



Council of the  
European Union

Brussels, 6 February 2018  
(OR. en)

5858/18

LIMITE

WTO 15

## OUTCOME OF PROCEEDINGS

From:	General Secretariat of the Council
To:	Trade Policy Committee (Full Members)
No. prev. doc.:	15889/17 WTO 319
Subject:	Outcome of proceedings of the Trade Policy Committee (Full Members) meeting on 2 February 2018

1.	Programme of the Presidency	2
2.	WTO	2
3.	State of play of EU's trade negotiations with Mexico and Mercosur	3
4.	Any other business	4
	4.1. "Conflict Minerals Regulation" (EU) 2017/821	4
	4.2. Commission expert group on the screening of FDI into the EU	5

\* \* \*

## 1. Programme of the Presidency

The Presidency presented its programme and priorities for the first half of 2018. The motto of the Presidency is "United We Stand Strong". In that respect, the Presidency will work for a strong, secure and solidary Europe through consensus, competitiveness and cohesion. The core themes of the Bulgarian Presidency in the trade area are:

1. Multilateral negotiations: the Presidency will work to enhance the credibility of the WTO as the main multilateral trade-negotiating forum.
2. Bilateral negotiations: the Presidency will seek to complete the preparatory work towards the signature of the FTA with Singapore; to facilitate discussions that would lead to the conclusion of the negotiations on the modernisation of the trade agreements with Mexico and Mercosur; to finalise the negotiating directives on Australia and New Zealand, allowing for a quick start of the negotiations; to advance with the negotiations on the modernisation of the Chile trade agreement, as well as trade negotiations with South Mediterranean and ASEAN countries; and to work on the implementation of the DCFTAs with Ukraine, Moldova and Georgia.
3. Legislative work: the Presidency will also address several major legislative files such as investment screening, and the International Procurement Instrument.

## 2. WTO

The Commission informed the Committee about the state of play of reflections following the 11th WTO Ministerial Conference in Buenos Aires and debriefed delegations about the informal Ministerial gathering in Davos. At the 11th WTO Ministerial Conference (MC11) no agreement had been possible on any substantive multilateral outcomes, including regarding the Ministerial Declaration. As a positive element, a large number of WTO members had decided to move ahead, despite the blockage, in areas such as e-commerce, investment facilitation, domestic regulation, and micro, small and medium-sized enterprises (MSMEs). On the multilateral front, a clear mandate had been obtained to move ahead on fisheries subsidies with a commitment to secure a deal by the 2019 Ministerial Conference.

Regarding the WTO Trade mini-Ministerial meeting on 26 January, in the margins of the World Economic Forum (WEF) in Davos, ministers had thanked the government of Argentina for its efforts in MC11 and had expressed disappointment about the outcome, while noting that some WTO members had issued statements committing to continue their work on a series of initiatives in an open and inclusive manner, consistent with WTO principles. Many ministers had also referred to the need to improve the work of the regular WTO bodies, as well as to solve the stalemate situation on the Appellate Body, and to take into account different and evolving levels of development.

Following the discussion, the Presidency concluded that:

- On the basis of a debrief by the Commission, the Committee had discussed the possible follow-up to the 11th WTO Ministerial Conference held in Buenos Aires on 10-13 December 2017, and had held a preliminary strategic discussion on the possible future WTO agenda.
- The Committee had also taken note of the Commission debrief of the trade-related discussions in the margins of the World Economic Forum in Davos on 23-26 January.
- The Committee had taken note of the intention of the Commission to prepare a non-paper on “flexible multilateralism” as a basis for the discussion at the informal meeting of trade ministers in Sofia at the end of the month.

### **3. State of play of EU's trade negotiations with Mexico and Mercosur**

Firstly, the Commission debriefed the Committee about the state of play in EU-Mexico negotiations for modernisation of the existing FTA. In the last full negotiating round held on 12-22 December 2017, the Mexican side had taken important political decisions; however, they had come too late to allow the parties to conclude the deal politically already last year. Moreover, some other important issues also remained to be resolved. When meeting in the margins of the World Economic Forum in Davos at the end of January 2018, Secretary of Economy Guajardo had confirmed Mexico's readiness to wrap up the deal soon. The negotiating teams would meet again in Brussels in the week of 5 February, and the next full negotiating round was scheduled for the week of 12 February.

Secondly, the Commission debriefed the Committee about the recent developments and overall state of play in EU-Mercosur trade negotiations, focusing on the outcome of the last negotiating session held in Buenos Aires in mid-December 2017, and the ministerial level meeting on 30 January 2018 held in Brussels. The Commission assured delegations that it was fully aware of Member States' sensitivities. As regards next steps, the contacts were bound to continue in the month of February including at the chief negotiators' level. The Commission underlined there was still some serious work to do.

Following the discussion, the Presidency concluded that:

- The Committee had welcomed the Commission's efforts in the ongoing EU trade negotiations with Mexico and Mercosur, and had taken note of the state of play. The Committee had recalled that successful finalisation of both negotiations would require a sufficiently high overall level of ambition and a balanced approach between the EU's offensive and defensive interests.
- The Committee had also reiterated the paramount importance of maintaining the highest possible degree of transparency and timely consultation with Member States, in particular for any revised market access offers, in the upcoming final stages of both negotiations.

#### **4. Any Other Business**

##### **4.1. "Conflict Minerals Regulation" (EU) 2017/821**

The Commission reminded the Member States that the Conflict Minerals Regulation, which entered into force on 8 June 2017, provides that Member States should designate their competent authorities by 9 December 2017. The Commission invited those Member States who had not yet informed it of their designation, to comply with this legal obligation at the latest by the end of February.

Furthermore, the Commission recalled that, although the Regulation would not apply for Union importers until 1 January 2021, the Member States had to prepare for its implementation. The Commission stressed that it was important that the respective competent authorities of the Member States would be associated in the course of the coming months to the preparation of two sets of guidance documents.

## 4.2. Commission expert group on the screening of FDI into the EU

Firstly, the Commission recalled its invitation for Member States to appoint their respective representative at the Commission expert group on the screening of Foreign Direct Investment into the EU, in view of its first meeting planned for 8 March 2018. The Commission explained that the group would deal with wider policy and strategic considerations and discussions, and would not be involved in the ongoing legislative process.

Secondly, the Commission reminded Member States who had not yet done so, to reply to its questionnaire on the functioning of national investment screening mechanisms and existing practices for the collection of data related to FDI, the deadline of which was 29 January. This input from Member States was needed by the Commission in order to be able to deliver on the COREPER request of 8 November 2017 to provide additional information and analysis related to the proposal on investment screening.

---