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OUTCOME OF PROCEEDINGS

From: General Secretariat of the Council

To: Trade Policy Committee (Full Members)

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Subject: Outcome of proceedings of the Trade Policy Committee (Full Members)
meeting on 24 February 2017

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1. WTO – Post-Nairobi – MC11 (Buenos Aires, December 2017)

The Commission presented the state of play of the preparations for the Ministerial Conference in Buenos Aires, in light of the recent informal Heads of Delegation meeting on 23 February ahead of the WTO General Council on 27-28 February. The informal Heads of Delegation meeting took stock of MC11 preparations and served to recall the need to have consolidated texts by the summer.

The Commission recalled that on 22 February 2017, the Trade Facilitation Agreement had entered into force. This was considered an important achievement for the multilateral system. The EU was one of the promoters of the deal and had led the efforts towards its conclusion. The agreement was expected to make trade-related administration easier and less costly, thus helping to provide an important boost to global economic growth, in particular in developing countries and benefitting SMEs.

Regarding the selection of the WTO Director-General, the Commission noted that at the General Council on 28 February, it was expected that DG Azevêdo would be confirmed in his post following a round of questions and answers on 27 February. The EU's questions had been coordinated with Member States.

Delegations broadly welcomed the entry into force of the Trade Facilitation Agreement and commented on fisheries subsidies, domestic support in agriculture, digital trade, SMEs/transparency, the WTO dispute settlement mechanism, as well as the questions related to the selection of the next WTO Director-General.

Following a detailed discussion, the Presidency concluded that the Committee:

- had taken note of the information provided by the Commission and the comments of delegations regarding the recent developments in the post-Nairobi process and the state of play of preparations for the Ministerial Conference in Buenos Aires;
- had also discussed preparation of the WTO General Council meeting of 27-28 February, in particular the position to be taken by the EU on the re-appointment of Roberto Azevêdo as WTO Director-General.

2. Commission proposal on a new anti-dumping calculation methodology

The Presidency informed the Committee on the state of play of discussions on the Commission proposal at technical level. It recalled that the work on trade defence instruments was among the priorities of the Maltese Presidency programme. The Presidency reiterated that the key objectives sought in setting up a new system were legal robustness, workability and effectiveness, and a country-neutral approach focusing on broad distortions. At the informal meeting of trade ministers in Valletta on 2-3 March, the Presidency intended to seek indications from Ministers on the basis of the state of play in the file and a guiding note from the Presidency.

The Commission underlined the importance of adopting new legislation swiftly. The Commission also recalled China's request for dispute settlement consultations in the WTO that could soon be followed by the constitution of a Panel.

Member States generally welcomed the Commission proposal, as well as the work undertaken by the Presidency and the Council Legal Service. Delegations reiterated the importance of

compatibility with WTO rules, as well as the need for solid legislation that would prove to be effective and to protect the EU industry from unfair practices. Delegations generally stressed the significance of the Commission country/sector reports; some suggested that these reports and the related procedures could be further improved. Delegations stressed the need to avoid putting the burden of proof on industry. The Commission recalled that the proposal for a new methodology focussed on broad distortions and that, as indicated in the impact assessment, the level of duties would be similar to that in the current system. There would be no additional burden of proof for EU industry.

Among delegations, views varied between the need to work swiftly towards providing the EU with a new legal instrument, and the need to further clarify and discuss outstanding technical issues, in order to move towards a Council position after careful consideration.

The Presidency intended to invite trade ministers to discuss the subject at their informal meeting in Valletta. Delegations commented that discussions on technical details should be avoided in that particular format. The Commission encouraged Member States to opt for the benefits of a fast approach.

The Presidency concluded that:

- the Committee was briefed by the Presidency and the Commission on the state of play and the envisaged way forward on the new anti-dumping methodology file, in particular in the run-up to the discussion by ministers at the informal FAC (Trade) meeting on 2-3 March.
- the Presidency, Commission and delegations underlined the importance of a swift, yet comprehensive, handling of the proposal by the co-legislators, including an early Council position.

3. EU-Canada CETA

The Presidency informed delegations that on 15 February, the European Parliament had given its consent to the conclusion of CETA. The notification referred to in Article 30.7(3) of CETA on the EU's completion of the internal procedures necessary for the provisional application of the agreement had been sent to Canada on 17 February 2017. Provisional application of CETA will begin on the first day of the month following the date of receipt of the last notification.

The Commission informed Member States about the possible next steps following the provisional application of CETA in particular regarding the possible debate with Member States, the EP and civil society on how to further develop the enforcement mechanism of the sustainable development chapter. The Commission expressed the hope to be able to launch such a review with Canada by the summer. In addition, the Commission explained how it envisaged to advance the preparatory work on investment protection and the Investment Court System before the ratification of the Agreement takes place. The Commission also noted that Commissioner Malmström had sent letters to individual trade ministers outlining the benefits of CETA with facts and figures, in order to help with national ratification procedures.

Several delegations informed the Committee on the state of play of their internal procedures for the ratification of CETA.

The Presidency concluded that the Committee had taken note of the information provided by

the Commission, as well as the comments of delegations, on next steps regarding the provisional application of the EU-Canada Comprehensive Economic and Trade Agreement.

4. Any other business

None.
