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*The International Practice of the  
European Communities:  
Current Survey  
International Trade Developments,  
Including Commercial Defence Actions XVII:  
1 January 2000—30 June 2000*

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This summary provides a brief overview of our report on international trade developments covering the period 1 January 2000 to 30 June 2000. The complete survey is published on the *EJIL*'s web site ([www.ejil.org](http://www.ejil.org)).

At the international level, the EC concluded its WTO accession negotiations with China. The main concessions made by China included: in terms of horizontal WTO commitments, China will cease to apply a number of measures which distort trade, such as export performance and local content requirements and industrial export subsidies. China made a commitment to increase the transparency of its government procurement system and to eliminate discrimination between foreign bidders. China agreed to abolish preferences for domestic producers in pharmaceuticals, chemicals, after-sales service, cigarettes and spirits. China also agreed to reduce import tariffs substantially on over 150 leading European exports. It was agreed that China would lift the joint venture restriction on virtually all chain stores, as well as the size limit of 20,000 square metres for foreign-owned stores. In the field of telecommunications, China committed to open up its leasing market in three years and to accelerate the timetable for opening up its market for mobile telephony. With regard to motor vehicles, China accepted a greater flexibility for car makers to choose which types of vehicles they build, and to eliminate the joint venture requirement for engine production. China made further commitments in the areas of state trading, government procurement, insurance and agriculture.

The European Communities continued pressing for a new multilateral WTO round. During the first half of 2000, Mr. Lamy, the Commissioner in charge of Trade, visited key trading partners to urge support for a new round of trade talks.

Within the framework of ASEM (The Asia–Europe Meeting), progress in the Trade Facilitation Action Plan (TFAP) implementation was reviewed at SOMTI 6 in Seoul,

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on 12–13 May 2000. SOMTI 6 recommended carrying forward the existing priority areas (customs procedures, standards, public procurement, quarantine and Sanitary and phyto-sanitary (SPS) procedures, intellectual property rights (IPR), mobility of business persons and market access in the distribution sector). Furthermore, e-commerce was added as a new priority area.

At EC level, the negotiations for EU accession of Bulgaria, Cyprus, Czech Republic, Estonia, Hungary, Lithuania, Latvia, Malta, Poland, Romania, Slovakia and Slovenia continued. Negotiations on, *inter alia*, the External Relations chapter, were concluded.

The Free Trade Area Agreement between the EC and Mexico was signed by the Parties and ratified by the Member States during the first half of 2000. Apart from sweeping provisions relating to trade in goods, the Agreement also contains chapters on trade in services, government procurement and intellectual property.

Negotiations aimed at concluding a free trade area agreement between the EC and Mercosur/Chile started in April 2000. It was agreed during the first meeting that no sector should be excluded from the agreement. A further round of negotiations is scheduled to take place in November 2000 in Brazil, although it may be several years before a final agreement is concluded.

The EC, on the one hand, and Estonia, Hungary, the Czech Republic, Latvia, Bulgaria, Slovakia, Slovenia, Romania and Lithuania, on the other, concluded agreements aimed at further liberalizing trade on agricultural products. The speed of liberalization varies according to the country and product concerned.

Separately, the protocol on the definition of the concept of originating products in the Association Agreements between the EC and Hungary, Poland, Romania, Bulgaria, Slovakia, the Czech Republic, Latvia, Lithuania and Slovenia was amended. Furthermore, a Decision of the EU-Hungary Association Council on the transition to the second stage of the Association between the EC and Hungary was published.

The EC institutions published 51 anti-dumping determinations in the period under reference. With regard to anti-subsidy proceedings, 9 determinations were published in the period under reference.

On the issue of quotas and safeguard measures, an amendment to Council Regulation 517/94 on common rules for imports of textile products from certain third countries not covered by bilateral agreements was published. The amendment establishes the quotas for the year 2000. Subsequently, the Commission published a Regulation establishing rules for the management and distribution of quotas established by the above Council Regulation.

The Commission adopted a Regulation deducting from the quantitative limit on imports of textile goods pertaining to category 4 originating in China an amount corresponding to that imported into the EC in circumvention of the Agreement between the EC and China on trade in MFA textile products.

An Agreement between the EC and Vietnam establishing rules for imports of footwear products originating in the latter country was published.

The application of the double-checking system without quantitative limitations regarding certain ECSC steel products imported from Poland, Russia, the Ukraine, Slovakia, Romania, Bulgaria and the Czech Republic was extended. Separately, the

quantitative limits applicable to Community imports of certain steel products from Russia were reduced by 12 per cent.

A Regulation redistributing unused portions of the 1999 quotas for certain products originating in China was published. Separately, the Commission concluded an agreement with Vietnam on the prevention of fraud in trade in footwear products.

With respect to the EC Trade Barriers Regulation, no new investigations were initiated in the first half of 2000. The following determinations were made within the framework of the TBR in the period under reference: Chile-Transshipment of Swordfish (initiation of WTO dispute settlement procedure), Korea-Pricing and reimbursement of pharmaceutical products (investigation report-agreement).

The Commission continued monitoring the situation of the EC shipbuilding industry. In particular, the Commission is concerned about alleged Korean subsidization of its shipbuilding industry and has indicated that it is considering launching a TBR case on this issue targeting Korea.

Under the EC GSP scheme, an amendment to the GSP Regulation was published. It adapts Annexes I, II, VII and VIII of that Regulation to changes to the Combined Nomenclature.

The following court cases of note were published during the period under reference: Case T-37/98 (Order), *FTA and Others v. Council*, Case T-104/99 (Order), *AS Bolderaja v. Council*, Case T-51/96, *Miwon v. Council*, Case C-383/98, *Polo/Lauren v. Dwidua Langgens*, Case T-597/97, *Euromin v. Council*, Case T-7/99, *Medici Grimm v. Council*.