

WEEK IN BRUSSELS

Week ending Friday 24 May

Proposal to open negotiations for an investment agreement with China

The European Commission has decided to ask member states for their agreement on a mandate to open negotiations on an investment agreement with China. This is the first ever proposal for a stand-alone investment agreement since foreign direct investment became a competence of the EU under the Lisbon Treaty. The negotiating directives for the EU-China investment negotiations will now be submitted to the Council, whose green light is needed for the Commission to start negotiations. An EU-China investment agreement would streamline the existing bilateral investment protection agreements between China and 26 EU Member States into a single, coherent text. The main objectives of an agreement at EU level are to improve the protection of EU investments in China as well as Chinese investments in Europe, improving legal certainty regarding treatment of EU investors in China, reducing barriers to investing in China and, as a result, increasing bilateral investment flows. It should also, crucially, cover improved access to the Chinese market – addressing important issues like mandatory joint ventures. Europe hopes that formal talks can start soon, following the adoption of the mandate by member states and pending Chinese authorities having concluded their internal procedures for adopting a negotiating mandate. Trade flows between China and the EU are large, with goods and services worth over €1 billion traded between both partners every day. However, the current investment flows between the EU and China is thought to fall short of the potential of the economic relationship between two of the most important economic blocks on the planet: in 2011 European companies invested €17.5 billion in China, whereas, according to official Eurostat data, China invested €2.8 billion in the EU. Although these figures are on the rise, this still represents less than 3% of both sides' total FDI outflows. The European Commission therefore, see huge potential to further develop bilateral investment ties. Commenting on the announcement, EU Trade Commissioner Karel De Gucht stated: “An EU-China investment agreement

will help deepen our ties and sends the signal that we are firmly committed to building a strong partnership. The agreement needs to secure existing openness and deliver new liberalisation of the conditions for accessing each other's investment market. Crucially, it should also improve the treatment of investors and their assets – including key technologies and intellectual property rights. I look forward to working with the new Chinese government to reach a deal.”

(Source: European Commission)

http://europa.eu/rapid/press-release_IP-13-458_en.htm?locale=en

European Parliament adopts EU-US resolutions on early negotiations

The European Parliament has adopted a resolution for the EU and US to start early negotiations. The European Parliament asked the European Commission to ensure that it is kept informed regarding the progress of the negotiations. The European Parliament has no formal say in the Commission's negotiating mandate, however, European Parliament approval is necessary for the entry-into-force of a final agreement. The European Council has stated it would like to formally launch the mandate on 14 June, aiming to secure a first negotiating round with the US in July.

(Source: European Parliament)

<http://www.europarl.europa.eu/news/en/pressroom/content/20130318IPR06670/html/MEPs-to-debate-their-input-into-EU-US-trade-talks-mandate>



Council and European Parliament reach agreement on tachograph regulation

The member states' Permanent Representatives have endorsed the compromise reached between the Council and the European Parliament in their negotiations on a new regulation on tachograph used in road transport. The agreed text still needs to be formally approved by the Council in the form of a first-reading position and then by the Parliament, which has three months to object to the Council's position, if it does not want to approve it. The aim of the new draft legislation is to make fraud more difficult and to reduce the administrative burden, notably by introducing a satellite-linked "smart tachograph" as well as a number of new regulatory measures. The current manual recording of the location of the vehicle will be replaced by automated recording through satellite positioning. Remote communication from such a "smart tachograph" providing basic information on compliance will allow for early detection of possible manipulation or misuse, thereby enabling officers to target roadside checks better and avoid unnecessary checks. The regulatory changes include stricter requirements for workshops responsible for installing and calibrating tachographs and a wider exemption from the obligation to use tachographs, which aim to help reduce the administrative burden, in particular for small and medium-sized businesses. The regulatory measures will already apply before the introduction of the "smart tachograph", namely two years after the publication of the regulation in the Union's Official Journal, with the exception of the rules on the approval and control of workshops and the use of driver cards, which will be applicable one year earlier.

(Source: Council of the European Union)

http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/trans/137278.pdf

Commission proposes New European Industrial Strategy for Electronics

The European Commission has launched a campaign for coordinated public investments in micro and nano-electronics (such as semiconductors and computer chips), designed to expand Europe's advanced manufacturing base. The European electronics sector is seen to underpin Europe's wider industrial competitiveness due to its position as a Key Enabling

Technology for other sectors. Key elements of this industrial strategy include: higher and more coordinated investments in R&D&I; reinforcing Europe's three world-class electronics clusters and connecting with other leading edge European clusters; focusing on making chips, making chips faster and making chips smarter; and mobilising €10 billion of private, regional, national and EU funds, behind a common set of research and innovation goals, including €5 billion through a joint Public-Private Partnership. This seven-year partnership is designed to cover the whole value and innovation chain in the electronics sector, including funding large-scale innovation projects, under the EU's Horizon 2020 research programme.

(Source: European Commission)

http://europa.eu/rapid/press-release_IP-13-455_en.htm?locale=en

Week ahead

European Commission

27 May

Sustainable Industry Forum

At this forum DG Enterprise & Industry will present its study "Treating Waste as a Resource for EU Industry: Analysis of various waste streams and the competitiveness of their client industries".

Council of Ministers

27/28 May: Foreign Affairs Council

29/30 May: Competitiveness Council

European Parliament (Committee week)

INTA – 28 May

Exchange of views with Karel de Gucht, Commissioner for Trade, on the Commission Work Programme for 2013 and 2014 (structured dialogue).

TRAN – 29/30 May

Fluorinated greenhouse gases. Consideration of amendments

ENVI – 29 May

- General report on REACH and a review of certain elements of REACH.
- Periodic roadworthiness tests for motor vehicles and their trailers. Vote
- Technical roadside inspection of the roadworthiness of commercial vehicles circulating in the Union. Vote
- Registration documents for vehicles. Vote