

VIII Legislature, N°63 – 12 February 2016

Highlights

Spotlight on sustainability in trade

Trade, sanctions and embargoes in EU-Ukraine-Russia economic relations

INTA continues scrutiny of the TTIP talks

What's next for the WTO?

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Draft agenda & documents Webstreaming		

Quote of the month

"Trade is a vector for developmental progress and better working conditions. The EP is making sure that agreements fulfil this role... Strong and enforceable sustainable development chapters are a key instrument, as is the proper implementation of any agreement".

INTA Chairman Bern Lange, EP Facebook chat

Meeting highlights (15-16/02/2016)

Spotlight on sustainability and responsibility in trade

Public hearing, exchanges of views



Upcoming INTA meeting will be dominated by issues dedicated to sustainable trade. In a **public hearing**, MEPs will scrutinize the functioning of the new **GSP+ mechanism**, opening the EU's market to developing countries, committing to respect international conventions on human rights, environment and good governance. The hearing comes after a publication of the first GSP+ monitoring report, covering progress in the 14 countries that benefited from the enhanced access to the EU market during 2014-2015.

Members will also discuss trade and labour standards with Sandra Polaski, Deputy Director-General of the International Labour Organization (ILO).

In addition, INTA will debate implementation of the Parliament's recommendations on social and environmental standards, human rights and corporate responsibility and consider its draft opinion on Policy Coherence for Development.

Sustainability and responsible business practices in global supply chains is a key element in the ongoing interinstitutional negotiations on the "Conflict Minerals" dossier and sustainable development chapters of FTAs and Economic Partnership Agreements.

Meeting documents

Hearing agenda

GSP+ report

Trade, sanctions and embargoes in EU-Ukraine-Russia economic relations Exchange of views

The EU-Ukraine Deep and Comprehensive Free Trade Agreement (DCFTA) has been provisionally applied since 1 January 2016. In order to address Russia's concerns about the impact of the trade deal on its economy, more than 20 trilateral meetings took place over past 18 months. No progress was reached during the last ministerial level meeting of 21 December 2015. During December, Russia introduced various restrictive trade measures against Ukraine, including suspension of the CIS preferences and severe restrictions on shipments of Ukrainian goods through the Russian territory. Stable and predictable trade relations between the two EU's important trading partners are in the interest of the Union. Despite the failure of trilateral talks, the EU keeps all channels of communication open. At its meeting of 15-16 February 2016, INTA will address the key issues with the representatives of both countries. Members will receive first-hand information and reflect upon the role of the European Parliament in an effective implementation of the EU-Ukraine DCFTA while facilitating the normalisation of the trade relations with Russia.

Trilateral Talks on EU-Ukraine DCFTA

INTA continues scrutiny of the TTIP talks

Exchange of views



INTA will hold an exchange of views on the Commission follow-up report, responding to the EP's recommendations on the on-going transatlantic trade talks (TTIP). The discussion takes places ahead of the 12th round of negotiations, scheduled for 22-26 February in Brussels. TTIP talks have reached a critical stage, with pressure

mounting to reach a deal by the end of the year. However, the long list of outstanding issues includes regulatory cooperation, investment court system (ICS), financial services, geographical indications (GIs), energy and public procurement. Furthermore, the mismatch of the number and ambition of proposals by the US and by the EU is becoming more obvious. The debate also provides an occasion for the INTA Chairman, who is also a Standing Rapporteur for TTIP, to bring up issues discussed during his web-chat with the public held on 3 February.

TTIP follow-up report

EP recommendations for TTIP talks
Facebook chat

WTO and the post-Nairobi agenda

Exchange of views



Where should the 21-year-old World Trade Organisation (WTO) go from here? Should the negotiations on the Doha Development Agenda continue or should the WTO also be able to start negotiations on other issues? These

questions will be raised in a discussion with the WTO Deputy Director-General Karl Brauner, dedicated to the outcome of the WTO Ministerial Conference in Nairobi (MC10) in December 2015 and the post-Nairobi agenda. The meeting will be held jointly with the Steering Committee of the Parliamentary Conference on the WTO. Around 20 Members of Parliament from around the world will be present, including from Botswana, China, Colombia, India, Indonesia, Jordan and Russia. During their meeting on 17 February, Members of the Steering Committee will embark upon preparing the annual Parliamentary Conference (PCWTO) in Geneva on 13-14 June 2016, entitled "What future for the WTO?".

MC10 mission report

PCWTO

TISA-TTIP services offers compared

A study commissioned by the INTA Committee, which compares the EU services offer made by the EU in the Transatlantic (TTIP) and in the Trade in Services (TiSA) negotiations, will be presented to the Members of the International Trade Committee. Both EU offers have been made public by the Commission in an unprecedented step toward increasing transparency in trade talks. The study does not only compare the sector-specific market access provisions, but also the rules part put forward by the EU in both negotiations.

Comparison of the EU service offers for TTIP and TiSA

MEPs react to EU's new Trade Strategy

Consideration of the working document

INTA will consider a working document on the EU's new Trade and Investment Strategy, which will feed into an own initiative report entitled "A new forward-looking and innovative future strategy on trade and investment".

Rapporteur: <u>Tiziana Beghin</u> (EFDD) TIMETABLE

Administrator:Marc JüttenConsideration of draft report:20-21 April 2016Procedure:2015/2105(INI)Planned vote in INTA:15-16 June 2016Lead committee:INTAPlanned vote in Plenary:July 2016

Tailor-made support for SMEs

Workshop

Some 22 million small and medium sized enterprises (SMEs) represent 99% of all non-financial businesses in the EU. In 2014 these SMEs employed almost 90 million people - 67% of total employment, and generated 58% of the sector's value added. Yet, only about 13% of EU SMEs venture abroad and even a smaller share engage in business activities in countries outside the Single Market. The new European 'Trade for All' Strategy has put a special focus on the untapped potential of Europe's SMEs integration into the world market.

The Workshop 'Tailor-made support for SMEs towards effective implementation of the EU's trade and investment strategy' intends to work-out the typical barriers that SMEs face when they intend to move beyond their national



boundaries, including access to finance and in-house knowledge on foreign market. In order to obtain genuine insights into real problems facing small business owners, the workshop follows a novel concept by offering a platform for a number of entrepreneurs, representing different business sectors from various European regions.

Programme

Recent events

Chair's activities:

✓ 19/01: Meeting Lithuanian Vice-Minister for Foreign Affairs

√ 25/01: Meeting Minister of Economy Quebec and Chief Negotiator CETA

✓ 02/02: Lunch with EU Trade Ministers on "Global Value Chains" in the framework of the

Dutch Presidency

Adopted in previous INTA meetings:

18/01/2016

• Recommendations to the European Commission on the negotiations for the Trade in Services Agreement (TiSA)

Rapporteur: Viviane Reding (PPE)

Vote on the draft report

in favour	against	abstentions
33	6	1

• Commercial relationship between the EU and China and Market Economy Status

Vote on the oral question

in favour	against	abstentions
41	0	0

25/01/2016

• Arrangements for products originating in certain states which are part of the ACP Group of States provided for in agreements establishing, or leading to the establishment of, Economic Partnership Agreements (recast)

Rapporteur: Jarosław Wałęsa (PPE)

Vote on the draft report

in favour	against	abstentions
34	3	1

<u>Introduction of emergency autonomous trade measures for the Republic of Tunisia</u>
 Rapporteur: Marielle de Sarnez (ALDE)

Vote on the draft report

in favour	against	abstentions
31	7	1

Opening of FTA negotiations with Australia and New Zealand

Vote on the motion for a resolution

in favour	against	abstentions
32	1	1

• Sustainable development provisions of the EU-West Africa Economic Partnership Agreement

Vote on the oral question

in favour	against	abstentions
35	1	1

Selected trade news

Parliament adopts recommendations for TiSA

On 3 February MEPs approved Parliament's position on the talks for Trade in Services International Agreement (TiSA) amongst 23 WTO Members, accounting for 70% of global trade in services.

TiSA explained

EP to set tone for trade talks with Australia, New Zealand

Following the plenary debate held in January, the Parliament on 25 February will put forward its initial recommendations for the forthcoming trade talks with Australia and New Zealand.

Agenda

Plenary debate

Commission takes second shot at International Procurement Instrument

The European Commission has presented a revised proposal for an International Procurement Instrument (IPI), which takes account of amendments adopted by Parliament during the last legislative terms. However, these amendments were never discussed with the co-legislator as the file got stuck in the Council. The amended proposal aims to ensure reciprocity and remove discrimination against European companies in public procurement by encouraging trading partners to opt for more openness in public contracts. The draft suggests more proportionate and targeted action by exempting least developed countries and SMEs. The initial proposal of 2012 has left the EU Member States divided on the issue.

Updated IPI proposal

Public consultation on China's market economy status

Commission launched a public consultation on future measures to prevent dumped imports from China, open until 20 April 2016.

Public consultation

New framework for transatlantic data flows

The EU-US 'Privacy Shield' framework was agreed between the Commission and the U.S. Department of Commerce on 2nd February. So far, it relies on written assurances and actual text of the new adequacy decision is to be prepared in the coming weeks. The new Privacy Shield should reflect the requirements set out by the ECJ when declaring the Safe Harbor framework invalid in October last year. It is expected to provide both stronger obligations for U.S. companies to protect the personal data of EU citizens and stronger monitoring and enforcement by the U.S. Department of Commerce and Federal Trade Commission (FTC). The U.S. also made commitments to subject the access to personal data transferred to clear conditions, limitations and oversight, preventing generalised access. When it comes to redress, the new deal does not seem to refer to judicial

redress for the EU citizens, rather just a possibility to raise an enquiry or complaint with a dedicated Ombudsperson.

EU-Vietnam Free Trade Agreement published

In line with its transparency commitments, the Commission published the text of the EU-Vietnam Free Trade Agreement, together with the analysis on human rights and sustainable development. The text of the deal reached in in December 2015 is currently undergoing legal verification.

EU-Vietnam FTA

Report on sustainable development and human rights

Continuation of Environmental Goods talks

The next EGA negotiating round has been set for the 2-4 March, the first after December round did not deliver for the WTO's Tenth Ministerial Conference in Nairobi. Malaysia, Indonesia, Russia, Taiwan and Thailand are the 5 (out of 21) members of the Asia-Pacific Economic Cooperation (APEC) forum that failed to meet an end-of-2015 target for implementing tariff cuts on 54 environmental goods agreed upon in 2012.

2015 sees record number of investor-state arbitrations

The updated Investment Dispute Settlement Navigator of UNCTAD reveals that the number of investor-State dispute settlement (ISDS) cases filed in 2015 reached 70. Spain was the most frequent respondent, with 15 claims brought against it, Russia second with 7 cases.

Investment Dispute Settlement Navigator

WTO releases data on global value chains (GVCs)

The WTO has published new statistical profiles on trade flows in global value chains (GVCs). Covering 61 economies, these indicators provide insights into the value-added content of exports, trade in intermediate goods, services exports, trade facilitation and foreign direct investment.

"Made in the World": statistical profiles

Trade and tariff data

Global institutions lower growth forecasts

With the slowdown of China, lower prices for energy and commodities and the gradual tightening in US monetary policy, the International Monetary Fund projects global growth at 3.4 percent in 2016 and 3.6 percent in 2017. The World Bank is a half percentage point less optimistic. The WB also predicts that, if quickly adopted and effectively implemented, the Trans-Pacific Partnership (TPP) could increase member countries' trade by 11 percent by 2030.

IMF World Economic Outlook

WB Global Economic Prospects

WB Commodity Markets Outlook

STATE OF PLAY OF EU TRADE DEFENCE INSTRUMENTS

- In DS438, Argentina Measures affecting the importation of goods, the reasonable period of time for implementation has expired on 31 December 2015. Argentina claims full compliance, the EU is analysing this claim.
- On 13 January 2016, the EU requested consultations with Colombia regarding measures discriminating against imported spirits (DS502 - Colombia - Measures Concerning Imported Spirits).
- In DS397 EC Anti-dumping measures on fasteners from China (Article 21.5 DSU), the Appellate Body report was circulated on 18 January 2016.

WTO dispute settlement

Publications

Latest publications from DG EXPO Policy Department

European Semester Conference - 2015/2016 Cycles

Upcoming publications from DG EXPO Policy Department

- New trade rules for China? Opportunities and threats for the EU
- The implications of international economic and financial governance agenda for EU trade policy
- A series of notes on how international organisations and fora deal with trade issues (OECD, World Bank organisations, EIB, IMF, G20, ILO, relevant UN organisations)
- EU trade relations with Latin America, the results and challenges in implementing the EU -Colombia/Peru Trade Agreement

See more

Recent publications by the EP Research Service

UN Convention on Transparency in Treaty-based Investor-State Arbitration

Laura Puccio, EPRS At a glance, February 2016, 2 p.

The Rules on Transparency in Treaty-based Investor-State Arbitration (UNCITRAL), in force since April 2014, introduce requirements on the publication of certain documents in arbitral proceedings which apply the UNCITRAL arbitration rules. The new Mauritius Convention would allow those transparency rules also to be applied in disputes arising under investment agreements existing prior to April 2014. The Council is currently debating on what basis the EU and its Member States can sign the Convention.

EU-Russia trade

Martin Russell, EPRS At a glance, January 2013, 2 p. This publication updates an 'At a glance' note of May 2015

EU-Canada Comprehensive Economic and Trade Agreement

Wilhelm Schöllmann and Massimo Sibona, EPRS Briefing, January 2016, 6 p.

New print and online books in the EP Research Service library collection



<u>The European Union in a Multipolar World: World Trade, Global Governance and the Case of the WTO</u>

Megan Dee, Palgrave Macmillan, 140 p., 2015

"Presenting a critical overview of what 'emerging multipolarity' means for the world's foremost global trading bloc and economic power, the European Union, this book offers new insights into how the rise of the emerging economies has impacted the EU and its role within the World Trade Organization."



Redfern and Hunter on International Arbitration

Nigel Blackaby, Oxford University Press, 912 p., 2015

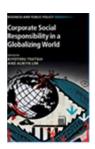
"This 6th edition of Redfern and Hunter reviews the many changes that have taken, and are taking, place in the law and practice of international arbitration (UNCITRAL, ICC, LCIA, etc., and it places these changes in context as part of the constant evolution of a voluntary system of dispute resolution that is today recognised and established worldwide."



Trade Law, Domestic Regulation and Development

Joel P. Trachtman, World Scientific Publishing, 350 p., 2015

"In a developing economy, as globalization proceeds, a critical factor is the relationship between liberalization of movement of goods, services, and people, on the one hand, and the right to regulate, including the right to regulate for development, on the other hand. Finding the right balance between market access and regulation is the subject of analysis in this collected volume of 16 papers."



Corporate social responsibility in a globalizing world

Cambridge University Press, 2015, 496 p.

"Authors' empirical analyses produce insights into the historical roots of suspicions toward cross-societal economic actors, why and how global CSR frameworks evolved into current forms, how conceptions of CSR vary across societies, what motivates corporations to participate in CSR frameworks, what impacts such participation might have on corporate reputation and actual practices, whether CSR activities shield corporations from targeting by boycott campaigns or invite more criticisms, and what alternative responses corporations might have to buying into CSR principles."

For more information please visit intranet pages on <u>International Trade</u>
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Coming soon

INTA/European Parliament:

Votes in INTA:

16 February 2016

 Opening of negotiations for an EU-Tunisia Free Trade Agreement

Trade files in plenary:

February 2016

- Emergency trade measures for Tunisia
- Opening of FTA negotiations with Australia and New Zealand

March 2016

 Arrangements for products originating in certain states which are part of the ACP Group of States provided for in agreements establishing, or leading to the establishment of, Economic Partnership Agreements (recast)

INTA meeting dates

15-16 February 2016 14-15 March 2016

European Union	World Trade	Organisation	
Commission Work Program	WTO Events cale	WTO Events calendar 2016	
Key documents	23 February	Trade Policy Review Body - Fiji	
Trade negotiations	24 February	General Council	
TTIP negotiation - 12th round	25 February	Trade Policy Review Body - Fiji	
22 – 26/02, Brussels, Belgium		General Council	
EU-Japan FTA negotiation: 15th Round	26 February	Dispute Settlement Body	
29 – 04/03, Brussels, Belgium	01 March	Council for Trade-Related Aspects	
TiSA (Trade in Services Agreement)		of Intellectual Property Rights	
11 - 15/04, Geneva, Switzerland	02 March	Council for Trade-Related Aspects of Intellectual Property Rights	
30/05 - 03/06, Geneva, Switzerland	03 March	Preparatory Committee on Trade	
	OS IVIAICII	Facilitation	
More information	08 March	Informal Committee on Technical	
FU Trade Council recetions		Barriers to Trade	
EU Trade Council meetings 15 February 2016	09 March	Committee on Agriculture	
14 March 2016		Committee on Technical Barriers to Trade	
	10 March	Committee on Agriculture	
		Committee on Technical Barriers	
		to Trade	
	15 March	Informal Committee on Sanitary and Phytosanitary Measures	
		Trade Policy Review Body - Turkey	
	16 March	Committee on Sanitary and Phytosanitary Measures	
	<u>WTO</u>		

Various

VARIOUS

Useful links

<u>List of INTA Members</u> INTA Intranet & *e*-Committee

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Council of Ministers
Dutch presidency

Documents and publications

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