** sent a letter to the Egyptian Minister of Trade seeking clarification. No reply has been provided. **COM** has also been informed that Egypt is in the process of preparing a new and detailed explanatory note on the implementation of the Decrees. This note should clarify the scope of the legislation and the goods subject to it, which is until now unclear. In addition, **COM** issued comments at the TBT Committee in June, to which Egypt has not replied. **COM** might consider raising it again at the November TBT Committee. To this end, **MS/BU** were invited to provide input on the implementation problems that companies are facing. [**BU**] supported **MS** and stressed the need to have clarification on the goods included in the legislation and whether intermediary products are affected as well.

FOR MEMBER STATES ONLY

**10. APPROVAL OF THE DRAFT MINUTES OF THE MAAC MEETING OF 24
SEPTEMBER 2012 (MAAC 2012-043)**

The minutes were adopted.

11. ANY OTHER BUSINESS

No other items were discussed.

DG TRADE, Unit G.3.



Brussels, 27 November 2012

***DRAFT MINUTES
MARKET ACCESS ADVISORY COMMITTEE
Brussels, Centre Albert Borschette – room AB-2C***

15 November 2012, 10:00 – 13:00 h

1. APPROVAL OF THE DRAFT AGENDA (MAAC 2012 – 044)

MS supported by **MS** requested an update on the issue of Ukraine's renegotiation of WTO tariff lines under AOB.

MS requested an update on Morocco's safeguard investigation on steel under AOB.

The draft agenda was approved with those additions.

2. ANNOUNCEMENTS FROM THE CHAIR

COM informed the Committee that the Delegation has started to revise the key barriers list for China in Beijing and the draft list will be presented in one of the upcoming MAAC.

COM reminded the MAAC to submit comments by 23 November on the upcoming WTO Trade Policy Review for the US (taking place on 18-20 November 2012).

COM informed Member States that the annual informal MAAC lunch will take place on 13 December 2012.

3. MARKET ACCESS CASES

3.1. Ecuador: import restrictions

COM informed the MAAC that Ecuador recently issued a number of new import restrictive measures, including import quota for vehicles and mobile phones and changed its ad-valorem (AV) tariff system into a mixed (AV and specific) system without WTO notification and without presenting a clear method for the calculation of equivalence. On the latter, EU industry has informed DG TRADE that the mixed tariff system for certain liqueurs results in tariffs exceeding the WTO bound rate. Bilaterally and in the upcoming WTO Council for Trade and Goods on 26/11/2012 the EU will insist that Ecuador (i) notifies its measures to the WTO under GATT Article II.3, (ii) presents a clear method for the calculation of equivalence, (iii) amends tariffs when exceeding WTO bound rate, and (iv) immediately revokes the set import quota. Moreover, the EU will express its reservation as to the applicability of the health and environment exception invoked by

Ecuador in relation to these new import restrictions. [BU] expressed concerns about the measure and would welcome any further clarification on the matter.

3.2. Norway: import duty increase on large hortensia (*hydrangea macrophylla*)

COM updated the Committee regarding Norway's increase in import duties on large hortensia (*hydrangea macrophylla*). Consultations took place at technical and political level. In his meeting with the Norwegian Minister for Agriculture, Commissioner Ciolos raised the issue stressing that the EU was strongly opposing this measure, arguing that the agreement between EU and Norway does not allow restrictive measures, and asked the Norwegian Government for immediate withdrawal. COM is ready to discuss Norway's proposals in further technical meetings but if no intention to retrieve the measure is shown by end of 2012, COM will start looking at possible legal actions. [

deletion] expressed concerns, [*deletion*]. [MS] reiterated concerns for cheese, beef- and lamb meat (shift from specific to ad valorem duties) and pointed to possible spill-over to other product areas. COM confirmed that both issues are being addressed with Norway. However, while the first issue remains with the customs authorities and could be resolved through a technical solution, the latter seems to be a political decision which will be more difficult to address.

3.3. Albania: new excise stamps regulation

[BU] raised their concern with regard to revisions introduced to Albanian Law No. 8976 of 12 December 2002 regarding the regulation of excise taxes on goods. The new law has been implemented since 1 April 2012 and introduces an exception in Article 24/1 which allows large producers in Albania to apply security codes directly to beer produced in Albania, whereas importers have to order the stamps from the administering body, Sicpa, pay the excise tax (and cost of paper) in advance and wait 3 to 4 weeks for delivery. In addition, importers cannot apply the stamps in bonded warehouses in Albania. [BU] indicated further that they were against the principle in general of strip stamps being applied to beer containers. COM indicated it believed a meeting was scheduled to take place between European brewing interests, the administering company and the Albanian Ministry of Finance in June and would like to obtain feedback of the results of that meeting if available. The issue raised questions about compatibility with the Stabilisation and Association Agreement with Albania and the GATT. COM would analyse further and consider the possibility of raising the issue at the EU-Albania Sub Committee on Trade, Industry, Customs and Taxation in February 2013. [BU] further indicated that they would like to see the exception for Albanian producers revoked or at least obtain the possibility of applying the stamps in bonded warehouses. They have requested the inclusion of this point on the agenda of the Market Access Working Group on alcoholic beverages meeting to take place on 12 December and representatives from companies specifically affected would plan to come to provide further details.

3.4. India: income tax for construction projects and for direct shipment

MS reported on taxation problems in India which seriously affects its operators' cash flow: according to the Indian internal tax law, i) an income tax of 40% is withheld by the customers for all payments for construction projects, and exemption from that practice take a very long time to be implemented; ii) an income tax of 5% is withheld by the customer for direct shipment of goods to India, which should not occur in practice. A binding court ruling is currently expected in that respect. COM responded that the issue

was raised in the Trade Counsellors meeting in Delhi (23/10) and feedback is currently awaited from MS for the upcoming meeting (16/11) and for discussion on possible grounds for any action, bearing in mind the fact that the problem related to the delicate sphere of administrative practice in India, all the more so concerning taxation. COM asked MS to inform about the fate of the judicial action in India, which should normally settle the 2nd issue, and on any further delays related to the first issue. [deletion

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3.5. Brazil: NTBs in the automotive sector

MS indicated concerns relating to technical regulations on cars parts published by Brazil notably the one on lead batteries and inquired how COM intended to address the problems before the requirements enter in force.

COM indicated that Brazil has indeed enacted a number of technical regulations on car parts. They have been notified to TBT (after public consultations in Brazil). In particular, a general framework on the certification procedures for car parts has been notified back in December 2010. This requires testing in Brazil car components (that have already been tested in the EU/UNECE system) as well as a specific Brazilian conformity mark. EU has pleaded for the acceptance of the UNECE test reports and UNECE marking, but Brazil has refused. Meanwhile, a number of product specific technical regulations (including technical requirements and conformity assessment procedures) have been notified to TBT and subsequently published. Lead batteries in one of them, but there are other (i.e. tyres, steering systems, glazing, hydraulic brake fluids). COM will be meeting the Brazilian regulator in this area (INMETRO) in the margin of the TBT Committee of 27-29 November. This meeting should ideally be followed by more technical contacts between experts from both sides under the auspices of DG ENTR. MS welcomed information provided and agreed to come back to COM on whether the concerns on batteries regarded batteries for replacement market only or also batteries fitted in cars exported to Brazil.

MS referred to Brazil's announcement in October 2012 of a new automotive regime, called Inovar-Auto, valid from 2013 until 2017 involving IPI tax reductions under the fulfillment of certain conditions related: energy efficiency, investment in R&D and manufacturing technology, minimum levels of local production and purchase of local materials.

COM gave a description of the measures in question and pointed to the possible breach of several WTO provisions under this new scheme. COM has been raising concerns on that matter in various bilateral and multilateral occasions (next representation is foreseen in the upcoming Council for Trade in Goods). COM invited MS/BU to study more carefully the pertaining legal acts, and give feedback on the actual implementation and their possible interest. MS stressed its concerns and the fact that [MS] industry will contribute in following the issue. [deletion

] COM acknowledged that other sectors might be concerned too, and invited the attendees to share any info on that. MS would check whether it can revert back with more information. MS shared its interest in being involved. COM reiterated the need for input; further discussion might take place in the Working Group on cars and car parts due on 19 December 2012.

4. PREPARATION OF THE TBT COMMITTEE, GENEVA, 27-29 NOVEMBER 2012

COM briefly presented the cases that the EU had put on the agenda of the upcoming TBT Committee meeting in Geneva (27-29 November). There were two new cases, both concerning medical devices. The first was TBT notification BRA/440, where Brazil had banned the importation of medical equipment reconditioned overseas, whose last place of installation before reconditioning had not been Brazil. The second concerned the revision of China's Order 276 – **COM** had been informed that this SFDA legislation, despite its importance for the various market access issues on medical devices in China, may not be notified to the TBT Committee; **COM** had therefore put it on the agenda to remind China of TBT transparency obligations. On notification VNM/19 (revision of Vietnamese Decree 40 on alcoholic beverages), **COM** informed that the final Decree had just been adopted on 12 November and most provisions would be applicable as of 1 January. The good news was that Vietnam had eliminated the requirement to affix fiscal stamps in origin or at the production site; however, the licencing requirements deemed problematic by industry remained in place.

[**BU**] thanked **COM** for its efforts, and stressed that it remained concerned with the licencing requirements; it thus asked the **COM** to raise this issue in the TBT Committee.

[**MS**] also expressed concerns on the licencing issue. [**BU**] also enquired why the **COM** had not included the Kenyan alcoholic drinks labelling regulation on the list anymore. [**BU+MS**] expressed concerns about Ukraine's law banning the use of trademarks. [**BU+MS**], and **MS** raised the issue of Russia's alcoholic beverages technical regulation, stressing that Russia is an important market for alcoholic drinks, there were still several problematic provisions in the second Russian draft (recently made available at the CU web site) and Russia should notify this to the TBT Committee. The **MS** referred to two issues, also related to spirits, in Egypt (new requirement on tax stamps) and Peru (analytical parameters). **MS** thanked **COM** for raising again the case of Egypt – import requirements for leather, footwear and textiles. **MS** raised concerns on Mexico – electrical installations standard which affects the marketing of electrical products, drawing attention to the fact that this tendency was spreading to other South American countries. **MS** recalled its concerns on India – steel, on which a submission had been sent to the **COM** in advance. **MS** also asked **COM** to update on the request by the Bureau International des Poids et Mesures (BIPM) for observer status in the TBT Committee. Regarding the Indian case - tyres, [**BU**] welcomed the removal of Article 6.3 of the BIS Agreement, but also reminded of persisting issues to be solved – e.g. calculation of royalty fees, indemnity bond, bank guarantee.

COM confirmed that it will still raise VNM/29 in the TBT Committee, even though the main TBT issue had been solved; however, it was reluctant to put too much focus on the licencing issue as it was not TBT-related. **COM** explained, however, that this aspect would be followed up in more detail via other channels. On Mexico electrical installations, **COM** explained that the measure had been notified through the TBT channel and that the EU had issued comments that suggested the substitution in the standards of product specifications by references to products performance characteristics as defined in international standards. Furthermore, **COM** stated that the case had been raised in the Special Committee on Standards and Technical Regulations of the Mexico EU FTA where Mexico had acknowledged the reception of the comments and promised a reply through the TBT channel. On Peru alcoholic beverages, **COM** explained that comments were being prepared, while for Israel alcoholic beverages, **COM** confirmed that comments regarding the contents, size and placement of the warning statements had already been sent. On the Ukrainian promotional material case, **COM** stated that an enquiry requesting notification had been sent to UA. This enquiry had received a

negative reply stating that this was not a technical regulation and that, in any case, it did not have a substantial impact on trade. COM stated that they continue to gather information on implementation of the measure and will reply to UA through the TBT channel. On Kenya, COM stated that the case had been withdrawn from the TBT Committee agenda as the bill was no longer being discussed in Kenya, but offered to further discuss the case with industry. On Russia alcoholic drinks, COM confirmed that it will raise the issue at the TBT Committee. Procedural questions (obligation to notify the measure to TBT) as well as a summary of remaining EU concerns will be mentioned. The issue has been discussed also recently at bilateral level and Russia has stated that EU concerns had been taken in to account. A detailed analysis of the second draft is being carried out by COM specialists (DG AGRI) and that will be reflected in the TBT Committee speaking points. On the longstanding Indian cases (tyres and steel), COM confirmed that it will continue to raise the remaining issues in the TBT Committee. On Egyptian requirements for leather, footwear and textiles, COM pointed out that no satisfactory reply to the EU comments was received and the case will be raised in the TBT Committee. Finally, on DE's question about BIPM, COM confirmed that it had informed the WTO of its support for the BIPM application, and had asked for this item to be added to the agenda of the TBT Committee.

5. UPDATE ON WORKING GROUPS

The following Working Group meetings are planned: textiles (4 December 2012); alcoholic beverages (12 December 2012); tyres (18 December 2012); cars and car parts (19 December 2012).

6. ANY OTHER BUSINESS

COM presented the state of play on Ukraine's WTO notification under Article XXVIII to modify import tariffs for about 370 tariff lines. COM presented its bilateral actions taken (e.g. letter sent to Minister Kodorovsky), alliance-building in the WTO and strong message to be passed in the upcoming Council in Trade for Goods (27/11). The Ukrainian vice-Minister confirmed at a meeting with Deputy Director General Balás that no tariffs will be increased under article XXVIII towards the EU next year. COM's interest to start compensation negotiations has to be signalled by 12 December; to this end COM has initiated request for a Council mandate. [*deletion*

]. [*deletion*

]. [*deletion*

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MS requested a copy of the letter sent to Minister Kodorovsky. COM indicated that the letter has been distributed to MS through Geneva channels and will be to the TPC.

MS requested an update on Morocco's safeguard investigation on steel. COM recalled that on 25 September 2012 the Moroccan Ministry of Industry decided to open a safeguard investigation on steel at the request of the Moroccan Steelmakers Association. COM informed the MAAC that a meeting took place in Casablanca (27-28 September) between COM, EU DEL and the Moroccan authorities where COM pointed out that the period on which the Association based its complaint (January-April 2012) is not sufficiently long. COM asked to be an interested party in the investigation. COM is in close contact with MS concerned, and awaits the decision of the Moroccan authorities on possible provisional measures for any further reaction.

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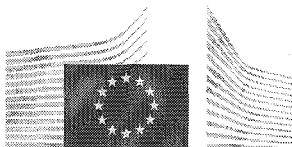
7. APPROVAL OF THE DRAFT MINUTES OF THE MAAC MEETING OF 18 OCTOBER 2012 (MAAC 2012-046)

COM set a deadline (22 November 2012) to submit written comments on the draft minutes. If no comments are received by the indicated date, the minutes are considered adopted.

8. ANY OTHER BUSINESS

No other items were discussed.

DG TRADE, Unit G.3.



Brussels, 10 January 2013

***DRAFT MINUTES
MARKET ACCESS ADVISORY COMMITTEE
Charlemagne, room MANSHOLT***

13 December 2012, 10:00 – 13:00 h

1. APPROVAL OF THE DRAFT AGENDA (MAAC 2012 – 047)

MS requested an update on Morocco's safeguard investigation on steel as well as on problems related to certification of wood and wood products under AOB.

MS requested an update on Ukraine's renegotiation of their WTO commitments on tariff lines under AOB.

MS supported the two previous points and requested information about Morocco's intention to increase VAT for some imported products under AOB.

[**BU**] requested information on Sierra Leone's new shipping act introducing a cargo reservation of 40% under AOB.

MS wished to debrief on a Market Access Seminar held in Russia under AOB.

COM informed the Committee that it has no further information on Morocco's steel safeguard investigation at this stage since November 2012 when it was discussed last time in the MAAC. The draft agenda was approved with the other additions.

2. ANNOUNCEMENTS FROM THE CHAIR

COM introduced a new registered business association: Confederation of European Community Cigarette Manufacturers (CECCM), which represents European-based cigarette manufacturers and several National Manufacturers Associations.

COM notified to the Committee that the WTO Trade Policy Review for Japan will take place on 19-21 February 2013. Comments will be collected via the TPC and the MAAC. The deadline for submitting inputs is set 29 January 2013. **COM** also informed the Committee that the WTO Trade Policy Review calendar 2013 will be circulated soon.

COM drew attention to the provisional MAAC calendar 2013 which was circulated in the meeting. The dates can still be subject to changes dependent on the availability of meeting rooms, but should be already earmarked by the Members.

COM introduced staff changes in unit G3 :

- as from January 2013 [COM] will take over from [COM] the coordination of the MAAC secretariat. COM and MAAC thanked COM for the excellent work done for the Committee over the past years.
- COM has recently joined the unit. COM will inform on new task distributions in unit G3 in the coming weeks.

3. MARKET ACCESS CASES (MAAC 2012 51)

3.1 Indonesia: export restrictions on raw minerals and stones

COM informed the Committee that the Ministry of Energy issued in February 2012 a Regulation 7/12 on Minerals Value Added by Mineral Processing and Purifying stipulating that all raw metal and non-metal minerals and stones — incl. tin, gold, copper, nickel, diamond, etc. — have to be processed in Indonesia. Consequently, it bans the export of raw minerals and stones and in the meantime introduced high export taxes.

Following a suit before the Supreme Court, Regulation 7/12 was partly overruled in September 2012, withdrawing some provisions of the Regulation regarding the export ban and the processing requirement. However this Court decision has not yet been published and not followed up yet by the Ministry of Energy. Following its intervention in July, COM again raised the issue in a high-level meeting with the Indonesian Government in December 2012 and inquired on state-of-play while indicating again its severe concern that despite the Supreme Court's decision no progress took place. While no detailed information was provided the Indonesian Ministry of Trade noted that its own implementing regulation (#29/2012) on export taxes remains in place.

[MS] expressed concerns as Indonesia is a big supplier for EU industries and price effects are starting to impact the markets. [del]. COM will continue to follow-up on developments, [del] while keeping all options open.

3.2 China: excessive data requirements

MS outlined problems of MS exporters with excessive information/data requests of Chinese customs authorities with regard to certain imported products such as electronics/IT products and chemicals. Chinese authorities have repeatedly requested the disclosure of commercially sensitive information before customs clearance. MS pointed to a possible systemic behaviour and asked other MS to share similar experiences. MS reported on respective difficulties for cosmetics and MS informed about relevant issues which were encountered by companies in the context of certification procedures.

COM communicated that the EU DEL in Beijing has been informed and has been asked to verify the legal basis for the disclosure requests and to find out whether this is a horizontal or rather a product-specific issue. One legal basis quoted by [MS] companies that was used by Chinese customs authorities to justify extensive disclosure requests proved to be erroneous and efforts are being made to confirm the correct legal basis as soon as possible. COM also stressed that there is a difference to be made between disclosure requests by Chinese certification bodies in the framework of certification regimes such as e.g. the CCC (China Compulsory Certification) and disclosure requests by Chinese customs authorities. COM indicated that this issue will be on the agenda of one of the next MAAC meetings when the list of key barriers for China will be reviewed.

4. REPORT ON THE TBT COMMITTEE, GENEVA, 27-29 NOVEMBER 2012

COM briefed the Committee about the main results of the latest TBT discussions in Geneva where 36 specific trade concerns were discussed. The EU raised or supported 18 cases, of which 12 common with the US and 6 with Japan. The EU put two new issues on the agenda (Brazil – ANVISA resolution on refurbished medical devices and China – testing and certification requirements for medical devices) and supported 2 new US concerns (Indonesia – import regulations for horticultural products and Israel – alcoholic beverages warning labels). Previously raised issues that continued to attract significant concerns from several Members of the TBT committee included India – Tyres, China – Information security, India – Telecommunications rules, Russia – Alcoholic beverages regulation and Vietnam – Decree 40 on alcohol production and import. The Commission informed the MAAC committee about their discussion with Egypt on the modified decree regarding ready-made garments and leather products.

COM also briefed the MAAC on the completion of the 6th Triennial review, which aims at reviewing the implementation of the TBT Agreement and was adopted following two days of discussions where many of the EU comments were taken on board in particular in relation to future improvements of the TBT Information Management System (TBT IMS) in part on Transparency where the EU had submitted a position paper.

[MS] expressed concerns about New-Zealand's intention to follow Australia's example in introducing the plain-packaging of tobacco products, pointed to possible spill-over in other countries and requested COM to monitor carefully this issue and push New-Zealand for notification, MS requested written information. MS asked for an update on Ukraine's prohibition of promotional material for alcoholic beverages. Other MS ([MS) and [BU] raised concerns with regard to Russia's technical regulations on alcoholic beverages and requested COM to push Russia to notify to the WTO. [BU

] welcomed positive developments in Vietnam on Decree 40 but pointed to remaining problems with licencing, and asked for clarification on the timing of Israel's regulation on health warning labels. MS requested information on foreign laboratory recognition scheme for steel in India.

COM responded that it has asked Russia to notify its technical regulations for alcoholic beverages. COM informed the MAAC that New-Zealand was still considering adopting a plain-packaging regulation on tobacco products and that NZ had committed to notify to the WTO when the draft is ready. Regarding India tyres/steel certification, COM indicated that the scheme was in place and requested feedback from industry. Regarding Israel's draft regulation COM indicated that work will resume once the new Knesset is elected, and on Ukraine's ban on promotional material for alcoholic beverages COM informed the Committee that it had requested Ukraine to notify the measure.

5. RESULTS OF THE 'MAPPING EXERCISE' OF EXISTING SUPPORT SERVICES FOR SMES

COM presented the draft "Study on Support Services for SMEs in International Business". The objectives of this report are to get an overview of existing support services for SME internationalisation in the EU and abroad ("mapping exercise") and to identify overlaps and gaps. COM will promote exploiting synergies between these services and if needed to fill gaps. A contractor conducted an online survey and contacted 1500 persons in all MS and in 25 selected countries abroad. The report will be the basis for an online portal where all services will be presented. The gap analysis is based on 771

support services in EU-27 and 346 support services abroad. The main findings are: With regards to eligibility, there are no obvious gaps, but few services are offered for specific target groups (by size, sector, new or existing firms, starting to internationalise or experienced). Most services have multiple characteristics (export/import/technical cooperation etc.). All MS have services that target all third countries, in particular BRIC countries, followed by large and/or nearby countries. Almost half of the services ask for contribution (specific services are charged or membership is required). The recommendations include that the mapping exercise is just a start and MS should fully cooperate in updating the data. The next steps will be the finalisation of the report in January 2013 and a discussion if and which policy measures would be needed to facilitate more SME internationalisation. MAAC participants are asked to contact their responsible SME authorities / stakeholders and to send comments to the draft report until latest 20 December 2012 (an email with additional information will be sent to MAAC participants).

During the discussion certain participants pointed out that, in their view, there seems to be no gaps in the general support services provided by the MS. However, SMEs seem not to be aware of available services. The COM was invited to coordinate and promote best practices, supported by the online portal with the mapping results. This would facilitate synergies between services and help to open up services to other Member States so that SMEs can get services in another MS. In addition, MS requested the list of persons contacted and considered that there are a relatively low number of Asian countries covered. MS noted that EU funded projects are not described. Exchange of good practices of MSs is lacking, so this is also a gap where the EU could play a role. MS remarked that instead of targeting specific groups it can be more efficient to target all companies. MS added the usefulness of applying best practices, especially regarding export processes.

MS remarked that there is a gap of services in India. [BU] confirmed that some MS are well organised, but in others the services are difficult to find, hence there are gaps where the EU could provide additional support services. They also asked in how many languages the online portal will be available. COM replied that all MS have been contacted for the mapping exercise. Unfortunately a significant number of services refused to reply to the online survey and that it is why the picture is not complete. The COM also mentioned that the analysis will go further into details in order to distil the correct policy recommendations. Regarding the portal it will start with English, other languages will follow. The country selection was based on the size and potential of export markets and neighbourhood where SMEs are more active.

6. PRESENTATION OF THE MARKET ACCESS DATABASE (MADB)

COM presented the new improved version of the MADB website. The overall website function remains the same with some additional features such as some EU import information on the homepage and easily accessible country specific information allowing the use of the MADB as a basic export market study tool. The new MADB also includes a "news" section and COM encouraged stakeholders to use this feature to share information relevant to EU exporters (announcement of events, fairs, market access success stories etc..).

7. UPDATE ON WORKING GROUPS

The following Working Group meetings are planned: tyres (18 December 2012); cars and car parts (19 December 2012); alcoholic beverages (22 January 2013).

MS asked to envisage postponing the start of the Working Group meetings to 9:30 to allow participants coming from abroad to arrive in time.

COM replied that in order to give the possibility to EU Delegations in Far-East countries to participate by video link, meeting should not start later than 9:00 a.m.

8. ANY OTHER BUSINESS

Ukraine's renegotiation of WTO tariff lines:

MS expressed its concern regarding the several trade restrictive measures adopted in the last months by UA. Not only the request of negotiations under Article XXVIII GATT is worrying, but also the Law on Customs Tariff of Ukraine is a serious threat for economic operators. [deletion

]

COM confirmed that [deletion

]

- Article XXVIII GATT: Ukraine has requested to renegotiate the bound tariffs for more than 370 tariff lines;
- The newly adopted Law on Customs Tariff of Ukraine: the Law has been signed by the President of Ukraine, therefore it has definitely been adopted. This measure is not in breach of Ukraine's WTO commitments, as far as 131 (applied) duties have been increased within the bound rates. Nonetheless, this new Law is clearly in breach of the spirit of the already initialled EU-Ukraine AA/DCFTA.

MS asked additional information regarding the implementation of this new Law on Customs Tariffs in Ukraine, and the sectors involved by these increases. In particular, **MS** was interested to know if the 131 tariff lines involved coincide with the 370 tariff lines interested by the negotiations under Article XXVIII GATT.

COM explained that the Law will enter into force on the 1st of January 2013. Concerning the sectors involved by this measure, there are many industrial sectors touched by these tariffs increases (Chapter 29 to 90). However, the tariff lines covered by these two protectionist measures do not coincide. For instance, the Article XXVIII negotiations relate more to cars, while the Law on Customs Tariffs relates more to car components. Therefore, one could go so far as to say that these two measures are almost complementary.

Morocco's increase of VAT on ceramic products:

MS drew **COM**'s attention to Morocco's possible increase of 30% of VAT on ceramic products from January 2013 and asked for more information on this issue raising the possible inconsistency of this measure with Morocco's international obligations.

COM pointed out that the information came from unofficial sources (Moroccan newspaper). The press article mentioned that an amendment was introduced to the budget for 2013. **COM** added that this possible amendment concerns certain luxury products and other products such as ceramics. **COM** explained that the EU Delegation was contacted on this issue to get an official version of the amendment which will allow **COM** to

analyse the situation and the possible discrimination between domestic and imported products. The budget is currently under discussion in the Moroccan Parliament.

Morocco's certification of wood and wood products:

MS expressed two concerns related to the wood imports from EU to Morocco. The required certification by the Moroccan authorities for imported wood products constitutes a real impediment for EU imports, because EU certification is not recognised and the Moroccan authorities did not designate a competent entity for issuing this certification. As a consequence EU wood products are not accepted in Morocco. The reforestation tax (12%) which seems to be applicable only to imported wood products. **MS** requested more detailed information on this issue from the Commission.

COM took note of these points and will provide more information during the next MAAC meeting.

Sierra Leone's new shipping act introducing a cargo reservation:

[**BU**] raised concerns about Sierra Leone's shipping act introducing a cargo reservation of 40% which appears to run against the commitments undertaken by Sierra Leone for international maritime transport under GATS and Art 42(2) of the Cotonou Agreement.

COM outlined that at the moment it seems to concern only 'bulk' cargos and not containers. For some types of specific vessels the Ratification Act establishes a right of participation which can be exchanged with a 4% tax on the value of the activity. According to COM's analysis since all shippers shall register with SLNC by 13 December and each shipper is provided upon registration with the terms and conditions which will be applied, the situation should become clearer. COM has asked [**BU**] to provide more information from their members who have already registered on how the system works in practice. The COM will see how best to proceed to raise the issue with Sierra Leone.

Market Access Seminar in Russia:

MS debriefed the Committee on the outcome of a Market Access Seminar in Russia on 28 November 2012 bringing together business representatives for the three Baltic Member States and noted that a follow up meeting will be organised with EU DEL in January.

FOLLOW-UP ACTIONS

Indonesia:

- COM will follow-up on developments regarding the export restrictions on raw mineral and stones.

China:

- Excessive information/data requests will be included in the agenda of one of the MAAC meetings early 2013 together with the review of the list of China's key barriers.

India:

- COM requested feedback from industry regarding the tyres/steel certification in place.

Morocco:

- COM will provide more information on the certification procedure of wood and wood products in the next MAAC meeting (January 2013).

Sierra Leone:

- BU to provide more information as regards the registration procedure of shippers.

FOR MEMBER STATES ONLY

9. FINANCIAL DECISIONS: IMPLEMENTATION OF 2012 MARKET ACCESS BUDGET AND PROVISIONAL BUDGET FOR 2013

COM informed MS that according to the rules of Comitology in force, the MAAC must be consulted on the budget figures related to the provisional budget for 2013. In relation to the provisional budget for 2013 a revised table has been circulated showing a reduced amount of 775,000 € (instead of previously 1,625,000 €) to be committed. This modification is due to the fact that the full amount of credits requested for the updates of the MADB for the full period of three years could not be granted due to budgetary constraints. As a result, COM may sign a contract for just one year instead of a three year contract. MS are requested to give their opinion until 21/12/2012.

MS found that the amount allocated in the budget for promotion activities was too low. The amount should be increased to allow a widespread cover of MA activities, for example with advertisements and articles in national economic press. MS informed that in case they do not provide a reply by 21 December, COM may consider that they approve the budget.

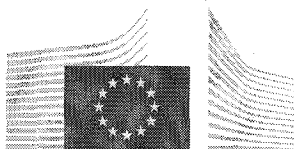
As for the question raised by MS, COM stated that there is a lot of promotion which is already done by the unit with its participation in different events and indeed, the budgeted figures come on top of that activity.

10. APPROVAL OF THE DRAFT MINUTES OF THE MAAC MEETING OF 15 NOVEMBER 2012 (MAAC 2012-050)

COM announced that no comments were received on the draft minutes and declared that the minutes are considered adopted.

11. ANY OTHER BUSINESS

No other items were discussed.



Brussels, 5 February 2013

DRAFT MINUTES
MARKET ACCESS ADVISORY COMMITTEE
Charlemagne, room MANSHOLT

24 January 2013, 10:00 – 13:00

1. APPROVAL OF THE DRAFT AGENDA (MAAC 2013 – 001)

MS requested to add the issue on Iraq's certificates of origin for products originating in the EU under AOB and asked the COM to report on India's BIS certification scheme following its visit to India last autumn.

The draft agenda was approved with these additions.

2. ANNOUNCEMENTS FROM THE CHAIR

COM notified the Committee on the upcoming WTO Trade Policy Reviews for Japan (19-21 February) and for Argentina (20 and 22 March). Comments will be collected via the TPC and the MAAC. The deadlines for submitting inputs are set on 29 January for the Japan Review and 27 February for Argentina. COM pointed out that the comments can be sent directly to the colleagues in EU DEL in Geneva; however, it would be most useful to put the MAAC secretariat in copy.

COM outlined the timeline of the Trade Investment Barriers Report (TIBR): adoption by COM in the week of 25 February, discussion in the TPC on 1 March, presentation to European Council on 14/15 March and to the Foreign Affairs Council (Trade) on 17 April. COM is aware of the MS's comments following several discussions and has taken them into account.

COM informed the Committee on the change of date for the MAAC in February: due to the unavailability of the meeting room on the date initially foreseen the next MAAC will take place on Tuesday 19 February instead of Thursday 21.

3. MARKET ACCESS SUCCESS STORIES

3.1. Vietnam: trade restrictive measure affecting imports of cell phones, cosmetics and wines & spirits

COM reported that Vietnam has revoked Notice 197 which was restricting imports of cell phones, cosmetics and wines & spirits through only three Vietnamese seaports and has published the Decree 94 on Liquor Production and Trading which no longer requires to affix stamps in the country of origin. Both developments are very positive and follow EU and like-minded partners' demarches to the Vietnamese authorities. COM will however remain vigilant on the implementation of the Decree 94, in particular its Art. 20 that specifies that liquors may only be imported into Vietnam through international

border gates and its new rules on how to affix stamps. Moreover the wines and spirits industry is preparing an analysis of the compatibility of the Decree's licensing requirements with WTO rules.

[MS+BU] and [BU] welcomed these positive steps and encouraged COM to closely monitor the implementation of Decree 94. MS stressed the importance of an immediate follow-up and COM suggested to ask the EU delegation to raise the issue at a next Trade Counsellors meeting and report back to Brussels on whether obstacles are effectively being lifted. [deletion]

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3.2. Turkey: lifting of temporary safeguard measures on cotton yarn

COM informed the Committee about the cessation of the safeguard measure on cotton yarn imposed by Turkey in October 2008. The measure ceased to apply as of 31 December 2012 and the product concerned is "cotton yarn (other than sewing thread) not put up for retail sale, containing 85 per cent or more by weight of cotton" which is currently classified under the code 52.05 within the Turkish Customs Tariff Schedule. COM acknowledge that the EU textile and clothing industry is facing a number of difficulties in Turkey and welcomed this development as a positive step in right direction.

4. UPDATING OF CHINA'S KEY BARRIERS LIST (MAAC 2013-003)

Following discussions with MS on China at various levels it was decided to review, in close coordination with MS and BU, the key barriers list for China with a view, when relevant, to better prioritise EU's market access issues with China. COM updated the committee on the feedback received from the EU DEL in Beijing after several round of consultations with MS and Industry on the ground, indicating that they show a reluctance to remove issues from the list that have been flagged as potential problems, or downgrade key barriers. Few MS asked to include new issues which are not entry barriers as such but distorting the market playing field. The idea is to finalise the list in Brussels through discussions first in the MAAC and then, for final endorsement, in the TPC (Trade Policy Committee).

MS and BU agreed to some extent to introduce systemic issues, but also stressed the need to include specific barriers, with considerable debate as to whether elements like export financing and subsidies qualify for inclusion on the market access database given the limited chances some MS considered to have to ever change such schemes.

MS stressed that systematic issues should be dealt at political level. IPR issues remain of crucial importance and [MS] recalled the importance of protecting EU interests in taking action in each possible way. [MS] asked the COM to follow-up the issues of excessive data requirement from the Chinese authorities.

MS and BU will send further input in writing to the COM. Depending on the amount of input received, COM will make a new proposal in an upcoming MAAC to reach a balanced and consensual document in the first quarter.

5. MARKET ACCESS CASES (MAAC 2013-004)

5.1. Indonesia: export restrictions on raw minerals and stones

COM updated the Committee on the Indonesian mandatory local processing regulation for metal and non-metal minerals (Regulation 7/12 on Minerals Value Added by Mineral Processing and Purifying from February 2012) de-facto banning export of unprocessed minerals' ores along and introducing high export taxes of 20%. Following its intervention in July, COM again raised the issue in a high-level meeting with the Indonesian Government in December 2012 and inquired on state-of-play while indicating again its great concern that despite the Supreme Court's decision which ruled against four articles of the Regulation thereby lowering governmental impact on business decisions and extending the grace period, this decision was not implemented. The Minister of Minerals and Coal in recent comments suggested that Regulation 11/2012 issued in May 2012 was addressing business concerns and anticipating on the Court's ruling. In December 2012, Indonesia raised the purification requirements for tin.

[MS] expressed concerns as Indonesia is a big supplier for our industries and price effects are impacting the markets. COM confirmed that the negative impact on global supply and prices should be expected and that it will continue to follow-up on developments, [deletion] while keeping all options open.

5.2. Venezuela: procedures for receiving foreign currency payment

COM informed the Committee that since Venezuela introduced in 2003 a general system of exchange controls and restrictions applicable to all transactions in foreign currency, imports and companies' dividend payments are impacted. In 2012 it was reported that the supply of foreign currency approved for imports falls short of covering current demand: resulting in shortages even in priority sectors like food and health while the total estimated debt with foreign suppliers including in dividends/royalties payments is USD 9 billion, of which USD 1.2 billion in the case of EU companies. COM intervened on this issue at various levels and times in the past, notably through the EU Delegation in Caracas' regular consultations and in 2010 a letter was sent on Commissioner-level on the application of retroactivity of the value of the exchange rate for dividends (using the exchange rate of the application and not of the approved date). This issue has also been raised with the Vice-Minister for Europe at several occasions.

[deletion]

. BU] also flagged concern as to the issue and would provide additional input from a business perspective. COM noted that similar issues are playing in Argentina and broader region and it would encourage EU Delegation to reflect on possible approaches.

5.3. Brazil: Taxation measures

COM [deletion] explained the on-going research and analysis on the use by Brazil of tax breaks aimed at favouring domestic manufacturers. Brazil implemented several programmes which provide for exemptions from indirect taxes (IPI, PIS and COFINS)

subject to the fulfilment of domestic content or other problematic requirements. Up to now COM has identified nine problematic programmes in relation to IPI, PIS and COFINS covering different sectors: A summary of these programmes has previously been circulated to the MAAC members. COM presented the main features of the programmes concerned.

[BU] expressed concerns over Brazil's policies and explained that such programmes, which make tax breaks conditional upon the fulfilment of domestic content requirements, have an impact on trade and investment flows. It mentioned the example of a company that recently altered its investments plans in a MS to invest in Brazil, to benefit from the tax exemptions in that country. MS considered that the concerns about local content requirements have increased and that it will be useful to have a more general discussion in the MAAC later on. On the same line, MS considered that the information is very useful, and suggested that the MAAC might come back with the issue, after consulting its industry. MS considered that the issue is systemic and covers several sectors, and expressed its willingness to know the analysis of the COM. COM thanked the MS for giving their views and signalled its interest in being informed about concrete examples on how the Brazilian measures are working and their impact on trade and investment decisions by EU companies.

6. MARKET ACCESS COMMUNICATION STRATEGY: FTA CENTRAL AMERICA, COLOMBIA/PERU

COM gave an overview of its communication strategy focusing on the implementation of EU agreements with Central America and Peru-Colombia, which will strive to ensure consistent and active messaging by both institutional and non-institutional players, to create synergies and critical mass. It underlined that this comprehensive communication strategy aims at supporting the take-up of the agreements and that a particular attention will be devoted to on-line media and appropriate outreach in third countries.

COM explained its intention to target communication towards EU-sectors/industries that could benefit the most from the agreements: services (telecoms, transport), manufacturing (automotive and car parts, pharmaceuticals, chemicals, construction materials, textiles and clothing), agriculture and processed agricultural products.

COM drew the attention to the already existing brochures covering the 2 agreements and that are available on DG Trade's website (<http://ec.europa.eu/trade/documents-and-publications/>) and gave an indicative timeline for the entry into force of the provisional application of the agreements (Q1/Q2 for Peru/Colombia and Q2/Q3 for Central America). COM invited MS and BU to provide inputs and notify their communication needs and share suggestions for joint initiatives.

[MS] welcomed the initiative, stressing that it is important to highlight the benefits from the agreements for both, partner countries and the EU, and asked whether the COM foresees similar programmes for futures FTAs as they constitute an important tool to explain the deals achieved to exporters. COM replied that this communication strategy will be adapted to future agreements, starting from the FTA with Singapore.

7. ANY OTHER BUSINESS

7.1. Morocco: Follow-up on certification of wood and wood products and VAT increase on luxury goods

COM gave a follow-up on the issue related to the certification of wood and wood products required by Moroccan authorities which was raised by MS in the last MAAC on 13 December 2012. The concern was that the procedure applied to the certification of

wood products seemed to be slow and inefficient. In fact, Morocco is proceeding with the homologation of its legislation in line with the European CEN norms, which are no longer applicable in the EU. On 20 December 2012, COM sent a letter to the Secretary General of the Moroccan Ministry of industry, commerce and new technologies. The letter evoked the EU concerns related to the application by the Moroccan authorities of the certification procedure and requested more detailed information on this issue. In the meantime tests were organised and monitored by EU DEL in Morocco. According to the information received from the EU DEL the conformity assessment is in line with the standards and the examined products did not meet the technical conditions put in place by the CEN norm. DEL requested more information (complaints from other MS) during the last meeting (22 January 2013) of the National Economic Counsellors in Morocco.

MS insisted that the certification norms contain rules applicable to products which do not exist anymore. COM will request more information from the DEL in Morocco on this point and suggested that technical aspects be cleared first locally between DEL and MS embassy in Rabat.

COM informed the committee that the above mentioned letter also addressed the issue related to a Moroccan tax applicable to imported wood products that was raised by MS in the last MAAC in December. This tax (12%) was applicable to the imported wood products classified under the chapter 44 of the Common Nomenclature. The financial law for 2013 extended the scope of this tax to the products classified under the chapter 94 (articles made of wood). In its letter COM underlined that this tax could not be applicable to any EU product since 1st March 2012 (because of the dismantling of tariffs foreseen in the Association agreement between the EU and Morocco). The letter emphasised also that this tax is considered as a measure of equivalent effect and is forbidden as such under the article 19.3 of the Association Agreement. COM is waiting for a formal reply from the Moroccan Ministry of industry and commerce. MS expressed its concern about rumours indicating that the Moroccan authorities would extend the tax to domestic wood products in order to demonstrate that this measure is not discriminatory and is not a measure of equivalent effect. MS's concern is that the tax will continue to be applied. MS asked to be informed on this issue stressing that their companies were suffering from this tax.

Increase of VAT on luxury products: Following rumours in the Moroccan press in December 2012 the question was raised by MS. COM informed that finally the financial law for 2013 does not contain any provision on such a VTA increase on luxury goods (notably on ceramics).

7.2. China: Wood and wood packaging materials

COM informed about the risk of China to adopt intensified inspections of wood packaging material, e.g. wooden pallets used in the transport of objects of all kinds of goods exported to China. Interceptions of harmful organisms in wood packing materials are being repeatedly notified by both EU (on consignments imported from China) and China (on consignments imported from the EU).

COM will take a temporary emergency measure on increased plant health checks for wood packing material from China used to transport certain high-risk commodities (stones), starting from 1 April 2013. China might take similar measures.

The presence of harmful organisms in wood should be avoided by the compliance with the requirements set out in the international standard ISPM 15. This means that wood should be treated in a proper manner and identified with an official mark, stamped by the competent authority, before being exported or used as wood packaging material. Therefore, traders and EU Member States authorities should be in compliance with

international standard ISPM 15 requirements so that they would not face problems during the arrival of goods in China.

7.3. Iraq: Certificates of origin for products originating in the EU

At [MS]'s request, COM informed the committee on the latest actions undertaken to improve the situation regarding the certification procedure requested by Iraqi authorities concerning products originating in the EU. The certification procedure requested by Iraqi authorities is a long running issue which has been raised by a number of MS, including the [MS] in 2012. Exporters to Iraq are apparently asked for certificates of origin issued by the Chamber of Commerce in the country of origin and attested and stamped by the Iraqi consulate in the country of origin. This practice is clearly very cumbersome for the EU exporters.

COM has been following this issue intensively since 2012. The EU DEL in Iraq carried out a demarche to the Ministry of Trade in June 2012. Subsequently a meeting took place with the Ministry of Oil in October 2012 and the Custom Directorate in December 2012 where they were told that Iraq is only applying existing regulations.

Currently the EEAS is in the process of setting up the subcommittees under the PCA agreement, and COM could address this issue at the first meeting of the trade and investment subcommittee under the PCA.

7.4. India: BIS certification scheme

At the beginning of the MAAC MS asked the COM to debrief on India's BIS certification_scheme under AOB. COM started by recalling the facts and explained that the issue related to the BIS certification of steel products was raised during the bilateral Steel Contact Group meeting on 7 December 2012 with India. At this occasion the COM emphasised that the procedure seems to be very slow and inefficient. The Indian delegates replied that the authorities put in place (online) guidelines in order to facilitate the procedure of certification. The two sides agreed that the EU industry (which was present to the Steel Contact Group meeting) can send letters to the Indian authorities describing concrete (if any) examples of difficulties during the certification process.

COM drew the attention of the MS on the importance for the EU companies to apply on time and respect all conditions put in place by the Indian regulation in order to avoid refusals based on no respect of the regulatory conditions or of the procedure.

MS expressed its concern about the fact that in order to comply with the Indian standards the EU companies should change their products. MS will provide more information to the COM on this issue. MS emphasised that the procedure is very slow and even the extension of the deadline for some steel products until 31 March 2013 will not allow some EU companies to complete the procedure for certification. [deletion

]. COM stated that this issue will be discussed in the MAAC in March 2013.

FOLLOW-UP ACTIONS

Excessive data requirement by Chinese authorities:

COM will continue the analysis of the issue and report to the MAAC.

Market access communication strategy: FTA Central America, Colombia/Peru

MS and BU to notify to the COM their communication needs in relation to the provisional application of the Central America and Colombia/Peru FTAs.

Morocco: certification of wood and wood products

COM to request more information from EU DEL in Rabat on the rules contained in the certification norms.

India BIS certification scheme:

MS will gather additional information from the companies affected by this measure and inform the COM. This issue will be discussed in the MAAC in March 2013.

FOR MEMBER STATES ONLY

8. APPROVAL OF THE DRAFT MINUTES OF THE MAAC MEETING OF 13 DECEMBER 2012 (MAAC 2013-001)

COM announced that no comments were received on the draft minutes and declared that the minutes are considered adopted.

9. ANY OTHER BUSINESS

No other items were discussed.

FOLLOW-UP ACTIONS

Key barriers exercise: China

MS to send further input in writing to the COM before end of the week of 4 February.

COM will present a new key barriers list for discussion in an upcoming MAAC.

MA communication strategy: FTA Central America, Colombia/Peru

MS to report in the MAAC in February on their needs/proposed actions in relation to the communication on the provisional application of the Central America and Colombia/Peru FTAs. COM invites MS to nominate a "rapporteur".

DG TRADE, Unit G.3.



Brussels, 6 March 2013

DRAFT MINUTES
MARKET ACCESS ADVISORY COMMITTEE
Centre Albert Borschette

19 February 2013, 10:00 – 13:00

1. APPROVAL OF THE DRAFT AGENDA (MAAC 2013 – 005)

MS asked to raise the issue related to imports of agriculture machinery into the Customs Union under AOB.

MS asked to include under AOB a point on the imports of pork and pork products into Malaysia.

[BU] asked to inform on problems about the labelling regime in Algeria under AOB.

The draft agenda was approved with these additions.

2. ANNOUNCEMENTS FROM THE CHAIR

COM notified the Committee on the upcoming WTO Trade Policy Reviews for Argentina (20 and 22 March) and for Mexico (17 and 19 April). Comments will be collected via the TPC and the MAAC. The deadlines for submitting inputs are set on 27 February for the Argentina review and 13 March for Mexico.

COM presented the timeline of the Trade Investment Barriers Report (TIBR): adoption by COM shortly, presentation in the TPC on 1 March, submission to European Council on 15 March. COM thanked the MS for their comments given in the TPC to the draft outline and briefly explained that the aim of the report was to highlight the main trade obstacles with the EU's principle trading partners and that its scope was limited to 6 countries: China, India, Japan, Russia, US, and Brazil taken together with Argentina due to the Mercosur dimension.

COM informed the Committee on the change of date for the MAAC in March due to meeting room unavailability: the next MAAC will take place on Friday 22 March instead of Thursday 21 and will be without interpretation.

3. UPDATING OF THE LIST OF KEY BARRIERS FOR INDIA

COM presented the process to review the key barriers list for India, which is justified due to the importance of the market for EU companies, and the sheer number of market access barriers in this country. The revised draft list was elaborated by COM services in Brussels and the EUEL

of new barriers, but since it would entail the deletion of other items, in order not to exceed 10 barriers, this would need to be well substantiated and carefully assessed. COM underlined that the non-inclusion of a barrier in the list did not mean it would be excluded from demarches to solve it. Some participants inquired about the link of the list to the on-going FTA negotiations.
[*deletion*

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Depending on the amount of input received now, COM will present a new draft of the list for the upcoming MAAC.

4. EARLY WARNING CASES

4.1. USA: Implementation of the US Food Safety Modernization Act

COM welcomed the early warning case proposed by MS on the US Food Safety Modernisation Act and explained that the US notified last January to the WTO SPS Committee two drafts:

- (i) Standards for the growing, harvesting, packing and holding of produce for human consumption (G/SPS/N/USA/2503) and
- (ii) Good manufacturing practice and hazard analysis and risk-based preventive controls for human food (G/SPS/N/USA/2502).

MS and BU have been invited to send comments to the Commission by 30 April, at the latest. The two proposed rules are the first set of implementing rules developed by the FDA in the framework of the FSMA basic act. The FSMA basic act was signed into law on January 2011 and aims at ensuring that the US food supply is safe by shifting the focus from responding to contamination to preventing it.

COM also informed that another three implementing rules of the FSMA are foreseen to be published in the short term. COM highlighted the importance of providing detailed and specific feedback to the Commission in due time given the trade impact that this two texts may have on the EU agri-food exports to the US.

4.2 Russia: Double Customs guarantee

4.3 Russia: Alcohol circulation – notification procedure

(points taken together)

[BU] indicated that with the creation of the Customs Union (CU) between Russia, Kazakhstan and Belarus, a new requirement had been introduced so that, in addition to the bank guarantee requested by Russian authorities, all products imported to the CU would need to be accompanied by a Guarantee Certificate confirming payment of import guarantees for imports of goods into the CU territory (including Russia).

Following Industry pressure, in February 2012, the Federal Customs Service issued a letter explaining that TCU Guarantee Certificates would not be required for imports of alcoholic beverages. However, on 13 December 2012, the FCS issued an Order annulling a number of FCS legal documents, including its letter of February 2012. This has led again to demands for CU Guarantee Certificates by Russian customs posts from alcoholic beverage importers. It is possible to avoid this second guarantee requirement if the trucks are accompanied by a special customs escort but this is expensive. [BU] considers that this new double guarantee requirement breaches notably paragraph 248 of Russia's WTO accession protocol.

With regard to alcoholic beverage circulation, [BU] indicated that through a recent amendment to Russian Federal Law SRL 171, the FSR had introduced the possibility of creating

a notification procedure at the level of Russia only, through a decision by the government, rather than through implementation of the draft Technical Regulation. [**BU**] indicated that Russia does not believe they have to notify this to the WTO as it is just an amendment and, in theory, the notification details should be adopted before 1 March 2013. [**BU**] indicated that their members were also facing similar problems in Russia. They were required to provide a local certificate which [**BU**] considered to breach the terms of the 1958 UNECE Agreements. **MS** supported the concerns raised by SpiritsEurope.

[*deletion*

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With regard to the notification requirement, COM is aware of the issue and considers the law should be notified to the WTO TBT Committee giving members 60 days to comment. Therefore, COM plans to raise it in the TBT Committee meeting to be held in Geneva on 5 and 6 March.

[**BU**] informed participants that there was another new text for the draft legislation on the safety of Alcoholic Beverages. This new version once more includes a complete ban on PET bottles, a ban on the reuse of glass bottles, revises the beer definition and again increases the minimum malt content from 50% to 80%. COM responded that TBT comments had been drafted and were currently in the internal consultation procedure, but if Russia had made such changes once more it should notify them. [**MS**] supported the [**BU**] comments. [**MS**] raised a concern about a requirement that water should contain no magnesium and following Article 5.4 this would also apply to products coming into contact with the alcoholic beverage.

MS raised concerns about a new regulation in Russia which would ban synthetic materials for footwear.

5. MARKET ACCESS CASES (MAAC 2013-xxx)

5.1. Ecuador: Import restrictions for mobile phones

COM updated the Committee on Ecuador's import restrictive measures, including import quota for mobile phones. The point, requested by **MS** was already on the agenda of the MAAC in November.

Ecuador's reasoning behind the measures are supposedly the environmental and health concerns leading to the setting of an import limit. COM explained the actions engaged at different levels to address this issue and to make Ecuador aware of the potential incompatibility with WTO rules. However, it seems unlikely that these adopted measures would change in the short to medium term, at least not until the measures expire in 2014. [*deletion*

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5.2. China: Import requirements for phthalates residues in wine and spirits

[**BU**] expressed concerns about China's new import measure as from January 2013, imposing importers of wines, spirits drinks and olive oil to submit reports of laboratory tests confirming that the levels of phthalates (plasticizers) are below certain limits and urged COM to take action as consignments are blocked in Chinese ports. [**MS**] supported [**BU**] request and confirmed that this measure caused serious problems to the exporters and might spill over to other products.

COM informed that a letter was sent to the Chinese customs authorities (AQSIQ), contesting the new measure and arguing that it was implemented without prior notification and that there was no history of excessive finding of phthalates in EU spirit drinks, wine or olive oil. COM informed that it will closely follow-up this case and informed on upcoming bilateral meetings where it can be raised with China (SPS Committee in March and ETWG meeting in Beijing).

COM asked business to provide details on the situation of the consignments blocked in the Chinese ports and the claims by Chinese authorities.

6. EU-BRAZIL SUMMIT: MARKET ACCESS RELATED ASPECTS OF THE SUMMIT

COM provided an overview of the trade-related discussions that took place at the 6th EU-Brazil summit in Brasilia on 24 January 2012. Both parties confirmed the importance of the bilateral trade and investment ties and reaffirmed the willingness to strengthen the relationship through the reinforcement of the existing strategic partnership. The EU stressed its concern about the protectionist measures recently implemented by Brazil, whose aim is to reinforce its industrial sector to the detriment of imported goods. This includes increased tariffs, local content requirements and discriminatory taxes. The EU also reminded the importance of respecting previous commitments made at the multilateral level (G-20). Both agreed to create an Ad-Hoc economic commission to analyse the potential for further deepening relations related to trade, investment and competitiveness. Regarding the negotiations of the EU-Mercosur Association agreement, Brazil favours a conclusion with the full participation of all Mercosur members. At the EU-CELAC summit on 26-27 January, Mercosur Ministers agreed to proceeding to the exchange of respective market access offers with the EU by the end of 2013.

COM informed that Brazil launched a public consultation with a proposal containing almost 500 tariff lines. The objective of the consultation is to identify among those 500 tariff lines a list of 100 tariff lines where Brazilian tariffs could deviate from the Mercosur common external tariff, in line with the exceptions agreed at the Mercosur summit of December 2011. Another list of 100 exceptions to the Mercosur common external tariff was already published in September 2012 and entered into force on 1 October 2012.

MS are invited to coordinate this issue through their Embassies with the EUDEL in Brasilia. MS comments can be sent to DG Trade/MAAC secretariat and to the EUDEL until 1 March 2013 with a view to allowing the timely preparation of the consolidated EU submission that will be sent by the EUDEL to CAMEX.

BU is invited to submit comments in Portuguese directly to CAMEX through a letter to the indicated postal address and include both, "physical" materials (printouts) and an electronic format (text editor) of these materials on an attached CD-Rom. CAMEX should receive the comments by the deadline of 10 March 2013. In addition, for information purposes, a copy can be sent in parallel to DG Trade/MAAC secretariat before 1 March 2013 with a view to allowing the timely preparation of the consolidated EU submission that will be sent by the EUDEL to CAMEX.

7. PREPARATION OF THE TBT COMMITTEE, GENEVA 5-6 MARCH 2013 (MAAC 2013-xxx)

COM presented the draft list of cases to be raised in the meeting of the TBT Committee on 5-7 March 2013, which had been circulated to the MAAC and the TPC.

Most comments had been taken into account; however, with regard to **MS** suggestion to raise also Russia – textiles, **COM** highlighted that the two measures had been published in 2011, before Russia's WTO accession. Therefore, the TBT Committee was not an appropriate forum to raise this issue. Nevertheless, the **COM** would pursue it with Russian authorities bilaterally, including in a possible bilateral meeting with Russia on the margins of the TBT Committee.

COM then briefly outlined the three new cases on the list (Chile – foods nutritional composition and labelling (CHL/219), India – registration of electronics and IT goods (IND/44) and Korea – car parts (KOR/342)).

[**BU**] thanked **COM** for raising CHL/219, and reiterated its concerns on this measure, which would discourage consumption of EU products, including GIs and branded products. [**BU**] expressed support for the **COM**'s intention to raise China – Requirements for ICT products, and India – Telecommunications rules, and asked what concerns the **COM** would focus on for the India case. **COM** replied that it would intervene both as regards the problem of registration (third party certification of electronic consumer goods) as well as on the issue of telecoms security testing in India which is contrary to international practices in this area. [**BU**] supported the intention to raise KOR/342, and stressed that engraving the Korean KC mark on the car parts covered by the measure would be very hard, if not impossible; however, labelling would be more acceptable. **MS** welcomed the **COM**'s intention to raise again Russia – alcoholic drinks, and indicated that it would be good to make an analysis of the WTO

compatibility of Russia's measures for textiles. MS also supported the intention to raise Russia – alcoholic drinks, and asked whether there had been any developments on the issue of New Zealand – tobacco plain packaging. COM answered that it was not aware of any. MS referred to its written comments to COM with a focus on Korean-automotives, China-medical devices and India-steel certification.

8. REGULATORY COOPERATION IN THIRD COUNTRIES

COM recalled that over the past years, it has developed several regulatory dialogues with third countries with the aim to reduce costs for businesses acting on several markets by reducing differences in regulations either by using common international standards where possible or mutual recognition of conformity assessment. Experience has shown that this way of cooperation can be highly effective in problem solving, thus leading to enhanced market opening. Whereas it is sometimes difficult to change long established standards, better results can be achieved on innovative markets where upstream communication can prevent barriers from arising. The principal partners for regulatory and industrial policy dialogues are US, Russia, China, Japan, India, Canada and Brazil. COM gave a general overview of the state of play of the existing cooperation activities with these partners including sectorial working groups and confirmed that updates will be given to the Committee on a regular basis.

MS asked COM to send the details provided in the meeting in written to the Committee and recommended in future to circulate to the MAAC written information prior to the meeting as an introduction for further discussion.

9. FTA CENTRAL AMERICA, COLOMBIA/PERU: MS to report on their needs/proposed actions in relation to the communication on the agreements (MAAC 2013-xxx)

In the MAAC in January COM gave an overview on its communication strategy focusing on the implementation of the EU agreements with Central America and Peru-Columbia which will strive to ensure consistent and active messaging by both institutional and non-institutional players. It was agreed that MS and BU would provide inputs and notify their communication needs to the COM in the following MAAC.

MS thanked the COM for sending the document about the ten key benefits of the Agreements but remarked that the arguments were rather general and asked the COM to provide more specific messages on the FTAs, highlighting what's really in for the European exporters and including more facts and figures. COM stated that more communication material was to come and drew the attention to the more detailed information that is available on DG Trade's website.

MS asked whether the COM could participate to events organised in MS. MS uses internet platforms [BU] to communicate on the agreements, MS has organised seminars, amongst others in Colombia.

10. ANY OTHER BUSINESS

10.1. [BU] reported on the meeting in Moscow on 23 January on Safeguards Investigation in imports of porcelain table- and kitchenware into the Customs Union (CU) which was requested by its industry following increased imports of these commodities into the CU. [BU] asked for involvement of MS whose exports are or could potentially be affected by these measures. COM stated that it will transmit [BU] concerns to its services monitoring third countries' trade defence activities for further analysis.

10.2. Malaysia: imports of pork and pork meat

MS expressed concern about the import conditions of pork and pork products in Malaysia. [

deletion

So far 5 EU MS [MS] are approved as country by Malaysia with a total of 36 approved abattoirs. [MS] have sent request to have additional abattoirs approved. Malaysia stated that a maximum of 3 months is needed for assessing the information received on which they can then add additional approved abattoirs. Malaysia stated that for each abattoir, an application questionnaire needs to be completed. An audit is a precondition for new countries to be approved. Malaysia indicated that MS was not yet subjected to an audit and requested MS to send in all application questionnaires to initiate such an audit which is necessary for adding establishments to the list of approved abattoirs.

COM informed that recent exchanges took place between the COM and Malaysia resulting in Malaysia stating to be willing to amend its import procedure for the EU on listing of establishments and also on certification. COM will continue following-up the issue with Malaysia to further improve its import conditions to bring these in line with international standards and invites MS and BU to provide information and to update the COM in this regard.

10.3. Imports of agriculture machinery into the Customs Union (Russia, Belarus and Kazakhstan)

MS pointed out that the Eurasian Economic Commission (EAEC) decided to raise the tariffs of the Customs Union (CU) for combined harvesters and threshers by 27,5% from 25 February 2013. The special levy is being imposed on top of the regular tariff. The EAEC is justifying this increase of tariffs by the fact that the import of combine harvesters to the CU increased by 92% in the first half of 2012 resulting in losses of market shares for the domestic manufacturers. Russia only reduced its tariffs on combine harvesters from August 2012 and the additional duty is now restoring the tariff level which pertained prior to the WTO accession.

Following bilateral discussions Kazakhstan announced that it will work on a compromise in which a licence could be granted exempting 200 combine harvesters from the protective tariffs this year. At the same time, the Kazakh side recommended that Russia be approached in the WTO context.

MS expects Russia to provide the appropriate information to the WTO and to present the relevant data so that EU can establish whether this measure by the customs union is justified. MS therefore asks COM to examine the special levy adopted by the CU on the basis of documents to be provided by Russia as a WTO member.

10.4. Food labelling requirements in Algeria

[BU], supported by MS, informed the Commission about the issue arising from the new food labelling requirement in Algeria. The law which is already in force obliges producers to indicate in the list of ingredients the percentage of food additives in the product. This is not in line with *Codex Alimentarius*. The industry was not informed about the requirement in due time to be able to react. [BU] will follow-up with written comments to enable the COM to react on the bilateral basis.

FOLLOW-UP ACTIONS

India: List of key barriers

MS to send their inputs in written to COM by 1 March who will present a revised draft in an upcoming MAAC.

Brazil: Public consultation to identify tariff lines as exceptions to the Mercosur common external tariff

MS to coordinate this issue through their Embassies with the EUDEL in Brasilia. MS comments can be sent to DG Trade/MAAC secretariat and to the EUDEL until 1 March 2013 to allow the timely preparation of the consolidated EU submission that will be sent by the EUDEL to CAMEX.

BU to submit comments to CAMEX in Portuguese through a letter. CAMEX should receive the comments by the deadline of 10 March 2013. In addition, for information purposes, a copy can be sent in parallel to DG Trade/MAAC secretariat before 1 March 2013 with a view to allowing

the timely preparation of the consolidated EU submission that will be sent by the EUDEL to CAMEX.

Regulatory cooperation in third countries

COM to send MAAC members and participants details provided in the meeting in written.

Communication on Central America, Colombia/Peru FTAs

MS to send further inputs on their actions planned and their communication needs in written to COM.

FOR MEMBER STATES ONLY

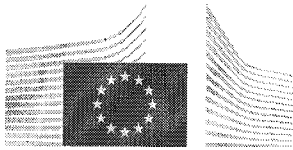
11. APPROVAL OF THE DRAFT MINUTES OF THE MAAC MEETING OF 24 JANUARY 2013 (MAAC 2013-006)

COM announced that comments from [MS+BU] were received and taken into account in the draft minutes and declared that the minutes are considered adopted.

12. ANY OTHER BUSINESS

No other items were discussed.

DG TRADE, Unit G.3.



Brussels, 5 April 2013

DRAFT MINUTES
MARKET ACCESS ADVISORY COMMITTEE
Charlemagne, room DE GASPERI

Friday 22 March 2013, 9:30 - 12:30

1. APPROVAL OF THE DRAFT AGENDA (MAAC 2013 – 012)

COM announced that it would debrief under AOB on Brazil's Public consultation to identify tariff lines as exceptions to the Mercosur common external tariff.

MS asked to include a point under AOB on Russia's possible restrictive measures on the imports of dairy products.

The draft agenda was approved with these additions.

2. ANNOUNCEMENTS FROM THE CHAIR

COM notified the Committee on the upcoming WTO Trade Policy Reviews for Switzerland (25 April) and for Macao China (13 and 15 May). Comments will be collected via the TPC and the MAAC. The deadlines for submitting inputs are set on 2 April for the Switzerland review and 9 April for Macao China.

COM explained the change of modus operandi for MAAC and MAWG as from next month. To enhance the efficiency between the MAAC and the expert groups and to allow easier participation by MS, **COM** decided to organise in future the MAWGs back to back with MAAC meetings. **COM** added that should the schedule of MAAC meetings not be sufficient to cover the WGs, ad hoc meetings of expert groups will continue to be organised. The new arrangement will not affect the organisation of the WGs on SPS. **COM** announced the schedules for the two coming WGs: the WG on cars, car parts and tyres will take place on 18 April and the WG on medical devices on 16 May.

COM announced that upon request from the Committee a paper copy of the new organisation chart of DG Trade's Unit G3 (Market Access, Industry, Energy and Raw Materials) was distributed in the meeting. The document will also be sent electronically to members and participants.

3. INDONESIA: REVISION OF THE KEY BARRIERS LIST

COM presented the context for the revision of Indonesia's key barriers list. There is an important potential in the development of trade and investment relations, as Indonesia has half of the total ASEAN population, an economic growth rate of 6,2 % and a middle class with an increasing purchasing power. [deletion

Despite the complex environment, EU exports are increasing and the EU companies who understand the system are getting good results in Indonesia.

Many new barriers emerged since 2011, when the current key barriers list has been endorsed. Hence it seems appropriate to revise the key barriers list. This will allow to have a focused trade agenda.

COM explained that the discussions in Jakarta led to identifying six key barriers: Investment restrictions, Import licenses and pre-shipment controls, Food and agricultural products, Pharmaceuticals, Mining and export restrictions, Draft Laws and regulations that impact foreign trade and investment.

The key barriers list of 2011 contained five barriers, of which three are kept in the revision: Investment restrictions, Pharmaceuticals, and, up to a certain point, SPS measures and burdensome registration of foodstuffs, although incorporated under the new barriers on Food and Agricultural products or on Import licenses and Pre-shipment controls. Other new barriers in the revised proposed list are Mining and export restrictions, Transparency and drafts of industry and trade laws. Finally, to keep the list short and ensure the focus, two barriers would no longer appear on the revised list: Labelling and Local content requirements.

Several MS and BU highlighted market access concerns on food and agriculture (MS – market access barriers regarding chickens, MS – meat products and milk, MS – citrus, food Law, SPS rules not clear, wines and spirits licencing, [MS]), import licenses and pre-shipment controls ([MS]), investment restrictions ([MS+BU]), mining (MS) government procurement [MS, BU], labelling ([MS]), local content requirements (BU). MS and BU were asked to send comments and further information by 6 April.

On this basis COM will finalise a proposal of a revised key barriers list, which will be sent to the members and participants of the MAAC for comments and further discussion at the next MAAC meeting.

4. CHINA: FOLLOW-UP ON THE REVISION OF THE KEY BARRIERS LIST

COM indicated that following a first discussion on the revision of the key barriers list that took place in the MAAC of 24 January and the inputs received from the Committee in writing, and after discussions with MS and BU in Beijing during the week of 11-15 March 2013, a revised key barriers list was sent to the Committee in advance of the MAAC meeting.

In the revised document it is proposed to remove 2 items from the list: i) the issue related to the granting of licences for CRS (computer reservation system) services, given that China has recently introduced a new regulation that allows foreign airlines to use foreign CRS services and since according to the COM assessment this regulation complies with China's GATS commitments on CRS; COM stated that the implementation of this regulation will continuously be addressed with the Chinese authorities, independently of the qualification as key MA barrier, as this barrier will remain in the MADB for China; ii) the barrier related to discriminatory practices in branch approval for insurance services, given that according to the latest EUCCC report, foreign insurers can now apply for several new branch approvals at the same time without regulation restriction on the number of applications; in addition there has been considerable progress with the opening of mandatory motor third party liability insurance to foreign insurers. COM

acknowledged that the underlying issue – slow and non-transparent licencing procedures for all foreign financial firms in China – should continuously be addressed, independently of the qualification as key barrier.

The revised list contains one new barrier on the discriminatory or excessive data requirements for imports of chemicals, food stuff and electronics. This new barrier was requested by many MS as it affects several sectors. COM explained that since the issue is systematic and involves a number of Chinese administrations, it has a significant economic impact and therefore COM proposed to include this new item in the list of key barriers.

At MS's request COM gave an update on this issue of excessive Chinese data requests together with multisampling/testing by Chinese authorities of APIs coming from the EU. COM informed that the issue was raised by DG TAXUD and the EUDEL during a meeting with Chinese customs on 19 March 2013 in Beijing. COM added that Chinese certification bodies (such as AQSIQ) also often require excessive data from EU companies before they issue certification documents necessary for customs clearance in China. This will be reflected in the final version of the list. In the margins of the Beijing meeting, DG TAXUD experts and EUDEL were informed by EU industry that certain EU food products face very similar issues with Chinese customs authorities and certification bodies. EUDEL and DG TAXUD have now proposed to follow up by sending an official letter to China customs. COM will be in touch with affected industries to prepare this letter and welcomes any further info from MAAC participants.

MS and BU [MS+BU] requested to keep insurance services on the key barriers list by including it in a broader barrier related to financial services. [MS] regretted the removal of CRS and proposed to keep this item on the list of priority barriers by including it in the existing barrier on postal services, as in their view these issues are similar.

COM replied that it took note of the comments and will present a new list in the next MAAC on 18 April.

5. INDIA: FOLLOW-UP ON THE REVISION OF THE KEY BARRIERS LIST

COM informed the Committee that it received several written contributions from MS and BU following the presentation of the revised key barriers list in the previous MAAC. COM explained that the final version of the list reflected the balance that had to be kept between various requests to include or exclude certain items, as well as the specific situation in which FTA negotiations were still on-going and their outcome unknown.

COM also briefly commented on the main contributions received. The Committee was generally pleased with the proposed list. Some participants expressed again their support [MS+BU] to include a barrier on IPR issues. [deletion

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MS raised the issue of import measures on marbles and stones, and asked for further explanations [deletion] regarding the non-inclusion of the barrier. COM replied that more clarity was needed on the Indian measures and their effect and offered to meet the relevant industry. [BU] reiterated concern about the heavy constraints on the import of natural mineral water into India. COM explained that India was preparing new standards which could bring positive developments in 2014. A meeting with BU will be scheduled soon on that matter. MS, MS proposed to revise the list in the months to come subject to more clarity as to the outcome of the current FTA negotiations.

On the basis of the final list, COM will update the corresponding fiches/hymnsheets for MS use.

6. EARLY WARNING CASES:

6.1. Russia: Potential restrictions on the import of some EU plant products

[BU] informed that it was alerted by its members to Russia's intention to introduce restrictions on EU imports of seed potatoes from 1 June 2013 alleging phytosanitary concerns. [BU] further expressed concern about the fact that Russia could possibly extend these temporary restrictions to consumption potatoes, tree nursery products, planting materials and potted plants with soil.

COM stated that it was aware of this issue and briefed the Committee on its actions undertaken so far to solve the issue. COM informed that the question (raised by MS and supported by other MS) was addressed in the Agriculture and Fisheries Council that took place on 18-19 March 2013, and that several meetings with the Russian authorities were scheduled to find a balanced solution to solve this trade issue between EU and Russia.

COM clarified that the implementation of this ban was originally scheduled from 1 April but is now postponed by the Russian authorities to 1 June. [MS] thanked the COM for the actions already undertaken and asked to maintain political pressure given the potential of this market.

7. MARKET ACCESS CASES

7.1. Saudi Arabia: Securing of business visit visa

MS requested an update on this issue. COM informed the Committee on the latest initiatives taken by the EUDEL in Riyadh (diplomatic notes, Schengen meetings, Heads of Missions meetings, meetings with Saudi-Arabian authorities, demarches etc.). MS, MS reported on business visa problems, including technical problems with visa registrations. Furthermore, MS pointed to a possible practical interim solution (invitations provided by MS/EUDEL) and inquired about the compatibility with Saudi Arabia's GATS obligations notably on transparency. COM replied that the GATS provisions exclude issues purely related to visas and pointed to the limited legal leverage in this case. COM assured nevertheless that it will continue its efforts with the Saudi-Arabian authorities.

7.2. China: update on import requirements for phthalates residues in wine, spirits and olive oil

At the request of [BU], COM debriefed on the latest developments in this issue which was raised in the MAAC of 19 February. COM informed the Committee that a letter from head of EUDEL was sent to the Chinese Vice-Minister on 5 March and that the issue was discussed with the Chinese side during the WTO SPS meeting in Geneva on 20-22 March as well as on 11 March in Beijing during ETWG meeting. COM acknowledged that at present China had not changed its position and that the EU has urged China to adopt new standards in regard of controls of phthalate residues in food. No statement was made on China's side on how long it would take to have the new standards in place.

[BU] thanked the COM for the actions undertaken and confirmed that the situation on the ground has not improved. MS confirmed that these requirements caused serious problems to their exporters. [

deletion

] COM replied that discussions with Korea and Taiwan already take place in this regard.

8. DEBRIEFING OF THE TBT COMMITTEE, GENEVA 5-6 MARCH 2013 (including update on Russia's New Technical Regulation on Safety on Product for Children and Teenagers)

COM informed that 41 specific trade concerns had been discussed in the Committee, out of which the EU had raised or supported 21. 6 of them were new cases: Chile - Food labelling, India - Registration of electronic products, Korea – car parts certification and SAR labelling for mobile phones, Thailand – Tyres certification and United Arab Emirates - Regulation on tyres. Some previous trade concerns received a good deal of attention: China – information security and Medical Devices regulations; India – Telecomm rules; Russia –alcoholic drinks and New Zealand – Tobacco plain packaging. COM signalled positive developments regarding China's possible postponement of the entry into force of their cosmetics regulations and regarding the US lithium batteries regulation.

COM also explained that bilateral meetings have been held with Brazil, Canada, India, Korea, Japan, US and Russia, and that two thematic discussions on Good Regulatory Practices and Standards had taken place.

[MS] requested additional information on Russia footwear and textiles regulations. COM informed that the issue had been discussed during the bilateral meeting with Russia, recalling the need to notify amendments to the technical regulations on the safety of consumer products and on goods for children and adolescents, should these result in a change of the conformity assessment procedure. EU concerns on the content of the Russian regulations (in particular the strict mandatory third party certification for low-risk products and the burdensome labelling obligations) were also raised during the bilateral meeting. The outcome of the meeting is positive as Russia did notify the amendments at the EU's request (see TBT notification RUS/14). COM is currently analysing the notified draft.

[BU] requested an update on the India Telecom regulations, in particular about the possibility of a postponement of the entry into force. COM explained that India has not yet announced a postponement of the security testing obligations.

[BU] noted their interest in the Ukrainian and Russian alcoholic drinks regulations, the latter also being mentioned by MS and [BU

] who also mentioned the new Russian rules on notification of imports. COM explained that the Russian regulation on alcoholic drinks had been discussed during the bilateral and was also raised in the Committee, where Russia stated that the regulation is still being discussed internally and that TBT comments were being analysed. COM requested Russia to notify its new rules on notification of imports, but Russia has not yet done so. Regarding the Ukrainian case the COM explained that the notification was being discussed internally and that the Ukraine response to the US comments were that the provisions on alcoholic drinks promotional materials were not covered by the TBT agreement.

The representative of the [BU] requested information on the discussions of the draft EU Tobacco Directive. The chair reminded that the purpose of the MAAC is to discuss EU offensive cases only.

9. ANY OTHER BUSINESS

9.1. Brazil – tariffs

COM informed that the EUDEL submitted a letter on 11 March to raise EU concerns on the possible tariff hikes foreseen in the public consultation (resolution CAMEX 12/2013 of 7 February), which proposed to identify 100 CET tariff exemptions out of over 300 tariff lines. At a follow-up meeting on 19 March, CAMEX explained to the EUDEL that the resolution was based on input from local industry. CAMEX announced that it will further analyse all observations to the consultation, and that a decision on the new list of 100 CET exemptions is to be expected in June or July. CAMEX invites EU companies to send directly further observations on Brazil's CET tariff exemptions which could initiate a modification of affected tariffs at following address:

Ministério do Desenvolvimento, Indústria e Comércio Exterior
Esplanada dos Ministérios, Bloco J, sala 700,
Brasília DF, CEP 70053-900
Brazil
Tel. +55-61- 2027-7050 or 2027-7090
email: camex@mdic.gov.br

9.2. Russia: Possible restrictive measures on imports of dairy products

COM thanked MS for drawing the Committee's attention to the recent Decision No 10 of the Eurasian Customs Union of 27 February 2013 which temporarily increased the import duties on certain dairy products (falling under HS headings 0405 and 0406) as of 1 April 2013. COM stated that although this import duty increase is still in line with Russia's WTO Schedule of Concessions and Commitments on Goods, it is concerned about this increase which also violates the G20 protectionist standstill pledge. COM will closely monitor the further development and raise this issue with Russian counterparts at all appropriate occasions.

MS explained that their industry is also worried about this increase. MS raised concerns about possible similar measures applying to pork products.

FOLLOW-UP ACTIONS

DG Trade G3 organisation chart: COM will send the electronic version of the document to MAAC members and participants.

Indonesia: Revision of the key barriers list

Following the discussion on the revision of Indonesia's key barriers list in the MAAC of 22 March, MS and BU are asked to send comments and further information by 6 April.

On this basis COM will finalise a proposal of a revised key barriers list, which will be sent to the MAAC for comments and further discussion at the next MAAC meeting in April.

China: Follow-up on the revision of the key barriers list

COM will present a new list in the next MAAC on 18 April.

Brazil: Public consultation to identify tariff lines as exceptions to the Mercosur common external tariff

EU companies are asked to send directly to CAMEX further observations on Brazil's CET tariff exemptions which could initiate a modification of affected tariffs.

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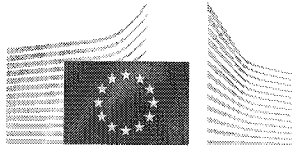
10. APPROVAL OF THE DRAFT MINUTES OF THE MAAC MEETING OF 19 FEBRUARY 2013 (MAAC 2013-011)

COM announced that comments from [*MS*] were received and taken into account in the draft minutes and declared that the minutes are considered adopted.

11. ANY OTHER BUSINESS

No other items were discussed.

DG TRADE, Unit G.3.



Brussels, 8 May 2013

***DRAFT MINUTES
MARKET ACCESS ADVISORY COMMITTEE
Conference Centre ALBERT BORSCHETTE, room AB-2D***

Friday 18 April 2013, 14:30 - 17:30

1. APPROVAL OF THE DRAFT AGENDA (MAAC 2013 – 019)

MS requested to add two items to the agenda under AOB: an early warning case on Israel's ban in trade of fur products and the request for an update on import restrictions and IPR issues for pharmaceuticals in Algeria.

MS asked to raise under AOB the issue concerning Russia's recently introduced ban for transit of domestic/farmed and wild ruminants from Poland through the Russian territory.

The draft agenda was adopted with these additions.

2. ANNOUNCEMENTS FROM THE CHAIR

COM informed the Committee on the planning of upcoming working groups which are now organised back to back with the MAAC meetings: the WG on pharmaceuticals will take place in May and the WG on chemicals in June.

COM mentioned that the WG on cars, car parts and tyres met in the morning, ahead of this MAAC session, in order to reflect the change of modus operandi of the advisory committee and the expert groups which was decided in order to allow easier participation by MS in the WG. COM reported that the attendance by MS in the WG in the morning was indeed higher than usual.

3. INDONESIA: FOLLOW-UP ON THE REVISION OF THE KEY BARRIERS LIST

COM thanked for the contributions received (from [BU+MS] following the presentation in the MAAC in March. COM informed that EU DEL also further discussed the list with MS in Indonesia. The new list includes 7 key barriers which COM explained:

- Investment restrictions - revision of the negative list and minimum capital requirements;
- Import licenses and pre-shipment controls - Indonesia is imposing import licensing requirements difficult to deal with, especially for traders that do not invest, and excluding smaller sized businesses from entering the market. Moreover, new regulations impose that a special relationship with the exporter has to be certified by the Indonesian embassy. Pre-shipment controls and entry port restrictions have been extended for 3 more years, now excluding the possibility of priority lanes; testing requirements on horticulture and limitation of entrance ports are another concern.

- Food and agricultural products - The Food Law is very broad, stating, among others, that import and export of food shall only be done in accordance with the national food needs. It further stipulates labelling requirements that are unclear. As regards meat and dairy, the focus is on the accreditation procedures. In this respect, the text of the key barriers list circulated will be amended to include dairy together with meat.
- Pharmaceuticals - It's a major export and investment sector of the EU in Indonesia. There is a clear need to keep up pressure. Regulations impose import restrictions and requirements to manufacture locally to be able to register drugs. The draft Law on Pharmaceuticals is still under discussion in Parliament and had different versions, including one that enforced a monopoly on imports by state owned enterprises.
- Mining and export restrictions - Local processing requirements of raw metal and non-metal minerals as well as stones, and a number of regulations providing for export restrictions and taxes – a barrier that was discussed in the MAAC meetings of December 2012 and January 2013.
- Draft Laws and regulations that impact foreign trade and investment - Indonesia is issuing numerous new laws and regulations that impact (foreign) trade and investment. EU is not formally consulted but can feed in informally its comments through local chamber of commerce and the Employers' Association APINDO. Of particular concern to the EU are the draft industry and the draft trade laws. They would have a major impact on EU trade and investment, given that they contain elements for many barriers – national standards, local contents, import substitution, restrictions on exports, control of the industry by the government, etc.
- Government procurement - A number of regulations are impacting negatively on the EU's ability to obtain infrastructure contracts. Foreign companies can only tender in cooperation with a national company (unless no national company has the ability to provide the goods and services requested) and only on bids that exceed certain thresholds. Regulations impose the use of domestic products in government procurement. Although we should not expect to get progresses in the short term, it is included in the revised key barriers list proposal, due to the economic relevance.

MS and **BU** thanked the COM for the revision of the key barriers list, agreeing that their concerns were broadly reflected. [**MS+BU**] wanted to ensure that issues related to discriminatory excise duties and import quotas on spirits would be actively addressed which was confirmed by COM. **MS** asked to include explicitly medical devices in the barrier on pharmaceuticals, [**BU**] highlighted import licencing and pre-shipment controls as a major barrier, particularly regulation 82/2012, on imports of cellular phones, handheld computers and tablets, for which it imposes certain requirements (minimum number of 3 distributors by the importer, import only through designated seaports and airports, import licence, PI licence, labelling, pre-shipment, inspection). [**BU**] further explained that the implementation of the regulation is imposing in practice additional burdensome requirements. [**BU**] flagged labelling requirements and import and export licences. **MS** inquired about the possibility to include the issue of horticulture to the list. [**BU**] confirmed that Indonesia was a big market and raised concerns on the blocked consignments with perishable food in Indonesian ports. Some **MS** asked to enlarge the list to include other barriers: **MS** (up to a total of 10 key barriers), **MS** (cosmetics, labelling), **MS** (maritime services), **MS** (alcoholic beverages), **MS** (taxes on luxury goods).

COM replied that the barriers in the proposed list have been grouped by nature in order to avoid duplicating a long list. COM further explained that sometimes the nature of the

measures can be similar but would affect different sectors and that it was therefore necessary to draft the barrier under a more generic form, meaning that each barrier on the list contains in fact a number of specific barriers. COM further stressed that the fact that an issue is not on the list does not preclude action on it by the COM. COM confirmed that EU DEL has a long working list and that specific issues are regularly tackled on the ground. This however should be distinguished from the key barrier list identifying priorities.

COM debriefed on the TPR that took place in the WTO on 10 and 12 April and confirmed that members showed unanimously concern by the increase of protective measures in Indonesia. COM concluded it will integrate as much as possible additional comments made and circulate a final version of the revised list.

4. CHINA: FOLLOW-UP ON THE REVISION OF THE KEY BARRIERS LIST

COM presented the conclusions on the revision of the key barriers list following discussions in December 2012 in Beijing and in the MAAC of January and March. The final list includes 11 items, so as in the previous list, and was circulated to the Committee in advance of the meeting. COM recalled that the discussion in the latest MAAC focussed on its proposal to remove insurance and computer reservation system (CRS) from the key barriers list and informed that following MS and BU request, and after having consulted the relevant COM services, it was decided to include a broader barrier related to financial services, covering horizontal problems such as slow and non-transparent licencing procedures, ownership and multiplatform restrictions. On CRS COM explained that following its assessment there was no real similarity between barriers on CRS and postal/courier services in order to keep both items under the same barrier.

MS and BU thanked the COM for the revision of the key barriers list.

MS signalled positive developments regarding the registration procedures for medical devices, as there seems to be no problem for the MS companies involved.

COM thanked MS and BU for their good cooperation and announced that the final list of key barriers for China is considered as adopted. COM noted that the barriers fiches and hymn sheets would now be accordingly adapted.

5. EARLY WARNING CASES:

5.1. Indonesia: draft regulation on health warnings for products high in salt, fat and sugar

[BU] presented the issue, explaining that they have been made aware by one of their members that a draft decree is being prepared by the Indonesian Ministry of Health, which was not notified under the TBT/SPS agreement, and which will require that sugar, fat and salt contents have to be declared on the label of all packaged food, together with a “health message” indicating that beyond a certain threshold it can harm the consumer’s health. The proposed health message would be: *“Consumption of sugar > 50g, sodium > 2000mg and Fat > 67g per person per day contributes to the risk of hypertension, stroke, diabetes and heart attack”*. [BU] is concerned that it could set a labelling precedent in one country – potentially acting as a barrier to trade that would increase labelling costs and asks COM to follow-up on this issue, bearing in mind that it would be desirable to have a harmonised set of standards and guidelines for nutrition information in all ASEAN countries.

COM gave preliminary comments and explained that the requirement to label sugar, salt and fat content is close to the mandatory nutrition labelling requested in the EU

Regulation No1169/2011. Mandatory nutrition labelling is also on its way at Codex level. In this respect COM mentioned that Codex guidelines require, when nutrition labelling is made, the labelling of the energy value and the amounts of protein, carbohydrate, fat, saturated fat, sodium and total sugars.

COM noted that the proposed health message is translating into daily reference intakes, the WHO population nutrient intake goals to consume for a daily 2000kcal intake:

- less than 10% sugars, which leads to 50g;
- between 15% and 30% fat, which leads to between 33g and 67g

Concerning salt, the WHO recommendation is not to eat more than 5g per day.

COM added that the WHO report states that these population nutrient intake goals are for consideration for the prevention of diet-related chronic diseases, which are the diseases mentioned in the statement: hypertension, stroke, diabetes and heart attack.

COM noted that the statement is only requested on certain foods, namely the ones that are high in fat, salt and sugars and that this differentiated label could be justified on the ground of public health. However, COM stressed that the EU approach is rather to promote the consumption of healthy foods than stigmatising the ones that would be too high in nutrients such as fat, sugars and salt, since consumers better perceive positive messages, which can therefore be more efficient to help them making healthier food choices.

COM assured that once a draft text will be available it will examine the content of the legislation to see whether the language of the "health message" is disproportionate. COM further confirmed that this new regulation has not been notified and informed that the COM has sent an enquiry to the TBT contact point in this regard.

6. MARKET ACCESS CASES

6.1. Ukraine: GMP requirements and new concept of import licencing for medicinal products

[BU] asked to raise the issue related to Ukraine's resolution in regard of Good Manufacturing Practice (GMP). [BU] explained that a resolution of June 2012 (CMU Resolution #717) introduces, from 1 July 2013, the requirement to submit during the state registration a document confirming that a medicinal product is produced in accordance with Good Manufacturing Practice, even in the case of products which already have PIC/S certificates. [BU] further explained that another Resolution (CMU Resolution #793), requires from 1st January 2013 the same kind of confirmation for the importation of medicines, meaning that an importer needs to obtain a document confirming the compliance with GMP requirements in two cases: when applying for the State registration and when importing the product, making the procedure at the customs time-consuming and costly for importing companies. [BU] noted that local producers are not subject to this regulation.

[BU] also raised concern about Ukraine's new import licensing regime indicating that the law adopted in July 2012 created a new concept of import licenses, requiring importers to obtain a separate license. [BU] noted that the law entered into force on 1 March 2012, but companies still do not know which documents are requested by the authorities, as they did not disclosed any guidelines until now. [BU] is also concerned about the introduction of a stricter regime as from December 2013, requiring quality controls amongst others measures.

COM thanked the industry for the information received and confirmed that the issue on GMP requirements is currently being considered.

As for the new concept of import licences, COM noted that the measure contains a TBT angle and that it will be looked at carefully from that point of view. While at the moment

the measure appears not to be particularly stringent, COM agreed with the concerns expressed by the Industry about a possible more stricter application of this measure as of 1 December 2013, and confirmed having raised the issue with Ukraine requesting full clarification on this matter.

COM also invited BU to report of any difficulties encountered in obtaining the licence and asked BU to provide any additional information.

[BU], [MS] thanked [BU] for having raised this concern confirming that their BU is affected by these measures and asked COM to keep pressure on Ukraine and to provide an update on the subject in a forthcoming MAAC.

[
deletion

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6.2. Ukraine: import ban on coke for steel production

MS asked to inform the Committee on Ukraine's draft measure aiming at the introduction of an import ban on coke. MS explained that it was concerned given the economic impact these import restrictions would have on the MS coke, coal and steel market and referred to the inconsistency with the EU-Ukraine PCA which requires equal treatment of goods of EU and Ukrainian origin as well as with EU/Ukraine DCFTA and WTO rules.

MS, supported by MS asked COM to take action.

COM thanked MS for sharing this information with the Committee. COM noted that the draft legislation has been adopted but was not yet in force. COM further explained that this measure comes on top of similar actions undertaken by Ukraine to support domestic producers [*deletion*

]

COM also made clear that the measure in question was a trade policy related matter which is competence of the EU and stressed that it must be tackled at EU level. COM also mentioned that the issue will be raised in a multilateral context in the Licencing Committee in Geneva and has already been raised at bilateral level in several high level discussions.

7. ANY OTHER BUSINESS

7.1. Israel: ban in trade of fur products

MS requested to flag an early warning case and reported that Israel was about to pass a legislation to ban all trade in fur products. [*deletion*

]. MS explained that such a measure would harm MS's economy as it has a long standing fur breeding tradition (fur sector accounts for about 1 bio US Dollar). MS asked the COM to take a firm position on this and raise the issue in the upcoming EU-Israel subcommittee for trade and services on 2 July in the context of the EU-Israel Association Agreement. MS notified that it would send further information in written to the COM.

[MS] shared MS's concern and asked the COM to update the Committee on this case in the next MAAC.

COM replied that this issue was already raised in the past but did not materialise and confirmed that the COM would analyse the situation to determine whether it could be included in the agenda of a forthcoming MAAC.

7.2. Algeria: import restrictions and IP protection for pharmaceuticals

[MS] recalled that following a measure adopted in 2008 and modified in 2011, Algeria imposes a ban on imported drugs which are also produced locally. MS asked the COM to update on the case, which is listed as a key barrier in the MADB, if possible in the next MAAC in May. [BU] thanked MS for raising this issue.

7.3. Russia: transit ban of domestic/farmed and wild ruminants

MS alerted the Committee on Russia's recently introduced transit ban of household animals, wild ruminants and their genetic material from MS through the Russian territory. MS had no further details on this new measure but asked COM to analyse the situation and come back on this issue in a forthcoming MAAC.

FOLLOW-UP ACTIONS

Indonesia: follow-up on the revision of the key barriers list

COM to integrate additional comments and circulate the final version of the revised list.

China: follow-up on the revision of the key barriers list

COM to adapt the barriers fiches and hymn sheets in the MADB.

Ukraine: GMP requirements for medicinal products

BU to provide any complementary information on this case

Israel: trade ban in fur products

COM to update the Committee on this case in a forthcoming MAAC. [] to send details on this issue in writing.

Algeria: import restrictions and IP protection for pharmaceuticals

COM to update the Committee on this issue in a forthcoming MAAC

Russia: transit ban of household animals, ruminants and their genetic material

COM to analyse the situation and give feedback.

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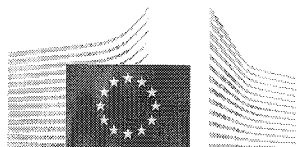
8. APPROVAL OF THE DRAFT MINUTES OF THE MAAC MEETING OF 22 MARCH (MAAC 2013-018)

COM announced that no comments were received and declared that the minutes are considered adopted.

9. ANY OTHER BUSINESS

No other items were discussed.

DG TRADE, Unit G.3.



Brussels, 6 June 2013

DRAFT MINUTES
MARKET ACCESS ADVISORY COMMITTEE
Charlemagne, room De Gasperi

Wednesday 22 May 2013, 10:00 – 13:00

1. APPROVAL OF THE DRAFT AGENDA (MAAC 2013 – 025)

Following issues were requested to be added to the agenda under AOB:

- [**BU**]: Turkey's draft bill on alcohol advertising;
- [**BU**]: Swiss proposals regarding alcohol products;
- **MS**: revision of the customs and fiscal system in Angola;
- [**BU**]: Indonesia's draft regulation on health warnings for products high in salt, fat and sugar; Peru's food labelling legislation.

The draft agenda was adopted with these additions.

2. ANNOUNCEMENTS FROM THE CHAIR

COM notified the committee on the upcoming WTO Trade Policy Review for Brazil (25 and 26 June). Comments will be collected via the TPC and the MAAC. The deadline for submitting inputs is set on 3 June 2013.

COM informed the committee on the change of date for the MAAC in June due to the unavailability of meeting rooms: the next MAAC will take place on Monday 24 June, 10:00–13:00 instead of Thursday 20 June. It will be followed in the afternoon by the Working Group on Chemicals.

COM announced that the new section of the Market Access Database (MADB) featuring the EU tariffs is now operational.

3. EARLY WARNING CASES:

3.1. Korea: Draft Amendment of the Korean Liquor Tax Law

[**BU**] supported by **MS** expressed concern about Korea's intention to redefine beer as a product containing at least 70 % of malt whereas at the moment the minimum requirement is 10%. **BU** declared that they believe that this significant change would have a negative impact on EU beer exports, in particular regarding IP protection. In their view the bill contains inaccurate information as the Korean rationale behind this measure

would be to improve the quality and the taste of beer, and considering that beer ingredients alone are not relevant for the quality of beer but that the brewing procedures must also be taken into account. [deletion

]. [BU] expressed hope that Korea would accept to introduce a minimum malt content less than 70%.

COM confirmed that it was aware of the draft amendment, and in this respect is in contact with EUCODEL to find some intelligence to discuss with Korea. COM explained its intention to approach Korean authorities on this issue by the means of written submissions and meetings. Given that the Korean amendment proposal would fall under the TBT scope it could be envisaged to also use this channel.

[MS] thanked [BU] and [MS] for having raised this issue, stressing the importance of the market and the necessity of agreeing on international standards.

COM replied that it was not aware of international standards for beer. COM asked MS and BU to provide arguments for EU comments.

4. MARKET ACCESS CASES

4.1. Norway: increase of import duties on agricultural products (meat, cheese)

MS and MS have requested an update on this issue and expressed interest in particular regarding hortensia plants and dairy products. COM explained that the case has now reached highest political level (it was discussed between President Barroso and the Norwegian Prime Minister), however, without notable results. COM informed that technical meetings took place in parallel to assess the economic impact of those measures. COM reported that while the change of tariffs seem to modestly affecting EU exports, the economic assessment of the measures concerning the imports of hortensia plants could not be achieved because figures were not yet available. COM asked MS and BU to communicate figures on their exports before the next meeting with Norway on 20/6/2013. COM also brought to attention that following the last discussion of the case in the MAAC, it investigated the possibility of using legal tools to tackle this barrier. However, the COM's Legal Service confirmed that no legal means were available, neither under the WTO nor under the EEA agreement.

[BU] replied that it believes that Norway's customs duty increase by shifting tariffs from specific duties to ad-valorem for cheese constitutes [del

]. [BU] and [BU] confirmed that their sectors was affected, [BU] agreed to send figures to COM.

[MS] confirmed the problematic situation for cheese imports and BU and [

BU] asked whether the review of the EEA agreement would be appropriate to bring this issue up.

COM confirmed that there was no possibility to take legal actions against Norway and that the only way to tackle this case would be through [deletion

]

4.2. Nigeria: import ban on specific products including pork meat

[deletion

]. MS stressed that import prohibitions are not justifiable under WTO rules and those related to Nigeria were already included in the key barriers list. MS asked to be updated on the current situation and the prospects for the future and on the actions taken by the COM.

COM confirmed that there was a ban of pork products, but that this prohibition was not due to religious reasons. Similar prohibitions affect other food products such as, for example, poultry and beef products. COM explained that Nigeria had been under constant pressure from the EU but also from regional partners from ECOWAS to eliminate the import bans. In recent years, a number of products have already been delisted. However, very often, for the delisted products the prohibition has been replaced by the introduction of special levies and other import substitution packages. Progressive elimination of export bans can be expected in the future since Nigeria claims to be committed to ECOWAS Common External Tariff which eliminates import prohibitions.

COM informed that it has regularly raised the issue of import prohibitions with Nigerian authorities at bilateral meetings both at technical and political levels but also in the context of the WTO Trade Policy Review of 2011. COM assured that the key barrier fiche concerning export prohibitions will be updated shortly.

[MS] stressed that import bans should not be allowed. Therefore it strongly support actions taken by COM concerning the elimination of import bans in Nigeria.

4.3. Israel: potential ban in trade of fur products

MS had asked the COM in the MAAC meeting on 18 April 2013 to update the committee on Israel's intention to introduce a ban in trade of fur. [BU] thanked [MS] for having raised the issue and presented the case, stressing that there are now 3 draft bills circulating in the legislative procedure in Israel aiming at banning trade in fur products and in particular a government initiated measure revising the Wild Life Protection Law which would become the first fur trade ban worldwide. [BU] mentioned that they have received indication that the discussions on the draft bills, which were adopted in the first reading in the Knesset, are about to be resumed in the coming weeks, and therefore asked COM and MS to urgently take action given the damaging precedent such a ban would represent. [BU] asked the COM to bring this issue up in the next EU-Israel sub-committee on industry, trade & services on 2 July. MS asked COM to debrief on the outcome of the discussions in the MAAC in July.

COM replied that the issue was and will continue to be actively followed by COM and EU DEL in Tel Aviv. One single and clear message will continue to be transmitted in all opportunities. The main message is that a ban is unjustified because the EU has strict animal welfare rules applied to the production of fur.

[MS] expressed themselves in line with MS and BU, stressing the negative impact such a measure would have on jobs in their industries and asking to approach Israel on this issue in the coming sub-committee meeting. MS and MS believe that the proposed bills [deletion]

5. PREPARATION OF THE TBT COMMITTEE, GENEVA 17-20 JUNE 2013

COM presented the draft list of cases to be raised in the meeting of the TBT Committee on 17-20 June 2013, a hard copy of which had been circulated to the MAAC. **COM** outlined the two new cases on the list: China – Innovative medical instruments and re-registration of medical instruments (not notified) and Russia – Safety of light industry products (RUS/14). **COM** indicated that the draft list would be sent on the same day to the TPC, with a possibility to comment on it until 3 June.

MS thanked **COM** for challenging RUS/14 and pointed out its concerns regarding ARE/147, in particular the scope of the measure. **COM** replied that comments had been sent recently on this issue. **MS** raised the issue of control import on cell phones in Indonesia, stressing that the draft had not been notified. [**MS**] welcomed the **COM**'s intention to discuss respectively RUS/14 and China – innovative medical instruments as new offensive cases.

[**BU**] expressed support for the **COM**'s intention to raise RUS/2 and ISR/609, and inquired about the state of play with regard to UKR/89, COL/121 and VNM – Decree 40. **DE** highlighted the importance of China – Innovative medical instruments, CHL/219 and the Indian measures on certification, and asked why KOR/342 was not on the list of offensive cases this time. **COM** replied that this issue was rather linked to the FTA and that the possibility of adding it to the list was discussed internally. **MS** stated that the further postponement of IND/32 was a good sign but fundamental problems remained and thanked the **COM** for sending written comments on ARE/147. **MS** welcomed the **COM**'s intention to raise BRA/328 and IND/32 and recalled its concerns with regard to the licencing system in Vietnam. **MS** expressed its interest in raising cases on alcoholic beverages and asked about the state of play with regard to New Zealand's proposal on plain packaging for tobacco products. **COM** replied that it was not aware of new developments since the last flash report was sent.

6. A.O.B.

6.1. Customs Union (CU) between Russia, Belarus and Kazakhstan: technical requirements for machines and accessories.

COM stated that it was aware of the issue raised by **MS** with regard to CU TR 10/2011 "On safety of machines and equipment" and indicated that this could be re-discussed with Russia. Contact would be taken up with **MS** to prepare further discussions at bilateral level with Russia. The TBT channel would be inappropriate in this case, given that the measure at stake had been adopted in 2011 i.e. before Russia's accession to the WTO and already entered into force.

MS recalled that the requirements had to be met by 2015 and **MS** indicated that the new certification rules may pose problems for companies who want to enter the market of CU.

6.2. Following AOB points, of which **COM took note, were raised in the meeting. However, the committee was requested to announce in advance the issues they wish to raise, in order to allow the **COM** to react on the substance and give appropriate feedback.**

- **Turkey:** [**BU**] supported by [**BU**] informed the committee on a draft bill in the Turkish Parliament which would severely restrict the marketing and promotion of alcohol in Turkey. Industry was not consulted. [deletion

]

- **Switzerland:** [BU] expressed concern about two proposals currently considered by the Swiss Parliament: the first measure aiming at introducing a minimum price for alcohol products, which would hit primarily foreign products, and the second issue is relating to the revision of tax reduction for local products. Spirits Europe reported that both proposals were adopted by the upper chamber of the Swiss Parliament against the position of the federal government.[deletion
]
- **Angola:** MS voiced concern about the revision of the customs and fiscal system in Angola and its intention to increase the tariffs on agricultural products and beverages such as beer by 50 %. This increase, although it would remain within the WTO binding tariffs, would be considerable. MS informed that the measure should be adopted in June and asked COM to follow up on this issue. MS asked whether this had been notified to WTO.
- **Indonesia:** [BU] provided an update about the early warning case it raised in the MAAC in April, relating to a draft regulation on health warnings for products high in salt, fat and sugar, informing that the Indonesian Ministry for Health has now issued the decree. [BU] expressed concern about the mandatory health message which in their view seems to be disproportionate and could represent a precedent in Asian countries. [BU] mentioned that it has sent the text of the decree along with an unofficial translation to the COM.
- **Peru:** [BU] informed the committee that news has reached them that Peru was considering to introduce controversial food labelling legislation - similar to recent developments in Chile. It would concern processed food.

FOLLOW-UP ACTIONS

Korea: Draft Amendment of the Korean Liquor Tax Law

MS and BU to provide arguments for EU comments.

Nigeria: import ban on specific products including pork meat

COM to update the barrier on Nigeria's quantitative import restrictions and related measures in the Market Access Database.

FOR MEMBER STATES ONLY

7. APPROVAL OF THE DRAFT MINUTES OF THE MAAC MEETING OF 18 APRIL (MAAC 2013-024)

COM announced that no comments were received and declared that the minutes are considered adopted.

8. ANY OTHER BUSINESS

No other items were discussed.

DG TRADE, Unit G.3.



Brussels, 5 July 2013

***DRAFT MINUTES
MARKET ACCESS ADVISORY COMMITTEE
Conference Centre Albert Borschette, room 1B***

Monday, 24 June 2013, 10:00 – 13:00

1. APPROVAL OF THE DRAFT AGENDA (MAAC 2013 – 030)

COM announced that it will present 2 additional issues under AOB:

- Panama: new legislation on maritime auxiliary services
- Vietnam: new pharmaceutical legislation

[BU] asked to raise 3 points under AOB:

- Israel: new excise tax system
- Ukraine: increase of import duties on alcoholic beverages
- Switzerland: revision of excise taxation system

MS asked to report on a success story.

The draft agenda was adopted with these additions.

2. ANNOUNCEMENTS FROM THE CHAIR

COM introduced a new registered business association: European Confederation of Woodworking Industries (CEI-Bois) which represents 22 National Associations and 6 Sector Federations of the Wood working industry.

COM announced the date of the next Working Group (WG) on Textiles on 18 July. The WG on Chemicals, initially foreseen back to back with the MAAC in June, will probably take place in September.

3. EU MARKET ACCESS STRATEGY: QUANTIFICATION OF THE RESULTS ACHIEVED UNDER THE KEY BARRIERS EXERCISE

COM explained that following the evaluation of the Market Access Partnership done in 2012 and whose results were published at the beginning of the year, DG Trade has undertaken the analysis of the economic impact of the success achieved in eliminating trade barriers in partner countries. COM outlined the econometric methodology of the analysis and presented the very positive results of the quantification.

MS regretted that the assessment did not show to which extent the success is due to EU actions and asked how it can be assumed that lost market shares can be recovered after a barrier is lifted in a partner country. In this respect **MS** stressed the importance to announce partial or full removal of trade irritants to industry in order to restore confidence. **MS** showed interest in specific market analysis and wanted to know the share between Market Access Strategy and Dispute Settlement in the removal of barriers.

COM explained the driving of the trade flow until a barrier is entirely removed and recalled that the results are underestimated as horizontal barriers could not be covered by this exercise. **COM** concluded that the positive results, which correspond to the trade volume generated by the benefits of an average FTA, highlight the significant contribution of the MAS to the enforcement pillar and reflect the good cooperation between all stakeholders. In this regard **COM** stressed the importance of the analysis of each barrier tackled under the Strategy and referred to the need for an increased effort to provide the most information possible on each market access concern raised, in particular on the HS codes and the trade volume affected.

4. KOREA: FTA IMPLEMENTATION/ UPDATE ON THE SCHEDULE OF WORKING GROUPS

COM presented the schedule of the Trade Committee on ministerial level and the forthcoming working groups (WGs) and specialised committees to be organised under the EU-Korea FTA which will take place in Seoul: Committee on Trade in Goods and Committee on SPS Measures (12 September); Committee on Outward Processing Zones on the Korean Peninsula (13 September); Committee on Trade and Sustainable Development and Civil Society Forum (11-13 September); WG on Motor Vehicles and Parts (25 September); WG on Pharmaceutical Products and Medical Devices and WG on Chemicals (26 September); Trade Committee (15 October). **COM** explained the slow start this year due to the reorganisation of the Korean government after the Presidential elections. **COM** updated the committee on the discussions at the Specialised Committee on Trade in Services, Establishment and Electronic Commerce that already took place in Brussels. This committee discussed many items, such as financial services, postal services, transport services, professional services and liberalisation of legal services) on most of which an agreement could be reached – issues remain in financial services. Considering that the agendas for the forthcoming committees and WGs are now in preparation, **COM** asked participants to reflect and signal specific issues they wish to be raised.

[**BU + MS**] thanked the **COM** for adding this update to the agenda and expressed their concerns about the application of the FTA by Korea (in particular in the sectors of cars, cosmetics, medical devices and direct transport) as well as the fact that new NTBs were arising. [deletion

]. **COM** reassured participants that continued efforts will be made to ensure proper implementation of the FTA. [deletion

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5. EARLY WARNING CASES:

5.1. Japan: Forestry Agency's Wood-use Points program

COM presented as an early warning case the so-called "Wood point stimulus programme" which is about to be implemented in Japan. This programme aims at increasing the use of wood products in the construction of houses. The program appears to target domestic wood, although the final provisions will only be known in July. The EUDEL met with the Japan

Forestry agency, but the discussions have not alleviated COM's concerns. First, it appears that the programme refers to "local wood products". Second, pre-approved designated species only concern Japanese products. Third, applicants will also have to demonstrate that they originate from countries with forest whose resources are increasing in volume. [deletion

] [MS] and MS stressed the importance of the issue. Industry [BU] also indicated that they had not specific concern with the programme as such, but with the discrimination it entails.

6. MARKET ACCESS CASES

6.1. Russia: state of play of food safety relations

COM presented the state of play with regard to 5 issues (Schmallenberg issue including the de-facto ban on import and transit of domestic and wild ruminants from the EU through Russia which was raised by MS in the MAAC in April, 7 Technical Regulations (TR) related to the food chain containing SPS measures which will enter into force on 1 July 2013, Phytosanitary requirements including the possible ban on the imports of potatoes and certain planting materials, the RF measures on imports of animal proteins which caused problems for EU exporters of blood products and which is now solved following exchanges of letters with Russian authorities, and the listing of suppliers of raw material of animal origin in the export of processed food products to Russia, Belarus and Kazakhstan). MS ([MS]) and BU [BU] thanked the COM for the detailed update and the EU actions undertaken. LV asked whether the TR were WTO conform and if there has been an assessment of the impact of TR on alcohol beverages. COM replied that indeed TR were not completely WTO conform and that it has sent comments in this regard. COM assured that this issue and the one related to the impact of TR on alcohol are raised whenever possible.

6.2. Turkey: Regulation on imports of chemicals

[MS] raised concern about a regulation decided by the Turkish government regarding the import of chemicals considering that this will imply strong restrictions for the EU exporters of some chemicals as from 1 July 2013. [MS] insisted on the point that this new regulation will have an impact not only on the EU chemical industry and the exports of chemicals but also on some other industries (such as leather, because this industry needs some specific chemicals). COM noted that according to latest information from EUDEL the Turkish authorities consider the possibility to withdraw the regulation because of problems related to its implementation and that EUDEL would contact the responsible person dealing with this issue in order to know more about this possible withdrawal. COM reported that Turkey notified this new regulation in the framework of the TBT committee and provided an officially translated text of the communiqué.

[BU] echoed [MS]'s concern and asked COM to analyse whether this new regulation would be WTO conform. COM invited the industry to come back with additional information (HS codes and trade volume affected) and will report on this potential issue in the WG on Chemicals or a future MAAC.

7. DEBRIEFING OF THE TBT COMMITTEE, GENEVA 17-20 JUNE 2013

COM briefed on the TBTC recalling the five new cases that were put by the EU on the list of STCs: two against China – medical devices: EMC testing (not notified) and innovative medical devices and re-registration of medical devices (CHN/965 and CHN/966), one against

Russia – Safety of light industry products (RUS/14) and two against Indonesia – nutritional warning labels (not notified) and import requirements for mobile phones (not notified).

[MS] asked whether since 1 July 2012 when the Technical Regulations entered into force there have been any amendments to the CU TR on Safety of Shoes for Children and Adolescents (not notified) which would fall under the notification obligation of the TBT Agreement. They highlighted the serious problems this TR cause to the industry. DK also suggested that a letter should be written from the Commission to the competent Russian minister calling his attention to this issue. COM replied that the TR was adopted and entered into force before Russia's accession to the WTO, it is therefore difficult to challenge the measure under the TBT Agreement. However, in the bilateral meeting with Russia, COM reminded them of the need to notify possible future amendments of the TR. Russia also informed (without providing further details) that they are considering a revision of the TR, including the provision on the ban of synthetic materials for children between 0-3 years.

In relation to ARE/116 (tyres), [BU] asked what are the next steps ARE is planning to make. In relation to India-tyres (IND//20 and 40), they asked for an update. COM replied that ARE informed before the TBT Committee that they do not apply the problematic provisions and are revising the measure, asking the EU to withdraw it from the agenda. In case there are still problems in the future, it can be discussed in the future TBT Committees. On Indian tyres, the EU raised the issue of bank guarantee (discriminatory against foreign manufacturers) and the method of calculation of the marking fees (on the basis of full production instead of quantities exported to India).

MS and MS raised concerns about the Russian technical regulations on alcoholic drinks. COM explained that EU concerns had been passed on to Russia during the Committee but also bilaterally. During those exchanges Russia confirmed that the minimum compulsory malt content had been reduced from 80% to 50% and the PET ban had been removed except for strong alcoholic drinks. Russia, however, also confirmed that the fully electronic notification system will be implemented.

MS requested additional information on the food labelling cases of Chile, Peru and Indonesia. COM informed that the three cases had been raised both in the Committee and bilaterally. The Chilean regulation is soon to be published, discussions are taking place at the highest level and most likely labelling requirements will be softened in the final draft, Chile has agreed to provide 6 months for implementation. Peru is working on the implementing regulations of their legislation and they have committed to notify them to the WTO and to provide at least 6 months for implementation. Indonesia confirmed that the legislation will enter into force in 3 years and that they would issue implementing guidelines, they will consider notifying the measure to the WTO, although there was not a clear commitment.

8. A.O.B.

8.1. Turkey: surveillance mechanism, minimum import prices for rails for lifts and other goods.

MS asked to share with the committee its concern about the Turkish surveillance measure which is described as a measure against cheap imports but seems to also affect imports of textiles and ceramic insulators. According to this regime licences are requested for the imports of products below a minimum price. COM noted that EUDEL already took contact with the Turkish authorities and that this issue was discussed in the last CUJC. COM asked BU to provide more information on the licencing procedure in view of building a case. ES asked to raise the issue again in the next CUJC.

- COM presented 2 additional issues under AOB:

– **Panama: new legislation on maritime auxiliary services**

COM informed that Panama recently introduced requirements to the legislation on maritime auxiliary services which seriously restrict the access to this market. In particular the legislation was changed in a sense that operating licence and registration of vessel dedicated to these services should be restricted to companies controlled by Panamanians. COM explained that this new legislation may be addressed under the Bilateral Investment Treaties or the EU-Central America Association Agreement which has been ratified by Panama on 26 March, and which is expected to be provisionally applied as of the 1st of August. COM asked MS and industry to relay any relevant information on this issue In order to better assess the impact of this legislation and facilitate its legal analysis.

[MS] thanked the COM for raising this issue which may affect their industry.

– **Vietnam: new pharmaceutical legislation**

MS brought to the COM's attention that a new pharmaceutical legislation "Promulgating temporary requirement on the documents submitted to announce a list of innovator drugs, drugs proven therapeutic equivalent with the innovator drugs, drugs proven bioequivalent" recognises patents from 14 patent offices only. The set of 14 patent offices has been taken from a list associated with the Patent Cooperation Treaty. This list excludes a number of EU MS and is also linked to access to tenders. COM clarified first that FTA negotiations cover public hospitals and their purchase of pharmaceuticals under the Government Procurement chapter and that the potential other pharmaceutical issues raised by this new law may be addressed in the next negotiation round that will take place in the 1st week of July and further discussed in Hanoi, where the Delegation has already had a meeting with Vietnamese authorities and MS Commercial counsellors. COM asked industry and MS concerned to provide more info on the context in which the patents are not recognized, whether it is in the PTC context or in the context of mutual recognition of patents. At the request of MS to receive detailed information, COM indicated that it will circulate a summary of the issue.

• [BU] raised following points:

– **Israel:** Industry indicated they had been concerned with regard to a recent proposal in Israel to introduce a new excise tax system which would retain the TAMA uplift, as this would be contrary to Israel's commitments in the OECD to remove discrimination by 1 January 2014. However, they had just received news that Israel had passed a proposal that morning which removed the TAMA and the discrimination. COM indicated that its Head of Delegation in Israel had recently written to the Israeli authorities and COM had raised this in the OECD. COM had received the same positive feedback that morning, but awaited the final text.

– **Ukraine:** [BU] informed the MAAC that there was a draft proposal in Ukraine to increase import duties on alcoholic beverages (spirits, wines) above the bound rates. COM indicated they had received information that the draft law is probably not going to pass full scrutiny in the legislative process in Kiev, given that some elements of this proposal are incompatible with Ukraine's WTO obligations. COM would monitor developments with regard to the draft law.

– **Switzerland:** Industry raised concerns with regard to a proposal in Switzerland to revise the excise taxation system to introduce taxation based on yields, which would be discriminatory as only the domestic industry would be able to benefit.

They were also concerned by the introduction of minimum pricing for alcoholic beverages which they considered could, inter alia, result in a quantitative restriction. [deletion

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- **US: US Farm Bill draft**

MS reported on a success story as now the olive oil has finally not been introduced in the US Farm Bill draft and therefore there is no legal basis now for an eventual marketing order adversely affecting EU exports. **MS** thanked the **COM** for its support that has led to this success.

Point 8.2. of the agenda (**Presentation of the MADB video tutorial**) was postponed due to a lack of time.

FOLLOW-UP ACTIONS

Working Groups under the EU-Korea FTA:

MS and **BU** are requested to reflect and signal to **COM** specific issues they wish to be raised in the forthcoming WGs.

Turkey: Regulation on imports of chemicals

BU to provide additional information with regard to the HS codes and trade volume affected. **COM** to report on this potential issue in the WG on Chemicals or a future MAAC.

Turkey: surveillance mechanism, minimum import prices for rails for lifts and other goods

BU to provide more information on the licencing procedure in view of building a case.

Panama: new legislation on maritime auxiliary services

COM to circulate a note on the issue

Vietnam: new pharmaceutical legislation

COM to circulate a summary of the issue.

FOR MEMBER STATES ONLY

9. APPROVAL OF THE DRAFT MINUTES OF THE MAAC MEETING OF 22 MAY 2013 (MAAC 2013-029)

MS requested to amend point 4.1. of the minutes. No further comments were received and **COM** declared that with this amendment the minutes were considered adopted.

10. ANY OTHER BUSINESS

No other items were discussed.

DG TRADE, Unit G.3.