



Report of the 5th round for modernising the EU-Mexico Global Agreement

18-30 September 2017, Brussels

The round of negotiations took place over two weeks to cater for the availability of negotiation leads and experts, thereby allowing constructive discussions on all issues. Progress was achieved in many areas, while on other issues only limited progress was achieved.

The Parties will meet again for an intersessional meeting in Mexico on 16-20 October.

The sixth round is scheduled for 27 November to 1 December.

Trade in Goods

Text

The meeting was useful and EU and Mexico reviewed all the articles of the consolidated text on Trade in Goods with substantive discussions on the proposed disciplines. Both Parties exchanged information on the rationale behind the proposals, eliminated some brackets and consolidated the proposals on Repaired Goods.

The group continued to discuss in detail the articles on Import and Export Restrictions, Export Duties, Administrative Fees and Charges – where the EU tabled additional language, and the text on Import and Export licensing, among others.

Offer

As regards market access on trade in goods, the Parties had two days of constructive discussion. The Parties analysed the respective offers in a comprehensive way by signalling wishes for improvements based on exports priorities and possible improvements on liberalization staging.

Trade and Sustainable Development

Two days of constructive discussions allowed reviewing the whole text, progressing well on environmental issues and to some degree on labour issues. Some points were extensively discussed e.g. the issue of sustained efforts towards ratification of ILO Convention 98, right to regulate, explicit reference to conflict minerals. Discussions will continue on all issues including the text on the remaining institutional and dispute settlement provisions.

Rules of Origin

Discussions on Product Specific Rules (PSR) led to good progress. Several chapters have been closed and some chapters are about to be closed (including iron and steel). Several

open chapters are pending due to ongoing Mexican consultations (including on agricultural products). Despite the good progress, the Parties recognised that there still remains a lot of work to do. Experts discussed in details the Mexican proposal on PSR for textile and clothing. As regards the text, discussions on verification in Section B and cumulation, duty drawback and accounting segregation in Section A need to continue since only limited progress was achieved on some issues, notably in Section A.

Customs and Trade Facilitation

There was good progress and good dynamics in this area. Some articles were agreed and further convergence was achieved in others (including provisions on post-clearance, customs brokers, transparency). Discussions took place on compromise texts for the provisions on customs cooperation and release of goods. The group had detailed exchanges on some important remaining provisions with limited progress in particular regarding release of goods and simplified procedures.

IPR

As regards the protection of Geographical Indications, the Parties discussed a number of areas and agreed to move towards establishing a consolidated text version, with the aim of finding common ground on key outstanding issues and the specific text. The Parties also considered how to incorporate the 1997 Spirits Agreement into the modernised agreement. There was agreement on the inclusion and the consequent extension of protection to those spirits Geographical Indications, but the Parties will continue discussion on how and when to proceed on the amendment of the respective lists.

As regards the general intellectual property chapter, the Parties made useful progress by continuing to clean the consolidated text and by removing brackets in several areas. The Parties recognize that further work and internal consultations are required to finalise the work on the remaining issues under discussion (including amongst other issues patents, UPOV 91 and border enforcement).

Good Regulatory Practice

The Parties made good progress, removing several brackets and exploring alternative bridging text in some areas, notably Impact Assessment. The Parties reviewed and discussed the dispositions related to Definitions, General principles, Scope, Internal consultation & coordination, Early information on planned regulatory measures, Retrospective evaluation, Impact assessment, Regulatory Register, Committee on Regulatory Coherence, Cooperation and Notification of Implementation.

Transparency

The productive discussions resulted on some progress. Further work on some provisions is still necessary (e.g. impact assessment, enquiries) but overall few divergences remain.

Technical barriers to trade

There was good progress on non-core issues. Institutional provisions were closed and significant convergence was achieved regarding administrative cooperation, marking and labelling and transparency provisions. Progress on the provisions on conformity assessment and International standards requires further discussion.

Sectorial Annexes – Wine, Pharma and Cars Annexes

Pharma: Mexico presented a textual proposal aiming at improving cooperation between the relevant authorities and possibly establishing a Good Manufacturing Practise and Mutual Recognition Agreement. The EU took note of the proposal and will consult internally on these proposals.

Cars: Mexico presented its comments to the EU proposal. The parties discussed possible ways forward and the discussion will continue in October with a view to try to find compromises.

Wines: The Parties analysed the revised text shared with Mexico ahead of the session. The Parties advanced on the de-bracketing of the text agreeing on certain parts while also identifying other areas where further review of the legislation and internal consultations are still needed.

Chemicals: Mexico announced that it was considering tabling an Annex for the next round.

Competition

As regards subsidies, there was good engagement and there was progress on the bracketed text. The Parties' positions still diverge, however, as regards some key elements (i.e. definition of subsidies, transparency and dispute settlement).

As regards anti-trust, further discussion took place on the notification provision and administrative fairness. Discussions will need to continue on this.

Services

Text

The Services group covered the following topics: Maritime transport, MRAs, Domestic Regulation, e-commerce, Telecommunications, Delivery Services, Financial Services General Provisions (joint session Services and Investment), Offers.

The digital trade section was discussed resulting in good progress with further cleaning and convergence on several issues. Positive developments were also achieved in the session on Telecommunication with some consolidations and indications on the way to progress further. Postal services were briefly discussed.

The sessions on Maritime Transport, MRAs and Domestic Regulation did not result in progress and will need to be discussed further during the next meeting.

The Parties had a good session on the architecture for the Services and Investment title and will continue to seek the necessary compromises to allow for further consolidation.

Offers

Mexico and the EU exchanged their views on their respective offers and discussed possible way forward.

Investment

Constructive discussions resulted in good progress and the text was cleaned in several areas. Investment definition and Fair and equitable treatment will require further discussions. Discussion on Dispute settlement for investment did not lead to significant progress.

SMEs

The Parties concluded the text at technical level, pending an overall coherence check and some issues where consistency with other chapters should be ensured.

Anti-corruption

The EU presented to Mexico some key principles (e.g. anti-money laundering). This was followed by an exchange of views on a possible joint text on anti-corruption for which the EU will present a textual proposal.

Energy and Raw Materials

Work was dedicated to review the few outstanding issues including the coverage by dispute settlement and placement of the provisions but with limited progress.

Public procurement

Text and offer

Further cleaning of the text was achieved and the offers were discussed but without progress. Discussions will continue on the basis of a revised Mexican offer before the next meeting.

SPS

Despite the good progress obtained until now and the objective of both Parties to try and bridge the outstanding issues and while some cleaning achieved, it was not possible to finalise the work. Discussions will continue to try to close this chapter.

Legal affairs

Mexico and the EU had a broad exchange on how the institutions of the Agreement should function, including on the EU proposal for exceptions. Mexico committed to react to this proposal very soon.

Dispute settlement

Over one day and a half the group focused its discussions on the outstanding issues that remain the DS text, but substantial differences remain, in particular as regards non-violation complaints and the roster system.