

WEEK IN BRUSSELS

Week ending Friday 29 June

EU-Korea free trade agreement one year on

1 July 2012 marks the one year anniversary of the implementation of the EU – South Korea Free Trade Agreement. According to the Commission, through lower import tariffs for European products at the Korean border, it is estimated that EU firms have already gained savings of €350 million in duties after 9 months. The first tariff reductions were effectuated on 1 July 2011. By 1 July 2016, 98.7% of import duties of EU and South Korea in trade value for both industrial and agricultural goods will be eliminated. A recent assessment has stated that EU exports to South Korea have increased by €6.7 billion or 35% in the first nine months of implementation. Exports of products where the tariff was eliminated on 1 July 2011 (such as iron and steel products, machinery and appliances) rose by €2.7 billion or 46%. For products that were only partially liberalised (such as cars and agricultural products), the increase was €3 billion or 36%. Specifically, EU car exports increased over 70%, which translates into €670 million in new car sales in Korea. However, ACEA have reported that during the period from 1 July 2011 to 31 May 2012, Korea exported 400,000 domestically-manufactured passenger cars into the EU; a figure which is up 40% from the same period one year earlier. By contrast, over the same time frame Korea imported 73,000 European passenger cars, which represents an increase of 13%. The Korean International Trade Association (KITA) confirmed these figures at a Business Europe meeting at which ACEA was present. (Source: Europa/ACEA)

<http://europa.eu/rapid/pressReleasesAction.do?reference=IP/12/708&format=HTML&aged=0&language=EN&guiLanguage=en> and www.acea.be



EU, Colombia and Peru settle on far-reaching free trade agreement

The EU has formally signed a comprehensive free trade agreement with Peru and Colombia this week. The formal signature allows for formal ratification procedures to commence in the EU, as well as in Colombia and Peru. The European Parliament will be the first to act by voting on consent this year, while Member States' Parliaments are expected to adopt the text at a later stage. Aimed at further liberalising markets and increasing the stability and predictability of the trading environment, the FTA will eliminate tariffs in all industrial and fisheries products, increase market access for agricultural products, and improve access to public procurement, services and investment markets. Moreover, the arrangement further reduces technical barriers to trade and establishes common disciplines on intellectual property rights, transparency and competition. It is estimated that these measures will relieve EU exporters of approximately €270 million in duties annually. Tariff reductions for the automotive sector will be worth over €33 million. Bilateral trade in goods between the EU and both Colombia and Peru amounted to a total of €21.1 billion in 2011. All EU Member States are parties to the agreement and had already signed it ahead of this week's official signing ceremony. Despite some MEPs raising concerns over the extent to which the FTA adequately accounts for human and labour rights violations in Colombia, the European Parliament is nevertheless expected to vote in favour of the agreement in October this year. (Source: Europa)

http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/en/er/131234.pdf

European commercial vehicle registrations fell 17.8% in May

Figures published by ACEA, the European Automobile Manufacturers' Association, show that in May 2012, new commercial vehicle registrations continued the downward trend commenced in January, facing the sharpest decrease since 2009 (-17.8%), compared to

May 2011. The UK was the only market to post growth in the month (+10.0%), while Germany (-13.6%), France (-22.1%) and Spain (-27.4%) all recorded double-digit downturns. From January to May, the EU market shrank by 11.8%, compared to the first five months of 2011. The decline ranged from -4.0% in Germany to -6.2% in the UK, -8.5% in France, and -24.8% in Spain. In total, 735,993 new vehicles were recorded throughout the period. (Source: ACEA)
http://www.acea.be/index.php/news/news_detail/commercial_vehicle_registrations_-_11.8_over_five_months_-17.8_in_may

Cypriot EU Presidency

Cyprus will take over the six-month rotating Presidency of the Council of the European Union, starting on 1 July 2012, following on from Denmark, who presided over the Council in the prior half of 2012. Cyprus forms the third Presidency of the 18-month Trio Presidency of Poland, Denmark and Cyprus. During its Presidency, Cyprus has pledged to work "*Towards a better Europe*" to bequeath to future generations. The Programme of the Cypriot Presidency of the Council of the European Union 2012 outlines four strategic priorities for the term of office. These are: Europe, more efficient and sustainable; Europe, with a better performing and growth economy; Europe, more relevant to its citizens, with solidarity and social cohesion; Europe in the world, closer to its neighbours. (Source: cy2012eu)
<http://www.cy2012.eu/en/page/home>

Commission proposes strategy on key enabling technologies

The European Commission has tabled a strategy, aiming at augmenting the industrial production of key enabling technologies (KETs), i.e. innovative products and application of the future. The strategy has been devised to keep pace with the EU's main international competitors, restore growth in Europe by creating jobs in the industry, and address social challenges. The global market in KETs, which comprises micro and nanoelectronics, advanced materials, industrial biotechnology, photonics, nanotechnology and advanced manufacturing systems is forecast to grow from €646 Billion to over €1 Trillion in the next three years, amounting to 8% of the EU's GDP. Despite its global leadership position in KET research and development, and a fertile commercial environment, the EU has not been able to translate its capacities

into the production of goods and services. To unlock the potential of KETs as a vital source of innovation, growth and employment, the Commission has introduced a long-term strategy that will present an integrated approach for KET (regional) research and innovation financing in conjunction with the European Investment Bank. Leveraging KETs policies at all levels and ensuring a level playing field in the globally competitive market will also constitute key objectives of the Commission's approach. (Source: European Commission)
http://ec.europa.eu/enterprise/newsroom/cf/itemdetail.cfm?item_id=6033&lang=en&tpa_id=0&title=Unleashing-the-huge-potential-of-key-enabling-technologies-for-jobs



Week ahead

European Commission

No relevant activity

Council of Ministers

1-2 July

Presentation of the Cyprus presidency priorities

European Parliament (Plenary sessions - Strasbourg)

2 July – Recording equipment in road transport – debate and vote - first reading

2 July – eCall: a new 112 service for citizens – debate and vote – first reading

4 July – Programme of activities of the Cyprus Presidency – Debate and Council and Commission statements

4 July – EU-Russia agreement on trade in parts and components of motor vehicles – vote – legislation resolution

5 July – Outcome of the Rio+20 Summit – Commission statement