



TRADE POLICY DEVELOPMENTS PAPER NO. 66

TRADE POLICY MONITORING REPORT

OF

EUROPEAN UNION

(JANUARY – MARCH 2014)

VOLUME XII

This report has been prepared by the Centre for International Trade and Economic Laws (CITEL), Jindal Global Law School, Sonapat, NCR of Delhi under a consultancy project awarded by the Centre for WTO Studies, Indian Institute of Foreign Trade (IIFT)

CONTRIBUTORS

JAMES J. NEDUMPARA

RISHAB RATURI

VIVEK GUPTA

ARNAB GHOSH

VANDANA GYANCHANDANI

ABBREVIATIONS

AD	–	Anti Dumping
CBR	–	Central Bank of Russia
DS	–	Dispute Settlement
EFTA	–	European Free Trade Association
EU	–	European Union
FCS	–	Federal Customs Service
FTA	–	Free Trade Agreement
GATT	–	General Agreement on Trade and Tariffs
GDP	–	Gross Domestic Product
IP	–	Intellectual Property
ITA	–	Information Technology Agreement
SPS	–	Sanitary and Phyto-Sanitary measures
TIR	–	Transports Internationaux Routiers
TBT	–	Technical Barriers to Trade
TRIMs	–	Trade Related Investment Measures
TRIPS	–	Trade Related Aspects of Intellectual Property Rights
US	–	United States
USITC	–	United States International Trade Commission
WTO	–	World Trade Organization

TABLE OF CONTENTS

I.	INTRODUCTION	9
II.	ECONOMIC ENVIRONMENT	9
II.A.	OVERALL ECONOMIC ENVIRONMENT	9
II.B.	GDP	Error! Bookmark not defined.
II.B.1.	Retail Trade.....	11
II.B.2.	Industrial Production	11
II.C.	UNEMPLOYMENT RATE	12
II.D.	MONETARY POLICY	13
II.D.1.	Interest Rates.....	13
II.D.2.	Foreign Exchange Reserves.....	13
II.D.3.	Loans to Private Sector	14
II.D.4.	Money Supply.....	14
II.E.	CONSUMER PRICE INDEX & INFLATION	14
II.E.1.	Inflation Rates	14
II.E.2.	CONSUMER PRICE INDEX	15
II.F.	FISCAL POLICY	15
II.F.1.	Government Deficit.....	16
II.F.2.	Government revenue and expenditure for the euro area and EU28	17
II.G.	EXTERNAL ACCOUNT	17
II.G.1.	Current Account.....	17
II.G.2.	Direct Investment Abroad and Into EU	17

III. TRADE & INVESTMENTS AGREEMENTS & ARRANGEMENTS	18
III.A. EU-WTO DEVELOPMENTS	18
III.A.1. Afghanistan Sign Treaty on WTO Accession.....	18
III.A.2. EU in Joint Launch of WTO Negotiations for Green Goods Agreement	18
III.B. TRADE AGREEMENTS & ARRANGEMENTS.....	19
III.B.1. EU-US Transatlantic Trade and Investment Partnership (TTIP).....	19
III.B.2. EU-China.....	20
III.B.3. Commencement of Investment Talks.....	20
III.B.4. EU-Japan FTA.....	20
III.B.5. EU-Vietnam FTA.....	21
III.B.6. EU and Ecuador.....	21
III.B.7. EU and Myanmar to Negotiate an Investment Agreement	21
IV. TRADE POLICY BY PRACTICE AND MEASURE	21
IV.A. ANTI-DUMPING	22
IV.B. TECHNICAL BARRIERS TO TRADE	22
IV.C. SANITARY AND PHYTO-SANITARY MEASURES.....	22
IV.D. TAXATION.....	22
IV.D.1. European Commission Adopts Measures Against Tax Discrimination.....	22
IV.D.2. Pilot VAT Project for Legal Certainty in Cross Border Transactions Extended for Another Year.....	22
IV.D.3. Commission Refers Portugal to Court Over Exit Taxation for Individuals	23
IV.D.4. Commission Starts Negotiations With Russia and Norway to Consolidate VAT Mechanism.....	23
IV.D.5. EU And France To Sign Tax Agreement For St Barthélemy	24

IV.D.6.	Commission Directs Luxemburg to Deliver Information on Tax Practices	24
IV.D.7.	Landmark Agreement on EU Savings Directive Ends Bank Secrecy and Consolidates Tax Transparency	25
IV.E.	CUSTOMS UPDATE	25
IV.E.1.	Pilot Joint Customs Operations implemented in EU	25
IV.E.2.	The Sixth Japan-EU Joint Customs Cooperation Committee	25
V.	WTO DISPUTE SETTLEMENT UPDATES	26

EXECUTIVE SUMMARY

ECONOMIC ENVIRONMENT

- The EU economy has grown by 0.2 % in Q4 2014. The inflation rate in the EU is recorded at 0.50 % this quarter.
- Latvia has joined EU during the last quarter and has adopted Euro as its currency.
- EU28 has recorded direct investment (abroad) of 200.4 bn euro in Q4 2013, compared with 60.1 bn in Q4 2012.

TRADE AND INVESTMENT AGREEMENTS

- EU has made a significant contribution towards Afghanistan's accession to the WTO during the quarter.
- EU has pledged to launch negotiations on liberalising trade in 'green goods'
- Fourth Round of the US and the EU TTIP negotiations were held from 10 March 2014 in Brussels, Belgium
- The first round of talks between EU and China took place from 21- 23 January 2014. FTA negotiations were conducted by EU with Japan and Vietnam.
- EU and Ecuador concluded first round of trade negotiations on the 17th of January, 2014.
- EU has decided to enter into negotiations for an investment agreement with Myanmar.

TAXATION

- The European Commission has decided to assess the tax regimes of Member States in 2014 for discriminatory taxation policy during this quarter.
- Pilot project for Member States to provide advanced opinions on VAT treatment of cross border transactions have been extended by a year until 2015.

- EU Commission has taken Portugal to the EU Court of Justice for discriminatory tax practices against individuals who cease to be residents of Portugal
- EU and France have signed an agreement for continued application of EU tax legislation in St. Barthélemy.
- During the quarter, the Commission adopted a breakthrough agreement on EU tax policy following 6 years of negotiations through the Savings Directive

CUSTOMS

- The details of a Joint Customs Operation (JCO) were released during the quarter. For the first time, customs and tax authorities cooperated in a JCO.
- The sixth Japan-EU Joint Customs Cooperation Committee (JCCC) was held in Tokyo, Japan on 24 January 2014.

EU AT THE WTO

- Appellate Body Report on “European Communities — Measures Prohibiting the Importation and Marketing” of Seal Products” is expected in June 2015. The appellate hearing in this matter are currently ongoing.
- On 26 February 2014, DSB set up a panel to study the measures imposed by Faroe Islands, at the request of the Kingdom of Denmark
- WTO has issued a panel ruling, on 26 of March, 2014, declaring that China’s restriction on export of rare earths as well as molybdenum and tungsten are not in conformity with its commitments. EU was a complainant in this dispute.

**TRADE POLICY MONITORING REPORT OF EUROPEAN UNION FOR THE
QUARTERLY PERIOD: JANUARY 2014- MARCH 2014**

I. INTRODUCTION

This is the twelfth 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 of January-March, 2014.

II. ECONOMIC ENVIRONMENT

II.A. OVERALL ECONOMIC ENVIRONMENT

On 1 January 2014, Latvia (former Soviet Republic on the Baltic Sea) joined the Eurozone. It is the 18th Member of the group of EU states to adopt the Euro as its currency. This is in light of its recent emergence from the financial crisis.

Latvia is a fast growing economy. There is hope that Euro for Latvia will reduce dependency on Russia and bring stability in the country.¹ The reassuring feature of the recovery is that recovery is spreading to the once afflicted countries of EU and Germany remains the main engine of growth in the Euro zone. The recovery is also being boosted by a return to growth, albeit sluggish, on the part of both Italy and Spain, the third- and fourth-biggest economies in the euro zone.²

Overall, as per IMF projections for the year 2014 in the euro area, growth has turned positive. Across the euro area, a strong reduction in the pace of tight fiscal policies is expected to help the economy grow. Outside the core euro area, contributions from net exports have helped the turnaround, as has the stabilisation of domestic demand. However, growth in demand is expected to remain low.³

With regard to EU's response to Ukraine crisis, the European Commission has offered Ukraine trade incentives worth nearly 500m euros (\$694m; £417m) on 11 March 2014. The EU also proposed a package of trade liberalisation measures to support Ukraine's economy. Recent developments in Ukraine have increased geopolitical risks. Greater spillovers to activity beyond neighbouring trading partners could emerge if further turmoil leads to a renewed bout of increased

¹ BBC News 1/1/2014 <http://www.bbc.com/news/world-europe-25567096>

² The Economist, 5/4/2014 <http://www.economist.com/news/finance-and-economics/21600144-recovery-may-be-warming-inflation-cooling-frost-spring?zid=307&ah=5e80419d1bc9821ebe173f4f0f060a07>

³ IMF World Economic Outlook <http://www.imf.org/external/pubs/ft/survey/so/2014/RES040814A.htm>

risk aversion in global financial markets, or from disruptions to trade and finance from intensified sanctions and counter-sanctions.⁴

II.B. Economic Growth

The Euro Area economy grew by 0.2 % in the last quarter of 2013 over the previous quarter, according to the third estimate released by the Eurostat. In the EU 28, the GDP increased by 0.4 % compared with the previous quarter, unrevised from the first and second estimates. The growth rate indicates towards euro-zone recovery.

It is pertinent to note here that growth in the EU was 0.3% in Q1 2013, which declined to 0.1% in Q2 2013 and 0.2% in Q3. In annualized terms, these rates were 1.3%, 0.6% and 0.9% respectively.

The increase in growth rate seems to have gained momentum in early 2014, with Germany in particular having made a strong start to the year whose own composite output index of services and manufacturing jumped from 54.3 in March to 56.3, the second-highest in nearly three years. Both services and manufacturing shared in the upswing and the outlook appears promising with business optimism high as consumer confidence picks up and foreign demand rises.

By contrast, France is struggling with its economic growth. The overall index of output in services and manufacturing declined from 51.8 in January 2014 to 50.5 March 2014.⁵ Reports suggest that growth may further increase in the next quarter.⁶ An index covering both manufacturing output and business activity in the services sector increased from 53.1 in March to 54 in April 2014, the highest since May 2011.⁷

Household final consumption expenditure increased by 0.1 % in both the euro area and the EU-28 (after 0.1 % and 0.3 % respectively in the previous quarter). Further, gross fixed capital formation increased by 1.1 % in both zones (after 0.5 % in the euro area and 0.7 % in the EU 28).⁸

Exports increased by 1.3 % in the euro area (revised up from 1.2 % in the previous estimates) and 1.1 % in the EU 28 (after 0.1 % and 0.0 %, respectively in the previous quarter). Imports increased by 0.5 % in the euro area (up from a preliminary 0.4 % expansion) and by 0.2 % in the EU-28 (after 0.9 % and 1.1 % in the previous quarter).⁹

⁴ Aljazeera 12/04/2014 <http://www.aljazeera.com/news/europe/2014/03/timeline-ukraine-political-crisis-201431143722854652.html>

BBC News, 11/04/2014 <http://www.bbc.com/news/world-middle-east-26248275>

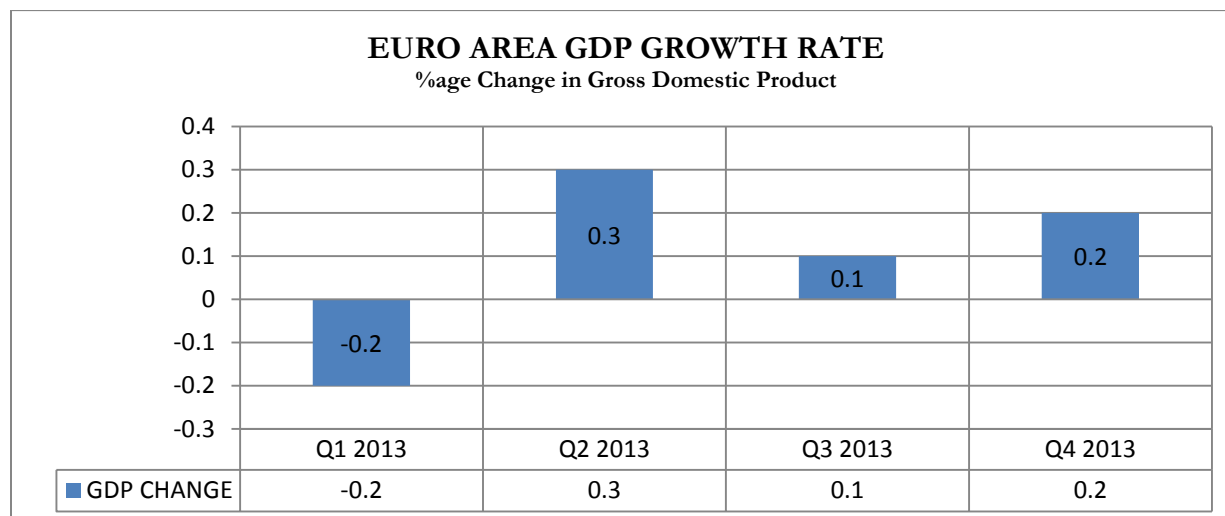
⁵ Florence, P.W. 2014. 'It's Spring Time'. The Economist.

⁶ *Id.*

⁷ *Id.*

⁸ Trading Economics, EU focus, available at: <http://www.tradingeconomics.com/articles/04022014093231.htm>.

⁹ *Id.*



Among Euro Area member states, Netherlands (0.9 % Quarter on Quarter, up from an initial 0.7 % estimate), Portugal (0.6 %, up from a preliminary 0.5 %), Belgium (0.5 % Quarter on Quarter) and Germany (0.4 % Quarter on Quarter) recorded the highest growth rates.¹⁰

II.B.1. Retail Trade

In February 2014, when compared with January 2014, the seasonally adjusted volume of retail trade increased by 0.4% in the euro area (EA18) and by 0.5% in the EU28. In January 2014, retail trade increased by 1.0% and 0.6% respectively.

The highest increases in total retail trade were registered in Malta (+1.9%), Denmark, Romania and the United Kingdom (all +1.4%) and Germany (+1.3%), and the largest decreases in Estonia (-3.4%), Poland (-1.5%), Slovenia and Finland (both -1.4%). The 0.8% increase in the volume of retail trade in the euro area in February 2014, compared with February 2013, is due to rises of 2.0% for the non-food sector and of 0.8% for automotive fuel, while “Food, drinks and tobacco” fell by 0.4%. In the EU28, the 1.5% increase in retail trade is due to rises of 2.9% for the non-food sector, of 0.8% for automotive fuel and of 0.3% for “Food, drinks and tobacco”.

The highest increases in total retail trade were observed in Luxembourg (+12.8%), Bulgaria (+9.2%), Romania (+8.7%) and Hungary (+6.7%). Decreases were registered in Malta (-1.4%), Slovenia and Finland (both -1.0%) and Spain (-0.4%).

In February 2014 compared with February 2013 the retail sales index increased by 0.8% in the euro area and by 1.5% in the EU28.¹¹

II.B.2. Industrial Production

¹⁰ *Id.*

¹¹ Eurostat, http://epp.eurostat.ec.europa.eu/cache/ITY_PUBLIC/4-03042014-AP/EN/4-03042014-AP-EN.PDF

In February of 2014, Euro Area industrial output increased by 1.7 % on a yearly basis, slightly up from a revised 1.6 % growth rate in January 2014. Further, on a monthly basis, industrial production increased 0.2 %.

Year-on-year, the increase in industrial production in the euro area is due to production of intermediate goods rising by 4.2 %, capital goods by 4.0 % and non-durable consumer goods by 2.8 %, while production of durable consumer goods fell by 0.6 % and energy by 8.5 %.

In the EU 28, the increase of 2.1 % is due to production of intermediate goods rising by 4.6 %, capital goods by 4.5 %, non-durable consumer goods by 2.7 % and durable consumer goods by 1.5 %, while production of energy fell by 7.2 %.

The highest increases in industrial production were registered in Slovakia (+9.0 %), Romania (+8.9 %) and Hungary (+8.2 %), and the largest decreases in the Netherlands (-8.9 %), Finland (-5.4%) and Lithuania (-2.1 %).

On a monthly basis, the increase of 0.2 % in industrial production in the euro area in February of 2014 is due to production of intermediate goods rising by 0.6 % and non-durable consumer goods by 0.5 %, while capital goods remained stable and durable consumer goods fell by 1.2 % and energy by 1.7 %.

In the EU 28, the increase of 0.4 % is due to production of non-durable consumer goods rising by 0.9 %, intermediate goods by 0.5 % and capital goods by 0.2 %, while durable consumer goods fell by 0.7 % and energy by 1.4 %.

The highest increases in industrial production were registered in Malta (+5.4 %), Ireland (+5.0 %) and Lithuania (+2.5 %), and the largest decreases in Croatia (-2.8 %), Estonia (-2.2 %) and Romania (-1.3 %).

II.C. UNEMPLOYMENT RATE

The Euro Area seasonally-adjusted unemployment rate was 11.8 % in March 2014, and remains unchanged from 11.8 % in February 2014.¹²

The EU 28 unemployment rate was 10.5 % in March 2014, stable compared with February 2014, but compared to last year March (March 2-13/ year – on –year), the numbers have declined.

Eurostat estimates that 25.699 million men and women in the EU 28, of whom 18.913 million were in the Euro Area, were unemployed in March 2014. Compared with March 2013, unemployment decreased by 929 000 in the EU28 and by 316 000 in the Euro Area.

¹² http://epp.eurostat.ec.europa.eu/cache/ITY_PUBLIC/3-02052014-AP/EN/3-02052014-AP-EN.PDF

Among the Member States, the lowest unemployment rates were recorded in Austria (4.9 %), Germany (5.1 %) and Luxembourg (6.1 %), and the highest in Greece (26.7 % in January 2014) and Spain (25.3 %).¹³

Compared with a year ago, the unemployment rate increased in ten Member States, remained stable in three and fell in fifteen. The highest increases were registered in Cyprus (14.8 % to 17.4 %), the Netherlands (6.4 % to 7.2 %), Italy (12.0 % to 12.7 %) and Croatia (16.6 % to 17.3 %), and the largest decreases in Hungary (11.2 % to 7.9 % between February 2013 and February 2014), Latvia (13.9 % to 11.6 % between the fourth quarters of 2012 and 2013), Portugal (17.4 % to 15.2 %) and Ireland (13.7 % to 11.8 %).¹⁴

In March 2014, 5.340 million young persons (under 25) were unemployed in the EU28, of whom 3.426 million were in the euro area. Compared with March 2013, youth unemployment decreased by 322 000 in the EU28 and by 166 000 in the euro area. In March 2014, the youth unemployment rate was 22.8% in the EU28 and 23.7% in the euro area, compared with 23.5% and 24.0% respectively in March 2013. In March 2014, the lowest rates were observed in Germany (7.8%), Austria (9.5%) and the Netherlands (11.3%), and the highest in Greece (56.8% in January 2014), Spain (53.9%) and Croatia (49.0% in the first quarter of 2014).¹⁵

II.D. MONETARY POLICY

European Central Bank's (ECB) on 6 March 2014 meeting, decided to keep rates unchanged despite inflation recorded at less than half its target of 2.00 %. ECB expects the ongoing recovery to proceed at a slow pace.¹⁶

II.D.1. Interest Rates

The benchmark interest rate in the Euro Area was last recorded at 0.25 %. The ECB left the benchmark interest rate unchanged at a record low of 0.25 %, as widely expected, despite deflation fears. The interest rate on the marginal lending facility and the deposit facility were also left unchanged at 0.75 % and 0.00 %, respectively.¹⁷

Interbank Rate in the Euro Area increased to 0.31 % in March of 2014 from 0.29 % in February of 2014. The February rate fell by four basis points from January rate.¹⁸

II.D.2. Foreign Exchange Reserves

Foreign Exchange Reserves In the Euro Area increased to 338987 USD Million in February of 2014 from 337926 USD Million in January of 2014 as reported by ECB.¹⁹

¹³ Eurostat, http://epp.eurostat.ec.europa.eu/cache/ITY_PUBLIC/3-02052014-AP/EN/3-02052014-AP-EN.PDF,

¹⁴ *Id.*

¹⁵ *Id.*

¹⁶ *Id.*

¹⁷ *Id.*

¹⁸ European Central Bank, Monthly Report (March 2014).

II.D.3.Loans to Private Sector

Loans to Private Sector in the Euro Area decreased to 10544849 EUR Billion in February of 2014 from 10561134 EUR Billion in January of 2014. This is reported by ECB.

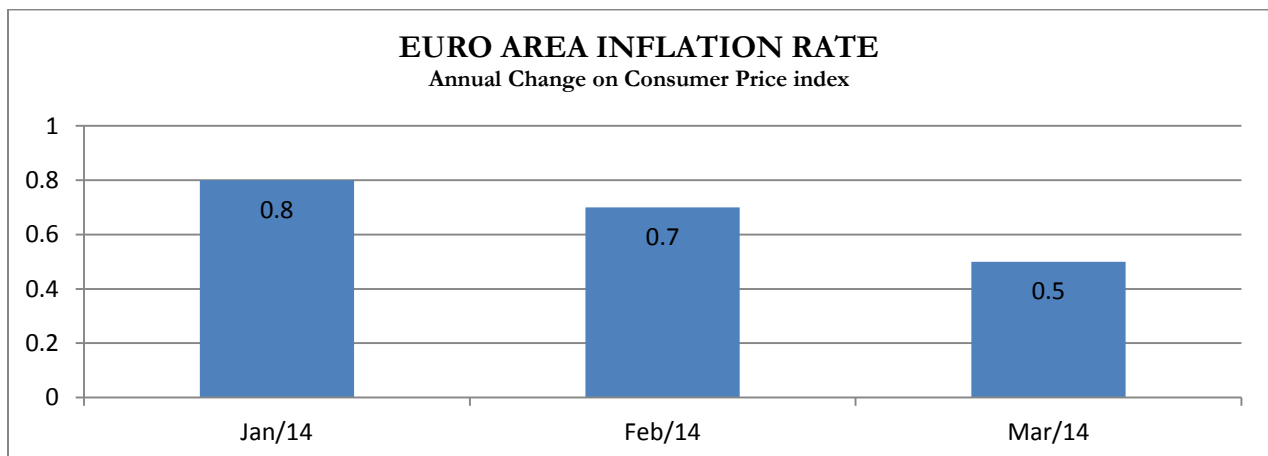
II.D.4.Money Supply

M1: Money Supply M1 in the Euro Area increased to 5493181 EUR Million in February of 2014 from 5454791 EUR Million in January of 2014. M2: Money Supply M2 in the Euro Area increased to 9273330 EUR Million in February of 2014 from 9247912 EUR Million in January of 2014. M3: Money Supply M3 in the Euro Area increased to 9917831 EUR Billion in February of 2014 from 9898111 EUR Billion in January of 2014.

II.E. CONSUMER PRICE INDEX & INFLATION

II.E.1.Inflation Rates

The inflation rate in the Euro Area was recorded at 0.50 % in March of 2014. This is the lowest when compared to January and February 2014 wherein inflation rate was recorded at 0.80 % and 0.7 % as reported by Eurostat. This one-fourth of the target inflation of 2.00 % as set by the ECB. ‘Lowflation’ is now witnessed and a long period of ‘lowflation’ is disadvantageous for both growth and jobs. As inflation slips ever lower, a slide into Japanese-style deflation looks increasingly likely. That would raise an already onerous debt burden in real terms and pull down growth. For the time being the ECB is choosing to fight disinflationary pressures through words and threats rather than deeds. If inflation weakens any further, the ECB will have to act.



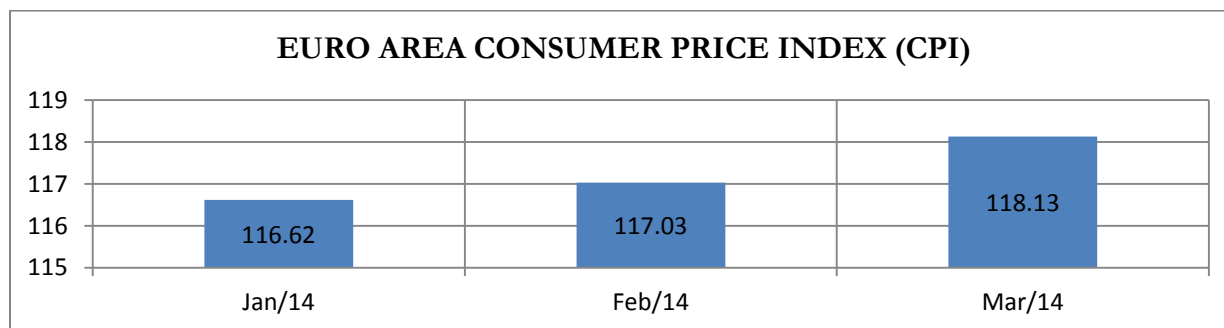
¹⁹ *Id.*

Source : European Commission (Eurostat) and European Central Bank calculations based on Eurostat data. Euro area (changing composition) - HICP - Overall index, Annual rate of change, Eurostat, Neither seasonally nor working day adjusted (Indices of Consumer prices)

Period	Value	Observational Status
2014-March	0.5	Provisional Value
2014- February	0.7	Normal Value
2014- January	0.8	Normal Value

II.E.2.CONSUMER PRICE INDEX

Consumer Price Index (CPI) In the Euro Area increased to 118.13 Index Points in March of 2014 from 117.03 Index Points in February of 2014. This is an all time high since 1996. CPI in the Euro Area is reported by the Eurostat.²⁰



II.F. FISCAL POLICY

Greece has taken up presidency of European Union on 8 January 2014, declaring that the imposition of austerity, spending cuts and fiscal policy by Berlin and Brussels could no longer be tolerated.²¹

In its February 2014 meeting, the Council of the European Union²² acknowledged the European Commission's analysis of economic situation and policy challenges. The EU and its

²⁰ Eurostat, available at: http://epp.eurostat.ec.europa.eu/cache/ITY_PUBLIC/3-02052014-AP/EN/3-02052014-AP-EN.PDF.

²¹ Traynor, Ian. 2014. 'Greece Begins EU Presidency By Saying Austerity Policies Are Intolerable'. The Guardian. <http://www.theguardian.com/world/2014/jan/08/greece-begins-eu-presidency-austerity-intolerable>.

Members States have made significant progress in many policy areas over recent years and there are now encouraging signs of economic recovery. The report states:

Despite recent improvements, recovery remains fragile and the legacy of the crisis, high unemployment and persisting financial fragmentation, together with remaining deleveraging needs in the public and private sectors, and necessary sectoral restructuring and adjustment, are likely to continue to weigh on growth. If not addressed, these factors will significantly weaken Europe's growth potential, thereby making it harder to achieve societal goals. The priorities are on differentiated growth-friendly fiscal consolidation and ensuring long-term sustainability of public finances; restoring lending to the economy; and promoting sustainable and inclusive growth and jobs and competitiveness, while tackling the social consequences of the crisis. EU and euro area aggregate debt levels are expected to peak in 2014 and to start decreasing in 2015. The aggregate planned fiscal effort in the EU is envisaged to decline in 2014, compared to 1 % on average in 2011-2013. The following discussion is not directly related to fiscal policy *per se*, at least change the paragraph.

In ensuring the financial stability of the economy, there have been signs of improvement in financial conditions and significant progress has been made in banking restructuring which have contributed to the robustness of the financial markets. Yet risks and financial fragmentation remain high. The upcoming AQRs and stress tests will provide the necessary assurances in this respect and that the establishment of a fully-fledged Banking Union, together with continued financial sector reforms, will contribute to an efficient functioning of financial markets, a further reduction of market fragmentation and ensuring the integrity of the internal market. The Council of EU has also prioritised developing alternatives to bank funding in Europe in consonance of the report and recommendations of the High Level Expert Group month year. Specific measures like legislative and structural funds have been and are being taken in the EU to facilitate access to finance for SMEs in addition to a great number of national measures.

The Council of EU further emphasises on the implementation of structural reforms that can encourage much needed sustainable investment and to strengthening of the internal market, notably through competitiveness- and competition-enhancing reforms in product and services markets, including increasing competition and infrastructure investment in network industries; and a more diligent implementation of the Services Directive and ambitious opening up of services sectors, including regulated professions by removing unjustified barriers. It further seeks to simplify the overall business environment, removing unwarranted regulatory and administrative burden on companies and improving the quality of legislation at all levels of government, including through comprehensive impact assessments, efficient implementation and ex post evaluation; and speedy implementation of the REFIT (regulatory fitness) programme.

Source: *Europa. EU*

In an attempt to solve problems related to unemployment, the EU has stressed on reforms aiming at making labour markets more inclusive, flexible and dynamic, thereby providing conditions for a job-rich recovery, and improving employability.

II.F.1. Government Deficit

²² The Council of European Union, 18/02/2014. 'Council Conclusions On 2014 European Semester: Macroeconomic And Fiscal Guidance To Member States'. Brussels: Council of European Union. http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ecofin/141056.pdf

In the fourth quarter of 2013, the seasonally adjusted general government deficit to GDP ratio was recorded at 2.6% in the euro area (EA18). This is a decrease from 3.1% in the third quarter of 2013. In the EU28 the deficit to GDP ratio also decreased from 3.5% of GDP in the third quarter of 2013 to 3.1% of GDP in the fourth quarter of 2013.²³

II.F.2. Government revenue and expenditure for the euro area and EU28

In the fourth quarter of 2013, total government revenue in the euro area amounted to 46.9% of GDP, compared with 46.8% in the third quarter of 2013. Total government expenditure in the euro area reached 49.5% of GDP, down from 49.9% in the previous quarter. In the fourth quarter of 2013, total government revenue in the EU28 was 45.7% of GDP, stable compared with the third quarter of 2013. Total government expenditure in the EU28 was 48.8% of GDP, down from 49.2% in the previous quarter.²⁴

II.G. EXTERNAL ACCOUNT

II.G.1. Current Account

The EU28 seasonally adjusted current account recorded a surplus of 39.4 billion euro (1.2% of GDP) in the fourth quarter of 2013, up from a surplus of 34.4 bn (1.1% of GDP) in the third quarter of 2013 and from a surplus of 24.1 bn (0.7% of GDP) in the fourth quarter of 2012, according to a second estimate released by Eurostat, the statistical office of the European Union.

In the fourth quarter of 2013 compared with the third quarter of 2013, based on seasonally adjusted data, the surplus of the goods account grew (from +0.4 bn euro to +8.4 bn). The surplus of the services account remained nearly stable (from +44.4 bn to +44.3 bn), while the surplus of the factor income account fell (from +8.3 bn to +6.2 bn).

The deficit of the current transfers account increased (from -18.6 bn to -19.5 bn). EU/Euro area has current account surplus *vis-a-vis* USA (+30.9 bn euro), Switzerland (+16.2 bn), Brazil (+7.4 bn), Hong Kong (+5.2 bn) and Canada (+4.0 bn), and current account deficit *vis-à-vis* China (-24.5 bn), Russia (-14.2 bn) and Japan (-1.5 bn).

II.G.2. Direct Investment Abroad and Into EU

²³ Eurostat, 24/04/2014. 'Seasonally Adjusted Government Deficit Down To 2.6% Of GDP In The Euro Area'. http://epp.eurostat.ec.europa.eu/cache/ITY_PUBLIC/2-24042014-AP/EN/2-24042014-AP-EN.PDF

²⁴ Eurostat, 24/04/2014. 'Seasonally Adjusted Government Deficit Down To 2.6% Of GDP In The Euro Area'. http://epp.eurostat.ec.europa.eu/cache/ITY_PUBLIC/2-24042014-AP/EN/2-24042014-AP-EN.PDF

In the fourth quarter of 2013, based on non-seasonally adjusted data, the EU28 registered direct investment abroad of 200.4 bn euro, compared with 60.1 bn in the fourth quarter of 2012, while direct investment from the rest of the world into the EU28 was 161.1 bn, compared with 23.8 bn in the same quarter of 2012. Portfolio investment recorded a net inflow of 92.9 bn, compared with a net inflow of 18.8 bn in the fourth quarter of 2012.²⁵

III. TRADE & INVESTMENTS AGREEMENTS & ARRANGEMENTS

The European Union is one of the driving forces behind the current round of multilateral trade negotiations in the WTO, the Doha Development Agenda (DDA). The DDA comprises both further market opening and additional rule making, underpinned by commitments to take measures necessary to integrate developing countries into the world trading system, notably by strengthening assistance to build capacity.²⁶ During the quarter, EU entered into various agreements and arrangements in pursuance to their commitments. EU also took an active part in various multilateral trade and investment forums.

III.A. EU-WTO DEVELOPMENTS

III.A.1. Afghanistan Sign Treaty on WTO Accession

EU made a significant contribution towards Afghanistan's accession to the WTO during the quarter. In conclusion to their bilateral negotiations, EU and Afghanistan have signed an agreement on 12th February, 2014 which provides incentives for the latter to accede to the WTO. Subject to Afghanistan joining the WTO, the bilateral deal provides for lower tariffs and export duties for goods and for opening up services markets.²⁷

Accession to the WTO is expected to make a lasting contribution to the process of stabilisation, economic reform and sustainable development in Afghanistan.²⁸ The deal also showcases EU's commitment towards developing a global multilateral trading system.

III.A.2. EU in Joint Launch of WTO Negotiations for Green Goods Agreement

To consolidate the success of the Bali Ministerial Meet, EU pledged to launch negotiations on liberalising trade in 'green goods'²⁹. The declaration was made at The World Economic Forum in

²⁵ Eurostat, 16/04/2014. 'EU28 Current Account Surplus 39.4 Bn Euro'. http://epp.eurostat.ec.europa.eu/cache/ITY_PUBLIC/2-16042014-BP/EN/2-16042014-BP-EN.PDF

²⁶ Delegation of EU to Japan, Multilateral Trade Agreements, <http://www.euinjapan.jp/en/world/wto/>,

²⁷ Europa, Press Release, <http://trade.ec.europa.eu/doclib/press/index.cfm?id=1025>.

²⁸ *Id.*

²⁹ 'Green goods' are seen as a vital component in sustainable development and cover areas as diverse as tackling air pollution, managing waste, or generating renewable energy like wind or solar.

Davos on the 24th of January, 2014.³⁰ The initial focus of the negotiation will be on the goods itself with an aim to create a ‘living agreement’ which can be easily altered to fulfil future needs as and when they arise.³¹

The aim of the negotiations is to facilitate trade of goods and services required for sustainable development. Diverse areas such as air pollution, waste management and alternate energy will be covered in the negotiation. This initiative will also aid EU to achieve its ambitious green house gas emission reduction (40% of 1990 level) and renewable energy (27% overall) targets set in the Commission’s 2030 climate and energy framework.³²

III.B. TRADE AGREEMENTS & ARRANGEMENTS

III.B.1. EU-US Transatlantic Trade and Investment Partnership (TTIP)

The 4th Round of the US and the EU negotiations on TTIP were held from 10 March 2014 for a week in Brussels. Negotiators aimed to discuss, services, labor, rules of origin, intellectual property and regulatory sectors in the meeting.

On 14 March 2014, the EU and the US committed to explore mechanism in a dedicated way to make it easier for smaller firms to take advantage of the gains from TTIP. In addition to the SMEs, the negotiators spent the week discussing all three pillars of a future agreement – market access, the regulatory cluster and so called rules issues. Under Market Access, the negotiators discussed three core elements, i.e. tariffs, trade in services and public procurement. On tariffs, the EU and the US already had an initial exchange of offers while on services and public procurement, negotiators examined how to move towards exchanging offers.

As regards ‘regulations’ the negotiators were joined by a broad cross-section of experts and regulators from both sides to discuss: regulatory coherence and increasing regulatory compatibility; technical barriers to trade (written proposals made by both the parties) and SPS measures wherein the written proposals are in due course. The EU and the US also continued to explore ways to achieve greater regulatory compatibility in certain key industries: pharmaceuticals, cosmetics, medical devices, automotive and chemicals. As regards, ‘rules’ the discussions included three areas where negotiations are developing innovative approaches like sustainable development, labour and environment, trade in energy and raw materials as well as customs and trade facilitation. As a part of these efforts, the EU also hosted two events from 12 March 2014 and listened to 90 different presenters from business, consumer, labour and environmental groups. Later, the EU officials met with 300 stakeholders to discuss the developments in TTIP.

³⁰ Europa, Press Release, http://europa.eu/rapid/press-release_IP-14-71_en.htm.

³¹ Europa, Press Release, <http://www.thefinancialexpress-bd.com/2014/01/25/15498/index.php/newsearch.php>.

³² Europa, Press Release, http://europa.eu/rapid/press-release_IP-14-54_en.htm.

The European Commission has also launched public consultation on investor protection and investor-to-state dispute settlement (ISDS) in the TTIP as a part of making its negotiations with US the most transparent and open talk till date.³³

The public consultation also clarifies the points that EU aims to improve to ensure that ISDS in TTIP guarantees the right of governments to legislate in the public interest. The commission seeks to have state-of-the-art investment protection and ISDS provisions in TTIP which can set a precedent for the future.

III.B.2. EU-China

China is one of the biggest economies in the world and is only second to US as EU's trading partner. Daily trade in goods and services between EU and China is in excess €1 billion.³⁴

III.B.3. Commencement of Investment Talks

The first round of talks between EU and China took place from 21st to 23rd January, 2014. Although China is EU's second largest trading partner, only 2.1% of EU's overall FDI is in China.³⁵ The negotiations began in the backdrop of China's ambitious economic reforms aimed at further opening up its economy to foreign investors.³⁶ A second round of negotiations was also held on the 24th and 25th of March, 2014.³⁷

III.B.4. EU-Japan FTA

On 27th-31st January, the Fourth Round of EU-Japan FTA Negotiations was held. Discussions took place in working groups covering a diverse array of topics: trade in goods (including market access, general rules, trade defence instruments i.e. anti-dumping, anti-subsidies and bilateral safeguards); technical barriers to trade and non-tariff measures; rules of origin; customs and trade facilitation; animal and plant health and hygiene (so-called sanitary and phytosanitary measures); trade in services; investment; public procurement; intellectual property; competition policy; trade and sustainable development; and dispute settlement. Another group covering 'other issues' discussed general and regulatory cooperation, corporate governance and the business environment, electronic commerce, and animal welfare.³⁸

³³ European Commission launches public online consultation on investor protection in TTIP (11th April 2014) <http://trade.ec.europa.eu/doclib/press/index.cfm?id=1052>

³⁴ Europa, Press Release, <http://ec.europa.eu/trade/policy/countries-and-regions/countries/china/>

³⁵ China Daily, News, http://europe.chinadaily.com.cn/world/2014-01/22/content_17249183.htm.

³⁶ Europa, Press Release, <http://trade.ec.europa.eu/doclib/press/index.cfm?id=1013>.

³⁷ Europa, Press Release, <http://trade.ec.europa.eu/doclib/press/index.cfm?id=1049>.

³⁸ Europa, Press Release, <http://trade.ec.europa.eu/doclib/press/index.cfm?id=1024>

It is expected that the EU exports to Japan could increase by 32.7 %, while Japanese exports to the EU would increase by 23.5 %.³⁹ The next round of negotiations took place from 31st March, 2014 to 4th April, 2014.

III.B.5. EU-Vietnam FTA

The sixth round of negotiations FTA negotiations between EU and Vietnam was held in Brussels from 13th to 17th January, 2014. Progress was made in the core areas of negotiation, i.e. customs and trade facilitation, technical barriers to trade, and competition (anti-trust & mergers). The negotiations are aimed at achieving an ambitious agreement on goods, services and investment, eliminating tariffs and non-tariff barriers and covering other trade-related issues. Once in place, the agreement will boost EU-Vietnam trade and investment ties and provide for more business opportunities on both sides.⁴⁰

III.B.6. EU and Ecuador

EU and Ecuador concluded first round of trade negotiations on the 17th of January, 2014. The main aim of these negotiations is for Ecuador to join the Trade Agreement EU has concluded with Columbia and Peru. The first round of talks focussed on key areas such as market access for goods services and establishments and government procurement. The existing trade agreement was also analysed in order to take the necessary steps for Ecuador's accession to the Agreement.⁴¹

Second round of negotiations held from then 24th to 28th of March, 2014 consolidated the negotiations from the first round while achieving significant results by settling many of the open issues. Emphasis was also laid upon the necessary changes to be made in the existing Agreement to effect Ecuador's Accession.⁴²

III.B.7. EU and Myanmar to Negotiate an Investment Agreement

In a move to stabilise the legal terrain for foreign investors in Myanmar, EU has decided to negotiate an investment agreement with Myanmar. By the declaration made on the 20th of March, 2014, EU seeks to achieve a certain and fair treatment of foreign countries investing in Myanmar. It will be critical to maintain a balance between individual investor rights and Myanmar's state policy in these negotiations. This decision to negotiate comes in the wake of EU's reinstatement of trade preferences to Myanmar in July, 2013.⁴³

IV. TRADE POLICY BY PRACTICE AND MEASURE

³⁹ China.org, News, Merkel, Abe discuss EU-Japan trade deal
http://www.china.org.cn/world/Off_the_Wire/2014-05/01/content_32257194.htm.

⁴⁰ Europa, Press Release, <http://trade.ec.europa.eu/doclib/press/index.cfm?id=1014>

⁴¹ Europa, Press Release, <http://trade.ec.europa.eu/doclib/press/index.cfm?id=1011>

⁴² Europa, Press Release, <http://trade.ec.europa.eu/doclib/press/index.cfm?id=1055>

⁴³ Europa, Press Release, <http://trade.ec.europa.eu/doclib/press/index.cfm?id=1045>

IV.A. ANTI-DUMPING

Kindly refer to Annexure A.

IV.B. TECHNICAL BARRIERS TO TRADE

Kindly refer to Annexure B.

IV.C. SANITARY AND PHYTO-SANITARY MEASURES

Kindly refer to Annexure C.

IV.D. TAXATION

IV.D.1. European Commission Adopts Measures Against Tax Discrimination

Worker mobility has been identified as one of the key potentials for increasing growth and employment in Europe. For the EU-15⁴⁴, the GDP is estimated to have increased by almost 1% in the long term as a result of post-enlargement mobility (2004-2009)⁴⁵. However, discriminatory tax provisions by Member States provide an obstacle to the full exploitation of this area. Individuals are deterred from leaving their State of Origin and travelling to different Member States to seek employment by unfavourable taxation policies.

During the present quarter, Commission decided to assess the tax regimes of Member States in 2014. Discriminatory taxation policy of such Member states will be reported to the national authorities for necessary amendments. If required, the Commission will also initiate infringement proceedings against the Member States.⁴⁶

IV.D.2. Pilot VAT Project for Legal Certainty in Cross Border Transactions Extended for Another Year

In June, 2013, the Commission launched a pilot project which mandates Member States to provide advanced opinions on VAT treatment of complex cross border transactions submitted by small businesses. Under this project, SMEs can submit details of complex cross border transactions (involving two or more states) to tax authorities in their State of residence. On the basis of the

⁴⁴ The EU15 comprised the following 15 countries: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden, United Kingdom.

⁴⁵ Europa, Press Release, http://ec.europa.eu/commission_2010-2014/semeta/index_en.htm.

⁴⁶ Europa, Press Release, http://europa.eu/rapid/press-release_IP-14-31_en.htm#footnote-1

proposal, the tax authorities will consult other Member States involved and give business reassurances on the VAT treatment and other obligations in Member States.⁴⁷

On, 22nd January, 2014, the Commission decided to extend this pilot project for one more year. Currently 14 Member States (Belgium, Estonia, Spain, France, Cyprus, Latvia, Lithuania, Malta, Hungary, the Netherlands, Portugal, Slovenia, Finland and the United Kingdom) are engaged in the project⁴⁸ with Finland being the latest member. Participation has also been opened to other Member States.

IV.D.3. Commission Refers Portugal to Court Over Exit Taxation for Individuals

During the quarter, the Commission referred Portugal to the EU Court of Justice for discriminatory tax practices against individuals who cease to be residents of Portugal for purposes of taxation. The Commission regards such practices to be in violation of an individual's right to free movement set out in the Treaties.

Under Portuguese law all individuals who cease to be residents are subjected to immediate taxation for transfer of shares. Such individuals are also taxed for transfer of assets and liabilities to a foreign company for any economic or professional activity.

The Commission urges that such practices are discriminatory as it penalises all individuals who cease to be residents of Portugal or transfer their assets and liabilities. Moreover, such individuals are taxed on the basis of current value of their assets, regardless of any possibility of future changes whereas residents are taxed on the value of the assets once they are realised.⁴⁹

IV.D.4. Commission Starts Negotiations With Russia and Norway to Consolidate VAT Mechanism

On 6th February, 2014, The Commission started negotiations with Russia and Norway on administrative cooperation agreements in the area of Value Added Tax (VAT). The aim behind such agreements is to establish a mutual assistance framework for battling cross border tax fraud and helping each country recover VAT which is due.

⁴⁷ Europa, Press Release, http://europa.eu/rapid/press-release_MEX-14-0122_en.htm?locale=en.

⁴⁸ *Id.*

⁴⁹ Europa, Press Release, http://europa.eu/rapid/press-release_IP-14-50_en.htm

The Commission recognises the need to take measures against tax fraud. Tax fraud diminishes budgets of all Member States. These negotiations will provide substantial ammunition for the Commission's battle against tax fraud.⁵⁰

IV.D.5. EU And France To Sign Tax Agreement For St Barthélemy

On 17th February, 2014, EU and France signed an agreement for continued application of EU tax legislation in St. Barthélemy. The change in its status from French outmost region to a centre of overseas collectivity, necessitated the agreement. The aim was to ensure the continued application of EU Savings Directive and Administrative Cooperation Directive.

Both the measures are central to EU's agenda for greater transparency and information exchange. A major provision of the agreement was that all amendments to the concerned legislations would also apply to St. Barthélemy.⁵¹

IV.D.6. Commission Directs Luxemburg to Deliver Information on Tax Practices

The European Commission has asked Luxemburg to submit information needed to assess whether certain tax practices are discriminatory towards certain companies, in breach of EU state aid rules. Luxemburg has failed to adequately answer previous requests for information. This has resulted in the Commission adopting two information injunctions ordering Luxemburg to deliver the requested information within a month. Should Luxemburg persist in its refusal, the Commission may refer the issue to the EU Court of Justice.

The Commission sent information requests to several Member States, including Luxemburg. In both inquiries, Luxemburg refused to respond fully to the requests, invoking fiscal confidentiality:

- Regarding its tax ruling system Luxemburg only provided general information but failed to provide a specific overview of rulings it took in 2011 and 2012.
- Luxemburg also refused to deliver certain information on the usage of the IP tax regime, including the details of the 100 largest companies falling under the regime.

The commission has a right to ask for any information necessary for a state aid investigation and Member States have a corresponding duty to respond. Since the Commission is itself bound by rules of confidentiality, confidential fiscal information is automatically protected.⁵²

⁵⁰ Europa, Press Release, http://europa.eu/rapid/press-release_IP-14-121_en.htm

⁵¹Europa, Press Release, <http://europa.eu/rapid/midday-express-17-02-2014.htm>

⁵²Europa, Press Release, http://europa.eu/rapid/press-release_IP-14-309_en.htm?locale=en

IV.D.7. Landmark Agreement on EU Savings Directive Ends Bank Secrecy and Consolidates Tax Transparency

During the quarter, the Commission adopted a breakthrough agreement on EU tax policy following 6 years of negotiations. Tax evasion undermines fiscal stability, fair taxation and level competition. The loss of billions of Euros through evasion directly affects honest tax payers.

Adoption of the Agreement on 24 March, 2014 was facilitated Austria and Luxemburg's assent to the Agreement. Switzerland and four other countries have also accepted that automatic exchange of information is fundamental to their relations with EU in taxation

The Directive brings an end to bank secrecy and tax intransparency across EU making it the global leaders in tax good governance. The Savings Directive has paved the way for an agreement on Administrative Cooperation Directive which would provide for automatic exchange of tax information across Member States.⁵³

IV.E. CUSTOMS UPDATE

IV.E.1. Pilot Joint Customs Operations implemented in EU

The details of a Joint Customs Operation (JCO), code named, "Warehouse" was revealed on 21st January, 2014. The operation, conducted in October 2013, resulted in the seizure of smuggled goods. Almost 45 million smuggled cigarettes, nearly 140,000 litres of diesel fuel and about 14,000 litres of vodka were seized during the operation. The Operation is believed to have prevented a significant loss to EU and its Member States' budgets. Preliminary estimates report a figure of about € 9 million.

Warehouse was carried out by the Lithuanian Customs Service and the Lithuanian Tax Inspectorate in close cooperation with the European Anti-Fraud Office (OLAF), and with the participation of all 28 EU member states. JCO "Warehouse" was first of its kind. It was carried out in close cooperation with tax authorities mainly to target excise and VAT fraud specifically, besides customs fraud. For the first time, customs and tax authorities cooperated on a European scale in a JCO. This is a significant achievement since the varying competences and legal regimes applicable at national and EU level make it difficult to address complex fraud schemes with uniform measures.⁵⁴

IV.E.2. The Sixth Japan-EU Joint Customs Cooperation Committee

The sixth Japan-EU Joint Customs Cooperation Committee (JCCC) was held in Tokyo on 24th January 2014. The meeting was chaired by, Mr. Yutaka Miyauchi, Director General of the Customs

⁵³Europa, Press Release, http://europa.eu/rapid/press-release_SPEECH-14-243_en.htm?locale=en

⁵⁴Europa, Press Release, http://europa.eu/rapid/press-release_IP-14-37_en.htm

and Tariff Bureau, the Ministry of Finance of Japan, and Mr. Heinz Zourek, Director General of Taxation and Customs Union at the European Commission.

The broad outcomes of the Meeting are as follows:

- **Authorised Economic Operators**

Both sides agreed the need to further develop the framework of mutual recognition. In particular, the benefits of mutual recognition and automated information exchange;

- **Cargo Risk Assessment**

Cargo risk assessment is primarily based on advanced data filing rules. Both sides agreed to study supply chain measures in order to facilitate legitimate and secure trade.

- **Ministerial Decision on the WTO Agreement on Trade Facilitation**

Based on the outcome of the 9th Ministerial meet at Bali, both sides have recognised that customs play a central role in trade facilitation. Hence, both sides have stressed the importance of early entry and full implementation.

The next JCCC will be hosted by EU.⁵⁵

V. WTO DISPUTE SETTLEMENT UPDATES

V.A. RUSSIA REQUESTS WTO CONSULTATIONS OVER ANTI DUMPING MEASURES ADOPTED BY EU

During the quarter, the Russia Federation requested consultations with European Union over anti dumping duties imposed by the latter. Such duties were imposed on many products, mainly steel products and Ammonium Nitrate (used for manufacturing fertilizers).

EU imposed these duties because it believes that Russia is selling those goods below their production costs. Russia, however, have alleged that the administrative procedures, methodology and procedure adopted by the EU to calculate dumping margin in anti dumping investigations is not in conformity with EU's obligations under several WTO agreements.⁵⁶

⁵⁵Europa,

Press

Release,

http://ec.europa.eu/taxation_customs/resources/documents/common/whats_new/pr_2014-01_eu-japan_en.pdf

⁵⁶ WTO, News, http://www.wto.org/english/news_e/news14_e/ds474rfc_06jan14_e.htm

The request filed by Russia on 6th of January, 2014 was the first dispute originated by Russia under the Dispute Settlement Mechanism of WTO since becoming a full member on 22nd August, 2012. Prior to this, Russia have been respondents to two disputes initiated by Japan and EU.⁵⁷

V.B. CANADA AND NORWAY APPEAL WTO PANEL REPORT REGARDING EU BAN ON SEAL PRODUCTS

During the quarter, Canada and Norway launched an appeal against WTO's Final Panel Report on "European Communities — Measures Prohibiting the Importation and Marketing" of Seal Products" dated 25th November, 2013 which upheld EU's ban on seal products.⁵⁸ The report had confirmed that the ban was justified on moral grounds.⁵⁹

An appeal at under the WTO Dispute Settlement Mechanism can only be on points of law and cannot reopen factual proceedings.⁶⁰ Canada and Norway have appealed the Panel Report on the ground that provisions of TBT were not interpreted correctly with regard to exception and justification of Inuit hunts.⁶¹

V.C. DISPUTE SETTLEMENT BODY ESTABLISHES PANEL TO STUDY EU'S MEASURES ON ATLANTO-SCANDANAVIAN HERRINGS

On 26th February, 2014, DSB set up a panel to study the measures imposed by Faroe Islands, at the request of the Kingdom of Denmark.⁶² Faroe Islands is a self-governing territory forming an integral part of Denmark and covered territorially by Danish WTO membership.⁶³

On 4 November 2013, Denmark, in respect of the Faroe Islands, requested consultations with the European Union with regard to the use of coercive economic measures by the European Union in relation to Atlanto-Scandian herring and Northeast Atlantic mackerel.⁶⁴ Denmark has contested that the measures are inconsistent with basic provisions of the General Agreement on Tariffs and Trade (GATT) 1994 and have no justification under WTO law.⁶⁵

⁵⁷ *Id.*

⁵⁸ Europa, Press Release, <http://trade.ec.europa.eu/wtodispute/show.cfm?id=475&code=2>

⁵⁹ Europa, Press Release, <http://trade.ec.europa.eu/doclib/press/index.cfm?id=1016>

⁶⁰ WTO, News, http://www.wto.org/english/news_e/news14_e/ds400_401apl_24jan14_e.htm

⁶¹ Europa, Press Release, <http://trade.ec.europa.eu/wtodispute/show.cfm?id=475&code=2>

⁶² WTO, News http://www.wto.org/english/news_e/news14_e/dsb_26feb14_e.htm

⁶³ Baker & McKenzie, International Trade Compliance Update Newsletter, available at: <http://www.bakermckenzie.com/internationaltrade/newsletters/>.

⁶⁴ Europa, Press Release, http://www.wto.org/english/tratop_e/dispu_e/cases_e/ds469_e.htm

⁶⁵ WTO, News, http://www.wto.org/english/news_e/news14_e/dsb_26feb14_e.htm

WTO members reserving third-party rights were Turkey, Honduras, Guatemala, Panama, China, United States, Japan, Australia, Chinese Taipei, New Zealand, Iceland, Russia and India.⁶⁶

V.D. WTO RULES IN FAVOUR OF EU ON CHINA'S RARE EARTH EXPORTS

During the quarter, WTO issued a panel ruling, on 26th of March, 2014, declaring that China's restriction on export of rare earths as well as molybdenum and tungsten are not in conformity with its commitments. The panel found that the duty and quotas imposed upon the export of these raw materials were in breach of China's obligations.⁶⁷

The panel reaffirmed the reasoning used in previous rulings on raw materials. The recognised China's sovereign right over the exploitation of its natural resources. However, the Panel ruled that once the raw materials are extracted, they are subjected to WTO Trade rules. The Panel further ruled that export restrictions cannot be imposed on conservatory grounds unless the same restrictions exist domestically.⁶⁸

⁶⁶ WTO News, http://www.wto.org/english/tratop_e/dispu_e/cases_e/ds469_e.htm

⁶⁷ Europa, Press Release, <http://trade.ec.europa.eu/doclib/press/index.cfm?id=1051>

⁶⁸ WTO News, http://www.wto.org/english/tratop_e/dispu_e/cases_e/ds431_e.htm#bkmk431r

ANNEXURE A
ANTI-DUMPING

REFERENCE NUMBER	MERCHANDISE	MEASURE
(EU) No 32/2014	Hand pallet trucks and their essential parts originating in China	Commission Regulation initiating a ‘new exporter’ review of Council Implementing Regulation (EU) No 1008/2011 imposing a definitive anti-dumping duty on imports as amended by Council Implementing Regulation (EU) No 372/2013, repealing the duty with regard to imports of one exporter in this country and making such imports subject to registration
2014/C 13/08	Certain welded tubes and pipes of iron or non-alloy steel from Ukraine	Notice concerning the anti-dumping measures in force in respect of imports into the Union: modification of the name of companies subject to individual anti-dumping duty rates
(EU) No 1238/2013	Crystalline silicon photovoltaic modules and key components (i.e. cells) originating in or consigned from China	Corrigendum to Council Implementing Regulation imposing a definitive ADD and collecting definitively the provisional duty imposed on imports of (OJ L 325,

		5.12.2013)
2014/C 27/11	Certain iron or steel fasteners originating in China	Notice of initiation of an expiry review of the applicable AD measures
2014/C 28/09	Ceramic tiles originating in China	Notice of initiation of a partial interim review of the AD measures
(EU) No 135/2014	Dicyandiamide originating in China	Council Implementing Regulation repealing the ADD following an expiry review
2014/C 44/10	Certain rainbow trout originating in Turkey	Notice of initiation of an anti-subsidy proceeding
2014/C 44/11	Certain rainbow trout originating in Turkey	Notice of initiation of an AD proceeding
(EU) No 1241/2012	Certain fatty alcohols and their blends originating in India, Indonesia and Malaysia	Corrigendum to Council Implementing Regulation amending Implementing Regulation imposing a definitive ADD and collecting definitively the provisional duty imposed (OJ L 352, 21.12.2012)
2014/C 49/06	Certain seamless pipes and tubes of iron or steel originating in or exported from China	Notice of the impending expiry of certain anti-dumping measures on 07-10-14
2014/C 49/07	Certain aluminium foil originating in or ex-ported from Armenia, Brazil and China	Notice of the impending expiry of certain anti-dumping measures (ADD and undertakings) on 07-10-14

2014/C 56/08	Certain iron or steel fasteners originating in China	Corrigendum to Notice of Initiation of an expiry review of the AD measures (OJ C 27, 30.1.2014)
(EU) No 190/2014	Certain polyethylene terephthalate (PET) originating in India	Council Implementing Regulation amending Implementing Regulation imposing a definitive CVD following an expiry review
(EU) No 191/2014	Certain manganese dioxides originating in the Republic of South Africa	Council Implementing Regulation imposing a definitive ADD following an expiry review
2014/109/EU	Certain polyethylene terephthalate (PET) originating, inter alia, in India	Commission Implementing Decision repealing Decision 2000/745/EC accepting undertakings offered
2014/149/EU	Certain footwear with uppers of leather originating in China	Council Implementing Decision rejecting the proposal for an Implementing Regulation reimposing a definitive ADD and collecting definitely the provisional duty imposed on footwear produced by Brosmann Footwear (HK) Ltd, Seasonable Footwear (Zhongshan) Ltd, Lung Pao Footwear (Guangzhou) Ltd, Risen Footwear (HK) Co. Ltd and Zhejiang Aokang Shoes Co. Ltd
(EU) No 307/2014	Certain prepared or preserved sweetcorn in kernels originating in Thailand	Council Implementing Regulation amending Implementing Regulation (EU) No 875/2013 imposing a definitive ADD following an in-terim review

ANNEXURE B

TECHNICAL BARRIERS TO TRADE

NOTIFICATION/ DATE OF NOTIFICATION	PRODUCT	DESCRIPTION	OBJECTIVE
<p>G/TBT/N/EU/176 28 January 2014</p>	<p>Lightweight plastic carrier bags</p>	<p>The Packaging Directive (Directive 94/62/EC) contains provisions setting targets for reuse and recycling of packaging. This proposal defines the term 'lightweight plastic carrier bags' as plastic carrier bags with a thickness below 50 microns and introduces an obligation to reduce consumption of these lightweight plastic carrier bags supplemented with a recommendation to Member States to use economic instruments for this purpose as well as the possibility to introduce marketing restrictions in derogation of Article 18 of the Directive</p>	<p>Plastic carrier bags are considered as packaging under the Packaging and Packaging Waste Directive (Directive 94/62/EC). There is no EU legislation or policy specifically targeting plastic carrier bags.</p> <p>Plastic carrier bags are widely used for transporting shopping items from the store back home. About 89% of all plastic carrier bags consist of lightweight plastic carrier bags.</p> <p>The unsustainable consumption of lightweight plastic carrier bags, their inappropriate end-of-life treatment, and their resistance to degradation are damaging our environment including marine ecosystems. These issues are underscored by common and transboundary environmental impacts, as well as economic and social consequences.</p>

			<p>The general objective of this initiative on plastic carrier bags is to limit negative impacts on the environment, encourage waste prevention and a more efficient use of resources, while limiting negative socio-economic impacts.</p> <p>More specifically, the objectives of the initiative are to:</p> <ul style="list-style-type: none"> - limit the environmental damage caused by an increasing consumption of plastic bags, in particular in terms of littering and unsustainable resource use, by significantly reducing the amount of lightweight plastic carrier bags consumed per capita by 2015; - tackle a common and transboundary problem in a coordinated and coherent way across the EU.
G/TBT/N/EU/177 28 January 2014	<p>Electric mains-operated professional storage cabinets including those sold for the refrigeration of items other than foodstuffs;</p> <p>Electric mains-operated blast</p>	<p>This draft Commission Regulation sets minimum energy performance and information requirements for professional storage cabinets, blast cabinets, condensing units and process chillers, as there exists a cost-effective potential to limit the energy consumption of these products. In accordance with</p>	<p>Fight against climate change, increase of energy efficiency in the European Union.</p>

	<p>cabinets;</p> <p>Process chillers intended to operate at low and medium temperature;</p> <p>Condensing units operating at low and medium temperature.</p>	<p>Framework</p> <p>Directive 2009/125/EC, products not meeting these requirements will not be allowed to be placed on the EU market.</p> <p>The draft Regulation is based on the findings of technical, environmental and economic studies which have been carried out with stakeholders from around the world.</p>	
<p>G/TBT/N/EU/178</p> <p>28 January 2014</p>	<p>Electric mains-operated professional storage cabinets including those sold for the refrigeration of items other than foodstuffs.</p>	<p>This draft Commission Delegated Regulation sets requirements for the energy labelling and the provision of product information for professional storage cabinets. The draft Regulation is based on the findings of technical, environmental and economic studies which have been carried out with stakeholders from around the world.</p>	<p>The aim is to allow end-users to make an informed choice when buying professional storage cabinets - thereby pulling the market towards more environmentally friendly products. It will contribute to the fight against climate change and the increase of energy efficiency in the European Union.</p>
<p>G/TBT/N/EU/179</p> <p>5 February 2014</p>	<p>Construction products in the meaning of Article 2(1) of Regulation (EU) No 305/2011.</p>	<p>This draft Regulation proposes to adapt Annex V to Regulation (EU) No 305/2011 in order to fulfil three main objectives. First, to determine the particular treatment of products for which a European Technical Assessment (ETA) has been issued. Second, to simplify and bring clarity to the distribution and description of assessment and verification of constancy</p>	<p>The adoption of the draft Regulation would facilitate the work of manufacturers and notified bodies authorized to carry out AVCP tasks. This will be the outcome of clarifying their respective roles and the simplified process applicable to products for which an ETA has been issued. All these should both reduce administrative burden and</p>

		of performance (AVCP) tasks contained in Annex V, including via increasing consistency with the roles and terms used in Regulation (EU) No 305/2011; and third, to better reflect the current application practices of the systems of AVCP following experience reported by Member States, notified bodies designated for Regulation (EU) No 305/2011 and industry.	increase clarity on the interpretation of Regulation (EU) No 305/2011.
G/TBT/N/EU/180 5 February 2014	Food	This draft Commission Regulation concerns the authorisation of one health claim made on foods and referring to the reduction of disease risk in accordance with Article 17(3) of Regulation (EC) No 1924/2006 of the European Parliament and of the Council of 20 December 2006 on nutrition and health claims made on foods.	The proposed measure concerns one application related to a health claim that has been assessed by the European Food Safety Authority (EFSA) with a favourable outcome. Therefore, and as the health claim also complies with all the conditions set out in Regulation (EC) No 1924/2006, it will be authorised for use on foods.
G/TBT/N/EU/181 14 February 2014	Children's toys, i.e. products designed or intended, whether or not exclusively, for use in play by children under 14 years of age.	This draft Commission Directive introduces an exemption from the existing maximum concentration limit of 1% for nickel in those parts of toys allowing the correct electric function of toys, in addition to the already existing exemption for nickel in stainless steel.	A scientific evaluation of the use of nickel in parts of toys allowing the correct electric function of toys found that no health risks are expected. Hence the use can be exempted from the existing maximum concentration limit.
G/TBT/N/EU/182	Cosmetics	This draft Commission Regulation aims at restricting	Protection of Human health

18 February 2014		the use of butyl and propylparabens as preservatives in cosmetic products to a reduced maximum concentration of 0.14% (as acid) and banning these substances in leave-on products intended to be used on the nappy area of children under three years of age, by amending Annex V (positive list of preservatives) to Regulation (EC) No 1223/2009.	or Safety
G/TBT/N/EU/183 18 February 2014	Cosmetics	<p>This draft Commission Regulation aims at the authorization of:</p> <ol style="list-style-type: none"> 1. Preservatives cetrimonium chloride, steartrimonium chloride and behentrimonium chloride, for other uses and at higher concentrations than for preservation of the cosmetic product; 2. The mixture citric acid (and) silver citrate, as a preservative; 3. The nanomaterial tris-biphenyl triazine, as a UV-filter. 	Protection of Human health or Safety
G/TBT/N/EU/184 18 February 2014	Cosmetics	This draft Commission Regulation aims at restricting the use of the mixture ethylchloroisothiazolinone and Methylisothiazolinone used as preservative in cosmetic products to rinse-off products	Protection of Human health or Safety

		only, due to its important skin sensitizing potential, by amending Annex V (positive list of preservatives) to Regulation (EC) No 1223/2009.	
G/TBT/N/EU/185 21 February 2014	Fertilisers	<p>The purposes of the legislative proposal are:</p> <ul style="list-style-type: none"> • to change the minimum nutrient requirement for crude potassium salt; • to include new types of nitrification and urease inhibitors in the list of authorised inhibitors; • to enable the placing on the market, as EC fertilisers, of fluid NPK, NP and NK fertilisers containing urea formaldehyde; • to introduce reference to EN Standards for the new nitrification and urease inhibitors. 	<ul style="list-style-type: none"> •Manufacturers will benefit from facilitated access to the internal market and farmers will take advantage of a wider range of fertiliser types. •The efficient control of fertilisers will be reinforced by the use of a common EN Standard.
G/TBT/N/EU/186 21 February 2014	Novel Foods	The proposed regulation repeals Regulation (EC) No 258/97 on Novel Foods. It creates in the European Union (EU) a centralised authorisation system, with a scientific risk assessment based on food safety and a Commission authorisation decision for the placing of novel foods on the EU	Protection of human health and food safety.

		<p>market. It provides greater certainty, simplifies and speeds up the authorisation process for applicants thereby reducing administrative burden and costs.</p> <p>The proposed regulation also introduces an appropriate authorisation process for foods, which are new in the European Union but are traditional in third countries. If a history of safe food use can be demonstrated in a third country and there are no food safety objections from the European Food Safety Authority (EFSA) or EU Member States the food will be allowed to be placed on the EU market on the basis of a notification from the third country's food business operators.</p>	
<p>G/TBT/N/EU/187 27 February 2014</p>	<p>Ultra-wideband devices.</p>	<p>This draft Commission Implementing Decision requires Member States to allow the use of the radio spectrum on a non-interference and non-protected basis by equipment using ultra-wideband technology provided that such equipment meets the conditions set out in the Annex to this Decision and it is used indoors or, if it is used outdoors, it is not attached to a fixed installation, a fixed infrastructure or a fixed outdoor antenna. Equipment using ultra-wideband</p>	<p>This draft Implementing Decision will amend the Ultra-wideband equipment Decision (Decision 2007/131/EC as amended by Decision 2009/343/EC) by replacing the technical annex in place with an updated version that reflects the latest technical requirements and uses of UWB equipment.</p>

		technology, which meets the conditions set out in the Annex, shall also be allowed in road and rail vehicles.	
G/TBT/N/EU/188 27 February 2014	Electrical and electronic equipment	This draft Commission Delegated Directive concerns an application specific and temporary exemption from the RoHS 2 (Directive 2011/65/EU) substance restrictions.	Adaptation of existing legislation to scientific and technical progress, granting manufacturers adequate transition time for compliance.
G/TBT/N/EU/189 27 February 2014	Electrical and electronic equipment.	This draft Commission Delegated Directive concerns an application specific and temporary exemption from the RoHS 2 (Directive 2011/65/EU) substance restrictions.	Adaptation of existing legislation to scientific and technical progress, granting manufacturers adequate transition time for compliance.
G/TBT/N/EU/190 27 February 2014	Electrical and electronic equipment	This draft Commission Delegated Directive concerns an application specific and temporary exemption from the RoHS 2 (Directive 2011/65/EU) substance restrictions.	Adaptation of existing legislation to scientific and technical progress, granting manufacturers adequate transition time for compliance.
G/TBT/N/EU/191 27 February 2014	Electrical and electronic equipment	This draft Commission Delegated Directive concerns an application specific and temporary exemption from the RoHS 2 (Directive 2011/65/EU) substance restrictions.	Adaptation of existing legislation to scientific and technical progress, granting manufacturers adequate transition time for compliance.
G/TBT/N/EU/192 27 February 2014	Electrical and electronic equipment	This draft Commission Delegated Directive concerns an application specific and temporary exemption from	Adaptation of existing legislation to scientific and technical progress, granting manufacturers adequate

		the RoHS 2 (Directive 2011/65/EU) substance restrictions.	transition time for compliance.
G/TBT/N/EU/193 27 February 2014	Electrical and electronic equipment	This draft Commission Delegated Directive concerns an application specific and temporary exemption from the RoHS 2 (Directive 2011/65/EU) substance restrictions.	Adaptation of existing legislation to scientific and technical progress, granting manufacturers adequate transition time for compliance.
G/TBT/N/EU/194 27 February 2014	Electrical and electronic equipment	This draft Commission Delegated Directive concerns an application specific and temporary exemption from the RoHS 2 (Directive 2011/65/EU) substance restrictions.	Adaptation of existing legislation to scientific and technical progress, granting manufacturers adequate transition time for compliance.
G/TBT/N/EU/195 27 February 2014	Electrical and electronic equipment	This draft Commission Delegated Directive concerns an application specific and temporary exemption from the RoHS 2 (Directive 2011/65/EU) substance restrictions.	Adaptation of existing legislation to scientific and technical progress, granting manufacturers adequate transition time for compliance.
G/TBT/N/EEC/186 /Add.3 14 March 2014			
G/TBT/N/EU/196 4 March 2014	Medium combustion plants	This proposed Directive lays down rules to control emissions of sulphur dioxide, nitrogen oxides and particulate matter into the air from medium combustion plants by setting EU-wide emission limit	The proposal, when establishing provisions for medium combustion plants, aims at filling in an existing gap in legislation. It introduces minimum requirements for controlling

		values (differentiated by fuel type) and monitoring obligations.	emissions to air aiming to reduce pollution and potential risks to human health and the environment from such emissions.
G/TBT/N/EU/197 12 March 2014	Live bovine animals, live swine, live sheep and goats, live horses, asses, mules and hinnies, other live animals.	<p>This proposal would require Member States to provisionally prohibit the:</p> <ul style="list-style-type: none"> -cloning of bovine, porcine, ovine, caprine and equine species kept and reproduced for farming purposes (food, wool, fur or other farming purpose); -placing on the market of animal clones and embryo clones. <p>It would <u>not</u> apply to animals kept and reproduced exclusively for other purposes such as research, the production of medicinal products and medical devices, the preservation of rare breeds or endangered species, sporting and cultural events.</p> <p>The proposed Directive would require Member States to report to the Commission on the operation of the Directive 5 years after its transposition. The Commission would then present a report on the application of the Directive to the Parliament and Council taking into account the national reports, scientific and technical progress particularly that relating to animal welfare aspects of cloning and international developments.</p>	Protection of animal welfare.

		Member States would be required to transpose the Directive into national law within one year after its entry into force.	
G/TBT/N/EU/198 12 March 2014	All food from animal clones; this would include: meat and edible meat offal, dairy produce; birds' eggs; natural honey; edible products of animal origin, not elsewhere specified or included, products of animal origin, not elsewhere specified or included (if food or used for food production), animal or vegetable fats and oils and their cleavage products; prepared edible fats; animal or vegetable waxes (if food or used for food production), preparations of meat, of fish or of crustaceans, molluscs or other aquatic	<p>This proposal would provisionally prohibit the marketing of food from animal clones. The rules would only concern the clones themselves (not offspring or descendants).</p> <p>The proposed Directive would require Member States to report to the Commission on the operation of the Directive 5 years after its transposition. The Commission would then present a report on the application of the Directive to the Parliament and Council taking into account the national reports, scientific and technical progress particularly that relating to animal welfare aspects of cloning and international developments. Member States would be required to transpose the Directive into national law within one year after its entry into force.</p>	Protection of animal welfare and public morals (i.e. consumer perception, ethical concerns related to cloning)

	invertebrates (if food or used for food production), miscellaneous edible preparations (if obtained from animal clones if food or used for food production)		
G/TBT/N/EU/199 17 March 2014	Waste covered by Directive 2008/98/EC.	Decision 2000/532/EC and Annex III to Directive 2008/98/EC establish how waste has to be classified: These pieces of legislation had to be amended to adapt them to technical and scientific progress. They include the general principles to classify waste, the list of waste and the 15 hazardous properties (HPs) that render waste hazardous.	Adaptation to scientific and technical progress and alignment with new chemicals legislation. For the assessment of several HPs, EU waste legislation refers to Directive 67/548/EEC which is being replaced by Regulation (EC) No 1272/2008. It is therefore necessary to review the legislation to include the appropriate references to the new chemicals legislation.
G/TBT/N/EU/200 17 March 2014	Waste covered by Directive 2008/98/EC.	Decision 2000/532/EC and Annex III to Directive 2008/98/EC establish how waste has to be classified: These pieces of legislation had to be amended to adapt them to technical and scientific progress. They include the general principles to classify waste, the list of waste and the 15 hazardous properties (HPs) that render waste hazardous.	Adaptation to scientific and technical progress and alignment with new chemicals legislation. For the assessment of several HPs, EU waste legislation refers to Directive 67/548/EEC which is being replaced by Regulation (EC) No 1272/2008. It is therefore necessary to review the legislation to include the appropriate references to the new chemicals legislation.

<p>G/TBT/N/EU/201 17 March 2014</p>	<p>Waste containing persistent organic pollutants.</p>	<p>Amendment of the waste related annexes to Regulation (EC) No 850/2004 to add the new persistent organic pollutants (POPs) to the annexes and include the corresponding concentration limits for waste management purposes.</p>	<p>By Decisions from the Stockholm Convention and the UNECE Protocol, new substances have been added to the list of POPs. Therefore, these substances have to be added to the Annexes of the POP Regulation, in line with the obligations resulting from these international agreements. Furthermore, it establishes maximum concentration limits for polybrominated diphenyl ethers and PFOS in waste.</p>
<p>G/TBT/N/EU/202 17 March 2014</p>	<p>Food</p>	<p>This draft Commission Regulation concerns the authorisation of one health claim made on foods and referring to the reduction of disease risk in accordance with Article 17(3) of Regulation (EC) No 1924/2006 of the European Parliament and of the Council of 20 December 2006 on nutrition and health claims made on foods.</p>	<p>Protection of human health and safety. The proposed measure concerns one application related to a health claim that has been assessed by the European Food Safety Authority (EFSA) with a favourable outcome. Therefore, and as the health claim complies also with all the conditions set out in Regulation (EC) No 1924/2006 will be authorised for use on foods.</p>
<p>G/TBT/N/EU/203 17 March 2014</p>	<p>Food</p>	<p>This draft Commission Regulation concerns the refusal of authorisation of five health claims made on foods, other than those referring to the reduction of disease risk and to children's development and health in accordance with Article 18(5) of Regulation (EC) No 1924/2006 of the</p>	<p>Protection of human health and safety. The proposed measure is a Commission Regulation for five health claims as referred to above under point 6 that have been assessed by the European Food Safety Authority (EFSA). The health claims included in this Commission</p>

		European Parliament and of the Council of 20 December 2006 on nutrition and health claims made on foods.	Regulation do not comply with the conditions set out in Regulation (EC) No 1924/2006, and will not be authorised for use on foods because EFSA concluded that they are not scientifically substantiated.
G/TBT/N/EU/204 25 March 2014	Food	This draft Commission Regulation concerns the refusal of authorisation of eight health claims made on foods, other than those referring to the reduction of disease risk and to children's development and health in accordance with Article 18(5) of Regulation (EC) No 1924/2006 of the European Parliament and of the Council of 20 December 2006 on nutrition and health claims made on foods.	The proposed measure is a Commission Regulation for eight health claims as referred to above under point 6 that have been assessed by the European Food Safety Authority (EFSA). The health claims included in this Commission Regulation do not comply with the conditions set out in Regulation (EC) No 1924/2006, and will not be authorised for use on foods because EFSA concluded that they are not scientifically substantiated. Protection of Human health or Safety
G/TBT/N/EU/205 25 March 2014	Food	This draft Commission Implementing Regulation establishes the requirements for the provision of food information on the absence or reduced presence of gluten in food ("gluten-free" and "very low gluten" statements).	Regulation (EU) No 609/2013 of the European Parliament and of the Council revises the Framework applicable to foods for particular nutritional uses. It foresees, among others, that existing rules on food for people intolerant to gluten, as currently set out in Commission Regulation (EC) No 41/2009, will be transferred under Regulation (EU) No 1169/2011. This

			Implementing Regulation concretely transfers the rules of Regulation (EC) No 41/2009 with the necessary adjustments resulting from the revision of the Framework applicable to foods for particular nutritional uses. Protection of Human health or Safety
G/TBT/N/EU/206 28 March 2014	Light and heavy duty vehicles	<p>This Proposed Regulation concerns a number of amendments to Regulation (EC) 715/2007 and Regulation (EC) 595/2009 with respect to the reduction of pollutant emissions from road vehicles.</p> <p>The above-mentioned text groups emission related issues that should be corrected and complemented within the Euro VI and Euro 5/6 legislation.</p> <p>The draft proposal includes the following measures:</p> <ol style="list-style-type: none"> 1. Clarification that the ammonium emission limits introduced in the Euro VI legislation should apply only to the compression ignition engines; 2. Removal of the upper mass limit of Regulation (EC) No 715/2007 in order to allow manufacturers to type-approve vehicles under LD or HD legislation upon the choice of the manufacturer; 	The focus of this proposal is on those areas where market and regulatory failures hinder addressing the overarching challenges situated within the context of the EU's air quality policy and the Better Regulation Agenda. The amendments aim to strengthen the environmental impact of the Euro VI and Euro 5/6 legislation and remedy the points which pose an unnecessary burden for the industry.

		<p>3.Introduction of more severe low temperature emission limits for Euro 6 LD vehicles;</p> <p>4.Introduction of NO2 emission limits for Euro 6 LD vehicles;</p> <p>Introduction of an alternative route for measuring total hydrocarbons (THC) emissions for Euro 5/6 vehicles.</p>	
G/TBT/N/EU/207 28 March 2014	Food	<p>This draft Commission Regulation concerns the refusal of authorisation of two health claims made on foods, other than those referring to the reduction of disease risk and to children's development and health in accordance with Article 18(5) of Regulation (EC) No 1924/2006 of the European Parliament and of the Council of 20 December 2006 on nutrition and health claims made on foods.</p>	<p>Protection of human health and safety. The proposed measure is a Commission Regulation for two health claims as referred to above under point 6 that have been assessed by the European Food Safety Authority (EFSA). The health claims included in this Commission Regulation do not comply with the conditions set out in Regulation (EC) No 1924/2006, and will not be authorised for use on foods because EFSA concluded that they are not scientifically substantiated.</p>
G/TBT/N/EU/208 31 March 2014	Food	<p>This draft Commission Regulation concerns the authorisation of three health claims and the rejection of five health claims made on foods and referring to the reduction of disease risk in accordance with Article 17(3) of Regulation (EC) No 1924/2006 of the European</p>	<p>The proposed measure concerns eight health claim applications that have been assessed by the European Food Safety Authority (EFSA). For three applications, the assessment is considered to be favourable and therefore, as these health claims comply with the</p>

		Parliament and of the Council of 20 December 2006 on nutrition and health claims made on foods.	conditions set out in Regulation (EC) No 1924/2006, they will be authorised for use on foods. For five health claims, the assessment is considered to be unfavourable and therefore the health claims do not comply with the conditions set out in Regulation (EC) No 1924/2006 and consequently they will not be authorised for use on foods. Protection of Human health or Safety
--	--	---	---

**ANNEXURE C
SANITARY AND PHYTOSANITARY MEASURES**

NOTIFI- CATION	PRODUCT	PURPOSE	DESCRIPTION
G/SPS/N/E U/65 13 January	HS Codes: ex 07049090, 070810, 070820, 0709, 07093000, 070960,	Food Safety	The Regulation reviews the list of imports of feed and food of non-animal origin, which are subject to an increased level of official controls. The changes concern the

<p>2014</p>	<p>070990, 07102, 071022, 071080, 071339, 080510, ex 08054000, 080620, 0810, 081110, 0902, 090420, 090810, 091050, 110630, 12024100, 12024200, 1207, 121190, ex 19021100, ex 19021910, ex 19021990, ex 19022010, ex 19022030, ex 19022091, ex 19022099, ex 19023010, 20081110, 20081191, 20081196, 20081198, 200899</p>		<p>removal from the list of hazelnuts from Azerbaijan, mace, ginger and curcuma from India, mace from Indonesia and brassica vegetables from Thailand.</p>
<p>G/SPS/N/E U/66</p> <p>31 January 2014</p>	<p>Animal Feeds (with special characteristics)</p>	<p>Food Safety</p>	<p>The Regulation establishes and updates the essential product properties of and provisions for dietetic feed in order to assure animal welfare, animal health and public health once such feed is fed to the animals.</p>
<p>G/SPS/N/E U/68</p> <p>4 March 2014</p>	<p>Caramel colours (INS 150a-d)</p>	<p>Food Safety</p>	<p>Caramel colours (INS 150a-d) are food colours currently approved for use in the European Union in defined food categories in accordance with good manufacturing practice. In 2012 the European Food Safety Authority issued a statement outlining a possible exceedance of the Acceptable Daily Intake for ammonia caramel (INS 150c). The subcategory 14.2.1 "Beer and malt beverages" was identified as the main contributor. Therefore, it is appropriate to establish maximum use levels for</p>

			<p>ammonia caramel (E 150c) in food subcategory 14.2.1 "Beer and malt beverages" to guarantee a high level of protection of human health.</p> <p>Furthermore, a request was received for the use of caramel colours (E 150a-d) in malt beverages. Caramel colours are permitted only in beer and beer is not defined in the EU legislation. Therefore, a particular product classified as beer in one member State could be classified as a malt beverage in another. This situation has a negative impact on the internal market and hinders the free movement of these products. Therefore, it is appropriate to authorise the use of caramel colours in malt beverages.</p>
<p>G/SPS/N/EU/67</p> <p>4 March 2014</p>	Ovine embryos	Food Safety	Chapter H of Annex IX to Regulation (EC) No 999/2001 lays down rules for the importation into the European Union of ovine and caprine semen and embryos. These import rules are updated to reflect the conditions for intra-Union trade laid down in Annex VIII to Regulation (EC) No 999/2001 and offer to the EU's trading partners the possibility to exempt heterozygous ovine ARR embryos exported to the European Union from any classical scrapie related requirements.
<p>G/SPS/N/EU/77</p> <p>27 May 2014</p>	: Food additives (ICS Code: 67.220.20)	Food Safety	Authorisation of Advantame as food additive (sweetener) and setting of specifications.