



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 21 January 2013

5090/13

LIMITE

CO EUR-PREP 1

NOTE

from: General Secretariat of the Council
to: Committee of Permanent Representatives

Subject: European Council (7-8 February 2013)
- Draft guidelines for the conclusions¹

With a view to the forthcoming meeting of the European Council, delegations will find below the state of progress regarding the various topics on its agenda. Where possible, first indications are given on the elements the President of the European Council intends to include in the draft of the conclusions.

Member States are invited to give their reactions, to help guide the preparations of the draft European Council conclusions which will be submitted next week.

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¹ pursuant to Art. 3(1) 3rd subparagraph of the EC's rules of procedure.

I. TRADE

The European Council has on several occasions stressed the contribution trade and investment can make to growth and jobs in Europe. The Compact for Growth and Jobs agreed last June calls for the EU to better use trade as an engine for growth. It is in this spirit that the President of the European Council has put trade on the agenda of the 7/8 meeting, so that the European Council can set guidelines to help ensure that the benefits of trade as an important source of growth and jobs are fully realised. The purpose is thus not to systematically review relations with all trading partners.

In the run up to the February European Council new developments are expected regarding the United States (finalisation of the report of the High Level Working Group on Jobs and Growth) and Canada (possible finalisation of negotiations on the Comprehensive Economic and Trade Agreement) which will need to be taken into account in the preparation of the European Council. The Commission has announced that it will deliver a progress report on trade, growth and jobs in advance of the European Council.

In the preparation of the draft conclusions, the following elements could serve as guidelines:

- **Recall the significant contribution to be made by trade in goods and services to the EU's growth agenda. The promotion of sustainable growth and the creation of jobs requires deepening trade relations with key partners and further strengthening Europe's place in global supply chains. Stress that the EU's ability to get the most from trade depends on its capacity to develop the right domestic policy framework in support to competitiveness.**
- **Note that an ambitious trade agenda can lead in the medium term to an overall increase of 2% in growth and the creation of over 2 million jobs. To realise these benefits the EU must promote free, fair and open trade whilst at the same time asserting its interests, in a spirit of reciprocity and mutual benefit, especially in relation to the world's largest economies.**
- **Recall the EU's attachment to a strong, rules-based multilateral trading system and stress that developing bilateral trade relations can and must make a positive contribution to the multilateral system.**

- **Stress that, building on the tangible progress made in recent months in the EU's bilateral trade agenda, all efforts should be devoted to concluding ambitious but realistic agreements with key partners, prioritising those negotiations that will provide most benefit in terms of growth and jobs. At the same time, the EU must seek to strengthen the multilateral trading system and promote efforts to bring WTO negotiations back on track.**

- **With regard to the EU's bilateral trade agenda, the European Council could stress that improving and deepening trade relations with the EU's strategic partners remains a fundamental objective.**
 - (a) **United States**: underline the importance of the economic and political benefits to be achieved from further widening and deepening trade relations with the US [*language on next steps to be finalised depending on whether the EU/US HLWG report is approved before the European Council meeting*]
 - (b) **Japan**: look forward to the launch of negotiations in the near future further to the adoption of the negotiating mandate.
 - (c) **Canada**: if necessary, call for the rapid conclusion of ongoing negotiations.
 - (d) **Russia**: stress that in the short term the priority must remain Russia's implementation of its commitments stemming from its accession to the WTO. Negotiations on the new agreement require further progress.
 - (e) **China**: note that the EU's agenda with China focuses on investment, procurement and IPR and recall that both sides have committed to an early start of negotiations on a substantial investment agreement.
 - (f) Recall that negotiations with **emerging economies**, such as India and Mercosur, albeit very challenging, remain important for the EU. Further to the conclusion of the negotiations with Singapore, call for the deepening of trade relations with other ASEAN countries.
 - (g) **Neighbourhood**: call for progress on DCFTAs with Moldova, Georgia and Armenia with a view to the Vilnius Summit; start negotiations with Morocco and continue preparations with Tunisia, Egypt and Jordan.

- **More generally, stress the importance of fighting all forms of protectionism, including as regards non-tariff trade barriers, ensuring better market access, promoting appropriate investment conditions, enforcing intellectual property rights and opening up public procurement markets.**
- **Stress the need to ensure robust enforcement of the EU's rights under existing rules, including through the recourse to the WTO's dispute settlement system. Look forward to the next Commission report on trade and investment barriers.**
- **In the short term, call for further progress towards a multilateral agreement on trade facilitation, as well as on other aspects of the Doha Development Agenda, by the time of the December 2013 WTO Ministerial Conference in Bali.**
- **Looking to the future, signal the EU's readiness to open a reflection, in cooperation with partners, on the post-Bali WTO agenda, which should be tailored to reflect better the changing global geo-economic landscape.**

II. EXTERNAL RELATIONS

The European Council will take stock of developments in the Arab world two years after the start of the "Arab Spring" and discuss the way forward for the EU's policy aimed at assisting those countries that are in transition towards democracy. Some of these countries are indeed reaching a critical stage in their democratisation process. This should guide the EU in its future engagement with them.

In the preparation of the draft conclusions, the following elements could serve as guidelines:

- **Underline that Europe and its Southern Mediterranean neighbourhood are bound by common interests and reiterate the EU's resolve to engage in a mutually beneficial partnership based on the adherence to universal values, such as democracy, human rights and gender equality.**

- **Welcome, two years on, the democratic gains brought about by the transformations prompted by the "Arab Spring" in a number of countries. In particular, welcome the fact that in several countries democratic elections were held for the first time and that the basic foundations of democracy are being progressively introduced.**

- **Note however the diversity of situations in the region today as well as the political and economic challenges encountered in the democratic transition processes. Underline the links between political and economic challenges and the need to tackle them in parallel. Stress that while the entrenchment of democracy is a long process which needs to take account of the realities in each country, it needs to be clearly based on the promotion of human rights, fundamental freedoms and the rule of law.**

- **Recall the EU's commitment towards the new partnership since the beginning of the Arab Spring. Stress the EU's renewed determination to further develop this new partnership, based on common values, which the EU is seeking to establish with the Arab countries which are in a transition towards democracy. This includes:**
 - **support to the development of civil society, including the role of women, to the strengthening of rule of law and human rights and to increase the transparency and efficiency in electoral processes, inter alia through the deployment of electoral observer missions;**
 - **cooperation in the area of freedom, security and justice, the possible development of mobility partnerships and security and support in addressing security sector reform and border management;**
 - **shared economic prosperity, including by maintaining momentum in negotiations on deep and comprehensive free trade agreements;**
 - **people-to-people contacts and cooperation in wide range of fields such as education, research, agriculture, aviation and energy.**

- Welcome the joint "task forces" that have been established with some of these countries to ensure the comprehensiveness and the coherence of the EU approach. Agree that EU actions should be adapted, as required, to the level of progress of the different countries in their democratic transitions and the commitment shown by social and political forces.
- Note that this overall reinforced engagement has involved the provision of additional funds to the countries in transition. Equally note the need to explore further how to strengthen the EU's capacities to respond to the needs of these countries.
- Note the need to enhance the dialogue to discuss experience and improve cooperation.
- Regarding Syria - whose society was mobilised in the Arab Spring - reiterate EU's call to stop immediately violence and support to the efforts of JSR Brahimi to achieve a negotiated solution. Stress the necessity of a political transition towards a future without President Assad and his illegitimate regime. Stress the EU's determination to continue providing humanitarian assistance aid to the Syrian population. It will continue preparations in view of mobilising its resources to lend full assistance to the consolidation of peace and establishment of democratic coexistence, once hostilities have ceased.
- Call on EU institutions, Member States and Mediterranean partners to maintain a high level of effort and commitment. Invite the High Representative and the Commission to keep under review the full implementation of the Joint Communications of March 2011 and May 2011 with a view to improving the effectiveness of the EU's policy in assisting the political transition processes and economic reform and development of these countries.

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III. MULTIANNUAL FINANCIAL FRAMEWORK

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