



Editorial

In recent months, the economic situation has become more difficult and 2009 seems set to be the first year in which global trade will decline year-on-year since the early 1980s. The Commission's January forecast predicted that the EU economy will contract by 1.8% in 2009 while the IMF, the World Bank and the OECD concur in pointing to the first global economic contraction for over 50 years.



The high-income countries will suffer the sharpest declines in economic activity while developing countries will see a strong deceleration of growth.

These are stark forecasts for our European economies. We are indeed facing challenging times and we need to react swiftly in making the case for openness and engagement, rather than isolation and retreat. We must continue to play a leading role in the international reaction to the financial and economic crisis, particularly in the framework of the G20.

We are determined to keep trade and FDI flowing unhampered and to prevent an escalation of protectionism. Estimates suggest that a successful conclusion to the DDA could be equivalent to a new stimulus package of over US\$150 billion (and more than double that if we also include services and Trade Facilitation). This would provide a massive boost to flagging economies and this is why we see a successful conclusion to the Doha Round as more important than ever.

At the same time we must continue to reinforce the activities of our Market Access Partnership, which is continuing to show results and to maintain our efforts to support the exporting potential of our smaller European companies, which are particularly affected by the downturn.

Inside the newsletter this month we include an item on access to raw materials and feedback from the EU-China IP dialogue. There is an article on support available to SME's from the Enterprise Europe Network and our regular voice of the Delegations article comes from New Zealand. Finally we provide information on the Register of Interest Representatives launched by the European Transparency Initiative and success stories from India and Chile.

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ACCESS TO RAW MATERIALS THE OVERALL INTEGRATED APPROACH IS INTENSIFIED

EU industry, highly dependent on numerous raw materials, is increasingly concerned with third countries imposing limits to access such materials. The issue is exacerbated as some of these countries also provide cheaper access to the same materials to their national industries, thereby distorting the market further down the value chain.

As previously explained, in the November 2008 issue of our market access newsletter, this led the Commission to propose an Initiative on Raw Materials in 2008. The trade dimension of this initiative aims at addressing illegitimate access restrictions imposed by third countries. Although the current economic climate might have alleviated some of the pressure on prices, market distortions linked e.g. to availability of raw materials have far from disappeared. This underlines that the relevance of this initiative therefore remains very high.

The Strategy from the trade perspective

EU raw materials trade strategy is based on three main pillars:

- (i) *Negotiations* aimed at securing relevant commitments in bilateral (in particular, Free Trade Agreements) and multilateral agreements (in particular, WTO accessions);
- (ii) *Effective tackling of restrictions* through enforcement of WTO rules and existing bilateral agreements, or by taking full advantage of instruments such as the Market Access Partnership;
- (iii) *Soft measures* such as establishing dialogue with countries imposing restrictions, so that related issues

can be discussed with a longer term perspective, and building alliances with countries sharing our concerns.

In order to fully understand the underlying reasons and aim of this strategy, it is important to emphasise that under specific conditions, it is considered that limitations to access to raw materials may be justified (for example, on environment or development grounds). At the same time, it must be understood that these justifications need to follow clear rules and, of course, be applied in a non-discriminatory manner.

DG Trade has subsequently developed a detailed action plan for the implementation of this strategy. The intention is to issue an annual progress report on the implementation. The first such report is planned for the end of 2009.

Some elements of the Raw Materials Trade Action Plan

As regards the negotiation of trade disciplines, the Commission is active at both bilateral and multilateral levels. At multilateral level, WTO accessions remain an important vehicle to ensure disciplines on export duties and other measures such as dual pricing systems. Action focuses on taking up commitments in ongoing and upcoming accessions. At bilateral level, actions include a clarification of the exceptions grounds and inclusion of these disciplines in the ongoing and upcoming Free Trade Agreements (FTAs) and non-preferential agreements.



The Commission is also considering the best way to enforce existing rules, and intends to prepare an overview of challengeable export restrictions in the multilateral and bilateral context. The Raw Materials Trade Action Plan also incorporates initiatives taken within the framework of the renewed Market Access Strategy, and makes full use of the tools available in the Market Access Partnership (MAP). In this context, the Market Access Advisory Committee will continue to be a useful forum to flag issues, particularly relevant for business and to enhance the general flow of information between interested stakeholders.

Finally, the Commission will take further measures aimed at favouring information exchange and raising the profile of the topic, both within the EU and at an international level.

Building upon the dynamic initiated with the organization in September 2008 of a conference on the "EU's trade policy and raw materials", the Commission intends to intensify bilateral dialogues at all levels with major EU trading partners, both resource-rich and resource-poor countries, and will bring up the topic in other plurilateral and multilateral fora. The Commission is currently setting up a workshop dedicated to raw materials within the OECD. It is expected to take place in October 2009, and will offer an opportunity to all participants, including developing and developed countries, to exchange experiences so as to encourage further action on this issue.

For more information consult:

http://ec.europa.eu/trade/issues/sectoral/industry/raw/index_en.htm

DG TRADE G.2 in cooperation with G.1

REPORT ON THE FIFTH MEETING OF THE EU-CHINA IP DIALOGUE

The fifth meeting of the EU-China IP Dialogue took place in Brussels on 16 and 17 April 2009. The meeting was co-chaired by Ms. Ewa Synowiec, Director in DG Trade, for the EU side, and by Ms. Li Ling, Director-General in Ministry of Commerce, coordinating this exercise for the Chinese side. The Chinese delegation consisted of representatives of various departments: Ministry of Commerce, Supreme People's Court, Ministry of Information Technology and Industry, Ministry of Public Security, General Administration of Customs, State Administration of Industry and Commerce, National Copyright Administration of China, and State of Intellectual Property Office. The EU side was represented by various Commission services.

Both sides exchanged experiences and useful information on the most recent IPR developments in their respective jurisdiction.

On substance, the EU and China discussed a number of IPR issues, comprising: trademark law and trademark registration; copyright and related rights, including recent developments related to copyright protection, broadcasting of copyrighted works, optical discs plants and online piracy; music content censorship; geographical indications; patent and design protection, including at trade fairs; protection of undisclosed information in the pharmaceutical and agricultural chemical sectors; licensing agreements, security certification and IPR standardisation in the ICT sector;



and plant variety protection. They also discussed IPR strategies; IPR enforcement in retail and wholesale markets; civil and administrative enforcement procedures; customs action; criminal prosecution as well as practice of IPR enforcement lawsuits. It is important to note that several issues in particular data protection for agrochemical products, IPR and standardisation, and IT Security Certification, were addressed for the first time at the Dialogue. The meeting also enabled both parties to reinforce co-operation through technical assistance (IPR2).

Both sides also had an exchange of views on the IPR issues to be addressed at the forthcoming High Level Dialogue Mechanism scheduled for 7-8 May 2009 in Brussels.

They also discussed the possibility to adopt joint minutes. The latter will be made available on DG Trade website as soon as an agreement has been reached.

DG Trade units E.2, B.2 and G.1

THE VOICE OF THE DELEGATIONS ***From the European Commission's Delegation in New Zealand***

Europe is the mainstay of New Zealand's culture and much of its economy. The relationship between the two is extremely friendly, owing to a high degree of like-mindedness based on very similar values systems. Economically, the EU is NZ's second largest trading partner, behind only Australia. There are generally few market access obstacles, owing to its relatively purist free-trade stance. NZ has long held that their dependency on overseas trade (especially for their agricultural products) is so great that they have to lead by example if they want others to open markets to them. However, it must be said that the NZ market generally is not of major interest to EU exporters. There are some good niche markets (e.g. wind farms) where Europe does well. Nevertheless, overall, NZ's distance from Europe, the relatively low value of the NZ market due to population size and its declining ranking in terms of GDP per head on the OECD scale (23rd) are natural barriers that no amount of trade facilitation can surmount for European exporters.

The formation of the Market Access Team (MAT) in NZ consisting of Wellington Delegation, MS and NZ-Europe Business Council is a direct result of the EU's *Global Europe* trade policy. It has allowed a coordinated approach to identify and take action on trade barrier issues for MS missions and European exporters. The MAT ensures regular contacts with NZ ministries, especially the Ministry of Agriculture and Forestry and the NZ Food Safety Authority (NZFSA), where impediments to trade do exist. The MAT has adopted a principle to take action when EU exporters or trade associations show interest to exploit any gains they can make via potential openings.

Started in February 2008, the MAT in NZ has identified two areas of work: GIs and SPS. It first focused on GIs, on behalf of the NZ Distilled Spirit Association mainly acting for Scottish spirit producers and linked to an even bigger problem in Australia. NZ is said not to have implemented its GI legislation in order to protect its "na-



tional interest". The MAT has made interventions on the matter throughout 2008, but NZ has remained unwilling.

MAT actions on NZ's SPS protections have brought more immediate rewards. NZ unsurprisingly has fiercely protected the borders of its agriculturally-based economy from the many pests and diseases found overseas. In cooperation with companies and national business associations, several MS highlighted the over-stringent nature of NZ SPS rules, which have hampered the importation of various European products. Different products face different rules, making an overall approach to the problem difficult.

In this field, the most important issues raised in recent years were the importation of raw milk products and pork meat. Historically, NZ has had a zero-risk approach to the importation of raw milk products (cheeses). Yet a reconsideration of the risk potential of some raw milk products (most recently and notably Roquefort, but also Emmental, Gruyère and Sbrinz) led to a wider product review by NZFSA. In February 2009, it released a proposed framework with better recognition of EU competence and standards in this field. While the internal process was continuing, we encouraged NZ to adopt a broader assessment of the risk potential of raw milk products.

Since 2001, NZ has not allowed fresh pork imports because of the risk of the porcine reproductive and respiratory syndrome virus, to the disadvantage of EU exporters. Initial analysis appeared discouraging, as NZ regulations forbade the importation of fresh pork products, despite a long-running review of the ban by Biosecurity NZ.

We encouraged Biosecurity NZ first, to complete its review, which had the pleasing outcome of re-admittance of pork meat importation, albeit with strict criteria and secondly, to issue import health standards for EU raw milk products. The focus of the MAT is now turning towards the state of play of foreign direct investment in NZ, on the back of a review underway in the NZ Parliament of the current rules of the game.

The work of the MAT has brought about greater effectiveness to the benefit of all its members. MAT members used to see ministries on the same biosecurity issues separately. Now we go together. Because of good relations with NZ, we have been granted access to all import health standard requests, allowing the MAT to take informed decisions about which European product to prioritise. We have also discarded possible cases where the main benefit of a market opening would favour our worldwide competitors. In this way, the value of the MAT and the advantages of working together are recognised by all participants.



REGISTER OF INTEREST REPRESENTATIVES HAS YOUR ORGANISATION SIGNED UP?

In June 2008 the European Commission launched the European Transparency Initiative to increase the transparency of European policy-making for the EU citizens. In the past few months more than 1200 European- and national-level organisations have signed up through an on-line tool – but many more could do so. The register aims to promote a culture of openness and confidence by revealing the stakeholders' activities, objectives and interests represented at the EU-level, to the citizens.

Transparency is a two-way street. While the European Commission has increased access to its documents in recent years and has maintained an open-door policy to reflect real interests in its legislative proposals, it considers that similar transparency is needed from the European stakeholders. European citizens often regard the Brussels-politics complex, anonymous and unclear and continue to question the democratic foundation of the European project. The Register is a tool that aims to bridge the transparency gap and meet the citizens' expectations.

The register is voluntary in character, contrary to the similar law existing in the US, but organisations, which sign up to it increase their credibility and contribute to a positive image-building vis a vis the Commission and other stakeholders. Subscribed organisations are alerted when the Commission prepares an open consultation on a given subject and benefit from a recognised status when submitting their responses. Despite its voluntary character, an entity which provides incorrect or falsified information can be suspended from the Register and consequently damage its reputation on the European level. The Commission will evaluate the functioning of the Register after one year.

All stakeholders, who participate in the Market Access Partnership and contribute to the policy making are welcome to register as soon as possible. More information can be found on the following website: <https://webgate.ec.europa.eu/transparency/egrin/welcome.do>.

SUPPORT FOR SME'S FROM THE ENTERPRISE EUROPE NETWORK A CASE STUDY

A UK company exporting to Serbia contacted their local Chamber of Commerce when they did not know where to obtain a health certificate, required for customs clearance in Serbia. The Chamber of Commerce referred the company to their local Enterprise Europe Network office, which immediately consulted the Exporters

Guide to Import Formalities section in the Commission's Market Access Database (<http://madb.europa.eu/>).

The EEN member informed us how easy it had been to access the information. Their query gave them a concise overview of the import procedures and specific require-



ments for that particular product, which included the sanitary certificate, a description of how the form should be completed, how much it would cost, its validity period and where to send it to, including contact details. This information was passed on and explained to the small company, thus saving them time and money.

The services provided by the Enterprise Europe Network and the information available on the Market Access Database, are both freely available, to companies of all sizes and particularly benefit our European SME's.

Based on input from Business Link East of England (EEN member)

INDIA HAS RELAXED ITS IMPORT CONDITIONS FOR POULTRY AND PIG MEAT RELATED TO AVIAN INFLUENZA

In February 2009, India lifted the ban on commercially important products such as heat treated poultry meat and processed and unprocessed pig meat. This represents a significant improvement in market access opportunities.

Since the introduction of the ban on live animals and a range of animal products in 2004, the European Commission services and the EC delegation have consistently raised the issue with India in all available fora, notably at the WTO SPS Committee in formal sessions, and in every bilateral meeting, at technical and political level. On these occasions, the European Commission requested India to align with international standards and provide a risk assessment based on scientific evidence where India deviates from these international standards.

However, although India has relaxed its measures for certain products, it still does not fully align with OIE guidelines. Notably, because they do not accept the distinction between HPAI (High Pathogenic

Avian Influenza) and LPAI (Low Pathogenic Avian Influenza), they don't differentiate between an outbreak in wild and domestic birds and they do not apply regionalisation in accordance with WTO provisions. Furthermore, they maintain an import ban on live pigs although OIE guidelines do not link outbreak of avian influenza (AI) to a sanitary risk in the pig population. India claims that measures are required to protect animal and human health from AI.

The European Commission services together with the EC Delegation in New Delhi continue to raise this issue with India to amend import conditions in line with the OIE international standards. We also invite EU business to continue to inform us of any updates related to this matter when available.

DG TRADE C1 and EC Delegation in New Delhi in cooperation with G.1

For further information: TRADE-SPS-EXPORTPROBLEMS@ec.europa.eu



PROGRESS ON SWORDFISH TRANS-SHIPMENT BAN IN CHILEAN PORTS

Since 1996, Chile has prohibited the trans-shipment and transit of swordfish caught in international waters, from fishing boats to merchant vessels, in Chilean harbours. This measure was based on Chile's fisheries laws that forbade transit in Chilean ports of catches of over-fished species. However, this is not the case for swordfish.

After the EC initiated a case before the WTO, Chile filed a legal suit before the ITLOS (International Tribunal of the Law of the Sea). Both cases were suspended upon the conclusion of a Provisional Arrangement in 2001. A more permanent solution was found after bilateral consultations in the framework of the Multilateral Cooperation for the Conservation of Swordfish in the South-East Pacific Ocean.

On 30 October 2008 the Commission presented, to the Council, the new "Understanding concerning the Conservation of Swordfish Stocks in the South Eastern Pacific Ocean" negotiated with the Chilean authorities. The Understanding shall enter into force after the necessary procedures are in place. The WTO and ITLOS cases will then be withdrawn. Upon the signing of the Understanding, the agreement will be implemented provisionally with regard to access to designated ports no later than 31 December 2009.

*DG Maritime Affairs and Fisheries B.1,
DG Trade F.2/B.3, EC Delegation in Chile*



Market Access Partnership – Looking Ahead...

4 June	MAAC
6-9 May	Participation of DG Trade at the first EU SME Week in Brussels http://ec.europa.eu/enterprise/policies/entrepreneurship/sme-week/
May-June (TBC)	Market Access Working Group on Services
Early June (TBC)	EU-Japan third country cooperation DVC
June (TBC)	EU-US third country cooperation DVC

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