TRADE POLICY DEVELOPMENTS PAPER NO. 54

TRADE POLICY MONITORING REPORT

OF

EUROPEAN UNION

(JULY 2013- SEPTEMBER 2013)

VOLUME X

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

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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

EXECUTIVE SUMMARY

- The European Union (EU) is slowly emerging from a long economic recession. Unemployment across the Euro Zone is 12%, with the levels almost double in Spain and Greece.
- The European Central Bank (ECB) has taken a number of measures to curb inflationary tendencies in the EU. The Governing Council of the ECB fixed the interest rates on refinancing operations at 0.5%, interest rates on the marginal lending facility at 1%, and the deposit facility rates at 0% during the quarter. Nonetheless, the monetary policy failed to attract investments during the quarter.
- EU Customs detained almost 40 million products suspected of violating intellectual property rights (IPR) in 2012, according to the Commission's *Annual Report on Customs Actions to Enforce IPR*. Although this is less than figures of 2011, the value of the intercepted goods is still high, being nearly €1 billion. The report also provides statistics on the type, provenance and transport method of counterfeit products detained at the EU's external borders.
- The European Parliament and the Council jointly adopted a regulation which lays down the Union Customs Code (UCC). The UCC is a recast of the Modernised Customs Code (MCC), which was adopted in 2008, and is observed to address some concerns of stakeholders.
- According to official reports, the EU Commission will soon publish proposals on country of origin labelling (COOL) for fresh pork, poultry, lamb and goat, which will create similar requirements to those already applicable to beef.
- Council Implementing Regulation (EU) No. 721/2013 amended the rates of countervailing duty prescribed by Implementing Regulation (EU) No. 405/2011 imposing a definitive countervailing duty and collecting definitively the provisional duty imposed on imports of certain stainless steel bars and rods originating in India.
- Council Implementing Regulation (EU) No. 861/2013 imposed a definitive countervailing duty and collected definitively the provisional duty imposed on imports of certain stainless steel wires originating in India.
- WTO Dispute Settlement Body established a panel requested by the European Union to examine Chinese measures imposing anti-dumping duties on high-performance stainless steel seamless tubes from the EU. Further, the EU has requested Russia to enter into consultations regarding Russia's recycling fees on automobiles.

TRADE POLICY MONITORING REPORT OF EUROPEAN UNION FOR THE QUARTERLY PERIOD: JULY 2013- SEPTEMBER 2013

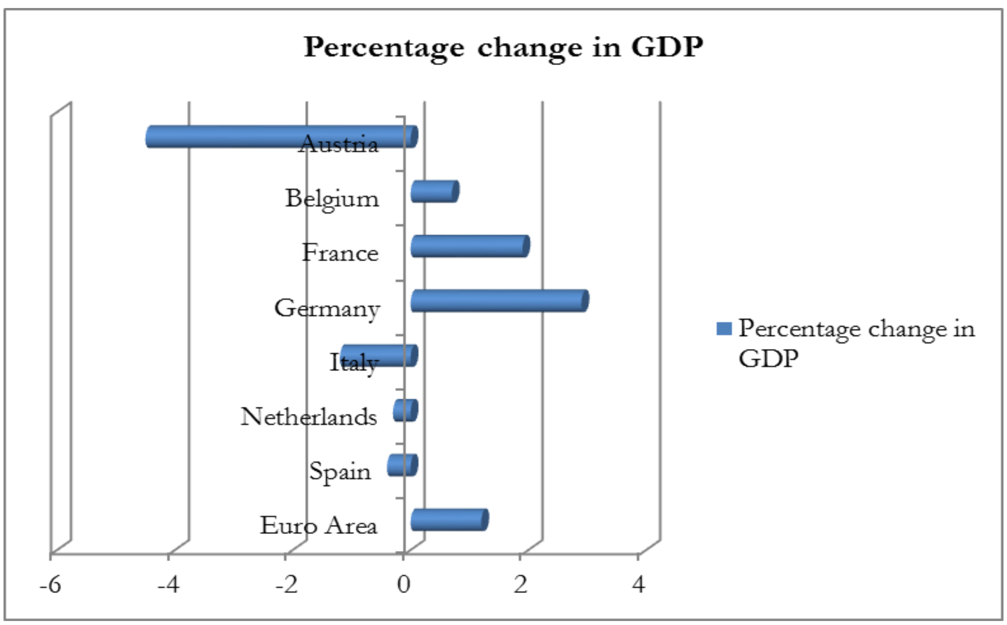
I. INTRODUCTION

This is the tenth 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: July- September, 2013.

II. ECONOMIC ENVIRONMENT

The European Union's economy showed positive signs of recovery while some economies' growth decreased when compared to the previous quarter. Germany's economy grew by 0.5%, the UK's economy grew by 0.8% and Poland's economy also increased by 0.6%. France, Belgium and Euro area also grew by 1.9%, 0.7% and 1.2% respectively as compared to the previous quarter. However, in contrast, the economy of Austria, Italy, Netherlands and Spain declined by 4.5%, 1.2%, 0.3% and 0.4% respectively as compared to the previous quarter. This was a result of high taxes, growing unemployment and lack of business confidence in the market.

Graph 1: GDP of Major EU countries over the quarter (July- September 2013)



Source: THE ECONOMIST, September 2013.

Debt, unemployment, and weak exports were prevalent in the EU during the quarter. Unemployment across the Euro Zone is placed at 12%, and levels of unemployment were almost double in Spain and Greece.[1] Economic growth also noted to have decline in Cyprus, contracting by 0.8% from the previous quarter.

II.A. EXPORTS- IMPORTS

Trade surplus was observed in Germany during the month of September 2013 as exports grew by 1.7% over the previous month in seasonally-adjusted terms. Exports in August 2013 had registered a growth of +1.0%. The volume of imports decreased by 1.9%, contrary to market expectations. Shipments abroad from German also grew by 3.2% during the quarter.[2]

The trade balance recorded a deficit of Euro 1.2 billion in Spain during the quarter. This was an improvement over the Euro 2.7 billion deficit noted in y-y terms. Exports in Spain grew by 4.3% in y-y during the quarter, whereas imports declined by 3.6% during the quarter.[3]

II.B. UMEMPLOYMENT

Unemployment rate in Spain decreased to 26% in Q2 2013, as compared to an unemployment rate of 26.3% recorded in Q1 2013. Unemployment increased from 27.3% in August 2013 to 27.4% in September 2013 in Greece.[4] Overall, the unemployment rate in the EU is estimated at 12- 13%.

II.C. INDUSTRY

Industrial production declined by 0.5% in y-y terms in Austria. This decline is in contrast with the growth trends that were observed in the previous quarters. In Spain, the industrial production increased by 1.4%, rebounding from a decline of 2.1% as was recorded at the beginning of this quarter.[5] This is Spain's first expansion in industrial output since February 2011. The industrial production in Portugal also increased by 1.3%, but declined by 2.2% in y-y terms in Greece.[6] The industrial production in the EU slowly increased during the quarter.

II.D. MONETARY POLICY

Despite the after effects of the financial crisis, the European Central Bank (ECB) managed to curb inflationary tendencies in the EU. The Governing Council of the ECB decided the interest rates on refinancing operations at 0.5%, interest rates on the marginal lending facility at 1%, and the deposit facility rates at 0%during the quarter.[7] Nonetheless, the monetary policy failed to attract investments during the quarter, as was indicated by some of the private banks..

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[1] RT News, EU update, available at http://rt.com/business/eu-gdp-q3-eurostat-707/
[2] Focus Economics, Germany Stats, available at http://www.focus-economics.com/en/economy/outlook/Germany
[3] *Id.* available at http://www.focus-economics.com/en/economy/outlook/Spain
[4] *Id.* available at http://www.focus-economics.com/en/economy/outlook/Greece
[5] *Supra* n.8
[6] *Supra* n. 9
[7] European Central Bank, Notifications on Monetary Policy,
https://www.ecb.europa.eu/press/pr/date/2013/html/pr130905.en.html

III. TRADE AGREEMENTS AND ARRANGEMENTS

III.A. EU'S BILATERAL TRADE AND INVESTMENT AGREEMENTS

United States of America and EU (TTIP)

The first round of the negotiations for the Transatlantic Trade and Investment Partnership (TTIP) took place in Washington, D.C. between 8 and 12 July 2013. The parties decided on twenty areas of focus under the TTIP including custom duties and technical standards for goods produced on both sides of the Atlantic Ocean. The second rounds of negotiations are scheduled to take place in October of 2013, in Brussels and will be reported in detail during the 11th EU Quarterly Report. This initiative of a trans-Atlantic agreement between the US and EU is based on the recommendations of the *EU-US High Level Working Group on Jobs and Growth* that steers the deliberations on the future EU-US relations.[8] The TTIP, like the Trans-Pacific Partnership, can be called a mega-Regional Trade Agreement (RTA), which many consider to be the future of global trading.

The Trans Pacific Partnership discussions took place on 21 September 2013 in Washington where solutions to a number of issues including customs, telecommunications, sanitary and phytosanitary issues, technical barriers to trade, cross border services, and labor were arrived at. Challenges on e-commerce and legal and institutional issues were also discussed during the negotiations.[9]

EU and Japan

EU and Japan launched negotiations for a free trade agreement (FTA) in April 2013. There have since been two rounds of talks between the two nations, with the second round of negotiations taking place during the last week of the previous quarter. Japan is the EU's second largest trading partner in Asia, after China. A FTA between the two countries is estimated to increase GDP in the Euro Zone by 0.6%, and strengthen exports to Japan by 33% as compared to the existing levels. Additionally, this FTA is expected to create an additional 400,000 jobs in the Euro Zone.[10]

EU and Association of Southeast Asian Nations (ASEAN)

EU is presently negotiating a FTA with four countries who are party to the ASEAN. Negotiations for an FTA with Singapore was launched in 2010, and successfully completed in December of 2012. However, talks on investment protection between the two parties began after the Lisbon Treaty was entered into force. .

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8 Press Release, Europa Press, available at http://europa.eu/rapid/press-release_MEMO-13-734_en.htm

9 Press Release, USTR, *at* http://www.ustr.gov/about-us/press-office/press-releases/2013/September/Readout-Washington-TPP-discussions

10 Press Release, Europa Press, available at http://europa.eu/rapid/press-release_MEMO-13-734_en.htm

The EU is presently in negotiations with Malaysia, Thailand and Vietnam. Thailand entered into bilateral negotiations with the EU in March 2013 and the second round of talks took place in Bangkok during this quarter. . EU is open to the idea of negotiating with other ASEAN partners, with aspirations of integrating these deals into a global region-to-region trade agreement. After all, ASEAN is EU's 5th largest trading partner, with an estimated €212.8 billion worth of trade in goods and services, thus making EU the largest investor in ASEAN countries. Statistically, the EU accounts for an average share of 17.1% Foreign Direct Investment (FDI) from 2009-2011.[11]It is noted that EU has previously signed an FTA with another ASEAN member, Singapore, on 16 December 2013 (as was reported in the 6th EU Quarterly Report).

EU and Southern Mediterranean

EU has concluded two rounds of negotiations for a DCFTA with Morocco. This deal will strengthen EU-Morocco trade relations and will build upon existing agreements between the two countries, including the Association Agreement of 2000 and the Agreement on Agricultural, Processed Agricultural and Fisheries Products, 2012. Morocco is the first Mediterranean country to negotiate a comprehensive trade agreement with the EU. Both parties are expected to gain from this FTA.

EU and Eastern Neighbourhood

EU also concluded negotiations for a DCFTA with Moldova, Armenia and Georgia during this quarter. These DCFTAs are a part of Association Agreements that the EU has with these three countries. The official beginning of this Association Agreements is planned for the Eastern Partnership Summit on 29 November 2013 in Vilnius. The EU is the main trading partner for each the three countries. It is interesting to note that as per 2011 levels, trade with the EU represented more than 50% of total trade flows for Moldova, 32% of overall trade for Armenia, and 26% for Georgia. DCFTAs will provide for a significantly improved mutual access for goods and services between the EU and its eastern neighbours. Furthermore, this DCFTA will ensure an open, stable and predictable legal environment for the benefit of businesses and consumers in Moldova, Armenia, Georgia and the EU.[12]

EU and Ukraine

EU and Ukraine concluded a DCFTA in December 2011. On 15 May 2013, the Commission adopted the proposals on the signing and provisional application of the EU-Ukraine Association Agreement. The next step in this DCFTA between the EU and Ukraine will be the signature of the

[11] Press Release, Europa Press, available at http://europa.eu/rapid/press-release_MEMO-13-734_en.htm
[12] Press Release, Europa Press, available at http://europa.eu/rapid/press-release_MEMO-13-734_en.htm

Agreement by the Council.[13]However, political conditions between Ukraine and the Russian Federation are deteriorating and the 11th EU Quarterly Report will report on this matter in detail.

EU and Central America (Costa Rica, El Salvador and Guatemala)

The Association Agreement between the EU and Central America was approved by the European Parliament on 11 December 2012 and became functional during this quarter. Internal procedures necessary for application of the agreement in other three countries of the region - Costa Rica, El Salvador and Guatemala - are in progress and are expected to be finalised in the near future. Five Economic Partnership Agreements (EPA) with certain African, Caribbean and Pacific countries have been negotiated. These countries are Cote d'Ivoire, Cameroon, the Southern African Development Community, Ghana and the Eastern African Community. EU has concluded negotiating eleven trade agreements that are yet to enter into force.[14]Most of these agreements are expected to be entered into force within 2014.

EU, Colombia and Peru

A FTA with members of the Andean region, Colombia and Peru, has been provisionally applied with Peru since 1 March 2013, and with Colombia since 1 August 2013. EU is the second largest trading partner of the Andean region after the US and it is expected that the deal with both Andean partners will result in total tariff saving for European and Andean companies of more than €500 million per year, once fully implemented. Improved conditions for trade and investment are expected to further strengthen trading relations between the two regions. The ulterior aim of the agreement between the EU, Colombia and Peru is also to foster regional integration between the 3 parties. Therefore, there is an opportunity for the other Andean countries such as Ecuador and Bolivia to enter into the partnership.[15]

EU and Central America (Honduras, Nicaragua and Panama)

The trade provisions of the Association Agreement between the EU and Central America take effect from 1 August 2013. The countries involved from Central America are Honduras, Nicaragua and Panama.. The EU is Central America's second largest trading partner and in 2012, the total trade flows in goods amounted to €14 billion, including almost €1.4 billion worth of trade with Honduras, €1.2 billion with Panama and €0.4 billion with Nicaragua. Benefits of the agreement will be

[13] Press Release, Europa Press, available at http://europa.eu/rapid/press-release_MEMO-13-734_en.htm
[14] Press Release, Europa Press, available at http://europa.eu/rapid/press-release_MEMO-13-734_en.htm
[15] Press Release, Europa Press, available at http://europa.eu/rapid/press-release_MEMO-13-734_en.htm

particularly tangible for the Central America's economy, which is expected to grow by over € 2.5 billion annually once the agreement applies to the entire region.[16]

EU-Canada FTA update

During the quarter, EU and Canada negotiated the EU-Canada FTA, which is expected to entered into force by 2014. The main features of the FTA are as follows:

III.B. OTHER TRADE ARRANGEMENTS & UPDATES

Norway - Export Control regulations published

On 1 July 2013, the Norwegian Ministry of Foreign Affairs published in the Norwegian Law Gazette the *Regulation on the Export of Defense, Multi-Purpose Products, Technologies and Services* in the Norwegian Law Gazette. The regulation controls exports of strategic goods, services, technology, etc. Appendix to this regulation also contains defense-related products[17].[18]

EU Member States suspend certain export license to Egypt

On 21 August 2013, the Council of the European Union issued a press release announcing that Member States of the EU had agreed to suspend export license to Egypt for equipment which may be used for internal repression. EU member countries further decided to reassess export licenses for equipment covered by Common Position 2008/944/CFSP, and to review their security assistance with Egypt.[19]

EU Customs detain €1 B. worth of fake goods at EU border in 2012

On 5 August 2013, the Commission announced that EU Customs detained almost 40 million products suspected of violating intellectual property rights (IPR) in 2012, according to the Commission's *Annual Report on Customs Actions to Enforce IPR*. Although this is less than figures of 2011, the value of the intercepted goods is still high, being nearly €1 billion. The report also provides statistics on the type, provenance and transport method of counterfeit products detained at the EU's external borders. Cigarettes accounted for a large number of interceptions (31%), and miscellaneous goods (e.g. bottles, lamps, glue, batteries, washing powder) were the next largest category (12%). Packaging materials followed with 10% of the interception. Postal and Courier packages accounted for around 70% of customs interventions in 2012, with 23% of the detentions in postal traffic concerning medicines.

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[16] Press Release, Europa Press, available at http://europa.eu/rapid/press-release_MEMO-13-734_en.htm
[17] As per Directive 2012/47/EU of 14 Dec. 2012
[18] *Id.*
[19] *Id.*

China continued to be the top destination from where the fake goods were coming. Other countries such as Morocco and Hong Kong were top destinations from where foodstuffs, CD/DVDs and other tobacco products (mainly electronic cigarettes and liquid fillings for them) emanated. Around 90% of all detained cases were either destroyed, or a court case was initiated to determine the infringement.[20]

German Foreign Trade and Payments Act undergoes modernization

The *German Foreign Trade and Payments Act* is a compilation of provisions covering a variety of areas. Most important and relevant for the majority of companies are the *national exports control prohibitions* and the *notification requirements* in respect to capital movement and payments. Yet there are some minor changes such as simplifying export licensing requirements. Despite all this, there has been no material change in the text of the Act itself. It also allows imposition of restrictions on inward and outward FDI.

III.C. INVESTMENT MEASURES TAKEN DURING THE QUARTER

On 1 September 2013, changes to the German review mechanism for foreign investment came into effect. The changes, introduced through an amendment to the *Foreign Trade and Payments Act* and the *Foreign Trade and Payments Regulation* reduce the information that generally needs to be submitted to the Ministry in the sector-specific review – a description of the main features of the investment is henceforth sufficient where full documentation was required earlier; and allow the Ministry to give clearance before the end of the one-month review period set for the sector-specific review. The changes also clarify that an investment in a company that has in the past produced a specific type of cryptographic equipment and is still in the possession of the related technology, even though the company is no longer producing such cryptographic equipment, can be subject to a sector-specific review.[21]

IV. UNILATERAL PREFERENCE SCHEMES

GENERALISED SCHEME OF PREFERENCES

Beneficiary Countries of the GSP scheme

Currently, the list of countries included in the EU GSP program contains 176 beneficiary developing countries. Over 20 of these countries, mostly those that no longer qualify as low-or middle-income countries under the EU GSP rules, will be excluded from the list and will no longer be eligible for GSP preferential treatment in the EU. Some of the countries excluded from the EU GSP applicable from 1 January 2013 are: Saudi Arabia, Kuwait, Bahrain, Qatar, United Arab Emirates, Oman,

[20] *Id.*

[21] 10th UNCTAD-OECD Report on G-20 Investment Measures, available at *unctad.org/en/pages/newsdetails.aspx?OriginalVersionID=674*

Bruinei Darussalam, Macau, Argentina, Brazil, Uruguay, Venezuela, Belarus, Russia, Kazakhastan, Gabon, Libya, Malaysia, Palau.[22]

Certain Products originating from India will not be applicable as per new EU GSP Scheme

Certain products originating from India will not be applicable as per new EU GSP Scheme

- Minerals
- Chemicals
- Raw Hides & Leather
- Textiles
- Vehicles and boats

Government Procurement

Right of procurement will be granted for nationals of the EU or Canada, which is significantly different from the North Atlantic Free Trade Agreement provision Further, Canada's contracting firms will have preferential access to the EU government procurement market which is worth CA$2.7 trillion annually.

V. TRADE POLICIES AND PRACTICES BY MEASURE

V.A. CUSTOMS PROCEDURE

The European Parliament and the Council jointly adopted a regulation[23] which lays down the Union Customs Code (UCC). The UCC is a recast of the Modernised Customs Code (MCC), which was adopted in 2008, and is observed to address some concerns of stakeholders. However, key issues such as centralized clearance and customs valuation still need to be outlined by the European Commission by means of delegated and implementing acts. Hence, there is still uncertainty on the legislation and its consequences on the business. This legislation will be applicable from 2016.

Background

The MCC provided for the creation of a pan-European electronic customs environment with harmonized and simplified customs procedures to promote trade with a balance between trade facilitation and customs controls. It was adopted in April 2008 as a regulation and was to be applicable once its implementing provisions were in force (latest by: mid-2013). The Commission however stressed on proceeding with a recast of the MCC as it needed to be aligned with the Lisbon Treaty, according to which implementing provisions of the MCC have to be split between delegated acts and implementing acts. In addition, work on the implementing provisions revealed the need to

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[22] *Id.*

[23] Regulation no. 952/2013

adjust provisions that proved difficult to implement. Therefore, in February 2012 the Commission proposed a draft regulation laying down the UCC.[24]

Though the UCC was entered into force 30 October 2013, most provisions will not apply before 1 June 2016. Furthermore, the MCC has been repealed by the UCC.

Centralized clearance

MCC enshrined centralized clearance, according to which it was possible for authorized EU traders to declare goods electronically and pay their customs duties at the place where their business is established, irrespective of the Member State where the goods are presented. The UCC introduces additional responsibilities for both the Customs Office at which the customs declaration is lodged, and the Customs Office at which the goods are presented. Furthermore, the Customs Office involved must exchange necessary information for the verification of the customs declaration and release of the goods.

First Sale for Export Rule

The First Sale for Export Rules was debated during the drafting of the implementing provisions for the MCC. Presently, many traders importing merchandise subject to multiple sales, prior to importation into the EU, benefit from the first sale for export valuation strategy. The existing rules allow EU importers meeting certain requirements to declare the price paid in the first sale for customs purposes, resulting in a lower dutiable value and, thus, lower customs duty liability.

Royalties and license fees

The customs treatment of royalties and license fees is a controversial item. Royalties are added to the transaction value (i.e., Customs Value) of imported goods only if they are related to the goods being valued and payable as a condition of sale of those goods for export to the EU. Under existing rules, royalties can generally be excluded from the customs value where certain conditions are met. However, under the proposed implementing provisions of the MCC, condition of sale determination had been broadened so that royalties are much more easily included in the customs value, thus increasing the tax burden of affected traders.

Paperless environments

The use of information and communication technologies is a key element in ensuring trade facilitation and customs controls. The UCC allows the use of non-electronic data processing techniques on a transitional basis, but not beyond 31 December 2020. Transitional measures for

[24] Regulation no. 952/2013

centralized clearance would consist of maintaining the procedure, known as the '*single authorisation for simplified procedures*' until the necessary electronic systems are operational.[25]

V.B. RULES OF ORIGIN

Rules of Origin are classified into Preferential Rules of Origin and Non-preferential Rules of Origin. Under the Non-preferential Rules of Origin, non-preferential rules will be applied on all kinds of commercial policy measures, whereas, under the Preferential Rules of Origin, some preferential treatment is conferred on goods from particular countries.

To determine whether goods qualify as originating in Canada or the EU, the rules of origin will come into force alongside any preferential tariff measures. In determining what regional value content must originate in Canada, it is expected that the rules will not reduce Canada's trade and supply chain relationships with the US. This Rule of Origin will be a Preferential ROO. The CETA regional value content requirement for automobiles will further accommodate existing cross-border manufacturing supply chains. Hence, there will be a separate ROO for every PTA.

Notable sectors

Benefiting sectors of the economy include the industrial sector, the agricultural sector, the pharmaceutical and life sciences sector, and the automotive sector. Industrial sector advantages will particularly benefit Canada's oil and gas and mining sectors. For example, Canada is a leading nation in mineral exploration and mining. Exports of metals and mineral products are worth over Canadian Dollar $20 million annually to the EU. Tariffs on metals, minerals and mining technology equipment will substantially reduce with the CETA coming into force. However, the shipbuilding sector, where the 25% rates on imported commercial vessels are among the highest for Canada's non-preferential tariff rates, will not likely be impacted in the near future.

- Commission Implementing Decision of 17 September 2013 refusing to grant derogation from Council Decision 2001/822/EC, as regards the rules of origin for sugar from Curaçao. The Netherlands in the year 2002 had requested for formulation of rules of origin for sugar originating from Curacao district. However, the Council decided against it, and also stated that the decision would not adversely harm the industry at Curacao.

VI. CONTINGENCY TRADE PROTECTION

VI.A. ANTI-DUMPING

- On 2 July 2013, the Commission Regulation (EU) No. 638/2013 terminated the investigation as regards the possible circumvention of anti-dumping measures imposed by

[25] Trade Watch, Ernst & Young, 12 September, 2013.

Council Regulation (EC) No. 925/2009 on imports of certain aluminium foil originating in the People's Republic of China by imports of certain aluminum foil of a thickness not more than 0,018 mm and not less than 0,008 mm, 'not backed, not further worked than rolled, in rolls which are not annealed, of a width exceeding 650 mm and of a weight exceeding 10 kg', currently falling within CN code ex 7607 11 19 and originating in the People's Republic of China. The customs authorities are directed to discontinue the registration of imports by taking appropriate steps.[26]

- On 6 July 2013, the European Commission published a notice (2013/C 195/05) of initiation of an expiry review of the anti-dumping measures applicable to imports of powdered activated carbon (PAC) currently falling within CN code ex 3802 10 00 and originating in the People's Republic of China.[27]

- On 12 July 2013, the European Commission published a notice (2013/C 200/09) of initiation of an expiry review of the anti-dumping measures applicable to imports of ammonium nitrate currently falling within CN codes 3102 30 90, 3102 40 90, ex 3102 29 00, ex 3102 60 00, ex 3102 90 00, ex 3105 10 00, ex 3105 20 10, ex 3105 51 00, ex 3105 59 00 and ex 3105 90 91, and originating in Russia.[28]

- On 15 July 2013, the Council Implementing Regulation (EU) No. 695/2013 imposed a definitive anti-dumping duty on imports of ironing boards, 'whether or not free-standing, with or without a steam soaking and/or heating top and/or blowing top, including sleeve boards, and essential parts thereof', currently falling within CN codes ex 3924 90 00, ex 4421 90 98, ex 7323 93 00, ex 7323 99 00, ex 8516 79 70 and ex 8516 90 00, and originating in the People's Republic of China, and repealed the anti-dumping measures on imports of ironing boards originating in Ukraine following an expiry review pursuant to Article 11(2) and a partial interim review pursuant to Article 11(3) of Regulation (EC) No. 1225/2009. The provisions as regards customs duty apply to the import of ironing boards unless specifically mentioned.[29]

- On 16 July 2013, the European Commission published a notice (2013/C 202/04) as regards the anti-dumping measures in force in respect of imports into the Union of citric acid originating in the People's Republic of China with regard to modification of the address of a company subject to an undertaking.[30]

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[26] Commission Regulation (EU) No. 638/2013, OJ 2013 L 184/1.
[27] (2013/C 195/05), OJ 2013 C 195/4.
[28] (2013/C 200/09), OJ 2013 C 200/12.
[29] Council Implementing Regulation (EU) No. 695/2013, OJ 2013 L 198/1.
[30] (2013/C 202/04), OJ 2013 C 202/4.

- On 16 July 2013, the Commission published a notice (2013/C 202/05) as regards the anti-dumping measures in force in respect of imports into the Union of citric acid originating in the People's Republic of China with regard to modification of the address of a company subject to an individual anti-dumping duty rate.[31]

- On 2 August 2013, the Commission Regulation (EU) No. 748/2013 amended Regulation (EU) No. 513/2013 imposing a provisional anti-dumping duty on imports of crystalline silicon photovoltaic modules and key components (i.e. cells and wafers) currently falling within CN code ex 3818 00 10, ex 8541 40 90, and originating in or consigned from the People's Republic of China, and inserted provisions on Customs Declaration. The Regulation entered into force on 6 August 2013.[32]

- On 2 August 2013, the Commission Decision (2013/423/EU) accepted an undertaking offered by certain exporting producers of crystalline silicon photovoltaic modules and key components along with China Chamber of Commerce for Import and Export of Machinery and Electronic Products (CCCME) in connection with the anti-dumping proceeding as regards imports of crystalline silicon photovoltaic modules and key components (i.e. cells and wafers), originating in or consigned from the People's Republic of China. The Decision entered into force on 6 August 2013.[33]

- On 20 August 2013, the Commission Decision (2013/440/EU) terminated the anti-dumping proceeding concerning imports of stainless steel tube and pipe butt-welding fittings, whether or not finished, currently falling within CN codes 7307 23 10 and 7307 23 90, and originating in the People's Republic of China and Taiwan.[34]

- On 26 August 2013, the Commission Regulation (EU) No. 806/2013 initiated a review of the Council Implementing Regulation (EU) No. 102/2012 imposing a definitive anti-dumping duty on imports of steel ropes and cables originating, inter alia, in the People's Republic of China, and extended it to imports of steel ropes and cables, currently falling within CN codes ex 7312 10 81, ex 7312 10 83, ex 7312 10 85, ex 7312 10 89 and ex 7312 10 98, and consigned from, inter alia, the Republic of Korea, whether declared as originating in the Republic of Korea or not, for the purposes of determining the possibility of granting an exemption from those measures to one Korean exporter and repealing the existing anti-dumping duty with regard to imports from that exporter and making those imports subject

31 (2013/C 202/05), OJ 2013 C 202/5.
32 Commission Regulation (EU) No. 748/2013, OJ 2013 L 209/1.
33 Commission Decision (2013/423/EU), OJ 2013 L 209/26.
34 Commission Decision (2013/440/EU), OJ 2013 L 223/13.

to registration. The customs authorities were directed to register the imports by taking appropriate steps. Registration shall expire after nine months of this Regulation.[35]

- On 27 August 2013, the European Commission published a notice (2013/C 246/05) of initiation of a partial interim review of the anti-dumping measures applicable to imports of steel ropes and cables including locked coil ropes, currently falling under CN codes ex 7312 10 81, ex 7312 10 83, ex 7312 10 85, ex 7312 10 89 and ex 7312 10 98, and originating in the People's Republic of China, as extended to imports consigned from the Republic of Korea, whether declared as originating in the Republic of Korea or not.[36]

- On 27 August 2013, the Commission Regulation (EU) No. 809/2013 initiated a 'new exporter' review of Council Implementing Regulation (EU) No. 1389/2011 imposing a definitive anti-dumping duty on imports of trichloroisocyanuric acid and preparations thereof, referred to as 'symclosene' under the international non- proprietary name (INN), currently falling under CN codes ex 2933 69 80 and ex 3808 94 20, and originating in the People's Republic of China, and repealed the anti-dumping duty with respect to imports from one exporter from this country. The customs authorities were directed to register the imports by taking appropriate steps. Registration shall expire after nine months of this Regulation.[37]

- On 2 September 2013, the Council Implementing Regulation (EU) No. 871/2013 extended the definitive anti-dumping duty imposed by Implementing Regulation (EU) No. 511/2010 on imports of molybdenum wire, 'containing by weight at least 99,95% of molybdenum, of which the maximum cross-sectional dimension exceeds 1,35 mm but does not exceed 4,0 mm', currently falling within CN code ex 8102 96 00, and originating in the People's Republic of China to imports of molybdenum wire, 'containing by weight at least 97% of molybdenum, of which the maximum cross-sectional dimension exceeds 1,35 mm but does not exceed 4,0 mm', originating in the People's Republic of China. The customs authorities were directed to discontinue the registration of imports by taking appropriate steps.[38]

- On 2 September 2013, the Council Implementing Regulation (EU) No. 875/2013 imposed a definitive anti-dumping duty on imports of certain prepared or preserved sweetcorn in kernels, not frozen, currently falling within CN code ex 2001 90 30, and originating in Thailand following an expiry review pursuant to Article 11(2) of Regulation (EC) No.

[35] Commission Regulation (EU) No. 806/2013, OJ 2013 L 228/1.
[36] (2013/C 246/05), OJ 2013 C 246/5.
[37] Commission Regulation (EU) No. 809/2013, OJ 2013 L 229/2.
[38] Council Implementing Regulation (EU) No. 871/2013, OJ 2013 L 243/2.

1225/2009. The provisions as regards customs duty apply to the import of certain prepared or preserved sweetcorn in kernels unless specifically mentioned.[39]

- On 13 September 2013, the European Commission published a notice (2013/C 264/10) concerning the anti-dumping measures in force in respect of imports of certain prepared or preserved citrus fruits (namely mandarins, etc.) originating in the People's Republic of China as regards the change of the name of a company having TARIC additional code A887 subject to an individual anti-dumping duty.[40]

- On 19 September 2013, the European commission published a notice (2013/C 270/09) of the impending expiry of certain anti-dumping measures imposed on certain candles, tapers and the like by Council Regulation (EC) No. 393/2009 originating in the People's Republic of China. The anti-dumping duties imposed are likely to be expired on 15 May 2014.[41]

- On 19 September 2013, the European Commission published a notice (2013/C 270/10) of the impending expiry of certain anti-dumping measures imposed on certain PSC wires and strands by Council Regulation (EC) No. 383/2009 as amended by Council Implementing Regulation (EU) No. 986/2012, and originating in the People's Republic of China. The anti-dumping duties imposed are likely to be expired on 14 May 2014.[42]

VI.B. ANTI-SUBSIDY

Anti-Subsidy measures against India

- On 22 July 2013, the Council Implementing Regulation (EU) No. 721/2013 amended the rates of countervailing duty prescribed by Implementing Regulation (EU) No. 405/2011 imposing a definitive countervailing duty and collecting definitively the provisional duty imposed on imports of certain stainless steel bars and rods having a circular cross-section diameter of 80 mm or more, currently falling within CN codes 7222 20 21, 7222 20 29, 7222 20 31, 7222 20 39, 7222 20 81 and 7222 20 89, and originating in India.[43]

- On 2 September 2013, the Council Implementing Regulation (EU) No. 861/2013 imposed a definitive countervailing duty and collected definitively the provisional duty imposed on imports of certain stainless steel wires, currently falling within CN codes 7223 00 19 and

[39] Council Implementing Regulation (EU) No. 875/2013, OJ 2013 L 244/1.
[40] (2013/C 264/10), OJ 2013 C 264/20.
[41] (2013/C 270/09), OJ 2013 C 270/11.
[42] (2013/C 270/10), OJ 2013 C 270/12.
[43] Council Implementing Regulation (EU) No. 721/2013, OJ 2013 L 202/2.

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]

Other Anti-Subsidy Measures

- On 23 September 2013, the Council Implementing Regulation (EU) No. 917/2013 amended the rates of countervailing duty prescribed by Implementing Regulation (EU) No. 857/2010 imposing a definitive countervailing duty and collecting definitely the provisional duty imposed on imports of certain polyethylene terephthalate originating in Iran, Pakistan and the United Arab Emirates. The provisions as regards customs duty apply to the import of certain polyethylene terephthalate unless specifically mentioned.[45]

VI.C. TECHNICAL BARRIERS TO TRADE

Please see **Annexure A.**

VII. TRADE POLICY BY SECTOR

VII.A. FOOD & AGRICULTURE

Notifications during this quarter relating to Food & Agriculture

- Commission *via* Regulation (EU) No. 851/2013 of 3 September 2013 authorised certain health claims made on foods, other than those referring to the reduction of disease risk and to children's development and health and amending Regulation (EU) No. 432/2012.
- Commission Implementing Regulation (EU) No. 780/2013 of 14 August 2013 amended Commission Regulation (EU) No. 206/2010 which laid down lists of third countries, territories authorised for the introduction into the EU of certain animals and fresh meat and the veterinary certification requirements
- Commission Implementing Regulation (EU) No. 743/2013 of 31 July 2013 introduced protective measures on imports of *bivalve molluscs* from Turkey intended for human consumption
- Commission Implementing Regulation (EU) No. 716/2013 was implemented on 25 July 2013. These regulations lay down rules for the European Parliament and Council on the definition, description, presentation, labelling and the protection of geographical indications of spirit drinks.[46]
- Regulation (EU) No. 609/2013 of the European Parliament and of the Council was passed on 12 June 2013.[47] This regulation is intended for food of infants and young children, food

[44] Council Implementing Regulation (EU) No. 861/2013, OJ 2013 L 240/1.
[45] Council Implementing Regulation (EU) No. 917/2013, OJ 2013 L 253/1.
[46] (EU) No. 716/2013
[47] (EU) No. 609/2013

for special medical purposes, and total diet replacement for weight control foods. This regulation repeals Council Directive 92/52/EEC, Commission Directives 96/8/EC, 1999/21/EC, 2006/125/EC and 2006/141/EC, Directive 2009/39/EC of the European Parliament and of the Council and Commission Regulations (EC) No. 41/2009 and (EC) No. 953/2009

The EU discusses details of country of origin labelling for fresh meat of pig, poultry, sheep and goat

According to official reports, the EU Commission will soon publish proposals on country of origin labelling (COOL) for fresh pork, poultry, lamb and goat, which will create similar requirements to those already applicable to beef. Draft proposals, which the Commission appears to have disclosed to EU Member States at a meeting of the *Standing Committee on the Food Chain and Animal Health* (SCFCAH) in September 2013, would require labels on fresh meat of pig, poultry, sheep and goat to state the country or countries in which the animal was reared and where it was slaughtered, if they are not the same. However, the proposals appear not to require labels to state where the animal was born, different from what is currently required for beef.

Under current EU food labelling rules, COOL is mandatory where a failure to provide such information could mislead consumers and for a limited range of commodities such as fruits and vegetables, beef, fish, olive oil and honey.

Further, under Regulation (EC) No. 1760/2000 of the European Parliament and of the Council of 17 July 2000 establishing a system for the identification and registration of bovine animals and regarding the labelling of beef and beef products.[48] Article 13(5)(a) of an EU Regulation[49] states that operators must indicate on the labels the:

(i) Member State or third country of birth;
(ii) All Member States or third countries where fattening took place;
(iii) Member State or third country where slaughter took place.[50]

The EU and the US agreed to extend Phase II of the deal concerning the importation of '*high-quality*' beef into the EU

On 1 August 2013, the EU and the US announced an agreement to extend Phase ii of the 'Memorandum of Understanding' (MoU) regarding the importation of US 'high-quality beef' and increased duties applied by the US to certain EU products. This MoU, circulated within the WTO on 30 September 2009, settled the long-standing *EC – Hormones* WTO dispute by allowing the EU to continue its ban on beef treated with growth-promoting hormones from the US in exchange for

[48] Regulation (EC) No. 1760/2000)
[49] (EC) No. 1760/2000
[50] Fratini Vergano, Trade Perspectives, August 2013, available at http://www.fratinivergano.eu/TradePerspectives.html

increased market access to American 'high-quality beef' (*i.e.*, produced without growth-promoting hormones). In Phase I of the three-phased MoU, EU established an autonomous annual tariff rate quota (TRQ) of 20,000 tonnes of *'high-quality beef'* duty-free for in-quota imports from the US.[51]

Hungary intends limiting *trans-fats* in foodstuffs, as done by other EU Member States

On 6 July 2013, Hungary notified to the EU Commission a draft *Decree* of the Ministry of Human Resources on the highest permitted amount of trans-fats in food products, the conditions of, and inspections by, the authorities on the distribution of food products containing trans-fats and the rules for tracking the population's consumption of trans-fats.[52]

The *Brief Statement of Grounds*, which accompanied the Hungarian official notification of the draft *Decree*, states that health protection and prevention of cardiovascular diseases are among the Hungarian Government's main aims. This, as per the Hungarian Government, is the key to preventing chronic diseases is reducing or eliminating major nutritional risk factors, including the intake of trans fats, which have been proven to increase the risk of cardiovascular diseases. A number of EU Member States (such as Austria and Denmark) and other European countries (i.e., Iceland and Switzerland) have already adopted similar limitations of trans-fats in food.

The EU Commission imposes trade sanctions on the Faroe Islands in response to unsustainable herring fishing practices

On 20 August 2013, the EU Commission adopted measures to address fishing practices that the Faroe Islands engaged into with respect to *Atlanto-Scandian herring stock*.[53] The fishing practice in Faroe Islands was observed as unsustainable, thus leading to imposition of trade sanctions.[54]

VII.B. SERVICES

Aviation

As the International Civil Aviation Organization (ICAO) Assembly approaches, the EU has reportedly offered to modify the aviation component of its Emissions Trading System (ETS). The concession would remove the extraterritorial application of the ETS on aviation. The original ETS, applicable to numerous energy-intensive industries (*e.g.*, steel, mineral, and paper), was introduced through a directive establishing a scheme for greenhouse gas emission allowance trading within the Community.[55]

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[51] Fratini Vergano, Trade Perspectives, 6 September 2013, available at http://www.fratinivergano.eu/TradePerspectives.html

[52] Directive 98/34/EC
[53] Commission Implementing Regulation (EU) No. 793/2013
[54] *Id.*
[55] Directive 2003/87/EC

Earlier, in 2008, another directive[56] of the European Parliament and the Council extended the ETS to aviation as of 1 January 2012. As applied to aviation, the ETS created an aggregate cap on greenhouse gas emissions produced by all airlines flying in or out of the EU, allocated emission allowances to those airlines, and allowed for these permits to be traded among those airlines. Hence, this scheme and others like it are known as '*cap and trade*' systems. One notable exemption applies to flights originating from countries with measures limiting aviation emissions from departing flights.

The decision to extend the EU's '*cap and trade*' system to aviation sparked negative reactions from countries with airlines flying in and out of the EU. A group of over 20 countries met in Moscow on 21-22 February 2012 to discuss possible actions to be taken against this EU measure. Ultimately, examples of actions taken included China passing legislation forbidding its airlines to partake in the '*cap and trade*' system, India telling its airlines not to supply the EU with emission reports, and the US later passing legislation similar to that of China. The WTO also provides a relevant framework against which the EU's extension of the ETS could be assessed.

Energy

- On 11 September 2013, the EU Parliament voted on the EU Commission's '*Proposal for a Directive of the European Parliament and of the Council amending Directive 98/70/EC relating to the quality of petrol and diesel fuels and amending Directive 2009/28/EC on the promotion of the use of energy from renewable sources*' (EU Commission's proposal), as well as on the related amendments tabled by the EU Parliament's Committee on the Environment, Public Health and Food Safety (ENVI Committee).[57]

- The EU Commission's proposal aims at amending the '*Fuel Quality Directive*' (*i.e.*, *Directive 98/70/EC of the European Parliament and of the Council of 13 October 1998 relating to the quality of petrol and diesel fuels and amending Council Directive 93/12/EE*) and the '*Renewable Energy Directive*' (*i.e.*, *Directive 2009/28/EC of the European Parliament and of the Council of 23 April 2009 on the promotion of the use of energy from renewable sources and amending and subsequently repealing Directives 2001/77/EC and 2003/30/EC*) to minimise the impact of emissions arising from indirect land use change (ILUC) on greenhouse gas (GHG) emissions stemming from the production of biofuels (*i.e.*, the emissions created as a result of increased land demand for the production of biofuels, where such land could have been used for food, feed or fibre

[56] Directive 2009/29/EC
[57] Fratini Vergano, Trade Perspectives, September 2013, available at http://www.fratinivergano.eu/TradePerspectives.html

production) and starting the transition from biofuels produced from food crops to '*advanced biofuels*'.

- In particular, the proposal envisages a primary distinction between '*first generation*' biofuels (also called '*conventional*' biofuels, originating from food crops) and '*advanced*' biofuels (originating from alternative sources, such as forest residues, *algae* or municipal waste). On this basis, it suggests capping the contribution of '*first generation*' biofuels within the mandatory target of the '*Renewable Energy Directive*', which requires that, by 2020, 10% of the energy used in the EU for the transport sector originate from renewable sources. The EU Parliament voted that this cap be set at 6%, after increasing it from the original 5% proposed by the EU Commission. In addition, the EU Parliament voted for the introduction of a mandatory 2.5% niche for '*advanced*' biofuels. In line with the EU Commission's proposal, ILUC factors attributed to biofuels will be, at least during the '*transitional*' phase (*i.e.*, until 2020), relevant only for compliance with the monitoring and reporting requirements in the '*Fuel Quality Directive*' and the '*Renewable Energy Directive*'.[58]

As indicated above, the EU Commission's proposal is aimed at amending the EU's regulatory framework on biofuels and builds upon the regime laid down by the '*Fuel Quality Directive*' and the '*Renewable Energy Directive*' which, in relevant part, already envisage a system that classifies biofuels according to their '*sustainability*'. This is based on two drivers: (i) a requirement that GHG emissions savings from the use of biofuels amount to at least 35% of the GHG emissions that would have resulted if fossil fuels had instead been used (this threshold is foreseen to increase as of 2017); and (ii) a requirement that the land used to produce biofuels have certain characteristics, *i.e.*, that it does not have high biodiversity value nor high carbon stock. '*Sustainable*' biofuels are valid for compliance with the respective targets set by the EU framework, and eligible for financial support. The amendment suggested by the EU Commission's proposal would operate a further classification, distinguishing in the treatment of '*conventional*' biofuels and '*advanced*' biofuels in the EU.[59]

VIII. INTELLECTUAL PROPERTY

IP protection for traditional knowledge

The European Parliament has agreed to implement rules that would prevent EU companies, particularly in the pharmaceuticals sector, from exploiting the natural resources of the world's indigenous communities by recognising their 'intellectual property rights' over local biodiversity on 12 September 2013.

The Nagoya Convention on Environment, on which this rule is based, aims at regulating protection of biodiversity by setting limits on the amount of a genetic resource, such as plant or animal

[58] *Id.*
[59] *Id.*

material, that companies can exploit to make their products. The rules also confer ownership of the resources to the indigenous communities where they are found and 'intellectual property rights' to traditional knowledge associated with them. "This legislation is a real step forward. It reinforces the sharing of benefits, offers better traceability along the user chain from research to marketing, and sets up a mechanism against biopiracy," said French Green MEP Sandrine Bélier, who led the proposal through Parliament.[60]

New regulation on Customs IPR enforcement

On 1 July 2013, the *Official Journal* published a regulation of the European Parliament concerning customs enforcement of intellectual property rights.[61] The Regulation will apply from 1 January 2014, with the exception of: (a) Article 6, Article 12(7) and Article 22(3), which shall apply from 19 July 2013; and (b) Article 31(1) and (3) to (7) and Article 33, which shall apply from the date on which the central database referred to in Article 32 is in place.[62]

- The list of possible IPR infringements to be controlled by customs at the border will be wider. The new regulation includes infringements such as confusingly similar trade mark.
- The list of protected rights is extended to trade names, topographies of semiconductor products, utility models, devices to circumvent technological measures and non-agricultural geographical indications.
- The existing procedure for the early destruction of goods infringing IPR will also be made mandatory in all Member States. Until now, the early destruction of goods (applied in 50% of all detentions in 2009) was not compulsory in all EU Member States. A specific procedure for the early destruction of counterfeit and pirated goods contained in small postal consignments is also proposed.
- An alternative simple procedure is proposed for small consignments of counterfeit or pirated goods in postal and courier traffic. The person receiving the goods would be offered the possibility to agree to their destruction, without having to pay costs or fulfil formalities.
- Customs can control goods for possible IPR infringements, as well as for other reasons, as long as the goods are under their supervision. Goods that enter or leave the Union stay under customs supervision until they are released into the market or exported. In the framework of IPR enforcement, customs will only detain goods and inform the right-holder, when they have a reasonable suspicion of infringement.

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[60] Available at, http://www.euractiv.com/sustainability/lawmakers-ok-eu-biopiracy-laws-news-530425
[61] *Id.*
[62] Baker & McKenzie, International Trade Compliance Report, available at http://www.bakermckenzie.com/internationaltrade/newsletters/

New Regulations relating to Plant Protection

- Commission Implementing Regulation (EU) No 763/2013 was passed on 7 August 2013 which amended Regulation (EC) No 637/2009 regarding the classification of certain plant species for the purposes of assessing the suitability of the denominations of varieties.[63]

- Commission Implementing Regulation (EU) No 767/2013 was passed on 8 August 2013 withdrawing the approval of the active substance bitertanol, in accordance with Regulation (EC) No 1107/2009 of the European Parliament and of the Council concerning the placing of plant protection products on the market, and amending Commission Implementing Regulation (EU) No 540/2011.[64]

New Regulations on Geographical Indications

- A recent Commission Implementing Regulation was passed in August 2013, which amended previous regulations regarding protected designations of origin and geographical indications, traditional terms, labelling and presentation of certain wine sector products.[65]

IX. WTO DISPUTES

EU CHALLENGES THE RUSSIAN RECYCLING FEE ON MOTOR VEHICLES

EU sought consultations with Russia regarding Russia's recycling fee on motor vehicles, which had a negative economic impact and raised important systemic concerns for the EU. Hence, it requested for the establishment of a Panel. According to EU, the fee was imposed on imported vehicles and exempted vehicles produced in Russia and those imported from Kazakhstan and Belarus. The EU noted the Duma's recent adoption of a law amending the measures but had yet to receive any clarification regarding the implementing rules. As a reply, Russia stated it had responded to the EU's questions and had provided additional information. The respective legislation was adopted by the Duma in the first reading on 8 October 2013, and finally on 16 October 2013. The legislation, which had been signed by the Russian President, eliminated sections of the existing utilisation fee regime which the EU had referred to in its request for consultations. Russia believed that the matter could

[63] (EU) No 763/2013
[64] (EU) No 767/2013
[65] (EU) No 753/2013 of 2

be resolved through consultations and was thus not in a position to agree to the establishment of a panel.[66]

CHINA — MEASURES IMPOSING ANTI-DUMPING DUTIES ON HIGH-PERFORMANCE STAINLESS STEEL SEAMLESS TUBES ("HP-SSST") FROM THE EUROPEAN UNION

The Dispute Settlement Body, on 30 August 2013, established a panel requested by the European Union to examine Chinese measures imposing anti-dumping duties on high-performance stainless steel seamless tubes from the EU.[67]

At the request of the European Union, the Dispute Settlement Body (DSB) established a panel to examine this dispute. The EU said that anti-dumping duties imposed by China on imports of steel tubes from the EU were inconsistent with the WTO's Anti-Dumping Agreement. Consultations to resolve the matter had failed, hence the EU's request for the establishment of a panel. China said that the imposition of the anti-dumping measure was consistent with its obligations under WTO rules.[68]

RUSSIA REJECTS EU PANEL REQUEST ON RECYCLING FEE FOR CARS

Russian Federation raided objections to the EU Panel request. The Dispute Settlement Body on 22 October 2013 deferred the establishment of a panel to examine the European Union's complaint over Russia's recycling fee on motor vehicles. The EU said that it was concerned about Russia's recycling fee on motor vehicles, which had a negative economic impact and raised important systemic concerns; hence its request for the establishment of a panel. The fee was imposed on imported vehicles and exempted vehicles produced in Russia and those imported from Kazakhstan and Belarus. The EU noted the Duma's recent adoption of a law amending the measures but had yet to receive any clarification regarding the implementing rules. Russia said that it regretted the EU's request for the establishment of a panel and added that it had responded to the EU's questions and had provided additional information.[69]

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[66] World Trade Organization News Update, available http://www.wto.org/english/news_e/news13_e/dsb_22oct13_e.htm
[67] World Trade Organization News Update, available at http://www.wto.org/english/news_e/news13_e/dsb_26aug13_e.htm
[68] *Id.*
[69] World Trade Organization News Update, available at, http://www.wto.org/english/news_e/news13_e/dsb_22oct13_e.htm

ANNEXURE A

TECHNICAL BARRIERS TO TRADE

COUNTRY	NOTIFICATION NO.	DATE	CATEGORY
EU	EU/141	8/8/2013	L-Category Motor Vehicles
EU	EU/142	8/9/2013	Pressure Equipment
EU	EU/84/Add.1	9/9/2013	Foods containing spelt and khorasan; foods and food ingredients with added phytosterol, phytosterol esters, phytostanols and/or phy-tostanol esters
EU	EU/143		Foods containing spelt and khorasan; foods and food ingredients with added phytosterol, phytosterol esters, phytostanols and/or phy-tostanol esters
EU	EU/144	9/11/2013	Foods with ingredients present in the form of 'engineered nanomaterials'
EU	EU/145	9/12.2013	1,4-dichlorobenzene used in air fresheners and toilet deodorisers
EU	EU/146	9/19/2013	Small, medium and

			large power transformers
EU	EU/147	9/20/2103	Subsystem 'infrastructure' of the rail system in the European Union
EU	EU/152	9/25/2013	Biocidal Products
EU	EU/153	9/25/2013	Biocidal Products
EU	EU/148	9/24/2013	Biocidal Products
EU	EU/150	9/23/2013	Biocidal Products
EU	EU/151	9/24/2013	Subsystem 'energy' of the rail system in the European Union
EU	EU/154	9/27/2013	Passenger rolling stock and rail infrastructure

Source: WTO notifications