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THE EUROPEAN UNION**



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## **PRESS RELEASE**

3086th Council meeting

### **Foreign Affairs / Trade**

Brussels, 13 May 2011

President **János Martonyi**  
Minister for Foreign Affairs of Hungary

# **P R E S S**

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## **Main results of the Council**

*The Council:*

- *held an initial exchange of views on the Commission proposal for a comprehensive review of the Generalised System of Preferences (GSP);*
- *discussed the draft Bilateral Investment Treaties (BITs) regulation aimed at establishing transitional arrangements for bilateral investment agreements between EU member states and third countries following the entry into force of the Lisbon Treaty;*
- *exchanged views on the trade-related aspects of the forthcoming EU-Japan Summit;*
- *discussed the state of play in the Doha Development Agenda negotiations, following the EU's presentation of a compromise proposal concerning Non-Agricultural Market Access (NAMA) ) in an attempt to overcome the current stalemate.*

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<sup>1</sup> Where declarations, conclusions or resolutions have been formally adopted by the Council, this is indicated in the heading for the item concerned and the text is placed between quotation marks. Documents for which references are given in the text are available on the Council's Internet site (<http://www.consilium.europa.eu>). Acts adopted with statements for the Council minutes which may be released to the public are indicated by an asterisk; these statements are available on the Council's Internet site or may be obtained from the Press Office.

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**Commission:**

Mr Karel DE GUCHT

Member

**ITEMS DEBATED**

**GENERALIZED SYSTEM OF PREFERENCES (GSP)**

The Council took note of the initial presentation by Commissioner De Gucht of the proposal for a comprehensive review of the GSP regulation, adopted by the College on 10 May 2011, and held a preliminary exchange of views.

Member States welcomed the proposal as a basis for updating the current GSP framework, to make it more efficient and to tailor it more closely to the needs of its beneficiary countries. The Council will begin a detailed technical examination of the proposal in the near future and will work closely with the European Parliament under the ordinary legislative procedure with the aim of putting the new GSP framework in place as quickly as possible.

The EU's system of generalized preferences has been in force since 1971 and plays a crucial role in the EU's overall approach to trade and development. Trade preferences granted to developing countries contribute to their integration into the global trade system, to their sustainable development and to good governance, whilst providing, at the same time, considerable support to improving quality of life and human rights protection in those countries. The system now needs to be adapted to the changed global landscape and made more efficient so that it responds better to the specific needs of the beneficiary countries.

The Commission is proposing a new, open-ended system that would concentrate preferences on the countries in greatest need, taking account of rapidly changing economic and trade patterns and acknowledging that the crisis and preference erosion have been hitting the poorest countries hard. The selection of beneficiaries will be largely income-based, with countries already enjoying preferences under free-trade agreements or autonomous arrangements excluded from the scheme.

The EU's current system of generalized preferences is based on Council Regulation (EC) 732/2008, supplemented by Commission Decision 2008/938/EC setting out the list of beneficiaries of the GSP special incentive for sustainable development and good governance, known as "GSP+".

The EU's GSP consists of a general arrangement and two special arrangements. The general arrangement provides for substantial tariff reductions or suspensions for goods imported from developing countries which are not classified by the World Bank as high-income countries and which are not sufficiently diversified in their exports.

The first special incentive arrangement for sustainable development and good governance, "GSP+", provides for further tariff reductions for developing countries which sign, ratify and effectively implement a set of core UN and International Labour Organisation (ILO) conventions on human and labour rights, environmental protection and good governance.

The second special arrangement, the Everything But Arms (EBA) arrangement, provides for full duty-free and quota-free imports of all goods from the least-developed countries (LDCs), with the exception of arms. Under the Commission proposal, the EBA arrangement will not be changed.

Regulation 732/2008 expires on 31 December 2011 but will be rolled over to 31 December 2013 (or until the new comprehensive Regulation enters into force, whichever is sooner).



**BILATERAL INVESTMENT TREATIES**

The Council noted the information provided by Commissioner De Gucht on the state of play and future steps concerning the adoption of the draft Bilateral Investment Treaties (BITs) regulation. The proposed regulation seeks to ensure a smooth transition from the current system of Bilateral Investment Treaties (BITs) between member states and third countries to future EU BITs to be negotiated by the Commission under the new Union competence for foreign direct investment, introduced by Article 207 of the Lisbon Treaty as part of the common commercial policy.

The Council held an exchange of views in which it confirmed its intention to seek a negotiated agreement with the European Parliament that would allow the BITs Regulation to enter into force as soon as possible. The European Parliament adopted its position at first reading on 10 May.

The proposed BITs regulation, tabled by the Commission in July 2010, seeks to clarify the status of more than 1 000 bilateral investment agreements concluded between EU member states and third countries.

The Council has two objectives: to ensure legal certainty to the fullest possible extent, together with maximum protection for EU investors, and to maintain the EU as a preferred destination for foreign direct investment.

**EU-JAPAN SUMMIT - TRADE ASPECTS**

The Council noted Commissioner De Gucht's information on the state of play in the preparation of the trade-related aspects of the forthcoming EU-Japan Summit, including the findings of the High Level Group.

Ministers also noted the approach suggested by the Commission in the run-up to the Summit, confirming the importance of closer political and economic ties with Japan.

The European Council of 24 to 25 March 2011 reiterated the strategic importance of the EU-Japan relationship and called for the "potential launch" of negotiations on a free-trade agreement on the basis that Japan would be willing to tackle issues including non-tariff barriers and restrictions on public procurement. A High-Level Group was set up at the last summit, in Tokyo, on 28 April 2010, in order to identify options for the comprehensive strengthening of all aspects of EU-Japan relations, including the economic relationship. It was agreed then that the 2011 summit would decide on appropriate next steps.

**DOHA DEVELOPMENT AGENDA NEGOTIATIONS**

The Council discussed with Commissioner De Gucht the state of play in and future prospects for the negotiations, given that there are still significant gaps between key players.

The Council took note of the information provided by the Commission, in particular on the reactions to the EU proposal on non-agricultural market access sectorals submitted with the aim of helping to unblock the current stalemate.

Ministers called on all WTO partners to use the opportunities provided by the forthcoming high-level meetings in APEC, OECD and G8 to inject new momentum into the negotiations.

**OTHER BUSINESS**

**2011 Trade and Investment Barriers Report**

Commissioner De Gucht informed the Council of the follow-up to the 2011 Trade and Investment Barriers Report, presented to the European Council. The Council took note of the information and had a brief exchange of views.

In its conclusions of 24-25 March, the European Council stated that "Work should be rapidly taken forward, following the Commission report setting out priorities for dismantling barriers to trade in third countries".

**EU-Mercosur negotiations**

At the request of the Irish delegation, supported by several other delegations, the Commission debriefed on the results of the last negotiating round in Asuncion, Paraguay, in the week of 2 May.

Negotiations for an inter-regional Association Agreement (which includes a free-trade agreement) between the EU and the Mercosur were launched in 1999 but were suspended in October 2004. The Commission decided to resume the negotiations in May 2010.

**OTHER ITEMS APPROVED**

**TRADE POLICY**

**Dispute settlement mechanisms - Euro-Mediterranean agreements - Egypt, Jordan, Morocco**

The Council adopted decisions aimed at establishing a dispute settlement mechanism applicable to the trade provisions of the Euro-Mediterranean agreements with Egypt ([13762/10](#) and [13975/10](#)), Jordan ([13758/10](#) and [13974/10](#)) and Morocco ([13754/10](#) and [13973/10](#)).

The European Parliament gave its consent on 6 April 2011.

In February 2006 the Council authorised the Commission to open negotiations with partners in the Mediterranean region in order to establish dispute settlement mechanisms related to trade provisions.

**Vanuatu - Accession to the WTO**

The Council agreed on the position to be taken by the EU within the General Council of the World Trade Organization in favour of the accession of the Republic of Vanuatu to the WTO.

**Anti-dumping measures - Polyethylene terephthalate film - Plastic bags - Asia**

The Council adopted regulations:

- amending regulation 1292/2007 imposing a definitive anti-dumping duty on imports of polyethylene terephthalate (PET) film originating in India ([9159/11](#)); and
- amending regulation 1425/2006 imposing a definitive anti-dumping duty on imports of certain plastic sacks and bags originating in China and Thailand, and terminating the proceeding on imports of certain plastic sacks and bags originating in Malaysia ([9329/11](#)).

**FOREIGN AFFAIRS**

**Relations with Ukraine**

The Council adopted a decision on a Protocol to the Partnership and Cooperation Agreement with Ukraine concerning a Framework Agreement with Ukraine on the general principles for Ukraine's participation in Union programmes.

**Special Report n° 13/2010 by the European Court of Auditors concerning the results of the European Neighbourhood and Partnership Instrument (ENPI) in the Southern Caucasus – Conclusions**

The Council adopted conclusions set out in 8803/11

**DEVELOPMENT COOPERATION**

**African Peace Facility – Conclusions**

The Council adopted conclusions on the replenishment of the African Peace Facility for the period 2011-2013. Since the amount initially earmarked for the African Peace Facility (EUR 300 million) under the tenth European development fund is likely to be exhausted this year, the Council agreed to replenish by using the existing sub-reserve of EUR 300 million for peace, stability and conflict prevention ([9141/11](#)).

**GENERAL AFFAIRS**

**Rules of procedure - Court of Justice, General Court and Civil Service Tribunal**

The Council approved the amendments to the rules of procedure of the Court of Justice of the EU, the General Court and the Civil Service Tribunal as submitted by the three jurisdictions ([8499/11](#), [8500/11](#), [8501/11](#)). The amendments are aimed to allow procedural documents to be lodged and notified by electronic means without the need for these procedural steps to be confirmed by post or by the physical delivery of such documents.

**TRANSPARENCY**

**Public access to documents**

The Council adopted:

- the reply to confirmatory application made by Mr César Nicolás Cuevas (No 05/c/01/11), the Swedish delegation voting against and the Danish and the Finnish delegations abstaining ([7751/11](#) + [COR 1](#)); and
- the reply to confirmatory application made by Ms Elisa Baroncini (No 10/c/01/11), the Danish, Dutch, Finnish and Swedish delegations voting against ([9077/11](#)).

**Annual report on public access to documents**

The Council adopted its annual report on the implementation of regulation 1049/2001 regarding public access to documents in 2010 ([9322/11](#) + [COR 1](#)).

The report indicates, inter alia, that

More than 75 % of the Council documents produced in 2010 - i.e. 131 204 of the 173 856 new documents listed in the Council's register - were made directly accessible to the public via the register upon circulation.

As of 31 December 2010, the Council's register listed 1 545 754 documents (all language versions taken together), of which 1 163 489 (75,3 % of those registered) were public documents, i.e. either available in a downloadable format or on request.

In 2010, 589 279 different users logged on to the Council's public document register (as against 554 952 in 2009). The total number of visits in 2010 was 1 411 312, while consultations (in terms of number of screens viewed) totalled 17 110 172.

The Council received 2 764 requests for access from the public (up by 3,6 % compared to 2009) concerning a total of 9 184 documents and gave access (total and partial access taken together) to 7 844 (85,4 %) of the requested documents.

The report highlights the key developments in the ninth year of implementation of the regulation. The report also reviews complaints submitted to the European Ombudsman as well as rulings given by the Community Courts under regulation 1049/2001 in cases concerning access to Council documents. In addition, the report presents the regulatory, administrative and practical measures made by the Council to comply with the regulation.

In conclusion, the report indicates that, as far as the Council is concerned, the aims set by the Treaties and by regulation 1049/2001 were achieved in 2010.

## **FISHERIES**

### **EU/Comoros agreement**

The Council adopted a decision on the conclusion of the protocol setting out the fishing opportunities and financial contribution provided for in the partnership agreement in the fisheries sector between the EU and the Union of the Comoros ([15572/10](#)).

In 2006 the Council concluded a partnership agreement in the fisheries sector between the EU and the Union of the Comoros. The protocol annexed to the agreement provides EU vessels with fishing opportunities in the waters over which the Comoros has sovereignty or jurisdiction in respect of fisheries. This protocol was renegotiated and initialled on 21 May 2010 and amended by an exchange of letters on 16 September 2010.

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