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TRADE POLICY MONITORING REPORT

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ABBREVIATIONS

AD	Antidumping
ASEAN	Association of South East Asian Nations
ATA	Air Transport Association of America
BIT	Bilateral Investment Treaty
BNC	Bi-Regional Negotiations Committee
BTI	Binding Tariff Information
CCT	Common Customs Tariff
CEPA	Comprehensive Economic Partnership Agreement
CETA	Comprehensive Economic and Trade Agreement
EBA	Everything But Arms
ECB	European Central Bank
ECON	Economic and Monetary Affairs Committee
ECT	European Court of Justice
EEA	European Economic Area
EFTA	European Free Trade Agreement
EMU	Economic and Monetary Union
ENs	Electronic Entry Summary
ENSREG	European Nuclear Safety Regulator's Group
EPC	European Patent Convention
EPO	European Patent Office
ERM	Exchange Rate Mechanism
ESM	European Stability Mechanism
ETD	Energy Taxation Directive
EU	European Union

EU-ETs	European Union Emission Trading Scheme
(Euratom)	European Atomic Energy Community
FDI	Foreign Direct Investment
FIR	Foreign Investment Regime
FTA	Free Trade Agreement
GATT	General Agreement On Tariff And Trade
GDP	Gross Domestic Product
GM	Genetically Modified
GMOs	Genetically Modified Organisms
GPA	Government Procurement
GSP	Generalized System of Preferences
ICT	Information and Communication Technology
IMF	International Monetary Fund
JRC	Joint Research Centre
LDCs	Least Developed Countries
MEP	Member of European Parliament
PRC	People's Republic of China
SMA	Single Market Act
SPS	Sanitary and Phytosanitary measures
SVHCs	Seven Substances of very High Concern
TBR	Trade Barriers Regulation
TACs	Total Allowable Catches
TBT	Technical Barriers to Trade
TEC	Transatlantic Economic Council
TEC	Treaty Establishing European Community

TEU	Treaty on European Union
TFEU	Treaty on Functioning of the European Union
TKM	Tonne Kilometre Benchmark
USDOC	United States Department Of Commerce
VAT	Value Added Tax
WTO	World Trade Organization
WWAN	Wireless Wide Area Networking

SUMMARY OF THE REPORT

- The Eurozone has emerged from recession after a record 18 months of economic contraction. The bloc's GDP grew by 0.3% in Q1 of 2013, slightly ahead of forecasts, according to the Eurostat agency. This growth was widely expected after the German economy had grown by 0.7% between April and June, 2013.
- The EU and Japan successfully carried out negotiations for a Free Trade Agreement in April 2013. FTAs were also carried out with Vietnam, Morocco, Armenia and Moldova.
- EU Council rejected the proposal of the Commission to extend anti-dumping measures applicable to imports of certain polyethylene terephthalate originating in countries including India. The duties were in force since the year 2000. However, the anti-subsidy measures are continuing. India had also sought a WTO consultation on the expiry review measures on PET (WT/DS 385).
- Signing of an Agreement between the European Union and the Swiss Confederation concerning cooperation on the application of their competition laws was adopted on behalf of the European Union.
- Argentina requested consultations with the European Union and its member States regarding certain measures that allegedly affect the importation and marketing of biodiesel, as well as measures supporting the biodiesel industry. European Union also requested consultation with China concerning measures imposing anti-dumping duties on certain high-performance stainless steel seamless tubes from the European Union.

AGENDA FOR THE NEXT REPORT

- Update of the trade concern raised by Argentina regarding the importation of biodiesels for accounting purposes with regard to the compliance with the mandatory targets for biofuels.
- Update on Canada's trade concern regarding EU's Fuel Quality Directive regarding higher *polluting value* to fuel obtained from tar sands.
- Update regarding Argentina's concern in respect to the EU's 'high-quality beef' quota following EU's conclusion of Memoranda of Understanding with US and Canada.
- Update on the possible conclusion of EU-China investment agreement and EU-Ukraine's Deep and Comprehensive Free Trade Agreement.

TRADE POLICY MONITORING REPORT OF EUROPEAN UNION

FOR THE QUARTERLY PERIOD: APRIL 2013- JUNE 2013

I. INTRODUCTION

This is the ninth Quarterly Trade Policy Monitoring Report prepared by the Centre for International Trade and Economic Laws (CITEL), Jindal Global Law School. This report will monitor and discuss the trade and macroeconomic policy developments that took place in the European Union during the period: April- June, 2013.

II. ECONOMIC ENVIRONMENT AND MONETARY POLICY

Croatia became the 28th member of the European Union at midnight on 1 July 2013, a decade after it started the process and less than 20 years after the end of its war of independence from Yugoslavia. It is the first country to join the EU since 2007, when Bulgaria and Romania came on board, and only the second of the seven ex-Yugoslav states after Slovenia was part of the big bang eastward enlargement in 2004. The year 2012 was marked by pronounced economic uncertainty for many countries around the world, and for most of them, this trend continued to linger into 2013. In Europe, a fiscal crisis continues to kindle doubt about the survival of the Euro, creating uncertainty that is casting a shadow on real economic performance in 2013. Till a few years ago, the Euro area dominated market participants' thoughts. However, the economy buckled under the weight of fiscal austerity and banking sector stress. Several countries struggled to maintain bond market access, investors fretted about the Euro's future and the havoc its disintegration might wreak. The Euro area continues to remain deeply troubled, particularly at the periphery where deep recession and major political uncertainty persists. But with the European Central Bank currently a credible buyer of last resort in sovereign bond markets, leaders having made new efforts to keep Greece within the Euro area and modest steps having been taken to establish a banking union, the Euro crisis is in abeyance.¹

II.A. GDP

The Eurozone has emerged from recession after a record 18 months of economic contraction. The bloc's GDP grew by 0.3% in Q1 of 2013, slightly ahead of forecasts, according to the Eurostat agency. This growth was widely expected after the German economy rose 0.7% between April and June, 2013. However, the overall figure masks the mixed economic fortunes among the countries that make the 17-country Eurozone area.² France too, posted stronger-than-expected growth, which was marked at 0.5%. Another country, usually considered being among the smallest and weakest of

¹ *Quarterly Global Economic Outlook*, DAIWA CAPITAL MARKETS, 3 January 2013, <http://www.uk.daiwacm.com/blog-quarterly-global-economic-outlook-q1-2013.php>

² *Eurozone Comes Out of Recession*, BBC NEWS, 14 August 2013, <http://www.bbc.co.uk/news/business-23692102>; See also, *Taking Europe's Pulse*, THE ECONOMIST, 18 July 2013, <http://www.economist.com/blogs/graphicdetail/2013/07/european-economy-guide>

the Eurozone economies, Portugal showed the fastest growth at 1.1%. Portugal was followed by Germany, Lithuania, Finland and the United Kingdom (all +0.7 %). Cyprus (-1.4 %), Slovenia (-0.3 %), Italy and the Netherlands (both -0.2 %) registered the largest decreases. During Q1, household final consumption expenditure rose by 0.2 % in EU (after 0.0 % respectively in the previous quarter).³

But obstacles remain unabated in the Eurozone. Spain had to seek outside support for its struggling banking sector, and saw its economic output fall by 0.1% on the quarter. Italy and Netherlands both saw output drop by 0.2%.

Table II:



II.B. MANUFACTURING OUTPUT & EXPORTS

Industrial output in the European Union rose by 0.7% from the previous month.⁴ The rise was driven by a 4.9% surge in production of durable consumer goods such as cars and computers. The sharp upswing has been correlated a gradually growing output. Industrial production was up 1.1% on the three months to March, which is the largest quarter-on-quarter increase since 2010. Portugal, however, saw a drop in production by 2.8% and Netherlands by 4.1% month-on-month.

Exports rose by 1.6 % in the Euro area, up from a 1.0 % fall in Q1, and by 1.7 % in the EU. Imports increased by 1.4 % in the Euro area, and by 1.2 % in the European Union.

II.C. YIELD PREMIUM DURING THE QUARTER

Sovereign borrowing costs have dropped across Europe this year. Italy and Spain's 10-year yield premium over benchmark German bonds shrank to the smallest in two years during the quarter.

³ *Euro Area GDP Growth Rate*, TRADING ECONOMICS, 4 September 2013, <http://www.tradingeconomics.com/euro-area/gdp-growth>

⁴ *Euro Zone Manufacturing Output Rises Ahead of GDP Data*, BBC NEWS, <http://www.bbc.co.uk/news/business-23678493>

The spread has narrowed for Italy to 237 basis points, least since November 2011. Spain, too, has shown slight recovery.⁵

II.D. EMPLOYMENT

The number of unemployed workers in the EU fell in June, as was estimated by Eurostat. The decline-- 24,000 jobs or 0.1% of the 19.3 million people out of work in May 2013- is not too large. But this decline in unemployment has been the first in more than two years. Most of the decline was recorded in Germany, where unemployment has been falling, despite having risen in other countries in the region. Other countries that are also reporting decline in unemployment during this quarter were Austria, Italy, Portugal, Slovenia and Spain. For some countries within the EU, unemployment rates remain very high. The unemployment rate in Portugal was 17.4% at the end of this quarter. Some reports indicated that joblessness for under 25s remained close to 43 in Portugal. Neighboring Spain, despite accounting for falling unemployment numbers, still maintains an unemployment rate of 26.3%. However, the highest rate of unemployment in the region is in Greece, with 26.9% at the end of this quarter.⁶

II.E. INFLATION

Higher energy and food prices have affected recent price developments. According to more detailed estimates for June, Euro area annual inflation level rose to 1.6% up from 1.4% in May, marking the second consecutive pick-up. That said, inflation remains below the European Central Bank target of 'below, but close to, 2%.⁷

III. TRADE AGREEMENTS AND ARRANGEMENTS

III.A. FREE TRADE AGREEMENTS

EU and Vietnam

The third round of negotiations of Vietnam – EU Free Trade Agreement (EVFTA) took place from 23 to 26 April 2013 in Hochiminh city. The Vietnam – EU Free Trade Agreement (EVFTA) was launched on 26 June 2012 by EU Trade Commissioner, Karel De Gucht and Vietnamese Minister for Industry and Trade, Vu Huy Hoang⁸. The fourth round of negotiations was set to take place in Brussels from 1 to 5 July, 2013⁹. The negotiations included “tariffs, non-tariff barriers as well as

⁵ *Euro Area Exits Record Slump Led by Largest Economies*, BLOOMBERG, 14 August 2013, <http://www.bloomberg.com/news/2013-08-14/euro-area-exits-record-long-recession-led-by-germany-france.html>

⁶ *Jobs Recovery in Europe is Also Painfully Slow*, NY TIMES, August 2, 2013, http://www.nytimes.com/2013/08/03/business/economy/in-europe-too-a-painfully-slow-jobs-recovery.html?_r=0

⁷ *Euro Area-Economic Output*, FOCUS-ECONOMICS, July 30, 2013, http://www.focus-economics.com/en/economy/region-outlook/Euro_Area

⁸ *EU and Vietnam conclude third round of negotiations*, EUROPA PRESS, http://europa.eu/rapid/press-release_IP-12-689_en.htm

⁹ *Fourth Round of EU- Vietnam Negotiations*, WTO CENTRE, <http://wtocenter.vn/content/4th-negotiation-round-vietnam-%E2%80%93-eu-free-trade-agreement>

commitments on other trade related aspects, notably procurement, regulatory issues, competition, services, and sustainable development”¹⁰. The third round of negotiations ended on a positive note and made great progress. Both the parties were able to have a more detailed introduction on the legislative system and regulations of each side. Furthermore, the parties were able to discuss the consolidated drafts prepared. EU is the second biggest trade partner and the biggest exporter in the Vietnamese Market.

EU and Japan

The EU and Japan successfully carried out negotiations for a Free Trade Agreement in April 2013. Their first round of negotiations took place on 19 April 2013 and the second round of negotiations took place from 24 to 28 June 2013 in Tokyo¹¹. Preparation for this negotiations started in May 2011 after the EU – Japan Summit. This agreement aims to bring about a reciprocal liberalization through the removal of non-tariff barriers. It would most likely boost Europe’s economy by 0.6 to 0.8%¹². These trade negotiations are with regard to trade in goods, services, investment, competition, government procurement and sustainable development¹³. Specific roadmaps were agreed upon for the removal of non-tariff barriers and on the opening up of public procurement for Japan’s railway and urban transport market¹⁴. However, the negotiations can cease to continue if Japan does not demonstrate the removal of certain non-trade barriers¹⁵. Mauro Petriccione, Director in the European Commission’s Directorate General for Trade after the first round of negotiations in April stated that, “*This is a big negotiation with some difficult issues, but I am confident we can make good progress in the months to come.*”¹⁶ The second round of negotiation was also a progress. The groups ‘focused on the text of the agreement in all the areas that will make up the future FTA’¹⁷.

EU and Morocco

The first round of the Deep and Comprehensive Free Trade Area (DCFTA) took place on 22 April, 2013 in Rabat¹⁸. These negotiations were launched on 1 March, 2013. It intended to make the Moroccan legislation similar to the European Legislation in the areas of trade-related requirements, industrial standards, technical regulations and animal and plant health measures¹⁹. These trade negotiations intend on furthering trade between the two countries in trade in services, government procurement, competition, intellectual property rights, investment protection and the gradual integration of the Moroccan economy into the EU single market²⁰. The negotiations are looked

¹⁰ *Overview of FTA and other Trade Negotiations*, EUROPA PRESS,

http://trade.ec.europa.eu/doclib/docs/2006/december/tradoc_118238.pdf

¹¹ EUROPA PRESS, http://trade.ec.europa.eu/doclib/docs/2012/november/tradoc_150129.pdf

¹² EUROPA PRESS, http://europa.eu/rapid/press-release_MEMO-13-348_en.htm

¹³ EUROPA PRESS, http://trade.ec.europa.eu/doclib/docs/2012/november/tradoc_150129.pdf

¹⁴ EUROPA PRESS, http://europa.eu/rapid/press-release_MEMO-13-348_en.htm

¹⁵ EUROPA PRESS, http://trade.ec.europa.eu/doclib/docs/2012/november/tradoc_150129.pdf

¹⁶ EUROPA PRESS, http://europa.eu/rapid/press-release_MEMO-13-348_en.htm

¹⁷ EUROPA PRESS, http://europa.eu/rapid/press-release_IP-13-645_en.htm

¹⁸ EUROPA PRESS, <http://ec.europa.eu/trade/policy/countries-and-regions/countries/morocco/>

¹⁹ EUROPA PRESS, <http://trade.ec.europa.eu/doclib/press/index.cfm?id=888>

²⁰ *Trade Policies*, EUROPA PRESS, <http://ec.europa.eu/trade/policy/countries-and-regions/countries/morocco/>

upon as a tool to simplify trade procedures and reduce trade barriers existing at and beyond the border.

EU and Thailand

The first round of the EU – Thailand FTA negotiations took place from 27 to 31 May, 2013 in Brussels and the second round of negotiations is scheduled from 16 – 20 September, 2013²¹. The rounds were first launched on 6 March, 2013 by European Commission President, Barroso and the Thai Prime Minister, Yingluck Shinawatra. Both the parties carried out discussions in areas including trade in goods, rules of origin, intellectual property rights, customs and trade facilitation, technical barriers to trade, public procurement, animal and plant health standards, sustainable development, services and investment protection²². The Joint Statement stated that these negotiations helped EU and Thailand to understand the perspective of the other parties position and system²³. EU is Thailand's third largest trading partner and Thailand is EU's third largest trading partner inside Association of South East Asian Nations.

EU and Armenia

The Sixth Round of negotiations of the Deep and Comprehensive Free Trade Agreement (DCFTA) between the two parties took place in June 2013. The Seventh and the final round took place on 24 June 2013 in Yeveran. This agreement attempts to harmonize Armenian laws and regulations in order to bring the Armenian sectors to EU standards. Armenia, prior to this Agreement had benefited from the EU Generalized System of Preferences. Therefore there already existed a very low import duty. The benefits due to the DCFTA in addition to the tariff reductions, lie predominantly behind the border²⁴. This agreement mainly focuses on the sanitary and phytosanitary standards to elevate the food safety environment to the EU standards²⁵. Moreover, through this agreement, Armenia will have to adapt itself to certain domestic safety and consumer protection standards. This signing of this agreement is expected to remove a vast majority of custom duties. It also proposes a transparency chapter that would provide the availability of information and minimum standards for consultations with stakeholders on DCFTA-related domestic legislation²⁶. The National income gains for EU through this agreement is estimated at €74 million.

EU and Moldova

EU and the Republic of Moldova concluded the final round of negotiations on 12 June 2013. These negotiations dealt with the Deep and Comprehensive Free Trade Area (DCFTA), as a part of EU-Moldova Association Agreement. The agreement concluded successfully by improving the mutual

²¹ EUROPA PRESS, http://trade.ec.europa.eu/doclib/docs/2006/december/tradoc_118238.pdf

²² EUROPA PRESS, <http://trade.ec.europa.eu/doclib/press/index.cfm?id=908>

²³ EUROPA PRESS, http://trade.ec.europa.eu/doclib/docs/2013/may/tradoc_151356.pdf

²⁴ EUROPA PRESS, http://europa.eu/rapid/press-release_IP-13-740_en.htm

²⁵ EUROPA PRESS, <http://trade.ec.europa.eu/doclib/press/index.cfm?id=952>

²⁶ EUROPA PRESS, <http://trade.ec.europa.eu/doclib/press/index.cfm?id=952>

access for Moldovan goods and services²⁷. It will ‘ensure an open, stable and predictable legal environment for the benefit of Moldovan businesses and consumers’. The agreement allows Moldova unlimited and duty-free access to all products originating from Moldova except agricultural products²⁸. Prior to the agreement, EU contributed to more than 50% of the trade flow, which would rise considerably after the implementation of this agreement²⁹.

III.B. OTHER TRADE ARRANGEMENTS

EU and China

The 27th EU – China Joint Committee was held in Beijing on 21 June, 2013 and chaired by Commissioner Karel De Gucht for the EU and Minister Gao Hucheng for the Ministry of Commerce of the People's Republic of China³⁰. Minister Gao spoke positively about the session and as the two sides consented on many issues. These issues included the five aspects pertaining to the China – EU investment agreement negotiations that are; ‘promoting the development of trade in goods, boosting the development of trade in services, strengthening intellectual property cooperation and cautiously taking trade remedy measures’³¹. After the Joint Committee, Minister Gao Hucheng suggested the possibility of a huge potential in the High- tech product trade between both the parties. The weightage of the China-EU trade friction on photovoltaic products for China is great. Therefore, they hope to intensify negotiations for a solution at the earliest. The anti-dumping and countervailing case against China's photovoltaic products lead to the urgency of providing a solution³².

EU and Ukraine

On 15 May 2013 the Commission in furtherance of the Negotiations for a Deep and Comprehensive Free Trade Area (DCFTA), drafted a proposal to the council for a Council decision on the signing and the provisional application and conclusion of the agreement.³³ These were technical steps that were taken for signing and the provisional application of Negotiations for a Deep and Comprehensive Free Trade Area (DCFTA), as part of the EU–Ukraine Association Agreement, which was concluded in December 2011. It intends to ensure that the Agreement can be made in accordance with the relevant internal EU procedures. The next step is the signing of the Trade Agreement once the political conditions are met³⁴.

²⁷ EUROPA PRESS, <http://trade.ec.europa.eu/doclib/press/index.cfm?id=914>

²⁸ EUROPA PRESS, <http://ec.europa.eu/trade/policy/countries-and-regions/countries/moldova/>

²⁹ EUROPA PRESS, http://europa.eu/rapid/press-release_MEMO-13-576_en.htm

³⁰ EUROPA PRESS, http://europa.eu/rapid/press-release_MEMO-13-577_en.htm

³¹ MOFCOM, <http://english.mofcom.gov.cn/article/newsrelease/significantnews/201306/20130600174813.shtml>

³² MOFCOM, <http://english.mofcom.gov.cn/article/newsrelease/significantnews/201306/20130600174813.shtml>

³³ EUROPA PRESS, http://trade.ec.europa.eu/doclib/docs/2006/december/tradoc_118238.pdf

³⁴ EUROPA PRESS, http://europa.eu/rapid/press-release_MEMO-13-576_en.htm

IV. TRADE POLICIES AND PRACTICES BY MEASURE

IV. A. TARIFF RATE QUOTAS

- On 22 May 2013, the Commission Implementing Regulation (EU) No. 470/2013 opened a tariff quota for certain quantities of industrial sugar for the 2013/14 marketing year. The import duties for industrial sugar currently falling within CN 1701 and with order number 09.4390 shall be suspended for a quantity of 400 000 tonnes, for the period from 1 October 2013 to 30 September 2014.³⁵

IV. B. SANITARY & PHYTOSANITARY MEASURES

For detailed report on quarterly activities of the EU, please see Annexure A.

Also, on 6 May 2013 the Commission Regulation (EU) No. 415/2013 laid down additional responsibilities and tasks for the EU reference laboratories for rabies, bovine tuberculosis and bee health as regards specific standards and methods employed in diagnosing the diseases, amended Regulation (EC) No. 737/2008 and repealed Regulation (EU) No. 87/2011.³⁶

IV. C. TECHNICAL BARRIERS TO TRADE

For detailed report on quarterly activities of the EU, please see Annexure B.

V. MEASURES DIRECTLY AFFECTING IMPORTS

V.A. ANTI-DUMPING

- On 3 April 2013, the European Commission published a notice (2013/C 94/08) of the impending expiry of certain anti-dumping measures. The anti-dumping duty imposed by Council Regulation (EC) No. 1355/2008³⁷ and Council Implementing Regulation (EU) No. 158/2013³⁸ on certain prepared or preserved citrus fruits (namely mandarins, etc.) originating in the People's Republic of China is likely to expire on 31.12.2013.³⁹
- On 3 April 2013, the Council Implementing Regulation (EU) No. 311/2013 extended the definitive anti-dumping duty on imports of silicon currently falling within CN code 2804 69 00 originating in the People's Republic of China imposed by Implementing Regulation (EU) No. 467/2010 to imports of silicon currently falling within CN code ex 2804 69 00 (TARIC code 2804 69 00 20) consigned from Taiwan, whether declared as originating in Taiwan or

³⁵ Commission Implementing Regulation (EU) No. 470/2013, OJ 2013 L 136/9.

³⁶ Commission Regulation (EU) No. 415/2013, OJ 2013 L 125/7.

³⁷ Council Regulation (EC) No. 1355/2008, OJ 2008 L 350/35.

³⁸ Council Implementing Regulation (EU) No. 158/2013, OJ 2013 L 49/29.

³⁹ (2013/C 94/08), OJ 2013 C 94/9.

not. The provisions as regards customs duty apply to the import of silicon unless specifically mentioned.⁴⁰

- On 9 April 2013, the Commission Regulation (EU) No. 322/2013 initiated an investigation as regards the possible circumvention of anti-dumping measures imposed by Council Implementing Regulation (EU) No. 791/2011 on imports of certain open mesh fabrics of glass fibres originating in the People's Republic of China by imports of certain open mesh fabrics of glass fibres of a cell size of more than 1,8 mm both in length and in width and weighing more than 35 g/m², excluding fibre glass discs, currently falling within CN codes ex 7019 51 00 and ex 7019 59 00 (TARIC codes 7019 51 00 14, 7019 51 00 15, 7019 59 00 14 and 7019 59 00 15), consigned from India and Indonesia, whether declared as originating in India and Indonesia or not, and making such imports subject to registration. The customs authorities are directed to register the imports by taking appropriate steps, unless specifically exempted. Registration shall expire after nine months of this Regulation.⁴¹
- On 22 April 2013, the Council Implementing Regulation (EU) No. 372/2013 amended Implementing Regulation (EU) No. 1008/2011 imposing a definitive anti-dumping duty on imports of hand pallet trucks and their essential parts i.e. chassis and hydraulics, currently falling within CN codes ex 8427 90 00 and ex 8431 20 00, originating in the People's Republic of China following a partial interim review pursuant to Article 11(3) of Regulation (EC) No. 1225/2009. The rate of the definitive anti-dumping duty applicable to the net free-at-Union-frontier price, before duty, for the products produced by the company Zhejiang Noblelift Equipment Joint Stock Co. Ltd. in the People's Republic of China with TARIC additional code A603 and for the products produced by all other companies with TARIC additional code A999 shall be 70,8%.⁴²
- On 30 April 2013, the European Commission published a notice (2013/C 124/04) of initiation of a partial interim review of the anti-dumping measures applicable to imports of biodiesel originating in the United States of America, currently falling within CN codes ex 1516 20 98, ex 1518 00 91, ex 1518 00 99, ex 2710 19 43, ex 2710 19 46, ex 2710 19 47, ex 2710 20 11, ex 2710 20 15, ex 2710 20 17, ex 3824 90 97, ex 3826 00 10 and ex 3826 00 90, as extended to imports consigned from Canada, whether declared as originating in Canada or not.⁴³
- On 3 May 2013, the Commission Regulation (EU) No. 418/2013 imposed a provisional anti-dumping duty on imports of certain stainless steel wires, currently falling within CN

⁴⁰ Council Implementing Regulation (EU) No. 311/2013, OJ 2013 L 95/1.

⁴¹ Commission Regulation (EU) No. 322/2013, OJ 2013 L 101/1.

⁴² Council Implementing Regulation (EU) No. 372/2013, OJ 2013 L 112/1.

⁴³ (2013/C 124/04), OJ 2013 C 124/7.

codes 7223 00 19 and 7223 00 99 and originating in India. The provisions as regards customs duty apply to the import of certain stainless steel wires unless specifically mentioned.⁴⁴

- On 13 May 2013, the Council Implementing Regulation (EU) No. 412/2013 imposed a definitive anti-dumping duty and collected definitively the provisional duty imposed on imports of ceramic tableware and kitchenware, currently falling within CN codes ex 6911 10 00, ex 6912 00 10, ex 6912 00 30, ex 6912 00 50 and ex 6912 00 90 (TARIC codes 6911 10 00 90, 6912 00 10 11, 6912 00 10 91, 6912 00 30 10, 6912 00 50 10 and 6912 00 90 10) and originating in the People's Republic of China. The provisions as regards customs duty apply to the import of ceramic tableware and kitchenware unless specifically mentioned.⁴⁵
- On 13 May 2013, the Council Implementing Regulation (EU) No. 430/2013 imposed a definitive anti-dumping duty and collected definitively the provisional duty imposed on imports of threaded tube or pipe cast fittings, of malleable cast iron, 'excluding bodies of compression fittings using ISO DIN 13 metric thread and malleable iron threaded circular junction boxes without having a lid', currently falling within CN code ex 7307 19 10 (TARIC code 7307 19 10 10) and originating in the People's Republic of China and Thailand, and terminated the anti-dumping proceeding imposed on imports of threaded tube or pipe cast fittings, of malleable cast iron, currently falling within CN code ex 7307 19 10, with regard to Indonesia. The provisions as regards customs duty apply to the import of threaded tube or pipe cast fittings, of malleable cast iron, unless specifically mentioned.⁴⁶
- On 14 May 2013, the European Commission published a notice (2013/C 134/07) of initiation of a partial interim review of the anti-dumping measures applicable to imports of certain iron or steel fasteners i.e. wood screws (excluding coach screws), self-tapping screws, other screws and bolts with heads and washers, currently falling within CN codes ex 7318 12 90, ex 7318 14 91, ex 7318 14 99, ex 7318 15 59, ex 7318 15 69, ex 7318 15 81, ex 7318 15 89, ex 7318 15 90, ex 7318 21 00 and ex 7318 22 00, and originating in the People's Republic of China, as extended to imports consigned from Malaysia, whether declared as originating in Malaysia or not.⁴⁷
- On 15 May 2013, the European Commission published a notice (2013/C 136/10) of the impending expiry of certain anti-dumping measures. The anti-dumping duty imposed by Council Regulation (EC) No. 1256/2008⁴⁸ on certain welded tubes and pipes of iron or non-alloy steel originating in the People's Republic of China, Belarus, Russia, Thailand, Ukraine is likely to expire on 20.12.2013.⁴⁹

⁴⁴ Commission Regulation (EU) No. 418/2013, OJ 2013 L 126/1.

⁴⁵ Council Implementing Regulation (EU) No. 412/2013, OJ 2013 L 131/1.

⁴⁶ Council Implementing Regulation (EU) No. 430/2013, OJ 2013 L 129/1.

⁴⁷ (2013/C 134/07), OJ 2013 C 134/34.

⁴⁸ Council Regulation (EC) No. 1256/2008, OJ 2008 L 343/1.

⁴⁹ (2013/C 136/10), OJ 2013 C 136/25.

- On 16 May 2013, the Council Implementing Regulation (EU) No. 465/2013 amended Regulation (EC) No. 192/2007 imposing a definitive anti-dumping duty on imports of certain polyethylene terephthalate originating in India, Indonesia, Malaysia, the Republic of Korea, Thailand and Taiwan.⁵⁰
- On 21 May 2013, the Council Implementing Decision (2013/226/EU) rejected the proposal for a Council Implementing Regulation imposing a definitive anti-dumping duty on imports of certain polyethylene terephthalate having a viscosity number of 78 ml/g or higher, according to ISO standard 1628-5, currently falling within CN code 3907 60 20 and originating in India, Taiwan and Thailand, following an expiry review pursuant to Article 11(2) of Regulation (EC) No. 1225/2009 and terminated the expiry review proceeding concerning imports of certain polyethylene terephthalate originating in Indonesia and Malaysia, in so far as the proposal would impose a definitive anti-dumping duty on imports of certain polyethylene terephthalate originating in India, Taiwan and Thailand.⁵¹
- On 27 May 2013, the Commission Regulation (EU) No. 490/2013 imposed a provisional anti-dumping duty on imports of biodiesel, currently falling within CN codes ex 1516 20 98, ex 1518 00 91, ex 1518 00 95, ex 1518 00 99, ex 2710 19 43, ex 2710 19 46, ex 2710 19 47, 2710 20 11, 2710 20 15, 2710 20 17, ex 3824 90 97, 3826 00 10 and ex 3826 00 90, originating in Argentina and Indonesia. The provisions as regards customs duty apply to the import of biodiesel unless specifically mentioned.⁵²
- On 28 May 2013, the European Commission published a notice (2013/C 148/04) of the impending expiry of certain anti-dumping measures. The anti-dumping duty imposed by Council Regulation (EC) No. 91/2009⁵³ and Council Implementing Regulation (EU) No. 723/2011⁵⁴ on certain iron or steel fasteners originating in the People's Republic of China as extended to Malaysia is likely to expire on 01.02.2014.⁵⁵
- On 29 May 2013, the Council Implementing Regulation (EU) No. 501/2013 extended the definitive anti-dumping duty imposed on imports of bicycles originating in the People's Republic of China by Implementing Regulation (EU) No. 990/2011 to imports of bicycles, currently falling within CN codes ex 8712 00 30 and ex 8712 00 70 and consigned from Indonesia, Malaysia, Sri Lanka and Tunisia, whether declared as originating in Indonesia, Malaysia, Sri Lanka and Tunisia or not. Exemptions are provided to certain companies listed in Article 2 of the Regulation and belonging to Indonesia, Sri Lanka and Tunisia possessing a

⁵⁰ Council Implementing Regulation (EU) No. 465/2013, OJ 2013 L 135/1.

⁵¹ Council Implementing Decision (2013/226/EU), OJ 2013 L 136/12.

⁵² Commission Regulation (EU) No. 490/2013, OJ 2013 L 141/6.

⁵³ Council Regulation (EC) No. 91/2009, OJ 2009 L 29/1.

⁵⁴ Council Implementing Regulation (EU) No. 723/2011, OJ 2011 L 194/6.

⁵⁵ (2013/C 148/04), OJ 2013 C 148.8.

valid commercial invoice. The provisions as regards customs duty apply to the import of bicycles unless specifically mentioned.⁵⁶

- On 29 May 2013, the Council Regulation (EU) No. 502/2013 amended the Implementing Regulation (EU) No. 990/2011 imposing a definitive anti-dumping duty on imports of bicycles and other cycles, not motorised, currently falling within CN codes 8712 00 30 and ex 8712 00 70 and originating in the People's Republic of China, following an interim review pursuant to Article 11(3) of Regulation (EC) No. 1225/2009. The provisions as regards customs duty apply to the import of bicycles unless specifically mentioned.⁵⁷
- On 29 May 2013, the Council Implementing Regulation (EU) No. 508/2013 imposed a definitive anti-dumping duty on imports of certain tungsten welding electrodes, currently falling within CN codes ex 8101 99 10 and ex 8515 90 00 and originating in the People's Republic of China following an expiry review pursuant to Article 11(2) of Regulation (EC) No. 1225/2009. The provisions as regards customs duty apply to the import of certain tungsten welding electrodes unless specifically mentioned.⁵⁸
- On 31 May 2013, the European Commission published a notice (2013/C 153/03) concerning the anti-dumping measures in force in respect of imports into the Union of melamine originating in the People's Republic of China as regards a company- Sichuan Jade Elephant Melamine S&T Co., Ltd. which is made applicable to Sichuan Golden-Elephant Sincerity Chemical Co. Ltd. due to the change in the name of the company. The anti-dumping duty rate and the TARIC additional code A986 previously attributed to Sichuan Jade Elephant Melamine S&T Co. Ltd shall apply to Sichuan Golden-Elephant Sincerity Chemical Co. Ltd.⁵⁹
- On 4 June 2013, the Commission Regulation (EU) No. 512/2013 amended Regulation (EC) No. 88/97 as regards the authorization of the exemption of imports of certain bicycle parts originating in the People's Republic of China from the extension by Council Regulation (EC) No. 71/97 of the anti-dumping duty imposed by Council Regulation (EEC) No. 2474/93.⁶⁰
- On 4 June 2013, the Commission Regulation (EU) No. 513/2013 imposed a provisional anti-dumping duty on imports of crystalline silicon photovoltaic modules and key components (i.e. cells and wafers), currently falling within CN codes ex 3818 00 10, ex 8501 31 00, ex 8501 32 00, ex 8501 33 00, ex 8501 34 00, ex 8501 61 20, ex 8501 61 80, ex 8501 62 00, ex 8501 63 00, ex 8501 64 00 and ex 8541 40 90, and originating in or consigned from the People's Republic of China while amending Regulation (EU) No. 182/2013 making these imports subject to registration. The provisions as regards customs duty apply to the

⁵⁶ Council Implementing Regulation (EU) No. 501/2013, OJ 2013 L 153/1.

⁵⁷ Council Regulation (EU) No. 502/2013, OJ 2013 L 153/17.

⁵⁸ Council Implementing Regulation (EU) No. 508/2013, OJ 2013 L 150/1.

⁵⁹ (2013/C 153/03), OJ 2013 C 153/3.

⁶⁰ Commission Regulation (EU) No. 512/2013, OJ 2013 L 152/1.

import of crystalline silicon photovoltaic modules and key components (i.e. cells and wafers) unless specifically mentioned.⁶¹

- On 6 June 2013, the European Commission published a notice (2013/C 160/03) of initiation of a partial interim review of the anti-dumping measures applicable to imports of certain stainless steel fasteners and parts thereof, currently falling within CN codes 7318 12 10, 7318 14 10, 7318 15 30, 7318 15 51, 7318 15 61 and 7318 15 70, and originating in the People's Republic of China and Taiwan.⁶²
- On 28 June 2013, the European Commission published a notice (2013/C 183/12) of initiation of an anti-dumping proceeding concerning imports of agglomerated stone currently falling within CN codes ex 6810 11 90, ex 6810 19 00, ex 6810 91 00, ex 6810 99 00, ex 7016 10 00, ex 7016 90 40, ex 7016 90 70 and ex 7020 00 80, and originating in the People's Republic of China.⁶³

Box: EU Council rejects request for re-imposition of AD duties on PET from India

By Regulation (EC) No 2604/2000, the EU Council imposed a definitive anti-dumping duty on imports of certain polyethylene terephthalate ("PET") originating in India, Indonesia, Malaysia, Taiwan and Thailand. Following an expiry review, the Council by Regulation (EC) No 192/2007, imposed a definitive anti-dumping duty for a further period of five years. The anti-dumping measures were subsequently amended by Council Regulation 1286/2008 pursuant to Article 19 of the Council Regulation (EC) No 597/2009 on protection against subsidised import from countries not members of the European Community ('the basic anti-subsidy Regulation'). A later interim review pursuant to Article 11(3) of the basic Regulation amended the measures in force by Council Implementing Regulation No. 906/2011.

On 24 February 2012, the Commission announced by a notice, published in the Official Journal of the European Union, the initiation of an expiry review of the anti-dumping measures applicable to imports of certain polyethylene terephthalate originating in India, Indonesia, Malaysia, Taiwan and Thailand. With respect to India, Taiwan and Thailand, the review investigation found continued dumping of the product concerned which would result in the recurrence of injury to the Union industry in case anti-dumping measures were lifted. It was further established that the continuation of measures was not against the interest of the Union.

The EU Council, however, concluded that the re-imposition of measures would be against the overall Union interest. A number of reasons for the Council's decision are listed in the notice including the EU PET industry being highly concentrated and increasingly vertically integrated, making it profitable and internationally competitive. The Council concludes that it is not in the interest of the Union to extend the measures as the costs to importers, users and consumers are disproportionate to the benefits for the Union industry.

⁶¹ Commission Regulation (EU) No. 513/2013, OJ 2013 L 152/5.

⁶² (2013/C 160/03), OJ 2013 C 160/3.

⁶³ (2013/C 183/12), OJ 2013 C 183/21.

The anti-subsidy duties

Source: L 136/12 (Official Journal of the European Union)

V.B. ANTI-SUBSIDY

- On 27 April 2013, the European Commission published a notice (2013/C 122/17) of initiation of an anti-subsidy proceeding concerning imports of solar glass currently falling within CN code ex 7007 19 80 and originating in the People's Republic of China.⁶⁴
- On 30 April 2013, the European Commission published a notice (2013/C 124/05) of initiation of a partial interim review of the anti-subsidy measures applicable to imports of biodiesel, 'in pure form or in a blend containing by weight more than 20 % of fatty-acid mono-alkyl esters and/or paraffinic gasoil obtained from synthesis and/or hydro-treatment, of non-fossil origin', currently falling within CN codes ex 1516 20 98, ex 1518 00 91, ex 1518 00 99, ex 2710 19 43, ex 2710 19 46, ex 2710 19 47, ex 2710 20 11, ex 2710 20 15, ex 2710 20 17, ex 3824 90 97, ex 3826 00 10 and ex 3826 00 90, and originating in the United States of America, as extended to imports consigned from Canada, whether declared as originating in Canada or not.⁶⁵
- On 3 May 2013, the Commission Regulation (EU) No. 419/2013 imposed a provisional countervailing duty on imports of certain stainless steel wires currently falling within CN codes 7223 00 19 and 7223 00 99, and originating in India. The provisions as regards customs duty apply to the import of certain stainless steel wires.⁶⁶
- On 16 May 2013, the European Commission published a notice (2013/C 137/06) as regards the application of anti-dumping and anti-subsidy measures in force in the Union following the enlargement to include the Republic of Croatia.⁶⁷
- On 17 May 2013, the European Commission published a notice (2013/C 138/10) concerning the anti-subsidy measures upon imports of certain polyethylene terephthalate originating, inter alia, in Pakistan and a partial reopening of the anti-subsidy investigation concerning the imports originating in Pakistan.⁶⁸
- On 24 April 2013, the Commission Decision (2013/223/EU) amended Decision (2000/745/EC) accepting undertakings offered in connection with the anti-dumping and anti-subsidy proceedings as regards imports of certain polyethylene terephthalate (PET)

⁶⁴ (2013/C 122/17), OJ 2013 C 122/24.

⁶⁵ (2013/C 124/05), OJ 2013 C 124/10.

⁶⁶ Commission Regulation (EU) No. 419/2013, OJ 2013 L 126/19.

⁶⁷ (2013/C 137/06), OJ 2013 C 137/9.

⁶⁸ (2013/C 138/10), OJ 2013 C 138/32.

currently falling under TARIC additional codes A 181, A 182, A 184, A 193, A585, and originating in India, Indonesia, Malaysia, the Republic of Korea, Taiwan and Thailand.⁶⁹

- On 22 May 2013, the Commission Decision (2013/227/EU) terminated the anti-subsidy proceeding concerning imports of bicycles and other cycles, not motorised, currently falling within CN codes 8712 00 30 and ex 8712 00 70, and originating in the People's Republic of China.⁷⁰
- On 21 May 2013, the Council Implementing Regulation (EU) No. 461/2013 imposed a definitive countervailing duty on imports of certain polyethylene terephthalate (PET) having a viscosity number of 78 ml/g or higher, according to ISO Standard 1628-5, currently falling within CN code 3907 60 20, and originating in India following an expiry review pursuant to Article 18 of Regulation (EC) No. 597/2009. The EU had maintained AD/CVD measures on PET from India had been in place since 2000.

VI. MEASURES AFFECTING PRODUCTION AND TRADE

VI. A. INTELLECTUAL PROPERTY RIGHTS

On 10 June 2013, the Council Decision (2013/285/EU) established the European Union position within the Council for TRIPS of the World Trade Organization on the request for an extension of the transition period under paragraph 1 of Article 66 of the TRIPS Agreement for least-developed country Members wherein the LDCs shall not be required to apply the provisions of the TRIPS Agreement, other than Articles 3, 4 and 5, for a period to be agreed by consensus by the WTO members, or until the date on which they cease to be a least-developed country Member, whichever date is earlier. The LDCs shall not decrease their existing level of intellectual property protection below the standards set by the TRIPS Agreement during the period of such extension. "This Decision is without prejudice to the decision of the Council for TRIPS of 27 June 2002 on 'Extension of the Transition Period under Article 66.1 of the TRIPS Agreement for Least-Developed Country Members for Certain Obligations with Respect to Pharmaceutical Products.'" During the period of such extension, analysis shall be made of the varying levels of implementation of the TRIPS Agreement and needs identified across LDCs with proper consideration given to LDCs, and how technical assistance and capacity building programmes can be more effectively coordinated, used and assessed, with primary focus on those areas of most immediate utility to enable a gradual integration process.⁷¹

⁶⁹ Commission Decision (2013/223/EU), OJ 2013 L 135/19.

⁷⁰ Commission Decision (2013/227/EU), OJ 2013 L 136/15.

⁷¹ Council Decision (2013/285/EU), OJ 2013 L 162/1.

VI. B. EU COMPETITION POLICY

- On 22 April 2013, Council Decision (2013/203/EU) on the signing of an Agreement between the European Union and the Swiss Confederation concerning cooperation on the application of their competition laws was adopted on behalf of the European Union.⁷²

VI. C. CUSTOMS

- On 31 May 2013, the Commission Implementing Regulation (EU) No. 504/2013 amended Implementing Regulation (EU) No. 1225/2011 as regards the communication of information for the purpose of relief from customs duty.⁷³ Earlier, member states had to communicate information to the Commission in respect of the admission free of customs duties of certain spare parts, components, accessories, tools and equipment exceeding a certain value or price. This obligation which dated from 1983 is no longer necessary as per this regulation, for the good management of imports with relief of customs duties.
- On 20 August 2012, Commission Implementing Regulation (EU) No. 756/2012 amended Regulation (EEC) No. 2454/93 laying down provisions for the implementation of Council Regulation (EEC) No. 2913/92 in accordance with the Community Customs Code.⁷⁴

VII. TRADE POLICIES BY SECTOR

VII. A. AGRICULTURE

- On 12 April 2013, the Commission Implementing Regulation (EU) No. 335/2013 amended Regulation (EC) No. 1974/2006 laying down detailed rules for the application of Council Regulation (EC) No. 1698/2005 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD).⁷⁵
- On 22 April 2013, the Commission Implementing Regulation (EU) No. 384/2013 concerning the classification of Cellulose Acetate Fibres in the Combined Nomenclature was adopted.⁷⁶
- On 2 May 2013, the Commission Implementing Regulation (EU) No. 405/2013 opened and provided the administration of Union tariff quotas for agricultural products originating in Peru.⁷⁷

⁷² Council Decision (2013/203/EU), OJ 2013 L 117/6.

⁷³ Commission Implementing Regulation (EU) No. 504/2013, OJ 2013 L 147/1.

⁷⁴ Commission Implementing Regulation (EU) No. 756/2012, OJ 2012 L 223/8.

⁷⁵ Commission Implementing Regulation (EU) No. 335/2013, OJ 2013 L 105/1.

⁷⁶ Commission Implementing Regulation (EU) No. 384/2013, OJ 2013 L 117/7.

⁷⁷ Commission Implementing Regulation (EU) No. 405/2013, OJ 2013 L 121/35.

VII. B. FISHERIES POLICY

On 12 April 2013, the Commission Implementing Regulation (EU) No. 336/2013 amended the annex to Regulation (EC) No. 1010/2009 as regards administrative arrangements with third countries on catch certificates for marine fisheries products.⁷⁸

VIII. DISPUTE SETTLEMENT UPDATE

European Union and Certain Member States — *Certain Measures on the Importation and Marketing of Biodiesel and Measures Supporting the Biodiesel Industry*

On 15 May 2013, Argentina requested consultations with the European Union and its member States regarding certain measures that allegedly affect the importation and marketing of biodiesel, as well as measures supporting the biodiesel industry.⁷⁹ Argentina's request related to two types of measures adopted by the European Union and certain member States:

- a) Measures to promote the use of energy from renewable sources and to introduce a mechanism to control and reduce greenhouse emissions;
- b) Measures to establish support schemes for the biodiesel sector.

Argentina considered that the measures were inconsistent with:

- Articles I:1, III:1, III:2, III:4 and III:5 of the GATT 1994
- Articles 1.1, 2.3, 3.1(b), 3.2,5(b), 5(c) and 6.3(a) of the SCM Agreement
- Articles 2.1 and 2.2 of the TRIMs Agreement
- Articles 2.1, 2.2, 5.1, 5.2 of the TBT Agreement
- Article XVI:4 of the WTO Agreement

China — *Measures Imposing Anti-Dumping Duties on High-Performance Stainless Steel Seamless Tubes from the European Union*

On 13 June 2013, the European Union requested consultations with China concerning measures imposing anti-dumping duties on certain high-performance stainless steel seamless tubes from the European Union, as set forth in Ministry of Commerce of the People's Republic of China, MOFCOM Notice No. 21 [2012] and Notice No. 72 [2012], including any and all annexes and any amendments thereof.⁸⁰

The European Union claimed that the measures are inconsistent with:

⁷⁸ Commission Implementing Regulation (EU) No. 336/2013, OJ 2013 L 105/4.

⁷⁹ World Trade Organization, *European Union and Certain Member States — Certain Measures on the Importation and Marketing of Biodiesel and Measures Supporting the Biodiesel Industry*, available at: http://www.wto.org/english/tratop_e/dispu_e/cases_e/ds459_e.htm

⁸⁰ World Trade Organization, *China — Measures Imposing Anti-Dumping Duties on High-Performance Stainless Steel Seamless Tubes from the European Union*, available at: http://www.wto.org/english/tratop_e/dispu_e/cases_e/ds460_e.htm

- Articles 1, 2.2, 2.4, 2.4.2, 3.1, 3.2, 3.4, 3.5, 6.4, 6.5, 6.5.1, 6.7, 6.8, 6.9, 7.4, 12.2 and 12.2.2 of the Anti- Dumping Agreement;
- Article VI of the GATT 1994.

On 27 June 2013, Japan requested to join the consultations. Subsequently, China informed the DSB that it had accepted the request of Japan to join the consultations.

Argentina requested consultations with the EU concerning certain EU and EU Member States' measures related to the importation and marketing of biofuels into the EU

On 15 May 2013, Argentina requested consultations with the EU concerning certain EU and EU Member States' measures related to the importation and marketing of biofuels into the EU, as well as the incentives granted to the biofuel industry. Argentina's request for consultations targets the sustainability requirements for biofuels contained in the EU's '*Renewable Energy Directive*'.⁸¹

The Renewable Energy Directive establishes a common framework for the promotion of energy from renewable sources in the EU by, *inter alia*, setting mandatory national overall targets and measures for the use of energy from renewable sources, in order to reduce emissions and to achieve the EU's climate change and energy policy objectives. Argentina claims that the 35% greenhouse gas savings threshold is arbitrary, not scientifically justified and not based on an international standard. It also claims that the EU framework and the EU Member States' implementing measures are inconsistent with a number of WTO obligations, including Articles I:1, III:1 and III:4 of the GATT and Articles 2.1, 2.2, 5.1 and 5.2 of the Agreement on Technical Barriers to Trade.⁸²

EU Commission may initiate *ex-officio* anti-dumping and anti-subsidy investigations on telecom products from China

On 15 May 2013, the EU Commission announced its backing to the initiation of *ex-officio* anti-dumping and anti-subsidy investigations on mobile telecommunication network products and their essential elements imported from China. The EU Commission stated to have taken 'a decision in principle', that would be put on hold to allow for negotiations to achieve an amicable solution with the Chinese authorities. The Chinese companies allegedly engaging in unfair trading practices are Huawei Technologies and ZTE Corp.⁸³ The two Chinese companies are believed to benefit from illegal subsidies in the form of cheap export credits from state-owned banks, which could reportedly qualify as export subsidies, and therefore be prohibited under the disciplines of the WTO Agreement on Subsidies and Countervailing Measures.⁸⁴

⁸¹ WTO, *Argentina files dispute with the EU on Biodiesel*, (May 15, 2013), http://www.wto.org/english/news_e/news13_e/ds459rfc_15may13_e.htm

⁸² *Id.*

⁸³ *EU may probe China over illegal telecom firm subsidies*, BBC NEWS, May 16, 2013: <http://www.bbc.co.uk/news/business-22550011>; See also, EU, *Statement by EU Trade Commissioner Karel De Gucht on Mobile telecommunications networks from China*, EUROPA.EU, http://europa.eu/rapid/press-release_MEMO-13-439_en.htm

⁸⁴ *Id.*

WTO rules cater for the possibility of opening *ex-officio* investigations, in Article 5.6 of the WTO Anti-dumping Agreement and Article 11.6 of the WTO SCM Agreement. In particular, such rules foresee that the investigating authorities initiate anti-dumping or anti-subsidy investigations on their own initiative, provided that there are special circumstances, and they have sufficient evidence of: (i) dumping or subsidy, (ii) injury to the domestic industry, and (iii) a causal link between them.⁸⁵

WTO Appellate Body issued its report in the disputes concerning Canada's renewable energy schemes

On 6 May 2013, the WTO Appellate Body circulated its report in the disputes '*Canada-Certain Measures Affecting the Renewable Energy Generation Sector*' and '*Canada-Measures Relating to the Feed in Tariff Program*'. The report comes after both the respondent and the complainants to the disputes (Japan and the EU, respectively) appealed and cross-appealed the panel reports, which had been issued in December 2012.⁸⁶ The controversial aspect of the disputes concerned the local content requirement contained in the feed-in-tariff (FIT) scheme that the Canadian province of Ontario adopted under the Ontario Green Energy Act of 2009. Ontario's FIT scheme envisaged payments to developers of renewable energy projects, provided that they sourced a certain amount of their goods and services (in particular, 50% for wind projects, and to 60% for solar projects) from Ontario-based companies.⁸⁷

The long-standing dispute on rum trademark between the EU and the US in light of the bilateral trade negotiations

On 25 June 2013, at the latest meeting of the WTO Dispute Settlement Body (hereinafter, DSB), the EU reportedly demanded that the US puts an end to its long-standing failure to comply with the rulings and recommendations of the WTO DSB in the dispute *US-Section 211 Appropriations Act*. The case at hand revolves around Section 211 of the US *Omnibus Appropriations Act* of 1998 which was adopted in the aftermath of a US domestic dispute concerning the '*Havana Club*' rum trademark between an American company and a joint venture between a Cuban government trading agency and an EU company in the context of the US-Cuba relations.⁸⁸

The WTO dispute stems from a 1999 complaint lodged by the European Communities (now EU) alleging that Section 211, which did not allow Cuba, Cuban nationals or other interested nationals, to register or renew trademarks in the US without the consent of the original owner (*i.e.*, previous to the confiscation by the Cuban regime), was WTO-inconsistent. In addition, the EU claimed that Section 211 provided that rights arising from such trademark could not be recognised or enforced in the US without the consent of the original owner, which allegedly rendered the measure inconsistent

⁸⁵ Ulrika Lomas, *EU Mulls Anti-Dumping For Chinese Mobile Telecom*, TAX NEWS, 20 May 2013, http://www.tax-news.com/news/EU_Mulls_Anti_Dumping_For_Chinese_Mobile_Telecoms___60788.html

⁸⁶ WTO, *Canada-Certain Measures Affecting the Renewable Energy Generation Sector*, (May 23, 2013), http://www.wto.org/english/tratop_e/dispu_e/cases_e/ds412_e.htm

⁸⁷ *Id.*

⁸⁸ Issue No. 14 from July 12, 2013, FRATINI VERGANO, July 12 2013, www.fratinivergano.eu/Trade%20perspectives%202013/13.07.12%20TP

with a number of provisions of the WTO Agreement on Trade-related Aspects of Intellectual Property Rights. Following the adoption of the report, the US and the EU agreed on a deadline for the US to implement the recommendations contained therein by amending its legislation accordingly. This deadline was repeatedly extended by the Parties, and eventually settled on 30 June 2005.⁸⁹

DISPUTES LIKELY TO ARISE IN THE FUTURE

Argentina voices concerns on measures affecting importation of biodiesels

Argentina has voiced concerns regarding certain measures affecting the importation of biodiesels for accounting purposes with regard to the compliance with the mandatory targets for biofuels. The key measure that may be challenged by Argentina is the Spanish Ministerial Order regulating allocation of quantities of biodiesel needed to achieve the mandatory target of renewable energy. This measure is the national implementation of the European Union regulatory framework for energy from renewable sources.⁹⁰

Canada may consider WTO action against EU on its Fuel Quality Directive

The EU's Fuel Quality Directive remains a thorny issue in EU-Canada trade relations, while the two trading partners hold talks to conclude a bilateral trade agreement. In June, a Canadian Minister made it clear that this is an important issue for Canada and that WTO action may be considered if the EU decides to attribute a higher '*polluting value*' to fuel obtained from tar sands. The EU's Fuel Quality Directive (*Directive 1998/70/EC of the European Parliament and of the Council of 13 October 1998*) provides a framework for EU Member States to reduce the greenhouse gas emission levels of transportation fuels. The scheme, which is overall aimed at triggering a switch in the EU transport sector from fossil fuels to renewable sources, requires a calculation of the lifecycle greenhouse gas intensity of fossil fuels, based on default values to be attributed to each type of fossil fuel. However, recent events indicate to Canada not too keen on WTO action.⁹¹

Argentina raises a specific trade concern at the WTO regarding the EU's '*high-quality beef*' quota

At the meeting of the WTO Committee on Technical Barriers to Trade held on 17-20 June 2013, Argentina raised its concerns with respect to the EU's '*high-quality beef*' quota and, in particular, the requirements for access established under the EU's relevant framework. Argentina's concerns were

⁸⁹ *Id.*

⁹⁰ World Trade Organization, *Argentina Voicing Concern*, available at: http://www.wto.org/english/tratop_e/dispu_e/cases_e/ds443_e.htm

⁹¹ Paul Waldie, *Joe walks away from threat of EU battle*, GLOBE AND MAIL, 9 May 2013, <http://www.theglobeandmail.com/report-on-business/industry-news/energy-and-resources/joe-oliver-backs-away-from-threat-of-eu-trade-battle/article11813534/>

reportedly directed at *Commission Implementing Regulation (EU) No. 481/2012 of 7 June 2012* which lays down rules for the management of a tariff quota for high-quality beef.⁹²

The EU's '*high-quality beef*' quota is an annual autonomous tariff quota for imports of '*high-quality fresh, chilled or frozen beef*' covered by the EU's Combined Nomenclature (CN) codes 0201, 0202, 020610.95 and 020629.91, opened through Council *Regulation No. 617/2009* following the conclusion of *Memoranda of Understanding* with the US and Canada, which intended to terminate the longstanding *EC – Hormones* dispute. The annual quantity of imports allowed under the quota currently amounts to 48,200 tonnes, with an in-quota *ad valorem* tariff rate set at 0%. Entry within this quota is subject to a number of conditions, which are established in Annex II of Commission Regulation No. 481/2012 and which concern the carcasses' age, feeding practices and a requirement that the carcasses be evaluated by an evaluator employed by the national government of the exporting country according to given procedures. Only meat products meeting these technical and procedural requirements may be imported into the EU within the '*high-quality beef quota*' and benefit from the favourable 0% in-quota duty rate.

⁹² Issue No. 13 from July 28, 2013, FRATINI VERGANO, 12 July 2013, www.fratinivergano.eu/Trade%20perspectives%202013/13.07.12%20TP

ANNEXURE A

Sanitary & Phyto-Sanitary Measures undertaken by the EU during this quarter

NOTIFICATION	DATE OF NOTIFICATION	AGENCY RESPONSIBLE	PRODUCTS CONCERNED	PURPOSE OF NOTIFICATION	DESCRIPTION	COMPLIANCE TO RELEVANT INTERNATIONAL STANDARDS
G/SPS/N/EU/42	9-4-13	European Commission, Health and Consumers Directorate-General	Cereals, foodstuffs of animal origin and certain products of plant origin, including fruit and vegetables	Food safety	Laying down of maximum residue levels for a number of chemical ingredients in food and products	The European Food Safety Authority – No. Form of deviation: Risk analysis approach not adopted
G/SPS/N/EU/43	17-5-13	European Commission, Health and Consumers Directorate-General	Multiple products	Food safety, animal health, plant protection, protect humans from animal/plant pest or disease, protect territory from other damage from pests	It repeals and amends several other pieces of European legislation in areas such as official controls on residues, import controls and plant health controls	None applicable
G/SPS/N/EU/44	21-5-13	European Commission, Health and	Plants and plant products	Plant protection	It is a new basic legislative act on plant health in the European Union	International Plant Protection Convention - Yes

		Consumers Directorate- General				
G/SPS/N/EU/46	21-5-13	European Commission, Health and Consumers Directorate-General	Plant reproductive material	Plant protection	It modernises, simplifies and strengthens the legislation on marketing of plant reproductive material by repealing and replacing 12 Directives, most of which were adopted between 1966 and 1971	None applicable
G/SPS/N/EU/45	21-5-13	European Commission, Health and Consumers Directorate-General	Live animals and products of animal origin	Animal health	It simplifies, modernises and increases the consistency of animal health legislation across the European Union	World Organization for Animal Health - Yes
G/SPS/N/EU/47	24-6-13	European Commission, Health and Consumers Directorate-General	Cereals, foodstuffs of animal origin and certain products of plant origin, including fruit and vegetables	Food Safety	Proposed alteration of a number of chemical ingredients in food and products	Codex Alimentarius Commission - Yes

ANNEXURE B

EU- TBT Measures

NOTIFICATION	DATE	AGENCY RESPONSIBLE	PRODUCTS CONCERNED	PURPOSE OF NOTIFICATION	DESCRIPTION
G/TBT/N/EU/101	2-4-13	European Commission	Food	Protection of human health and safety	It concerns the refusal of authorisation of seventeen health claims made on foods, other than certain claims referring to children's development and health, and the reduction of disease risk
G/TBT/N/EU/106	7-5-13	European Commission	Biocidal Products	Harmonisation of the EU market on biocidal products.	Approval of cypermethrin for use in biocidal products for product-type 8
G/TBT/N/EU/104	8-5-13	European Commission	Domestic electric and gas ovens, domestic electric and gas hobs, and domestic range hoods	Fight against climate change, and increase energy efficiency in the European Union	It sets minimum energy performance, fluid dynamic and information requirements for domestic ovens, hobs and range hoods

G/TBT/ N/EU/1 05	8-5-13	European Commission	Domestic electric and gas ovens, and domestic range hoods	To allow end-users to make an informed choice when buying domestic ovens and range and pull the market towards more environmentally friendly appliances	It sets requirements for the energy labelling and the provision of product information for domestic ovens and range hoods, based on the findings of technical, environmental and economic studies
G/TBT/ N/EU/1 07	8-5-13	European Commission	Food	Protection of human health and safety	It concerns the refusal of authorisation of thirteen health claims made on foods, other than those referring to children's development and health, and the reduction of disease risk
G/TBT/ N/EU/1 08	24-5-13	European Commission	Cosmetic products	Protection of human health and safety	To alter restrictions on the use of certain hair dye substances
G/TBT/ N/EU/1 09	24-5-13	European Commission	Heavy goods vehicles, long distance coaches and urban buses	Solving issues relating to fuel efficiency and reduction of emission of greenhouse gases	It updates directive 96/53/EC on the maximum dimensions and weights of heavy goods vehicles and coaches travelling on European

					roads
G/TBT/ N/EU/1 10	4-6-13	European Commission	Biocidal products	Harmonisation of the EU market on biocidal products	It makes some clarifications and adjustments of provisions relating to conditions for access to the market for biocidal products
G/TBT/ N/EU/1 11	10-6-13	European Commission	Minerals	Protection of human health and safety	It concerns the inclusion of certain substances in lists of mineral substances that may be used for the manufacture of food supplements and fortified foods
G/TBT/ N/EU/1 12	10-6-13	European Commission	Locomotives and passenger rolling stock	To contribute to the interoperability of the rail system within the European Union	Establishment of various technical specifications on the interoperability of locomotives and passenger rolling stock
G/TBT/ N/EU/1 13	10-6-13	European Commission	Household dishwashers, household refrigerating appliances, household washing machines, televisions, air conditioners, household tumble driers,	To allow end-users buying on the Internet to be provided with the same label and product fiche as end-users buying in physical shops	It amends requirements for energy labelling information on the Internet

			electrical lamps and luminaires		
G/TBT/N/EU/14	10-6-13	European Commission	L-category motor vehicles	Protection of human health by improving the environmental performance of Mopeds and other vehicles in the L-category	It amends various technical provisions relating to fuel efficiency of vehicles in the L-category
G/TBT/N/EU/15	11-6-13	European Commission	L-category motor vehicles	Identify the key concerns as regards the current provisions for the type-approval of new L-category vehicles	It sets out general requirements on the functional safety and environmental performance of these vehicles and repeals 15 directives
G/TBT/N/EU/16	13-6-13	European Commission	Food, feed, plant reproductive material, plant protection products, animals, plants, and related products	Food safety, feed safety, animal health, plant protection, protection of humans from animal/plant pests or diseases, protection of territory from damage from pests	It repeals regulations on official controls over certain food products and repeals and amends several other pieces of European Union legislation
G/TBT/N/EU/17	13-6-13	European Commission	Plant reproductive material	Food security	It modifies, simplifies and strengthens the legislation on marketing of plant reproductive material by

					repealing and replacing 12 Directives, most of which were adopted between 1966 and 1971
G/TBT/N/EU/18	17-6-13	European Commission	Chemical substances	Make a harmonised classification of chemical substances as carcinogenic, mutagenic or toxic to reproduction	It amends the relevant lists in order to restrict the placing of certain chemical substances on the market or their use as substances, constituents of other substances or in mixtures for supply to the general public and to impose certain labelling requirements
G/TBT/N/EU/19	26-6-13	European Commission	Solid fuel boilers and packages of these boilers with supplementary heaters, temperature controls and solar devices	To allow end-users to make an informed choice when buying solid fuel boilers and packages of these boilers with further products	It establishes requirements for the energy labelling and the provision of product information of solid fuel boilers and packages of these boilers with further products
G/TBT/N/EU/20	26-6-13	European Commission	Solid fuel boilers	To remove the worst performing solid fuel boilers from the market and thus push the	It sets various technical and information requirements for solid fuel boilers

				market towards more environmentally friendly solid fuelboilers	as there exists a cost effective potential to limit their energy consumption and emissions to air
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