

MEP FORWARD LOOK: Plenary 1 – 4 February 2016

Looking forward to next week’s Strasbourg plenary, this note briefly sets out the UK’s views on some of the issues due to be discussed. As ever we would be happy to provide further information on these or any other points of interest on the draft agenda.

Contents

China Market Economy Status..... 1

Trade in Services Agreement (TISA)..... 1

EU Biodiversity Midterm Review 2

Real-world Driving Emissions Testing 2

Rules governing the movement of persons across borders (Schengen Borders Code)..... 3

Cooperation between Eurojust and Montenegro, and Ukraine 3

China Market Economy Status

China believes that under its WTO Protocol of Accession of 2001, they should automatically be granted Market Economy Status (MES) after 11 December 2016. The European Commission is currently debating the way forward. The granting of MES affects the method used to calculate dumping rates in anti-dumping investigations, and would not prevent the EU from imposing anti-dumping measures. There are currently 52 anti-dumping measures in force against China, covering 1.38% of EU imports from that country. The main industries concerned today are steel, mechanical engineering, chemicals and ceramics. There are presently about 250,000 jobs in industries in the EU directly covered by the measures against dumping from China. The UK awaits a formal proposal from the European Commission on this issue, and looks forward to seeing the Commission’s economic impact analysis, recognising of course that any decision must respect the EU’s international obligations.

Trade in Services Agreement (TISA)

The Trade in Services Agreement (TISA) is a plurilateral services agreement being negotiated by 23 parties, of which the EU is one, which represents a great opportunity to build on the work by the WTO to update the rules on services. Services now account for 70% of the EU economy and so the

UNCLASSIFIED

TiSA could be a highly significant agreement, potentially offering a £20 billion boost to annual EU GDP. The UK supports an ambitious TiSA agreement and so we welcome the INTA committee's report calling for this. We particularly welcome the focus on digital services, protection of SMEs, and the eventual goal of multilateralising the TiSA.

The UK believes that the report is broadly very balanced. We have a few remaining concerns, including the language on standstill and ratchet clauses, which we believe can have great benefit to the EU. We also do not think that a trade agreement is the right place to enforce International Labour Organisation commitments. Finally, we believe that existing language and reservations are sufficient to protect our public services and the right to regulate, and that the "gold standard" clause is unnecessary. However, we recognise the spirit of compromise in which all committee members have worked and would not wish to see this undermined in plenary.

EU Biodiversity Midterm Review

A public hearing was held in the European Parliament on 12 October 2015 to discuss the challenges faced by EU biodiversity and the opportunities provided by ecosystems. This report is in response to the EEA report on the State of Nature in Europe and more specifically to the Commission's mid-term review of the 2010 EU's Biodiversity Strategy. This will constitute Parliament's contribution to the ongoing fitness check of legislation on nature. The EU Biodiversity Strategy is built around six targets, each supported by a set of actions. These act as the proxy for judging whether or not the headline target has been achieved. The Commission's mid-term report was accompanied by a document which provides the detail, evidence sources and analysis to support the messages in the report. We recognise the importance of biodiversity to our economy and to personal wellbeing and therefore welcome the main messages in the draft report.

We welcome the progress made at mid-term and share the view of the Commission and Rapporteur that the targets in the Strategy will only be delivered with greater intensification in ambition and effort, but also by reducing administrative and other unnecessary burdens on Member States that do not secure nature conservation priorities. We agree with the Rapporteur that biodiversity is vital to our economic and personal needs and that its continued loss and ecosystem degradation will have significant implications for the capacity of biodiversity to meet these in the future.

Real-world Driving Emissions Testing

On 28 October, the Technical Committee on Motor Vehicles – TCMV (a committee of Member State officials) voted in favour of a proposal for Real Driving Emissions testing (RDE) to be introduced

UNCLASSIFIED

UNCLASSIFIED

which requires manufacturers to ensure real-world emissions are maintained below 2.1 times the lab-testing limit in 2017 and are at or below this limit by 2020, (with a margin for measurement uncertainty). Following the vote in the Technical Committee on Motor Vehicles on 28 October 2015, the draft regulation was forwarded to the European Parliament and Council. The European Parliament or Council can object to the regulation within 3 months of its transmission through an absolute majority. A draft resolution to object to the Regulation was voted on at the ENVI committee meeting on 14 December 2015. This resolution will be voted on in plenary this month. The UK strongly supports the current RDE agreement, which will significantly reduce real world NOx emissions from new diesel cars from 2017, thereby contributing to the EU's air quality goals. Any objection to the RDE Regulation is likely to result in a significant delay to implementation, this in turn will delay benefits to air quality. The RDE agreement does not weaken the Euro 6 emissions standard.

Rules governing the movement of persons across borders (Schengen Borders Code)

This is a proposal to codify the Schengen Borders Code. Codification is the process of bringing together a legislative act and all its amendments into a single new act, without amending the substance. The UK does not participate in the Schengen Border Codes as this builds on part of the Schengen Acquis in which we do not participate, we therefore do not have a vote on these proposals in Council. This should not be contentious for the UK and will have no impact on UK border policy, therefore HMG does not object.

Cooperation between Eurojust and Montenegro, and Ukraine

The UK government supports the cooperation agreement between Eurojust and Montenegro, and Ukraine. The suggested agreements between Eurojust and the aforementioned countries seek to improve judicial cooperation, including in relation to the fight against serious crime between those countries and EU Member States. We will consider the European Parliament's positions on draft Council implementing decisions when they are forwarded to the Council.

UNCLASSIFIED