

EU FTA Policy Developments

September 2013 Report (covering developments July – August 2013)

The information in this report is designed to provide a general understanding of the issues discussed and is not intended as legal advice.

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TTIP NEGOTIATIONS

EU PERSPECTIVES

- First round of negotiations
- Debriefing of EU stakeholders

US PERSPECTIVES

- First round of negotiations
- Hearing on regulatory barriers and stakeholder input

EU perspectives

Introduction

The first round of TTIP negotiations was held during the week of 8 July 2013, around the time the PRISM scandal exploded, with related discussions/developments as a result. Following the first round, a debriefing also took place with EU stakeholders.

Below, we discuss the key TTIP developments from an EU perspective during July and August 2013, noting that August is traditionally a very quiet month in EU institutions.

TTIP – Key monthly developments

i) July 2013

On 1 July 2013, Lithuania took over the rotating EU Presidency from Ireland, which it will hold until 1 January 2014, when the Presidency will be passed to Greece. Lithuania's President identified the TTIP negotiations as one of the key priorities on the **Lithuanian Presidency agenda**.¹

On 4 July 2013, the **European Parliament** adopted a **Resolution expressing concern over PRISM and other surveillance programmes**, and called on the US authorities to provide them with full information on recent spying allegations. The Resolution further states that the European Parliament's Civil Liberties ("LIBE") Committee will gather information and evidence from both US and EU sources in a series of twelve meetings (a first hearing will take place on 5 September 2013) and present its conclusions in a further resolution by the end of the year. The Resolution also calls on the European Commission to ensure that EU

¹ See <http://www.eu2013.lt/en/news/pressreleases/dalia-grybauskaite-to-meet-with-us-president-barack-obama>.

data protection standards are not undermined as a result of the TTIP, adding however that it would be "unfortunate" if EU-US trade talks were to be affected by recent allegations.²

The **first round of TTIP negotiations** took place on 8-12 July 2013. The goal of this first round was to cover all of the major areas that may be addressed during negotiations and to share initial thoughts about how to approach these issues and discuss each side's priorities. 15 different working groups were set up, with each of these groups aiming to identify required efforts to make progress between the first and the second round of negotiations.³ Joint EU-US statements show that the TTIP negotiating groups that met on 8 July discussed investment, government procurement, cross-border services, textiles, rules of origin, energy and raw materials, and legal issues, while negotiating groups meeting on 9 July discussed SPS measures, market access and industrial goods, government procurement, cross-border services, investment, and energy and raw materials.⁴ The negotiating groups on labour and environment were also scheduled to hold a joint session. On 10 July, EU and US negotiators continued discussions on regulatory issues, SPS measures, e-commerce and telecommunications, IPRs, investment, labour, and SMEs. Meetings to consult non-governmental stakeholders were also held on that day with the aim of providing more transparency.⁵ Negotiating groups responsible for the following areas met on 11 July: SPS measures, agricultural market access, investment, dispute settlement, the environment, financial services, competition, labour, customs/trade facilitation, and SOEs, while the negotiators continued discussions on agricultural market access, financial services and environment on 12 July.⁶

The Chief Negotiators for the EU and the US made a series of important statements during the press conference held at the closing of the first round.⁷ According to the EU's Chief Negotiator, Ignacio Garcia-Bercero, the first TTIP negotiating round "paved the way for a substantive second round of negotiations to be held in Brussels". It was, however, also recognised by the European Commission that a number of divergences had been identified for which both sides had started to explore resolutions.⁸ On the other hand, environmental rules and the protocol on rules of origin were identified as areas with potentially a relatively high level of convergence.

With respect to regulatory issues, it was emphasised at the press conference that the purpose of negotiations was not about harmonising rules upwards or downwards, but to identify those areas where both Parties achieve the same objective.⁹ It was further

² See <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+TA+P7-TA-2013-0322+0+DOC+XML+V0//EN> and <http://www.europarl.europa.eu/news/en/pressroom/content/20130701IPR14770/html/Parliament-to-launch-in-depth-inquiry-into-US-surveillance-programmes>.

³ The number of groups may vary as negotiations continue, as these working groups do not necessarily correspond to the future architecture of the TTIP. The approach of the different groups on how to continue talks between the two negotiation rounds will vary, and there will reportedly not be any "mini-rounds" in between negotiating rounds. See closing statements of the EU and the US Chief Negotiators made at a press conference after the first round at <http://ec.europa.eu/avservices/video/player.cfm?ref=1080652>, <http://ec.europa.eu/avservices/video/player.cfm?ref=1080650>, and <http://ec.europa.eu/avservices/video/player.cfm?ref=1080651>.

⁴ See <http://trade.ec.europa.eu/doclib/press/index.cfm?id=936>.

⁵ EU Chief Negotiator Ignacio Garcia-Bercero clarified in closing remarks after the first TTIP round that a meeting to update and exchange views with the EU's civil society organisations on the issues brought up during this first round of negotiations would be organised in Brussels on 16 July 2013.

⁶ See <http://trade.ec.europa.eu/doclib/press/index.cfm?id=939>.

⁷ See <http://ec.europa.eu/avservices/video/player.cfm?ref=1080437>.

⁸ See <http://trade.ec.europa.eu/doclib/press/index.cfm?id=941>.

⁹ See also http://trade.ec.europa.eu/doclib/docs/2013/july/tradoc_151605.pdf.

announced that the TTIP parties plan to discuss a US proposal for holding a meeting in the Transatlantic Economic Council (TEC) (i.e. separate from TTIP negotiations) which would also handle regulatory issues.

During negotiations, the EU was reportedly pressing the US to put more emphasis on the involvement of independent regulators in the negotiations. However, during the press conference, both Parties stated that regulators from a variety of agencies had been involved in negotiations. For the US, it was reported in the press that this included representatives from the Food and Drug Administration, the Environmental Protection Agency, the Federal Telecommunications Commission and the Department of Transportation. For the EU, representatives of the Commission's Directorates-General for Health and Consumers, Agriculture and Rural Development, Internal Market and Services, and Enterprise and Industry were present during negotiations.¹⁰

The Parties also stated that they devoted "considerable time" to discussing certain SPS issues, but concrete results were not reported in that respect. For example, despite extensive SPS discussions, the EU did not receive any assurances from the US that it will move forward on the ban of beef imports.¹¹

In the services area, the Parties still need to determine whether the schedule of commitments will be based on a positive list approach (listing those areas that are covered by the commitments) or a negative list approach (listing areas that are expressly exempted). The EU prefers the positive list approach in services negotiations.¹²

At the press conference, it was also clarified that both Parties support the inclusion of investor-state dispute settlement provisions in the TTIP, but there seems to be present divergence on which type of investment protections should be included. The EU Chief Negotiator reiterated that investor-state dispute settlement provisions should not allow investors to unfairly undermine regulations and that the challenge is to strike the "right balance" between the rights of regulators and of investors.

In parallel with the start of the first round of negotiations, a first meeting of the **EU-US working group on data protection and privacy** took place on 8 July.¹³ This timing would meet the earlier demands of the French President François Hollande that the spying allegations and the free trade talks be discussed at the same time.¹⁴ The EU is represented in the working group by the Commission, the Lithuanian Presidency and the EU's External Action Service. However, because national security issues fall under the jurisdiction of the EU Member States (and not the European Commission), the specific issue of intelligence gathering will be discussed between the US and the EU Member States. It was also announced that a high-level meeting between US and German security officials would take place to discuss the spying allegations in greater detail. The spying allegations were not discussed during the first round of TTIP negotiations. Nevertheless, during the press conference held at the closing of the round, the EU explicitly stated that it does not intend to compromise in the area of EU privacy protections. A second meeting to address data

¹⁰ See <http://insidetrade.com/201307112440403/WTO-Daily-News/Daily-News/us-eu-talks-in-initial-phase-but-wont-be-limited-in-scope-negotiator/menu-id-948.html>.

¹¹ See <http://insidetrade.com/Inside-US-Trade/Inside-U.S.-Trade-07/19/2013/sps-highlighted-in-first-ttip-round-but-few-signs-of-progress-emerge/menu-id-172.html>.

¹² See <http://insidetrade.com/201307112440403/WTO-Daily-News/Daily-News/us-eu-talks-in-initial-phase-but-wont-be-limited-in-scope-negotiator/menu-id-948.html>.

¹³ See http://europa.eu/rapid/press-release_MEMO-13-664_en.htm.

¹⁴ See <http://online.wsj.com/article/SB10001424127887324399404578585911375933112.html>.

protection and privacy took place in Brussels on 22-23 July 2013. During this meeting, the US reportedly re-explained that the PRISM programme has a legal basis. The group of experts will meet again in the US in the second half of September.

On 11 July 2013, the EU and the US announced that they had reached “a Common Path Forward” on how to approach cross-border derivatives.¹⁵ The aim of this **agreement on derivatives rules** is to avoid that separate EU and US rules applicable to derivatives trading and implementation pursue the same objectives and generate the same outcomes. However, the EU Chief Negotiator emphasised that this deal does not affect the EU’s aim to secure a new framework for coordinating financial services reforms in the context of TTIP negotiations.

While, as noted in our previous report, the adopted **EU negotiating mandate** was leaked and published on the internet,¹⁶ the French Minister for External Trade Nicole Bricq addressed a letter to EU Trade Commissioner De Gucht, asking the European Commission to officially publish the negotiating mandate. The Minister protested against the fact that the mandate was made public through other channels and thus accessible to American readers, but was not made public by the Commission to European companies and other economic players. The Commission spokesman for trade replied that such a decision could only be taken by the EU Council.¹⁷

Following a question raised by a Member of the European Parliament (MEP) regarding the future provisions on **intellectual property rights** and other issues¹⁸ in the TTIP, the Commission clarified on 15 July 2013 that it is not the objective of the EU to align intellectual property regimes or to include “ACTA-like internet provisions” in the FTA. Rather, the Commission aims to identify a number of specific issues where divergences will be addressed. The Commission also clarified that basic legislation, such as legislation relating to GMOs, will not be part of negotiations. In response to a question on the effects on existing bilateral agreements, the Commission stated that it is at this stage not clear whether certain bilateral agreements might be updated through the TTIP, but that the TTIP will replace the Bilateral Investment Treaties (BITs) concluded between the individual EU Member States and the US.¹⁹

As part of the European Commission’s transparency efforts, the Commission hosted a so-called **Civil Society Dialogue** with participants from NGOs, industry associations, trade unions and other bodies on 16 July 2013. The aim of this dialogue was to **debrief stakeholders on the first negotiating round**.²⁰ The Commission explained the three pillars which will form the basis of the TTIP: 1) Market Access (including goods, services, investment, public procurement, and Rules of Origin); 2) Regulatory Areas (covering cross-cutting disciplines, TBT, SPS and several economic sectors); and 3) Trade Rules (which covers IP, GIs, energy and raw materials, competition, SOEs, customs and trade facilitation, and sustainable development). Stakeholders from a wide range of organisations/sectors then raised questions and concerns: the European Trade Union Confederation, various animal and environmental protection groups, the European Patent Office, EU wine growers, audiovisual authors, the European Broadcasting Union, the European Services Forum,

¹⁵ See http://europa.eu/rapid/press-release_MEMO-13-682_en.htm.

¹⁶ See http://www.europolitics.info/pdf/gratuit_en/339750-en.pdf.

¹⁷ See <http://www.reuters.com/article/2013/07/29/us-france-eu-trade-us-idUSBRE96S0LG20130729>.

¹⁸ See <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+WQ+E-2013-006178+0+DOC+XML+V0//EN>.

¹⁹ See <http://www.europarl.europa.eu/sides/getAllAnswers.do?reference=E-2013-006178&language=EN>.

²⁰ See http://trade.ec.europa.eu/doclib/docs/2013/july/tradoc_151656.pdf.

ethanol producers, the European Telecommunications Network Operators, the egg/poultry/game sector, the dairy sector, the fruit and vegetable sector, the SME organisation EuroChambers, the retail sector organisation EuroCommerce, EU fertiliser producers, the software sector, the EU's umbrella agricultural organisation COPA-COGECA, the European Committee for Standardisation, the European consumer organisation BEUC, and the generic medicines sector. A summary of the Commission's comments to these questions is given here:

- The Commission informed stakeholders that no agreement has been reached yet on the **list of sectors** that will be covered during TTIP negotiations on services or on regulatory cooperation.
- With respect to **Rules of Origin**, it was too early to comment on these, and on the question of cumulation of origin with certain third countries.
- With respect to **TBT issues**, the Commission stated that the US raised specific concerns regarding the criteria in the EU's Renewable Energy Directive for granting tax advantages for biofuels, but that the EU's overall policy and the Directive itself were not put into question.
- As regards **SPS matters**, the Commission emphasised that it has consistently defended, and will continue to defend, the precautionary principle. Addressing concerns in particular from the eggs, poultry and game sectors, it also said it will take into account the EU commitments made in negotiations with other third countries and multilaterally, and their cumulative effects.
- In the area of **Geographical Indications** (GIs), the Commission stated that the EU side made it very clear to the US that GI protection is imperative and that the EU is planning to identify the shortcomings in the US system of protection of GIs in the next round of negotiations.
- With respect to **sustainable development**, the EU tends to include labour and environment in an integrated sustainable development chapter, while the US usually negotiates these topics separately. These areas are usually also subject to specific dispute settlement mechanisms in EU FTAs, while US FTAs apply the standard dispute settlement procedures. The Commission emphasised that the TTIP negotiations would not be used to lower standards, but rather to try to lower implementation costs for regulators and businesses.
- On **public procurement**, the Commission is monitoring the flow of funds from US federal to state levels in the run-up to the preparation of the EU's offer in this area.
- On **investment protection**, the EU will ensure that no TTIP provision would be accepted that would conflict with the European Charter of Fundamental Rights.
- As regards the support for **Small- and Medium-Sized Enterprises** (SMEs), the Commission clarified that the EU and the US intend to build upon the EU-US dialogue in the framework of the Transatlantic Economic Council (TEC) and create information mechanisms or structures that would help SMEs to benefit from a future agreement.

- The Commission said **software patents** had not been discussed, and that the EU has no interest in including this in the TTIP negotiations.
- The Commission is considering setting up a **group of expert advisors** with access to more detailed information on the issues discussed during each round, similar to current practice in the US. The Commission is also reflecting on organising an event with stakeholders in October or November in the margins of the second round of negotiations.

On 16 July 2013, EU Energy Commissioner Oettinger stated that TTIP negotiations provide a “real opportunity to take the joint lead in setting the rules and standards for the global **energy market**”. The Commissioner also emphasised that the fact that the EU and US energy markets are diverging in terms of import dependency on hydrocarbons (with prospects of the US being a net exporter of gas by 2020, while the EU is expected to increase its imports of petrol and its reliance on imported gas) may create opportunities for an increased energy partnership and transatlantic energy trade.²¹

Also on 16 July 2013, Michel Barnier, the EU Commissioner for the Internal Market and Services, in his Washington speech to the Transatlantic Policy Network, emphasised that the TTIP needs to cover **financial regulation**.²² As noted in our previous report, the US prefers to tackle regulatory convergence with respect to financial services in a parallel forum in order to avoid TTIP making demands on US regulatory agencies that act independently and possibly derailing similar processes in the G20 and the Financial Stability Board.²³ According to Barnier, on the other hand, inclusion of financial regulation in TTIP would enable both parties to implement commitments made at the G20 “more quickly” and “deeply” than if handled in “two channels” (i.e. in the TTIP and a parallel forum).

Similar concerns on financial services were expressed by MEP Sharon Bowles (a member of the Alliance of Liberals and Democrats (ALDE) and Chair of the European Parliament’s Committee on Economic and Monetary Affairs) on 17 July 2013, when she observed that there was “a lot of pushback from the US Treasury and regulators” to the EU’s demand that financial services be included in TTIP negotiations. While welcoming the bilateral agreement recognising each other’s derivatives rules (reached on 11 July 2013 – see above), the MEP noted that more work is needed to improve data flows between trade repositories.

Barnier, in the fringes of his 16 July speech, also stated that the EU intends to address the US’ use of preferential, multi-year **public procurement** contracts that use a set list of suppliers (known as “task and delivery orders” in the US or “framework agreements” in the EU) in the TTIP negotiations. According to one EU source, the Commission will likely press the US to reduce the length of these multi-year contracts.²⁴

On 17 July 2013, the EU’s Joint Research Centre (JRC) and the US National Institute of Standards and Technology (NIST) announced **extended scientific cooperation on standards and measurements**, noting that this cooperation was of particular relevance in the TTIP context.²⁵ The cooperation agreement covers 10 areas, (i) environment and climate, (ii) energy, (iii) transport, (iv) security, (v) healthcare and clinical measurements, (vi) food safety and nutrition, (vii) nanotechnology, (viii) civil engineering structures, (ix)

²¹ See http://europa.eu/rapid/press-release_SPEECH-13-642_en.htm.

²² See http://europa.eu/rapid/press-release_SPEECH-13-643_en.htm.

²³ See <http://insidetrade.com/Inside-US-Trade/Inside-U.S.-Trade-07/19/2013/barnier-says-ttip-deal-wont-work-if-it-leaves-out-financial-regulations/menu-id-172.html>.

²⁴ See <http://insidetrade.com/201307172440969/WTO-Daily-News/Daily-News/eu-wants-to-address-multi-year-procurement-contracts-in-ttip-official/menu-id-948.html>.

²⁵ See http://ec.europa.eu/dgs/jrc/downloads/jrc_20130717_newsrelease_nist_en.pdf.

emerging Information and communication technologies (ICT), and (x) marine optical radiometry. The arrangement creates an overarching framework for a cross-Atlantic cooperation on standards and measurements, and serves as an example of global standard setting. However, it does not resolve the regulatory barriers in these technical areas, which US and EU TTIP will need to address; rather, it informs the negotiators of possible avenues for cooperation that could lead to the elimination of such regulator barriers.

On 17 July 2013, APCO Insight published a **survey of policymakers and key influencers** in the EU and the US, which revealed significant support for a TTIP but also highlighted a high level of divergence on regulatory issues such as GMOs and data protection.²⁶ The opinions expressed emphasise the importance of trade associations in the success or failure of TTIP, and noted that the food and retail associations are the most effective in their lobbying activities.

On 19 July 2013, the French and German justice ministers published a joint statement urging the EU to take swift action on the **data protection** package that is currently being discussed in the European Parliament's LIBE Committee, stating that "access to personal data by foreign authorities [...] must be very strictly framed and tightly controlled". Justice Commissioner Reding reacted to this joint statement by stating that "this will be a strong argument to tell the Americans that we say 'no' to the free exchange of Europeans' data".²⁷

The Bertelsmann Foundation recently published a **study examining the macroeconomic effects of the TTIP**, which surfaced in the EU press in July. The study finds that a liberalisation of tariffs and NTBs would increase the average global per capita income, but also that TTIP would have a significant impact on global trade, with the traditional trading partners of both sides (such as Australia, Canada, Chile, Mexico and Japan) experiencing substantial losses.²⁸

The European Commission presented a **list identifying the EU's lead negotiators** and the subject areas for TTIP negotiations on 24 July 2013.²⁹ This list of subject areas does not completely match the list of lead negotiators and negotiating areas released by the US.³⁰ This could indicate that the parties have not yet reached full agreement on the areas that will be covered during negotiations.

On 30 July 2013, Commissioner De Gucht replied to a question raised by an MEP on the protection of **employment and social rights** in the TTIP, explaining that the Commission aims to build on the key elements of the EU trade and sustainable development chapters it has concluded so far with other countries. With respect to an **Investor-State Dispute Settlement** mechanism, the Commission confirmed that it aims to prevent the abuse of such a mechanism by including language on frivolous claims and a number of safeguards.³¹

On 8 August 2013, **Greek Prime Minister Samaras**, while visiting President Obama, noted that Greece (which will hold the **EU Presidency in the first half of 2014**) "will try to do as

²⁶ See <http://www.euractiv.com/trade/eu-us-survey-reveals-massive-sup-news-529358> and <http://trademarks.apcoworldwide.com/>.

²⁷ See <http://www.lithuaniantribune.com/45375/germany-and-france-call-for-discussions-on-response-to-us-spying-201345375/> and <http://www.totaltele.com/view.aspx?C=0&ID=482426>.

²⁸ See http://www.bertelsmann-stiftung.de/cps/rde/xbcr/SID-A14C40D0-E01F6DF5/bst_engl/xcms_bst_dms_38061_38062_2.pdf.

²⁹ See http://trade.ec.europa.eu/doclib/docs/2013/july/tradoc_151668.pdf.

³⁰ See <http://www.ustr.gov/sites/default/files/lead%20negotiators%20list%20TTIP.pdf>.

³¹ See <http://www.europarl.europa.eu/RegistreWeb/search/simple.htm?language=EN&fulltext=&reference=E-006958%2F2013&relName=&auteurSearch=&codeTypeDocuSearch=&datepickerStart=&datepickerEnd=>.

much as [it] can [...] in order to -- with the help of the Italian presidency that will follow – in order to be able to conclude the [TTIP].³²

US perspectives

Introduction

We provide below information about and analysis of civil society stakeholder input and US officials' actions in regard to TTIP during July and August 2013.

TTIP – Key monthly developments

i) July 2013

The Business Coalition for Transatlantic Trade (BCTT), a pro-TTIP coalition of large US firms and industry organisations, has issued several position papers³³ on objectives for a successful conclusion of TTIP talks in the following areas:

- **Goods:** (i) elimination of import tariffs, (ii) achievement of a relaxed rule of origin (ROO), (iii) cumulation in such ROO, (iv) elimination of all fees on trade in goods, (v) reaffirmation of non-discrimination disciplines (e.g., national treatment and most favoured nation provisions), and (vi) elimination of all NTBs, including those that lead to forced localisation;
- **Competition Policy:** (i) identification and formalisation of transparency and due process obligations in antitrust proceedings, (ii) codification of OECD and International Competition Network (ICN) merger review best practices, and (iii) address the challenges posed by the different levels of legal privilege extended to the lawyer-client relationship in the European Union, the United States and individual EU member nations;
- **Digital Trade:** (i) expansion of existing rights and obligations to contribute to a better transatlantic market of commerce and ideas, including a flexible framework for cooperation on privacy and security matters, (ii) building on the framework of the EU-US Trade Principles for Information and Communication Technology Services to establish a binding framework and ensure consistent and predictable rules, (iii) result in ambitious commitments in sectors critical to the functioning of the present and future digital economy, and (iv) strengthening existing joint mechanisms to emphasise the importance of digital trade;
- **Intellectual Property:** (i) maintenance and promotion of existing IP frameworks, (ii) addressing issues that hinder IP protection and enforcement, (iii) assessing and addressing areas where both parties can accomplish job creation through better IP enforcement, (iv) ensuring that the rights of IP holders are protected from, inter alia, inappropriate disclosure, (v) ensuring that TTIP allows for better protection of US and

³² See http://insidetrade.com//index.php?option=com_iwpfile&file=aug2013/wto2013_2529.pdf.

³³ See <http://www.transatlantictrade.org/issues/>.

EU IP outside the bilateral relationship, and (vi) pursuit of cooperative efforts to establish effective standards for IP protection and enforcement;

- **Investment:** (i) covering all investment and investors across the parties, (ii) opening transatlantic investment by requiring the US and EU to accord non-discriminatory treatment to each other's investors and investments, except in exceptional cases, (iii) including high-standard, strong provisions protecting both parties' investments and investors with respect to national treatment, expropriation, performance requirements, transparency, treatment of senior boards, and free flow of capital, (iv) incorporating enforcement of investment provisions through neutral tribunals, and (v) promoting global investment standards and practices;
- **Mobility and Visa Issues:** (i) streamlining the ability of both parties' citizens to travel between them, (ii) expedition of visa proceedings for intra-company international employee transferees, specialised professionals and traders and investors, (iii) expedition of visa proceedings for businesspeople and frequent travellers, and (iv) regularising professional standards on both sides of the Atlantic to facilitate movement of professionals;
- **Procurement:** (i) tackling market access barriers beyond the requirements of the Agreement on Government Procurement (GPA), (ii) ensuring an open, transparent, non-discriminatory and efficient government procurement process, (iii) exploring expanded means of coverage that go beyond GPA, and (iv) creating new high-level standards to increase access to procurement markets on all levels of government and serving as an example for future international agreements;
- **Regulatory Cooperation:** (i) strengthening of existing regulatory frameworks, (ii) attempting equivalence in regulations wherever possible, and providing transparent justifications if not, (iii) creation of a governing process to guide regulatory cooperation, (iv) creation of a framework for TTIP to be a "living agreement", which will allow both regulatory autonomy and an ongoing process of regulatory cooperation, (v) broader transatlantic and international agreement on regulations and standards, and (vi) developing detailed sector-specific standards whenever possible;
- **Services:** (i) defining limitations on market access as narrowly as possible, (ii) including all future services that are currently unforeseeable, and taking into account integrated services, and (iii) establishing universal rules enshrining free competition in data flows, localisation, performance requirements, business operations, universal service requirements, state-owned/supported enterprises, transparency and licensing;
- **Supply Chain, Customs and Trade Facilitation:** (i) harmonisation of effective customs procedures, (ii) improvement to clearance procedures, (iii) coordination of multilateral inspection procedures, (iv) creation of a single venue for customs information depositions, (v) elimination of redundancy in data, (vi) commitment by parties to jointly developing future border processes, (vii) streamlining existing trusted trader programs, (viii) streamlining duty drawback procedures, (ix) raising the baseline de minimis threshold to at least USD 800, (x) creation of a mechanism to streamline cross-border supply chain connectivity, (xi) creation of an expedited procedure for express shipments, (xii) simplification and alignment of free-trade zone proposals, and (xiii) designation of a single regulatory agency to facilitate trade; and

- **Other Issues:** BCTT aims for a streamlining of sanitary and phytosanitary measures, as well as other issues relating to food and agriculture.

On 3 July 2013, President Obama and German Chancellor Angela Merkel discussed the reports of **surveillance activities conducted by the US National Security Agency**, which reportedly have targeted EU citizens, among others. They agreed to hold a high-level US-German meeting to discuss such surveillance, and reaffirmed their support for a US-EU/EU Member State dialogue on the collection and oversight of intelligence and matters relating to privacy and data protection. US spy programs have imperiled the viability of the EU-US Safe Harbor Framework,³⁴ which allows for the offshoring to the United States of certain EU customer data for processing. Cross-border data flows are a priority area for US FTA negotiators, such that EU concerns over privacy and data protection in light of US spy programs make difficult EU-US TTIP negotiations in this area.

On 5 July 2013, **USTR** issued a **press release**³⁵ announcing the **lead US negotiators** for the distinct areas under TTIP. USTR has named 24 negotiators divided between (i) overall coordination, and (ii) negotiating area leads.

On 8 July 2013, USTR Froman gave remarks³⁶ opening the **TTIP First Round Plenary**, outlining the opportunities TTIP presents. Several influential industry coalitions provided the following **reactions** to USTR Froman's remarks:

- The **Business Roundtable (BR)** urged³⁷ US and EU leaders to negotiate an agreement that eliminates trade and investment barriers and promotes regulatory cooperation. BR also emphasized the importance that the US Congress pass Trade Promotion Authority (TPA);
- The **American Chemistry Council** noted³⁸ that the elimination of tariffs on chemicals would greatly benefit downstream industries, and enhanced US-EU regulatory cooperation leading to a reduction in non-tariff barriers would significantly reduce costs for governments and industry; and
- The **Software Alliance** reaffirmed³⁹ their desired negotiating outcomes: (i) ensure data can flow across borders unimpeded; (ii) cover current and future innovative services; (iii) forswear forced localisation requirements; (iv) uphold robust intellectual property protections; (v) open up government procurement; (vi) keep state-owned enterprises on a level playing field; (vii) follow industry's lead on technology standards; and (viii) promote mobility for skilled labour.

On 8 July 2013, **31 trade-sceptic US civil society groups** sent a **letter**⁴⁰ to President Obama (along with EU Commission President Juan Manuel Barroso and President Herman Van Rompuy), **expressing concern** over and opposition to "the use of behind-closed-door trade negotiations to change and lower public interest measures for the sake of commercial

³⁴ See <http://export.gov/safeharbor/eu/index.asp>.

³⁵ See http://www.ustr.gov/sites/default/files/lead%20negotiators%20list%20TTIP_0.pdf.

³⁶ See <http://www.ustr.gov/about-us/press-office/speeches/transcripts/2013/july/amb-froman-ttip-opening-plenary>.

³⁷ See <http://businessroundtable.org/news-center/americas-business-leaders-welcome-launch-of-u.s.-eu-trade-negotiation/>.

³⁸ See <http://www.americanchemistry.com/Media/PressReleasesTranscripts/ACC-news-releases/ACC-Comments-on-First-Round-of-TTIP-Negotiations.html>.

³⁹ See <http://www.bsa.org/news-and-events/news/2013/july/en07092013ttip>.

⁴⁰ See <http://www.citizen.org/documents/public-citizen-letter-to-obama-alerting-to-tafta-concerns.pdf>.

interests.” The Group urged (i) no investor-state dispute settlement mechanism, (ii) preservation of food safety standards, (iii) preservation of financial regulation, (iv) access to medicines and innovation on the internet, (v) climate security, (vi) safe drugs, medical devices and chemicals, and (vii) effective regulation of emerging technologies. Such trade-sceptic civil society groups as Public Citizen have lodged similar secrecy-related complaints in the context of the ongoing Trans-Pacific Partnership negotiations, without acknowledging the difficulty that 100 per cent transparency would constitute for trade negotiators.

On 8 July 2013, **Friends of the Earth** issued an **open memorandum**,⁴¹ **warning of TTIP’s potential negative effect on the environment**. The memorandum urges US TTIP officials not to seek elimination of such regulations as those relating to food safety, genetically-engineered organisms and toxic chemicals. Friends of the Earth is a relatively small organisation, but its stance in regard to international trade complements those of the Sierra Club and the Institute for Agriculture and Trade Policy.

On 11 July 2013, a bipartisan group of **24 House lawmakers** sent a **letter**⁴² **to USTR Froman**, emphasising the importance of addressing through TTIP the regulatory differences in the US and EU **financial sectors**. They asserted that TTIP presents the “opportunity to compliment and build-on existing efforts in other forums to reconcile these differences, align our approaches to regulatory reform, increase the efficiency of our financial markets, and enhance financial stability.” USTR Froman later remarked on 16 July 2013 following discussions with European Commissioner for Internal Market and Services Michel Barnier that the Obama Administration supports the inclusion of financial market access issues in TTIP parallel to discussion in such fora as the G-20 and international standard-setting bodies. He also noted that the Obama Administration does not wish to undermine through TTIP the ability of EU and US financial sector regulators to regulate in the public interest.

On 11 July 2013, the USTR released a press statement⁴³ describing its efforts⁴⁴ in hosting a series of **stakeholder engagement events** to inform US negotiating positions. USTR provided a list⁴⁵ of the registered stakeholders that participated in these events.

On 11 July 2013, three representatives of the **New Democrat Coalition**⁴⁶ sent a **letter**⁴⁷ **to USTR Froman**, commending President Obama for having announced the launch of TTIP negotiations, but also adding that **Trade Promotion Authority (TPA) legislation will be critical to the finalization of TTIP**. Among its other purposes, TPA legislation has typically served as the negotiating mandate, providing USTR with desired negotiating outcomes; lawmakers are becoming increasingly uneasy that USTR is negotiating both TTIP and TPP without such negotiating mandate in effect.

On 12 July 2013, the United States and the EU concluded the **first round of negotiations** on the TTIP agreement, with US reports confirming discussions in 20 different areas including, (i) market access for agricultural and industrial goods, (ii) government procurement, (iii) investment, (iv) energy and raw materials, (v) regulatory issues, (vi) sanitary and phytosanitary measures, (vii) services, (viii) intellectual property rights, (ix)

⁴¹ See http://libcloud.s3.amazonaws.com/93/b0/6/3031/ISSUE_BRIEF_TAFTA_overview_3.pdf.

⁴² See http://images.politico.com/global/2013/07/11/ttip_financial_services_letter.html.

⁴³ See <http://www.ustr.gov/about-us/press-office/blog/2013/july/stakeholder-events-ttip>.

⁴⁴ See <http://www.ustr.gov/sites/default/files/07112013%20Presenter%20Schedule.pdf>.

⁴⁵ See <http://www.ustr.gov/sites/default/files/07112013%20List%20of%20Registered%20Organizations.pdf>.

⁴⁶ See <http://newdemocratcoalition-kind.house.gov/>.

⁴⁷ Letter available upon request.

sustainable development, (x) small- and medium-sized enterprises, (xi) dispute settlement, (xii) competition, (xiii) customs and trade facilitation, and (xiv) state-owned enterprises.⁴⁸ The USTR also brought in private sector entities to participate, to advise the parties, and to weigh in on any specific issues they had through stakeholder meetings.⁴⁹

Following the round, **USTR Froman** remarked that the “inaugural round marked an important step in transatlantic relations. During [...] meetings, each side presented to the other its ideas on how to proceed, how various chapters might be addressed, and how specific issues might be dealt with in an agreement.” Also following the first round, **Chief US TTIP Negotiator Assistant USTR (AUSTR) Dan Mullaney** briefed US lawmakers on progress made.⁵⁰ In separate remarks⁵¹ on specific issues under TTIP, AUSTR Mullaney (i) noted that US and EU officials spent “considerable time” on SPS-related matters, (ii) appeared to hint that USTR favours engaging its EU counterparts on financial sector issues on a parallel track, e.g., through G-20 dialogues, and (iii) asserted that USTR is confident that the NSA spying scandal will not prevent the parties from agreeing on rules to govern cross-border data flows. He also confirmed that the current EU negotiating mandate’s exclusion of audiovisual services and EU officials’ public declarations that the EU will not negotiate on sensitive SPS issues will not prevent USTR from engaging EU officials in these and other sensitive areas.

On 17 July 2013, the US-based **Farm Foundation Forum** organised a seminar on **food and agricultural issues** in TTIP negotiations. During this seminar, stakeholders provided a sampler of what negotiators will be debating with respect to **Geographical Indications (GIs)**. It was noted that the EU will likely demand that EU-approved GIs cancel out US-issued trademarks; that EU GIs that are considered generic terms in the US (such as Feta cheese and Parmesan) be protected as EU intellectual property; and that there is (automatic) recognition for all existing and future EU GIs by the US.⁵² With respect to **Genetically Modified (GM) food**, US stakeholders argued that the long backlog in approving imports of GM foods into Europe should be reduced. US stakeholders also proposed that the EU’s “technical solution” which permits a low-level presence of unapproved GM feed should be expanded to cover GM food and seed as well. Lastly, it was also argued that TTIP should harmonise **customs procedures, lower EU tariffs, EU non-tariff barriers and EU export subsidies in the dairy sector**.⁵³

The **Congressional Research Service (CRS)** issued a report on 23 July 2013,⁵⁴ providing an overview of major issues and challenges facing Congress in the TTIP negotiations. In light of Congress’ constitutional role in regulating international trade, the report includes explanations of major issues and challenges in such TTIP areas as (i) market access, including tariffs and cultural exceptions, (ii) regulatory issues, including technical barriers to trade (TBTs) and sanitary and phytosanitary (SPS) measures, and whether TTIP should cover financial sector regulations, and (iii) TTIP rules, including discussion on those relating

⁴⁸ See <http://www.ustr.gov/node/8346>, <http://www.ustr.gov/trade-agreements/free-trade-agreements/trans-pacific-partnership/readouts/round1> and <http://iipdigital.usembassy.gov/st/english/texttrans/2013/07/20130708278291.html#axzz2ZR9EdF Xu>.

⁴⁹ See <http://www.ustr.gov/about-us/press-office/blog/2013/july/stakeholder-events-ttip>, <http://www.uschamber.com/sites/default/files/comments/130710commentsTTIPforUSTR.pdf>, <http://www.siiia.net/blog/index.php/2013/07/siia-says-ttip-negotiators-must-recognize-importance-of-digital-trade-create-trade-agreement-as-model-for-21st-century/> and <http://www.ustr.gov/trade-agreements/free-trade-agreements/trans-pacific-partnership/direct-stakeholder-engagement>.

⁵⁰ See <http://www.ustr.gov/about-us/press-office/blog/2013/july/negotiators-brief-hill-ttip>.

⁵¹ PDF copy of remarks on file with White & Case – available upon request.

⁵² See <http://www.farmfoundation.org/news/articlefiles/1862-Wm%20Kerr%20GIs%20FF%20July%202013.pdf>.

⁵³ See <http://www.farmfoundation.org/news/articlefiles/1862-Sue%20Taylor%207-16-13.pdf>.

⁵⁴ See <http://www.fas.org/sqp/crs/row/R43158.pdf>.

to investment, intellectual property rights (IPR), labour and environment, trade facilitation, small- and medium-sized enterprises (SMEs), cross-border data flows and data privacy, and state-owned enterprises (SOEs). The CRS report also explains the purpose and content of Trade Promotion Authority (TPA), a renewal of which is currently being drafted, and examines possible implications of TTIP for future US trade policy.

On 24 July 2013, the House Energy and Commerce Subcommittee on Commerce, Manufacturing and Trade held a **hearing titled, “The US-EU Free Trade Agreement: Tipping over the Regulatory Barriers.”**⁵⁵ At the hearing, witnesses representing the following sectors discussed their desired outcomes for TTIP:

- The **American Automotive Policy Council** called for harmonised automotive standards and mutually-recognised automotive safety regulation, and expressed concern over current negotiations to harmonise automotive standards, citing inefficiency and lack of progress;
- The **Pharmaceutical Research and Manufacturers of America (PhRMA)** considered that TTIP must address market access, intellectual property protections and regulatory compatibility initiatives, and expressed concerns about the current EU environment with respect to cost containment measures and EU data disclosure policies;
- The **American Chemistry Council** asserted that reducing or eliminating tariffs and technical barriers to trade (TBTs) with the EU would create new commercial growth and expansion opportunities for the United States;
- The **Information Technology Industry Council (ITI)** stated that TTIP must foster competitiveness, growth and jobs through e-commerce, reduce technical barriers to trade as an example to the rest of the world, and promote greater regulatory alignment between both parties;
- The **Consumers Union Senior Advisor for International Affairs** expressed deep misgivings on matters of regulatory convergence, mutual recognition and harmonisation in TTIP, and suggested that the negotiators harmonise to the highest levels of consumer protection, remove the proposed investor-state dispute resolution mechanism, and make parts of the text public to ensure transparency in negotiations; and
- The **Center for International Environmental Law** considered that harmonisation has often resulted in simply decreasing the level of protection afforded to the public and simple deregulation. It felt that the US and the EU should reserve the right to determine their respective levels of health protection against and regulation on toxic chemicals.

The diverging opinions reflect the sharp division in opinion within the House Committee itself: several Democratic members expressed strong reservations about TTIP eroding regulations and concerns that TTIP will result in a reduction in standards for consumer goods, while Republican lawmakers sided with the business community in their support of

⁵⁵ See <http://energycommerce.house.gov/hearing/us-%E2%80%93-eu-free-trade-agreement-tipping-over-regulatory-barriers>.

the potential economic benefits of the TTIP. The divisions in the Committee also reflect the growing divide in wider popular opinion toward TTIP.

On 25 July 2013, the Washington Think Tank Center for Strategic and International Studies (CSIS) held an event, titled “The Trans-Atlantic Trade and Investment Partnership: **Mexico Wants In - Why Not?**” Mexican Ambassador to the United States Eduardo Medina Mora affirmed⁵⁶ Mexico’s firm support for its inclusion in TTIP, particularly given the importance of the North American production platform and the fact that Mexico already has an FTA with the United States and the European Union. The event’s participants noted, however, that there appears to be little interest on the part of the United States and the European Union to include Mexico in the already-complex TTIP negotiations.

On 29 July 2013, the Obama Administration released a press statement⁵⁷ announcing that **President Obama would receive Estonian President Toomas Hendrik Ilves, Lithuanian President Dalia Grybauskaitė, and Latvian President Andris Bērziņš at the White House** on 30 August 2013. The Obama Administration statement notes that the leaders will discuss TTIP, but does not explore in any greater detail any desired outcome of these discussions. In a Joint Statement released by the White House on 30 August 2013, the participants recognised and reaffirmed their commitment to TTIP negotiations as a general opportunity to expand strong cultural and economic ties and strengthen the global trading system, while also promoting competitiveness and growth.⁵⁸

On 30 July 2013, a discussion took place between USTR Froman and **US Chamber of Commerce** CEO Tom Donohue at the annual “Next Steps for the American Trade Agenda” conference. During this discussion Froman stated that **regulatory conflicts** between the EU and US could be reduced in the future if the EU would amend its regulatory process by allowing for public comment from anyone in the world, and by requiring decisions to be justified only on the basis of science or evidence.⁵⁹

The **Government Accountability Office (GAO)** released a report on 1 August 2013,⁶⁰ examining the activities in which US government agencies regularly engage in regard to international regulatory cooperation. Additionally, the report provides several possible implications of such international regulatory cooperation activities for ongoing negotiations toward TTIP. It recognises the relevance of international regulatory cooperation for the TTIP negotiations, and notes that one of USTR’s principal aims in such negotiations is to “[reduce] the cost of differences in regulation and standards by promoting greater compatibility, transparency, and cooperation.” As tariffs levied on imports into the US and the EU are generally low, a greater economic benefit of TTIP will likely derive from EU-US regulatory cooperation than from mutual tariff reduction/elimination. Consequently, the report’s discussion of US procedural issues relating to international regulatory cooperation provides insight into how the US TTIP negotiators will likely engage their EU counterparts, and how both parties’ regulators will inform these negotiators’ positions.

⁵⁶ See <http://csis.org/publication/trans-atlantic-trade-and-investment-partnership-mexico-wants-why-not>.

⁵⁷ See <http://www.whitehouse.gov/the-press-office/2013/07/29/statement-press-secretary-visit-baltic-leaders>.

⁵⁸ See http://insidetrade.com/iwpfile.html?file=aug2013%2Fwto2013_2710a.pdf.

⁵⁹ See <http://www.ustr.gov/about-us/press-office/blog/2013/july/froman-chamber-of-commerce>.

⁶⁰ See <http://www.gao.gov/assets/660/656488.pdf>.

On 7 August 2013, **59 Republican and 17 Democratic House lawmakers** sent a **letter⁶¹ to USTR Froman**, urging him to **seek WTO-plus SPS provisions** in the context of TTIP. Specifically, the House lawmakers seek provisions ensuring that the SPS commitments are enforceable through the agreement's dispute settlement mechanism. The House lawmakers specifically point to SPS-related barriers to foreign market access that are not science-based. US FTAs typically do not make SPS commitments enforceable through the dispute settlement mechanism,⁶² however, there is increasing pressure to depart from this precedent, particularly due to the EU's stated preference for the so-called "precautionary principle" over purely science-based measures. US agriculture representatives view the EU precautionary principle as a pretext for erecting SPS-related barriers against US agricultural exports to the European Union.

On 20 August 2013, **groups representing major US technology companies** (BSA, CCIA, ITIC, IA, SIIA, and TechNet) sent a **letter to the White House**,⁶³ urging the Obama Administration to implement appropriate transparency with respect to national security programmes, while at the same time ensuring unimpeded **cross-border data flows** such as the US-EU-Safe Harbor Agreement. The industry wants the discussion about national security issues to be kept separate from discussions on commercial privacy issues.

On 28 August 2013, US Commerce Department General Counsel Cameron F. Kerry spoke in defence of the **US-EU Safe Harbor Agreement and the maintenance of US-EU commitments to facilitate cross-border data transfers**,⁶⁴ which enables US companies that transfer the personal data of EU citizens to servers in the US to certify their adherence to privacy practices the EU considers adequate. Without the Framework, US companies would be significantly hampered in their ability to engage in a range of trans-Atlantic transactions. According to Kerry, more than 4000 companies (including many US subsidiaries of EU companies) have subscribed to the US-EU Safe Harbor Framework, which he called a "fundamental building block" of the US-EU trade relationship and "a useful starting point for further interoperability" in the context of privacy protection. He emphasised that "any step back from Safe Harbor" in TTIP could send the US-EU trading relationship "backward."

The US has consistently taken a strong position in favour of including cross-border data transfer issues within TTIP negotiations, in order to lock in the Safe Harbor mechanism and provide greater certainty for US companies. EU Trade Commissioner Karel De Gucht and Member of the European Parliament (EP) Jan Philipp Albrecht (in charge of the EU's data protection reform package), however, have said that data privacy issues should be handled separately from TTIP. Albrecht favours negotiation of a separate agreement on common data privacy standards and the discontinuation of the Safe Harbor Framework altogether.

Notwithstanding this general disagreement regarding the appropriateness of including data privacy issues in a trade agreement, press reports have interpreted General Counsel Kerry's comments as a separate response to warnings by EU officials that Safe Harbor must be reviewed in light of recent revelations regarding the US National Security Agency's (NSA's)

⁶¹ See <http://griffin.house.gov/sites/griffin.house.gov/files/2013-08-07%20-%20Congressional%20Letter%20to%20Ambassador%20Froman%20re%20SPS%20-%20FINAL.pdf>.

⁶² e.g., Article 8.4 of US-Korea FTA (http://www.ustr.gov/sites/default/files/uploads/agreements/fta/korus/asset_upload_file267_12706.pdf).

⁶³ See http://insidetrade.com/iwfile.html?file=aug2013%2Fwto2013_2610a.pdf.

⁶⁴ See <http://www.commerce.gov/news/speech/2013/08/28/us-commerce-department-general-counsel-cameron-f-kerry-keynote-address-german>.

surveillance programs, some of which targeted Europe. The European Parliament has expressed particular concern in a recent resolution that all of the companies involved in NSA's PRISM surveillance program are Safe Harbor participants. A Commission report evaluating the Safe Harbor framework is expected by the end of the year.

OTHER EU FTA DEVELOPMENTS

ONGOING EU FTA NEGOTIATIONS

- Debriefing on second round of EU-Japan negotiations
- Recent EU FTA developments relating to Japan, Vietnam, Thailand, Canada, Ukraine, Central America, Armenia, Georgia, Colombia, and Brazil

IMPLEMENTATION OF EXISTING EU FTAs

- EU-Korea FTA meetings
- EU-Mexico FTA update

Ongoing EU FTA negotiations

Introduction

During the month of July, the EU was involved in a series of negotiation rounds for many of its ongoing FTA negotiations. Limited EU FTA negotiation progress was achieved during August as no official rounds were scheduled for that month.

Below, we discuss the key developments in EU FTA negotiations with Vietnam, Thailand, Canada, Ukraine, Central America, Armenia, Georgia, Colombia, and Brazil in July and August 2013.

EU-Japan FTA

The next round is scheduled for 21-25 October 2013, and it is generally expected that the FTA Parties will organise four to five negotiation rounds per year.⁶⁵

On 3 July 2013, the Commission issued a statement noting that “good progress” was made during the second round.⁶⁶

A discussion on the outcome of the second round of negotiations took place in the **TPC (deputy-level) meeting** of 12 July 2013.⁶⁷

On 11 July 2013, during a meeting of the International Trade (INTA) Committee of the European Parliament, representatives of the EU car industry again called for prudence by the EU in its negotiations with Japan to avoid a repetition of the EU-Korea FTA which they claim contains too many ambiguities and loopholes for cars.

⁶⁵ See <http://www.europolitics.info/eu-japan-trade-talks-begins-artr350298-42.html>.

⁶⁶ See <http://trade.ec.europa.eu/doclib/press/index.cfm?id=933>.

⁶⁷ See <http://register.consilium.europa.eu/pdf/en/13/cm03/cm03697.en13.pdf>.

In a report of the EU's Origin Committee meeting held in May 2013 (but only released on 26 August 2013) the Commission noted that during the first negotiating round in April, the EU and Japanese negotiators had conducted a joint reading of general origin provisions and agreed to hold a number of inter-sessional teleconferences on origin rules.⁶⁸

Other pending EU FTA negotiations

i) Vietnam

Following the official launch of EU-Vietnam FTA negotiations in June 2012, four rounds of negotiations have taken place, with the latest round held in Brussels on 2-5 July 2013. Tariff offers were subject to discussions during this latest negotiation round. A fifth round of negotiations is scheduled to take place in Vietnam in November 2013.

ii) Thailand

In a state-of-play memo of 1 August 2013, the European Commission notes that the second round of negotiations with Thailand will take place in Bangkok in September.⁶⁹

iii) Canada

In August, negotiators from the EU and Canada were reported to have drawn up a break-out package on outstanding issues in a final attempt to conclude the negotiations before escalating these matters to Ministerial level. Parties involved are expecting feedback from each other in September (i.e. after the August slowdown in the EU institutions).⁷⁰

iv) Ukraine

On 5 July 2013, the Lithuanian Prime Minister (currently holding the EU Presidency) reiterated that further reform in the area of home affairs, justice and the protection of human rights was needed in Ukraine before the EU-Ukraine Association Agreement (which includes an FTA) can be officially signed at the Eastern Partnership Summit in Vilnius in November 2013.⁷¹ The Ukrainian ambassador to the EU responded by saying that the EU should adopt a more "clear-cut public position" on what it expects from Ukraine before the signing of the Association Agreement can take place.⁷²

v) Central America

On 31 July 2013, a notice announcing provisional application from 1 August 2013 with respect to Nicaragua, Panama and Honduras was published by the EU in its Official Journal.⁷³

vi) Armenia

⁶⁸ See

<http://ec.europa.eu/transparency/regcomitology/index.cfm?do=search.documentdetail&qZUwTFY+f2OF+cSlnZnB5eZa+HPMV+a714oMPPnl5JoxdbQ+Al/X9VTMRqv00VG>.

⁶⁹ See http://europa.eu/rapid/press-release_MEMO-13-734_en.htm.

⁷⁰ <http://blogs.wsj.com/canadarealtime/2013/08/02/canada-eu-trade-negotiators-draw-up-break-out-package-on-outstanding-issues/>.

⁷¹ See <http://www.europolitics.info/eu-ukraine-association-grybauskaite-lists-three-conditions-art353351-40.html>.

⁷² See <http://www.europolitics.info/externa-policies/kyiv-urges-eu-to-adopt-clear-cut-position-on-association-deal-art353935-44.html>.

⁷³ See <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:204:0001:0001:EN:PDF>.

The EU and the Republic of Armenia concluded negotiations on a Deep and Comprehensive Free Trade Agreement (DCFTA) on 24 July 2013.⁷⁴ Political confirmation could be given in November in the context of the above mentioned Eastern Partnership Summit in Vilnius.

vii) Georgia

The EU announced on 22 July 2013 that negotiations with Georgia for a DCFTA, which will form part of a broader EU-Georgia Association Agreement, were concluded. Current EU-Georgia trade relations are governed by a less comprehensive Partnership and Cooperation Agreement, which entered into force in 1999.⁷⁵

viii) Andean countries

On 26 July 2013, the EU announced that the FTA concluded between the EU and Colombia/Peru will provisionally enter into force on 1 August 2013 for Colombia. The FTA has already applied provisionally for Peru as from 1 March 2013.⁷⁶

On 9 July 2013, the European Commission issued a statement confirming that EU Trade Commissioner De Gucht had met with his Ecuadorian counterpart to discuss possible resumption of EU FTA negotiations with Ecuador.⁷⁷ The EU-Andean FTA negotiations with Ecuador were discontinued in 2009 (while negotiations with Colombia and Peru were successfully concluded in 2010), reportedly due to disagreement on fundamental aspects of such topics as public procurement.

ix) Brazil

Press reports in early August indicating that Brazil was planning to present a proposal for a Mercosur-EU trade deal that would allow it to move ahead with a bilateral agreement⁷⁸ were later said to be “misinterpretations” of discussions on different liberalisation speeds for individual Mercosur countries. A European Commission spokesman on 13 August 2013 stated that no Mercosur country had requested individual negotiations. The Mercosur countries still aim to conclude a bloc-to-bloc agreement with the EU, and parties are still scheduled to exchange market access proposals in the fourth quarter of 2013 at the latest.⁷⁹

⁷⁴ See <http://trade.ec.europa.eu/doclib/press/index.cfm?id=951>.

⁷⁵ See <http://trade.ec.europa.eu/doclib/press/index.cfm?id=949>.

⁷⁶ See <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:201:0007:0007:EN:PDF>.

⁷⁷ See <http://trade.ec.europa.eu/doclib/press/index.cfm?id=938>.

⁷⁸ See <http://www.ft.com/intl/cms/s/0/ca912164-0291-11e3-a9e2-00144feab7de.html#axzz2ccCMS28y>.

⁷⁹ See <http://www.bilaterals.org/spip.php?article23656>.

Implementation of existing EU FTAs

EU-Korea FTA

On 1 July 2013 (i.e. on the second anniversary of the EU-Korea FTA's provisional application), the European Commission released a statement on EU-Korea trade statistics showing a strong rise in EU exports under the FTA.⁸⁰ For example, it was noted that by the first quarter of 2013, the EU had a trade surplus with South Korea for the first time in 15 years.

The dates of upcoming meetings of the Trade Committee, the Committee on Trade in Goods, and various other Committees and Working Groups set up under the FTA were listed in a report released in July on a recent meeting of the EU's Market Access Advisory Committee.⁸¹

EU-Mexico FTA

The EU and Mexico are discussing the modernisation/upgrading of their current comprehensive trade agreement dating from 2000.

⁸⁰ See <http://trade.ec.europa.eu/doclib/press/index.cfm?id=931>.

⁸¹ See <http://ec.europa.eu/transparency/regcomitology/index.cfm?do=search.documentdetail&2BI+0pTqYUmlTI6mNrThHbuzN2i82uyhWkg7BVrW35IxdbQ+AI/X9VTTMRqv00VG>.