RESTRICTED

G/TRIMS/M/38

27 July 2015

(15-3845) Page: 1/25

Committee on Trade-Related Investment Measures

MINUTES OF THE MEETING HELD ON 16 APRIL 2015

CHAIR: MR VICTOR ECHEVARRIA UGARTE (SPAIN)

INTRODUCTION

1. The Committee on Trade-Related Investment Measures (the "Committee") met on 16 April 2015. The Committee adopted the following agenda:

2. The Chair informed Members that Indonesia had just provided, on the morning of the meeting, several written responses, advance copies of which had been placed at the back of the room, which the Secretariat would circulate as soon as possible.

1 TURKEY – LOCAL CONTENT REQUIREMENTS IN THE ELECTRICITY GENERATION

3. The Chair noted that this was a new item placed on the agenda at the request of the European Union. Questions to Turkey had circulated in document G/TRIMS/W/151.

4. The European Union expressed its concern about Turkey's amendments to the Law on the Utilization of Renewable Energy Sources for the Purpose of Generating Electrical Energy, despite the text of the Law not being entirely clear. Based on Article 6B and its heading ("use of domestic products"), it could be assumed that if domestic components were used at the generation plants reliant on renewable energy resources within the scope of the Law, the generation company would obtain a higher subsidy compared with the situation where no domestic content was used. The European Union had submitted written questions to Turkey seeking clarifications on the Law's amendments and asked Turkey to explain, in particular, how those new provisions were in compliance with the obligations laid down in Article III of the GATT and Article 2 of the TRIMS Agreement. The European Union encouraged Turkey to provide written replies soon.

5. Turkey stated that it was preparing a written response to the EU questions which would be submitted in due course. In the meantime, it referred to the Secretariat's Report (document WT/TPR/S/259) in the context of Turkey's last Trade Policy Review (TPR) in 2011, and quoted the following excerpt under the title "Energy/Renewable Energy":

> "(47) The legal framework, i.e. the Law on the Utilization of Renewable Energy Sources for the Purpose of Generating Electrical Energy (2005) together with the Electricity Market Law and the Energy Efficiency Law, includes several instruments to promote electricity generation from renewable sources of energy including feed-in tariffs and purchase obligations, connection priority, reduced licence fees, and reduced fees for project preparation and land acquisition. Furthermore, the 2005 Law was amended in January 2011 to introduce bonus tariffs for licence holders using locally manufactured mechanical or electro-mechanical components. Under an implementing regulation issued on 19 June 2011, the beneficiaries must obtain a manufacturing certificate attesting that the components comply with international or Turkish standards, as well as a "manufacture status document" certifying that the components were manufactured in Turkey."

6. Turkey noted that during that same TPR, some Members, including the European Union, had requested further information about the timeline for adopting implementing legislation regarding the Law on the Utilization of Renewable Energy Sources for the Purpose of Generating Electrical Energy. Turkey referred to the reply provided in paragraph 30, page 93 of the same report, quoting the following excerpt:

> "In order to reduce energy import dependency and increase utilization of indigenous resources, further measures aiming at facilitating utilization of vast renewables potential and supporting market penetration of renewable based electricity generation were crucial elements of Turkey's energy strategy. Turkey aims to reach at least thirty percent (30%) share of renewables in electricity mix until 2023. This was also one of the main tools in the context of the Electricity Market and Security of Supply Strategy Paper, as a road map of Turkish Electricity sector. The Renewable Energy Law (2005), The New Renewables Law (2011), The Electricity Market Law and Energy Efficiency Law, together set the legal framework for promoting electricity generation from renewable sources and include these main instruments:
>
> - Supporting mechanisms and incentive schemes such as differentiated feed-in tariffs (7,3 US cents per kWh for hydro and wind, 10,5 US cents for geothermal and 13,3 US cents for solar and biomass),
> - purchase guarantees,
> - connection priorities,
> - lower license fees and exemptions and

- various practical conveniences in project preparation and land acquisition were defined.

In addition, a certain support of 0.4 to 3.5 US cents per kWh was to be provided to the plants if they choose to utilise domestically manufactured technical equipment. Please note that this was not a requirement to be fulfilled by the investor, but a support scheme for the development of renewable related technology and knowhow in Turkey. Investors were not under any sort of obligation or required or compelled to use or buy local content under any circumstances, but would be rewarded with a small extra incentive if they desire and decide to use domestically produced or manufactured equipment. It should be noted that the basic intention was not to discriminate foreign goods but to further contribute to the development of renewable technology and facilitate maturing of new energy sciences. To sum up, it would be incorrect to assert that there exists a "local content requirement" for renewable energy sector in Turkey as investors were not required to use local content but extended additional incentives in order to improve renewable energy use."

7. The European Union appreciated Turkey's statement and looked forward to a written reply.

8. The Committee took note of the statements made.

2 CHINA – LOCAL CONTENT REQUIREMENTS FOR PURCHASES OF TECHNOLOGY BY THE BANKING SECTOR

9. The Chair informed Members that the next agenda item would be also discussed for the first time, upon the request of Japan and the United States. Questions from the United States had circulated in document G/TRIMS/W/150.

10. The United States expressed its concern about a measure recently adopted by the Chinese authorities appearing to place local content requirements, referred to as indigenous innovation requirements, on information and communication technology (ICT) equipment used by the banking sector. The measures in question were the Guidelines for Promoting the Application of Secure and Controllable Information Technology in the Banking Sector ("Guidelines") and the accompanying Classification Catalogue of Banking Information Technology Assets and Indexes of Security and Controllability ("Catalogue"), issued by the China Banking Regulatory Commission ("CBRC") on 26 December 2014.

11. Those measures were framed in terms of improving cybersecurity in an important sector. Without questioning the right of WTO Members to take steps to improve cybersecurity, the United States was concerned that the Guidelines reflected a definition of "secure and controllable" technology that would severely limit access to China's commercial banking sector for many foreign ICT products, services and technologies, and would dictate the business decisions of financial institutions, including foreign financial institution investors.

12. In particular, a key policy objective of the Guidelines was to encourage indigenous innovation, and "utilize the banking sector's informatization needs to cultivate and drive the market." By blending the concept of security and indigenous innovation, the Guidelines and Catalogue appeared to promote local content, cloaked in the language of reliability.

13. The Guidelines imposed the following requirement: "When choosing technology, if secure and reliable products and technologies innovated indigenously were available, at least one vendor of such products and technologies shall be introduced for technology selection and testing; in case of vendors providing specialized equipment or integration solutions, both the hardware and software used in their solutions shall respectively adopt at least a secure and reliable product or technology innovated indigenously."

14. The policies and tasks of the Guidelines appeared to be implemented by the Catalogue. The Catalogue defined "indigenous IPR" as "IPR exclusively owned by and relatively controlled by Chinese citizens, corporate legal persons or non-legal person institutions." The Catalogue also specified that 100% of new purchases by the banking industry of computer servers, desktop computers and laptop computers and 50% of new purchases of tablets and smartphones must

meet "security and controllability" requirements. The Catalogue and Guidelines, taken together, thus appeared to use concepts such as security, controllability, reliability and local manufacture interchangeably.

15. There had been recent reports that China may be reviewing the policies set out in the Guidelines and Catalogue. In addition to the questions that had been posed in writing, the United States asked China to provide further details on that ongoing review, given the international call for China to reconsider and suspend implementation of those banking regulations.

16. Japan stated that, on 3 September 2014, the Government of China, namely the CBRC, National Development and Reform Commission, Ministry of Science and Technology and Ministry of Industry and Information, issued the "Guiding Opinions on the Application of Secure and Controllable Information Technology to Strengthen Banking Industry Network Security and Informatization". The description of the Guiding Opinion was the following: first, it called for the banking sector in China to switch to "secure and controllable" technologies aiming that, by 2019, the level of adoption of such technologies in the sector would be increased to 75%; second, it envisaged strengthening the security inspection of ICT specialized in banking sector and relevant products by establishing a standard for network security audit in the banking sector in China. Following the Guiding Opinions, Guidelines were issued on 26 December 2014, introducing requirements that ICT goods and services used by banks should meet. For example, the Guidelines required that banking ICT equipment contain indigenous Chinese intellectual property; and that equipment should go through an assessment procedure and obtain certification based on a particular set of criteria set out by the Guidelines.

17. Japan voiced its concern about the Guidelines' consistency with the WTO agreements, including the TRIMS Agreement, and invited China to provide its view on how those requirements could be implemented consistently with the TRIMS Agreement. Further, Japan asked whether the Government of China was considering implementing or revising those Guidelines. Japan wished to continue exchanging views with China on the implementation of those restricting measures and asked China: (1) whether it had provided detailed information on the procedures for the registration of source code of software and on measures concerning the assessment procedure and acquisition of certification based on a particular set of criteria prescribed by the Guidelines; and (2) whether China could describe, in relation to a CBRC document of 12 February 2015 requiring suppliers to provide either IP software certificate or a legal origin certificate, what the two certificates were and whether China would introduce concrete criteria for the two certificates in explicit language.

18. The European Union echoed previous concerns on the proposed Chinese measures on "secure and controllable" ICT products in the banking sector. Without questioning the right of WTO Members to take steps to improve cyber security, the Guidelines reflected a definition of "secure and controllable" technology that would severely limit access to China's commercial banking sector for many foreign ICT products, services and technologies, and would dictate the business decisions of financial institutions, including foreign financial institutional investors. The European Union asked China to offer clarifications on the proposed measures and looked forward to China's replies to the US questions.

19. Canada acknowledged China's recent modifications to the new Guidelines for the banking sectors, the development and implementation of which Canada monitored closely. Canada would welcome the Chinese banking regulators making themselves available for questions and dialogue.

20. China appreciated the remarks of the United States, the European Union, Japan and Canada and noted that the US questions had been forwarded back to capital. The purpose of such measures was to protect information security of banking industries and the public. The relevant authorities were revising and perfecting the measures taking into account the comments received from various parties. China's opening-up policy and commitment to fully implement WTO rules would remain unchanged. In the meantime, it was necessary to protect information security of banking industries. Many other countries had also established relevant laws and regulations in order to protect information security. The United States had learned China's position through bilateral channels and hoped that the United States and other Members would understand and respect China's practice and action in that regard.

21. The United States appreciated China's response and looked forward to more detailed responses to the US questions. The United States also took good note of China's statement that the measure would remain unchanged and assumed from this statement that the reports seen in the press about plans to suspend or delay implementation of the measure were incorrect. Finally, the United States would review carefully the responses to be received from China and might revert to this issue at a future meeting of this Committee.

22. The Committee took note of the statements made.

3 INDIA – LOCAL CONTENT REQUIREMENT IN SOLAR POWER GENERATION PROJECTS

23. The Chair informed Members that the next agenda item was also to be discussed for the first time, upon the request of the European Union. Questions from the European Union had circulated in document G/TRIMS/W/147.

24. The European Union expressed its concern about India pursuing the policy of local content requirements in the solar power generation sector. Despite an on-going trade dispute, India, with its recent move, appeared not to relinquish its trade-obstructive behaviour in that sector. The European Union requested further information on India's current schemes, as per the EU questions, and on the rationale for such local content requirements, bearing in mind that Indian domestic operators did not presently have the capacity to fulfil such requirements, and would not have such capacity most probably in the short term, meaning that the achievement of targets intended in the National Solar Mission could be seriously hampered. The European Union sought assurances from India as to future projects, indicating that India should be departing from localisation policies for the benefit both of foreign companies and the success of its National Solar Mission.

25. India noted that it had recently received the EU questions which were being analysed in capital. The details of the measure in question were in the public domain at the MNRE website i.e. http://www.mnre.gov.in. India requested the European Union to go through the website and confirmed its belief that all the measures under question were GATT and TRIMS compliant as India took its WTO obligations very seriously.

26. The Committee took note of the statements made.

4 INDIA – CERTAIN PREFERENCES TO DOMESTICALLY MANUFACTURED ELECTRONIC GOODS AND TELECOMMUNICATIONS PRODUCTS

27. The Chair recalled that the next item had been considered for the first time at the Committee's meeting in May 2012 and was on the agenda at the request of the European Union. Documents pertaining to that issue could be found in G/TRIMS/W/94 and G/TRIMS/W/105, containing questions posed by the United States, and G/TRIMS/W/97 and G/TRIMS/W/111 containing India's replies. Further questions had been posed by the European Union in documents G/TRIMS/W/133 and G/TRIMS/W/143, to which India had responded, a few days prior to the meeting, in documents G/TRIMS/W/155 and G/TRIMS/W/156 respectively.

28. The European Union thanked India for its statement under this agenda item at the Committee's previous meeting of 6 October 2014, for pointing to the Notification No. 33(3)2013-IPHW for more details of the revised policy and for its recently submitted replies to the EU questions.

29. The European Union requested additional clarifications on whether the Government of India had issued, in December 2014, strict guidelines to all Ministries asking them to identify and notify department-specific domestically manufactured electronic products for procurement and to adhere to a tender template. It asked India to share information about those guidelines, their implementation and the outcome of the instructions given according to the data collected by the online monitoring system.

30. Further, it requested to receive information about the revised policy of the modified special incentives package scheme (M-SIPS), as the revision had been finalised.

31. The European Union further noted that India, in its reply to the EU questions (document G/TRIMS/W/143) on its preference policy relating to certain domestically manufactured telecommunication products, had referred to the original telecoms Preferential Market Access (PMA) policy notification dated 05.10.2012. The European Union asked India to clarify whether it intended to publish a modified telecoms PMA policy (as had been the case for electronics); furthermore, whether the local manufacturing and value addition requirements, often reaching 100%, would remain unchanged, whether they would be applied as established in the 2012 notification and whether India would publish explanatory guidelines for the methodology of value addition calculation.

32. Japan shared the EU concerns and appreciated India's efforts to provide its views in writing. Japan would read India's responses carefully and would be interested in following up this issue.

33. The United States expressed its appreciation to India for the responses provided and noted that it would review the responses carefully in capital.

34. Canada thanked India for providing responses to the outstanding questions. Unfortunately, as the information had only been circulated very recently, colleagues in capital had not had an opportunity to fully examine the information. Canada would review the information provided and would revert with questions, if necessary.

35. India noted that it had already responded to the EU written questions. On the additional EU questions, India requested the European Union to go through India's written response and especially the web link provided as it contained detailed information on the current state of play with respect to that policy in India. In case the European Union or Japan desired more information, India requested written questions that could be forwarded to the capital for a suitable response.

36. The Committee took note of the statements made.

5 INDONESIA – LOCAL CONTENT REQUREMENTS FOR 4G LTE MOBILE DEVICES

37. The Chair noted that this item was on the agenda for the first time at the request of the United States which had also submitted written questions, circulated in document G/TRIMS/W/148. Indonesia had provided written responses just before the beginning of the meeting, advance copies of which had been placed at the back of the room. The Secretariat would circulate those written replies as soon as possible.

38. The United States expressed its deep concern about recently announced measures seemingly imposing local content requirements on 4G LTE mobile devices. Such measures were especially alarming because of the three-fold nature of the discrimination. First, assuming the US understanding of the measures was correct, the measures appeared to require investors to use local content in manufacturing. Second, the measures appeared to award credit towards meeting the local content requirement discriminatorily, such that companies owned by Indonesians could meet the local content requirement more easily than companies owned by non-Indonesians, resulting, ironically, in local companies being possibly able to use less local content. Third, the measures appeared to envisage that discriminatory subsidies could be granted based on the use of local content.

39. Those measures were vivid illustrations of the dangers of local content requirements. Electronic equipment of the type covered by those measures was supported by modern global value chains. No product was entirely manufactured in any one jurisdiction, and it made no economic sense for companies to operate parallel manufacturing facilities in several countries for similar parts and components. Further, that measure appeared to apply to a broad range of companies, including companies that may design devices, but not manufacture them directly, as well as companies that were primarily software development companies and whose software ran on devices. It was not clear how such companies could comply with those measures. The most likely result of measures of that sort would be that Indonesian consumers would be cut off from the most up-to-date equipment. In some countries that had tried similar approaches, a thriving black market had developed meaning that consumers paid high prices for products without warranties, the government was deprived of tax revenue, and no local manufacturing took place.

The only thing Indonesia would accomplish would be to send a clear signal that it was not a safe place to invest.

40. The United States noted that the alternative outcome should be of even greater concern for this Committee. Given the nature of those products, it would be unlikely that manufacturers would set up facilities dedicated solely to supplying the Indonesian market, redundant of manufacturing facilities elsewhere. Rather, if Indonesia's measure were successful, companies might decide they had no choice but to move facilities into Indonesia to supply both the Indonesian AND export markets. As investors would look to make new investments, they might shun smaller developing countries, because if they did not set up manufacturing in Indonesia, they might not be able to sell their products in Indonesia – a very big place with a lot of consumers. Such an outcome would be a boon to Indonesia, but would come at the direct expense of the countries where those products were manufactured presently. While a big manufacturing economy and consumer market like China could probably find ways to continue to attract foreign investment, Indonesia would be directly stealing investment from its smaller neighbours. In sum, those measures did not reflect the reality of how products were manufactured.

41. The United States also expressed its interest in learning more about Indonesia's intentions. The United States understood that the multiple Indonesian ministries involved in developing those requirements were consulting private sector stakeholders and urged such consultations to continue and to take into account the US comments and those from foreign governments, including those made at this meeting. It also urged Indonesia to ensure its measures were consistent with its WTO commitments. Finally, the United States asked Indonesia the anticipated timeframe for those measures, and what the process for considering whether they should be imposed, modified or dropped would be.

42. Japan fully shared the US concerns and was carefully monitoring the regulation in question. Japan understood that the regulation was under review and that the Indonesia would publish a draft of the regulation and call for public comments by the end of the month, as announced in the website of the Ministry of Communication and Information. Through such a process, Japan urged the Indonesia to bring the regulation into consistency with WTO rules.

43. Canada noted that it had forwarded to capital for review the Indonesia's written responses to the US questions.

44. Indonesia, referring to the US questions in document G/TRIMS/W/148, provided the following clarifications:

45. Responding to question No 1, Indonesia noted that the plan was intended to strengthen Indonesia's role and further integrate itself into the global value chains. This plan would only apply in the 4G/LTE sector equally and non-discriminatorily between domestic and foreign investors. In undertaking this plan, Indonesia, as a law-abiding member of the WTO, would ensure that due process would be upheld in line with all the WTO provisions and Indonesia's commitments, particularly the principles of transparency, inclusiveness, and non-discrimination. This plan also included a series of consultations with all stakeholders, such as telecommunications' operators, investors, and associations. Regarding question No 2, Indonesia stated that the local content calculation was subject to Ministry of Industry Regulation No 69/2014 on Conditions and Calculation Method of Local Content for Electronics and Telematics Industry.

46. Indonesia noted that its responses to questions No 3 and 4 were in line with its response to question No 1; the plan to move up the value-chain of manufactured products in 4G/LTE sector was still being formulated and the substance had yet to be finalized. Thus, the response to question No 5 could not be determined since the plan was still under discussion. In conclusion, Indonesia expressed its willingness to continue working with other WTO Members, in order to support and strengthen the multilateral trading system which developed a favourable investment climate and trading regime.

47. The Committee took note of the statements made.

6 INDONESIA – CERTAIN MEASURES ADDRESSING LOCAL CONTENT IN INVESTMENT IN THE TELECOMMUNICATIONS SECTOR

48. The Chair recalled that this issue had been previously considered at all Committee meetings held since 20 May 2009. It was placed on the agenda of today's meeting at the request of Japan. Since the first time it had been raised, a number of questions had been posed to Indonesia on this matter. These could be found in documents G/TRIMS/W/61, 71, 78, 86 and 104. Responses to these questions could be found in documents G/TRIMS/W/63, 75, 80, 96 and 131 respectively. A few days before this meeting, Japan submitted new questions in document G/TRIMS/W/154. As already mentioned, Indonesia had just provided written responses, advance copies of which had been placed at the back of the room. The Secretariat would circulate these written replies as soon as possible.

49. Japan recalled that it had submitted written questions on this matter in G/TRIMS/W/154 and received written answers just two hours ago. Unfortunately, Japan's first impression of those answers was that Japan's views, as expressed in this Committee, were ignored. Japan invited Indonesia to carefully listen to its statement and to report it to capital in detail. This item had been on the agenda of this Committee for quite a long time. However, Japan still had significant concerns that the local content requirement in the telecommunications sector of Indonesia could be implemented inconsistently with the relevant WTO rules.

50. By way of background, Japan recalled Ministerial Decree No. 7/2009 which was referred to in document G/TRIMS/W/80 in 2010. That Decree had stipulated that 30% of Broadband Wireless Access (BWA) devices using the 2.3GHz and the 3.3 GHz and 40% of base stations needed to be domestically manufactured. It also determined that electric and telecommunication equipment and devices should be manufactured with at least 50% of domestically procured components in five years. The method of calculation of the said requirements was determined in Ministerial Decree No. 41/2009, and the calculation was based on the cost of material, equipment, and operating machine. Therefore, those Decrees had put the local content requirement on the BWA equipment and the base stations. Japan continued to doubt the consistency of the Ministerial Decree No. 7/2009 with relevant WTO rules, namely, GATT Article III:4 and Article 2 of the TRIMS Agreement, because the Decree imposed an obligation to procure BWA equipment in the domestic market.

51. At the previous meeting of this Committee, Indonesia had explained that goods and services receiving supports from the government were considered as government procurement. However, Japan was not fully convinced with that explanation, because GATT Article III:8(a) should not be misinterpreted. The procurement in question was not done by government entities but by the private sector.

52. The United States appreciated the responses Indonesia had provided to questions posed by Members in this Committee but remained concerned by local content requirements in telecommunications decrees adopted over the last several years. The United States was concerned that the requirements resulted in favourable treatment for domestic products over imported products and that investors could be penalized if they did not comply. Moreover, instead of curtailing the use of local content requirements, Indonesia appeared to be expanding their use to other sectors, as was demonstrated by the ever growing list of concerns of multiple trading partners in this Committee. The United States expressed its deep concern about that expansion, especially as those measures harmed Indonesia's investment and business climate.

53. Canada shared the concerns expressed by others regarding certain provisions affecting the telecommunications sector and strongly encouraged Indonesia to consider the impact that such provisions could have on investment and innovation. Canada emphasized its interest in ensuring non-discriminatory treatment in the Indonesian telecommunications sector. Canada would review carefully Indonesia's written responses to Japan's questions and would continue to follow closely the developments in the Indonesian telecommunications sector.

54. The European Union shared Japan's position, as at previous meetings, and reiterated its general concern about the proliferation of local content requirements in the Indonesian legislation. Local content provisions in the telecoms sector had been a long-standing issue raised on several occasions. The European Union asked Indonesia (1) whether it was planning to increase further

the mandatory local content requirements for broad band "equipment and facilities" and if so, how; (2) when those requirements would be issued and be subject to public consultations; and (3) whether it planned to issue any other related measures and, if so, when.

55. Indonesia referred to Japan's questions, in G/TRIMS/W/154, and provided the following clarifications. Responding to question No 1, Indonesia reiterated its previous response in document G/TRIMS/W/75 that Decree No. 7/2009 was already in line with all WTO provisions, especially GATT Article III:8(a). The Decree did not provide for differentiated treatment between local and foreign-service providers and was consistent with Article 2 of the TRIMS Agreement. In response to questions No 2 and 3, Indonesia noted that the regulation was intended to develop the telecommunication sector in remote and under-served/unserved areas, as well as rural areas which required government assistance. Therefore, Indonesia perceived this program as falling under government procurement activities, regulated under Article III:8(a) of GATT 1994. As such, the enactment of that regulation did not violate the national treatment principle as stipulated in Article III:4 of GATT 1994 and the TRIMS Agreement. Furthermore, in response to question No 4, Indonesia clarified that, so far, there was no revision or additional regulation to the measures in question. In conclusion, Indonesia expressed its willingness to continue working with other WTO Members in order to support and strengthen the multilateral trading system resulting in a favourable investment climate and trading regime.

56. The Committee took note of the statements made.

7 INDONESIA - CERTAIN LOCAL CONTENT PROVISIONS IN THE ENERGY SECTOR (MINING, OIL AND GAS)

57. The Chair recalled that this item had been considered at all Committee meetings held since October 2009. Questions to Indonesia had been circulated in documents G/TRIMS/W/70, 88, 108 and 128; to which Indonesia had replied in documents G/TRIMS/W/74, 79, 100, 123, 128, 137 and 137 Corr.1. This item had been placed on the agenda at the request of the European Union, Japan and the United States.

58. The United States raised its concerns about investment restrictions in the energy sector (mining, oil and gas), in particular about the requirement to "prioritize" the use of domestic goods and services in the mining, and oil and gas sectors, and how that requirement had been enforced. The responses provided by Indonesia appeared to confirm the US fears that "prioritize" might be a polite way of saying "require". Indonesia had used the word "prioritize" rather than "require" and some of its earlier responses seemed to hint that consideration of circumstances such as price and quality might be relevant for determining whether the local content provision would apply. However, the most recent responses from Indonesia made clear that there was very little flexibility in those measures. It was hard to conceive of a more negative signal to potential investors than telling them that they would be prohibited from considering the price and quality of the inputs they purchased. The United States had also raised concerns about the overall investment climate in those sectors through these and other actions that had created uncertainty in the market. However a quick review of the responses seemed to confirm the US' worst fears. The United States would study these responses in capital and would revert at a later date.

59. The European Union stated that those provisions had been discussed at length in this Committee and that it had repeatedly conveyed its concerns with regard to the prioritisation of local content in Indonesia's legislation covering mining products in mineral and coal. Several Members had already shared strong doubts regarding the compatibility of the measures with the WTO Agreements, including TRIMS. The European Union regretted that Indonesia had not yet reviewed those measures and asked Indonesia whether it intended to do so. Measures had been taken over the past few years and months in the Indonesian energy and mineral resources sectors, including not only local requirements, but also export restrictions and limits imposed on foreign participation. Those provisions continued to act as a deterrent to foreign investment. The European Union welcomed the new Government's declarations in favour of cutting red tape and improving the investment climate and, in this context, invited again Indonesia to consider the long-term impact of that policy, also bearing in mind G20 commitments to resist and roll-back protectionist measures.

60. Even though Japan had raised points in the past eight sessions of this Committee, it had been regrettable that there had not been any improvement. Japan considered that the prohibition of the exportation of raw materials based on the Mining Law constituted a violation of GATT Article XI which stipulated the general elimination of quantitative restrictions on imports and exports. Since the establishment of the new government in Indonesia, Japan had urged the Indonesian authorities to review the measures concerned at the various levels, including the one between the Head of States. When President Joko visited Japan in March 2015, Prime Minister Abe and President Joko confirmed that both countries shared the value of rule-based multilateral trading system. Japan intended to solve this issue through bilateral dialogue, but, as the situation had not changed so far, had already started its internal consideration to take steps available under the DSU.

61. Australia joined other Members in expressing continuous concerns over regulations in Indonesia's mining sector regulations, in particular ownership divestment requirements, restrictions on the export of raw materials, pressure to renegotiate contracts of work and restrictions on obtaining approvals for expatriate employees. These regulations created uncertainty for foreign and domestic mining ventures in Indonesia. In addition, the regulations were adversely affecting investor confidence more broadly. Australia looked forward to further clarification from Indonesia on the implementation of these regulations.

62. Canada was also closely following the development of the new mining regime in Indonesia and continued to be concerned about the potentially negative impact on both current and future foreign mining investments in Indonesia. Canada shared the concerns expressed by others that certain provisions of the new mining regime appeared to discriminate against foreign suppliers, while others appeared to restrict exports.

63. Indonesia recalled that for all the questions it had received, in documents G/TRIMS/W/88 dated 22 September 2011, G/TRIMS/W/108 dated 20 September 2012 and G/TRIMS/W/128 dated 4 October 2013, it had provided corresponding responses in documents G/TRIMS/W/100 dated 6 July 2012, G/TRIMS/W/123 dated 20 April 2013, G/TRIMS/W/131 dated 14 October 2013, G/TRIMS/W/137 dated 13 August 2014 and G/TRIMS/W/137/CORR.1 dated 25 September 2014. Indonesia concluded that it was ready to engage constructively with Members to further discuss this matter.

64. The Committee took note of the statements made.

8 INDONESIA – NEWLY ADOPTED INDUSTRY LAW AND TRADE LAW

65. The Chair recalled that this item had been discussed for the first time in last year's June meeting of the Committee and had been placed on the agenda of today's meeting at the request of the European Union, Japan and the United States. Questions to Indonesia in relation to this item had circulated in documents G/TRIMS/W/138 and G/TRIMS/W/140. Indonesia had just provided the morning before the meeting written responses to these questions, advance copies of which had been placed at the back of the room. The Secretariat would circulate those written replies as soon as possible.

66. The European Union stated that the legal framework provided by the Trade and Industry laws leaned towards protectionism, was potentially very trade restrictive and contributed to create a high degree of uncertainty and hesitation among investors. The European Union had submitted questions to Indonesia on 16 September 2014 asking to clarify those aspects that had already been raised during the previous meeting of the Committee in October 2014. The European Union remained particularly concerned by certain conditions, notably:

- the possibility for the Government to impose export bans on biological and non-biological raw materials (Industry law) and to impose restrictions on exports and imports of certain goods for national interests (Trade law);
- the mandatory use of domestic products and increased use of national standards; and,
- the use of safeguard measures, either tariff or non-tariff- measures to protect the industry from international competition.

67. Furthermore, the European Union was interested in understanding whether several draft regulations, currently under discussion, would be open to public consultation; in particular, the following regulations: i) Draft government regulation on industrial business license and industrial zone activity; ii) Draft regulation on development of industrial resource; iii) Draft regulation on industry facility and infrastructure.

68. Japan believed that the Law on Trade and the Law on Industry would further deteriorate Indonesia's business climate by introducing a legal framework for further trade-restrictive measures. More precisely, Articles 26 and 54 of the Law on Trade seemed to allow the Indonesian authorities to control exports and imports to protect certain industries. Article 25 of the Law on Trade could be interpreted to mean that the Government would control prices in certain situations. In the Law on Industry, Articles 32 and 33 banned and restricted the import and the use of natural resources, and Article 87 stipulated the local content requirement on specific industries. Japan also had concerns about the consistency of those laws with Article XI:1 and Article III:4 of the GATT and Article 2 of the TRIMS agreement, and closely monitored how those laws were to be implemented. Japan asked Indonesia to share with Members the latest information on the consideration process of related implementation measures.

69. The United States noted that while these laws were vague in many respects, with implementing regulations yet to be written, the theme of a broad shift to a government-dominated highly protected economy was clear. In the context of other Indonesian measures the Committee had examined, the implications for the TRIMS and other agreements were quite troubling. Because of the vagueness of some aspects of those measures, the United States was particularly interested in reviewing the responses Indonesia had provided. The Industry Law and Trade Law contained numerous provisions that carried forward the theme of a protected industrial sector. During prior meetings of the Committee, the United States had highlighted some of the key provisions. Those laws could be read to signal a significant retreat from Indonesia's commitment to its obligations under the TRIMS and other WTO Agreements. The United States recognized that the Indonesia had been given time to draft implementing legislation and understood that the drafting process had begun, and requested Indonesia to keep the Committee apprised of developments.

70. Australia stated it would study the responses of Indonesia closely and further noted that the WTO rules provided the parameters to guide governments on how best to provide assistance to industry sectors and how to avoid trade impacts on other Members' interests. How Indonesia would implement its Trade Law and Industry Law would be crucial to whether those laws would directly impact trade and investment. Australia was particularly interested in what this meant for Indonesia's use of trade remedy measures. For example, the Trade Law appeared to allow Indonesia to unilaterally take retaliatory trade measures against other trading partners who took legitimate trade remedy measures. Australia would appreciate Indonesia keeping the Committee informed on how it intended to go forward in issuing its implementing regulations for the new laws, taking into consideration the concerns raised by several Members.

71. Canada recalled that at the June 2014 meeting, it had raised a number of questions concerning those measures and had subsequently provided them in writing (G/TRIMS/W/138). Canada stated it would forward Indonesia's written answers to those questions to capital for review.

72. New Zealand echoed the concerns raised by all previous speakers regarding Indonesia's newly adopted Industry and Trade Laws which it viewed as exacerbating existing concerns regarding Indonesia's trade regime. The newly adopted Trade Law appeared to open the door to an increase in protectionist measures across all sectors of the Indonesian economy. New Zealand would watch closely Indonesia's implementation measures and their WTO compatibility. Like others, New Zealand urged Indonesia to keep this Committee informed of the implementation progress. Finally, regarding the answers provided just at the beginning of this meeting, New Zealand would read them carefully, share with capital and continue to be interested in this issue.

73. Indonesia, referring to the questions contained in document G/TRIMS/W/138 dated 13 August 2014, provided the following clarifications:

74. Responding to question No 1, Indonesia was of the view that the Trade Law and the Industry Law were formulated in the spirit of strengthening the national economy, taking into

account Indonesia's commitments to the WTO. Furthermore, GATT Art. XVIII clearly stipulated the right of Members who were in the early stages of development to pursue their development interest to improve low standards of living. According to Indonesia, the obligation to use domestic goods and services would be reserved only for government procurement. Indonesia also noted that currently it was not party to the Government Procurement Agreement.

75. Regarding question No 2, Indonesia clarified that the provision applied to all sectors and regions in Indonesia.

76. Regarding question No 3, Indonesia clarified that the Government of Indonesia was responsible for providing and ensuring the availability of Basic Goods and Essential Goods in sufficient quantity, affordable price and excellent quality for the sake of public welfare, development and national security.

77. Responding to question No 4, Indonesia stated that measures aimed at "controlling" those goods could not take the form of import and export restrictions. "Controlling" meant that the Government took the responsibility and therefore had to ensure the availability of Basic Goods and Essential Goods in sufficient quantities and affordable price for the people. Various measures which might be taken by the Government, as and when necessary, to attain this responsibility would take into account Indonesia's commitment to the WTO rules.

78. Moreover, in order to respond to question No 5, the elucidation of Article 25 of the Trade Law provided definitions and examples of the goods that fell under those categories. *Basic Goods* meant goods that were exceptionally needed to serve the livelihood of the public as well as were supporting elements of public welfare; such as: rice, sugar, cooking oil, eggs and milk. *Essential Goods* meant strategic goods which had important role in determining the continuity of national development; such as: fertilizer, cement, oil and gas.

79. Responding to question No 6, according to Article 121 of the Trade Law, Implementing Regulations to this Law, either in the form of Government Regulation, Presidential Regulation, or Ministerial Regulation, would be completed within two years after the promulgation of the Law. The Law had been signed, promulgated and entered into force on 11 March 2014.

80. Regarding question No 7, Indonesia responded that all stakeholders, including business community, would always be engaged in the process of drafting the implementing regulations.

81. Responding to question No 8, Indonesia noted that consultations with stakeholders had been regularly conducted before the Trade Law's signature.

82. Responding to question No 9, Indonesia confirmed that official translations of those Laws had not yet been available and were still in the drafting process.

83. Referring to the EU questions in G/TRIMS/W/140, dated 16 September 2014, Indonesia provided the following clarifications:

84. Responding to question No 1a, Indonesia was of the view that, according to Articles 32 and 33 of the Industry Law, the Government could take necessary measures to secure the availability of natural resources for the domestic needs of and to support the development of domestic industries and to reduce excessive dependence on exporting raw materials through value addition. Such measures could be taken with the consideration, e.g.:

- to preserve natural resources;
- to apply to natural resources which were strategic, non-renewable and limited; and
- to realize independent, competitive industrial structures and maintain price stability.

85. As for Article 54 of the Trade Law, the Government could restrict exports and imports based on provisions of Article XX of the GATT, such as:

- necessity to protect national security or public interest; and/or,

- necessity to protect the health and safety of people, animal, fish, plant, and the environment.

86. Those laws had mandated numerous Implementing Regulations that would further elaborate the relevant provisions stipulated in the laws. Formulation of the Implementing Regulations would also be guided and take into consideration the Security, Safety, Health and Environment purposes for consumers, producers, market stability as well as international commitments, including WTO. The Government believed that this would be regulated and implemented in a manner that was not inconsistent with WTO rules.

87. Further, responding to question No 1b, Indonesia noted that the mandatory use of domestic products provided for in the Trade and Industry Laws would be reserved only to government procurement. The use of national standards through Indonesia National Standard (SNI) was implemented on a voluntary basis aimed at protecting consumers. For certain products, however, the standard would be mandatory and would apply to both domestic and imported products.

88. Moreover, responding to question No 1c, Indonesia stated that safeguard measures were justified and commonly applied by WTO Members in case of import surges which caused, or threatened to cause, serious injury to the domestic industry. In Indonesia, implementation of safeguard measures was regulated by Government Regulation No. 34/2011 concerning antidumping, countervailing and safeguard measures.

89. Regarding question No 2, Indonesia responded that there were numerous implementing Regulations mandated by the Trade Law which included 9 (nine) Government Regulations, 14 (fourteen) Presidential Regulations, and 20 (twenty) Ministerial Regulations.

90. Responding to question No 3, Indonesia clarified that implementing Regulations of the Trade Law and the Industry Law would be completed within two years after the entry into force of the respective laws. Stakeholders would be closely engaged in the process of drafting the implementing regulations and Indonesia was ready to discuss further and consult with other Members providing clarifications of its policy.

91. The Committee took note of the statements made and the answers provided.

9 INDONESIA – MINIMUM LOCAL PRODUCT REQUIREMENT FOR MODERN RETAIL SECTOR

92. The Chair recalled that this item had been discussed for the first time at the meeting of 20 June 2014 and was placed on today's agenda at the request of the European Union, Japan and the United States. Questions to Indonesia from the United States and the European Union had circulated in documents G/TRIMS/W/139 and G/TRIMS/W/141 respectively. Indonesia had provided just before the start of the meeting written responses to those questions, advance copies of which had been placed at the back of the room. The Secretariat would circulate those written replies as soon as possible.

93. The European Union reiterated its concerns about the 80% local content requirement imposed by Regulation 70/2013. This requirement was burdensome, distorted competition, and limited consumers' choice. On 16 September 2014 the European Union had submitted written questions to Indonesia asking to clarify those aspects that had been already raised during the previous meetings of this Committee. Those questions had remained unanswered. In particular, the European Union understood that the 80% local content requirement already existed for franchising, and by means of Regulation 70/2013 it had been extended to the whole retail sector. The European Union also understood that under Regulation 56/2014, which amended Regulation 70/2013, retailers appeared to be exempted from the obligation to sell 15% own brand products and 80% domestic products, under certain specific conditions. The European Union would like to receive clarifications on each specific condition for the exemption from the local content requirement to be applied. Furthermore, the European Union asked Indonesia to clarify when those provisions had entered into force, which Regulation set out the 80% local content requirement for franchising, whether there were any implementing regulations and whether similar exceptions to the rules were foreseen also in the franchising sector.

94. The United States recalled that during the previous meeting, it had brought to the attention of the Committee its concern about Regulation 70/2013, adopted by Indonesia's Ministry of Trade (MOT), and entitled Guideline on Planning and Development of Traditional Market, Shopping Centre and Modern Shop. That regulation built on requirements in previous MOT regulations in 2012 and 2013 (Regulations 53 and 68 of 2012 and Regulation 7 of 2013) related to franchises, including modern retail franchises (such as minimarkets and hypermarkets) and food establishments. Regulation 70 required, among other things:

- "Modern Shop may only market private-labelled and/or house-labelled products at most 15% (fifteen percent) of stock keeping unit sold in Modern Shop outlets." (Article 21.2)

- "Shopping Centre and Modern Shop shall sell domestic products at least 80% (eighty percent) of quantity and type of products being traded" (Article 22.1).

95. While those requirements applied to both domestic and foreign companies, those provisions seemed to specifically anticipate that in order for a foreign investor to establish in this sector in Indonesia, that investor had to acquire and sell local goods. The regulation had been scheduled to come into force in June 2014. However, investors had had two years to come into compliance with the requirement to use local goods. The United States asked Indonesia to confirm whether that Regulation was not in force and to keep the Committee informed of the process for implementing Regulation 70/2013.

96. Similar regulations applied to franchise establishments. Ministry of Trade Regulation 53/2012 required that "Franchisors and franchisees must use domestically produced goods and/or services for at least 80 percent of their raw materials, business equipment and sales." This local sourcing requirement had been also reflected in Regulations 68/2012 and 7/2013. The United States asked again Indonesia to keep the Committee apprised of developments concerning implementation of that Regulation.

97. Japan repeated its concern about the trend in Indonesia towards imposition of local content requirements which could be implemented inconsistently with WTO rules. Japan considered that Trade Ministry Regulation No 70/2013 was problematic because it imposed an obligation on shopping centres and modern retail shops to ensure that 80% of products in their outlets were domestic. Even with the new regulation No 56/2014 which stipulated stand-alone brands handling goods from the global supply chain to be exempted from local-content requirements, it had not fully dispelled its concern that those regulations violated the WTO agreements, in particular, GATT Article III:4 and Article 2 of the TRIMS Agreement. Japan urged the Indonesian authorities to expeditiously bring the measures into conformity with those provisions.

98. Canada thanked Indonesia for its written answers to the outstanding questions which would be forwarded to capital for a thorough review.

99. New Zealand shared the concerns of previous speakers regarding the minimum local product requirements for the modern retail sector. Such requirements appeared to further restrict trade across a range of products in a way that appeared to undermine core WTO principles, including those set out in the TRIMS Agreement. New Zealand would read Indonesia's written responses carefully and review in capital, and would continue to be interested in this issue.

100. Referring to the US (G/TRIMS/W/139) and EU questions (G/TRIMS/W/141), Indonesia provided the following clarifications:

101. Responding to US question No 1 and EU question No 2, Indonesia noted that its government had enacted the Minister of Trade Regulation No. 56/2014 to amend the Minister of Trade Regulation No. 70/2013. According to the new regulation, exemption to the 15% requirement applied to Modern Stores who had carried out partnership cooperation as had been stipulated in Article 15.3 of the Regulation No. 70/2013.

102. The new regulation also provided for an exemption, as described in Article 22, for Modern Stores in the form of *stand-alone brand* and/or *specialty stores* from meeting the 80% requirement, provided the products sold:

- "Require a uniformity of production and were derived from single unit of global supply chain;
- Are *premium products* and had no production base in Indonesia; or
- Are originated from certain countries to exclusively meet the needs of its citizens living in Indonesia."

103. That exemption would be given with the authorization of the Minister of Trade. Modern Stores who had obtained the exemption should gradually increase the sale of similar goods produced in Indonesia as well as submit the implementation report to the Minister of Trade c.q. Director General of Foreign Trade. Based on those regulations, any Modern Stores, franchised or not franchised, were required to meet the minimum 80% requirement. For franchised Modern Stores, more specific rules were set out in the Minister of Trade Regulation No. 68/2012.

104. Regarding US question No 2, Indonesia noted that Regulation No. 70/2013 and Regulation No. 56/2014 were now in force. However, according to Article 41 of the Regulation No. 56/2014, Modern Stores were provided with a two-year period from the entry into force of the regulation, to come into compliance with the 80% requirement. That regulation had entered into force in September 2014.

105. Responding to US question No 3 and EU question No 1, Indonesia stated that the Minister of Trade Regulation No. 53/2012 concerning franchise provided general rules on establishing and operating franchise. It required all franchisors and franchisees to use domestically produced goods and/or services for at least 80% of their raw materials, equipment, and sales. However, there were certain conditions which may allow the Minister of Trade to grant exemption. The decision to grant exemption would be made after taking into consideration the recommendation made by the Assessment Team. The minimum 80% requirement and the exemption was also applied in Regulation No. 68/2012 which provided more specific rules on Modern Store Franchise and in Regulation No. 7/2013 which regulated in more detailed rules the Franchise Partnership Development for Food and Beverage Services. Further, the definition of "certain conditions" and the procedure to request the exemptions were further detailed in the Decision of Director General of Domestic Trade No. 16/PDN/KEP/3/2014.

106. Responding to EU question No 3, Indonesia clarified that the objective of that provision was, inter alia, to promote better climate for competition, especially for the participation of SMEs, and to ensure business certainty. The Minister of Trade Regulation No. 56/2014, in particular Article 21.2, provided for an exemption from meeting the 15% requirement. That exemption applied to Modern Stores who had carried out partnership cooperation as stipulated in Article 15.3 of the Regulation No. 70/2013.

107. Indonesia requested the United States to provide its questions of today in writing so as to convey them to capital for consultations.

108. The United States expressed its appreciation to Indonesia for its hard work on its responses which were useful and would be further reviewed by capital. The United States took particular note of Indonesia's reference to the exemption from the 80% requirement and the 15% requirement of Law No. 70/2013, specifically in its reply where it identified that there would be an exemption described in Article 22 with respect to stand-alone brands or specialty stores, an exemption that would allow them not to meet the 80% requirement subject to three criteria that there was: a) uniformity of production, i.e. the products were derived from a single unit of global supply chain; b) that the products were premium products that had no production base in Indonesia; and, c) that the products were originated from certain countries to exclusively meet the needs of their citizens living in Indonesia. The United States asked whether those criteria that established an exemption from the 80% requirement under Law No. 70/2013 would also constitute an exemption from the 4G LTE local content requirement that was raised earlier in the meeting.

109. Indonesia thanked the United States for its new question and requested to receive it in writing so as to forward it to capital for consultation.

110. The Committee took note of the statements made and the answers provided.

10 NIGERIA – CERTAIN MEASURES TAKEN IN THE "ACT TO PROVIDE FOR THE DEVELOPMENT OF NIGERIAN CONTENT IN THE NIGERIA OIL AND GAS INDUSTRY" OF APRIL 2010

111. The Chair recalled that the next agenda item had been considered at all Committee meetings held since 3 October 2011. It was placed on the agenda of today's meeting at the request of the European Union and the United States. Reference should be made to documents G/TRIMS/W/89 and G/TRIMS/W/142 and G/TRIMS/W/142/Corr.1, containing questions posed by the United States and the European Union respectively.

112. The United States recalled that it had been over three years since the United States and the European Union had first drawn Members' attention to certain measures which appeared to require the use of local content in Nigeria's oil and gas industry. The United States had sent written questions to Nigeria in September 2011 in document G/TRIMS/W/89, and had described its understanding of the measures in the meeting of October 2011. At the time, Nigeria had stated that it had not received any instructions from capital, nor answers to the US questions. Although this issue had been raised at each subsequent meeting of the Committee, and on several occasions in the CTG, Nigeria had provided neither a formal response, nor any substantive engagement; Nigeria repeatedly informed that further information would be provided soon, but to date had provided nothing. Meanwhile implementation of those measures had been ongoing. The European Union had posed a very interesting set of questions focused on the assessment Nigeria may have undertaken in designing those measures, and on whether Nigeria had gathered any information about the effects of these measures. However, as noted previously, the WTO Committee system provided a forum to gain a basic understanding of the trade policies of other Members, and to raise concerns outside the context of dispute settlement. The US and EU questions would have helped Members understand the Nigeria's policies. The United States urged Nigeria to make use of this body to clear up any misunderstandings it may have had.

113. The European Union echoed the US statement that this Committee had discussed the issue on a number of occasions, in regular TRIMS Committee meetings as well as in CTG meetings. Furthermore, the European Union recalled that it had submitted a full set of questions in September 2014 and was still awaiting detailed replies from Nigeria to all items raised in document G/TRIMS/W/142. As repeated in several meetings as from May 2012, the European Union had been concerned by the review of Schedule A. This review had been meant to comprise the list of detailed local content requirements per good or service, and had been originally foreseen by the applicable legislation for spring 2012. The European Union requested Nigeria to specify the date of that review and clarify the manner in which that was to be carried out; also, to clarify whether the Amendment Bill was still pending before the National Assembly and the state of adoption of that Bill. Until the mentioned Bill had been adopted, the European Union understood that derogations from the requirements of the law could no longer be awarded under the specific mechanism provided for under Section 11 of the Act, as this possibility had expired in April 2013. The European Union asked Nigeria to explain how operators had been allowed, in the meantime, to face capacity shortfalls. The European Union looked forward to receiving detailed written replies to its questions as well as to the planned review and was confident that Nigeria would address the concerns expressed and would work to ensure that it complied with its commitments under the WTO agreements.

114. Australia reiterated its concerns expressed over several meetings in different fora about the effect that those measures had been having on investment in the Nigerian oil and gas industry. Australia wished to understand better how the preferential treatment accorded to local goods and services in the Act was consistent with Nigeria's national treatment obligations under GATT 1994. In particular, Section 11(1) of the Act established minimum percentages of Nigerian content in goods, services and investment for any project in the Nigerian oil and gas industry. Further, Section 7 of the Act required operators to submit a Nigerian Content Plan demonstrating compliance with the Nigerian content requirements. Australia looked forward to Nigeria providing substantive responses to the issues raised by several Members over an extended period of time.

115. Norway echoed the EU and US concerns. Local content requirements could hinder important investments, and should Members wish to impose such requirements they would have to comply with WTO rules. The Nigerian Local Content Act had been a challenge for Norwegian companies operating in the Nigerian oil and gas industry. Large offshore projects were delayed due to long and complicated approval processes. Once projects were operative, monitoring and compliance

regimes added considerable costs and further delays. Collectively, the measures and requirements of the Local Content Act made the operating regime for this industry unpredictable. Norway encouraged Nigeria to take the concerns expressed into consideration and looked forward to Nigeria's answers to the EU questions.

116. Canada noted that it also looked forward to Nigeria's response to the sets of questions from the United States and the European Union.

117. Japan fully shared the systemic points of view expressed by the previous speakers and encouraged Nigeria to expeditiously provide its clarification in written form in accordance with the established practice in the WTO, as this had been a long-standing issue.

118. The delegate of Nigeria stated that he had not had a proper briefing before coming to the meeting and noted, for the record, that he was an intern at the Nigerian Mission through the mission's intern programme; he concluded that the concerns raised by the EU and the US were duly noted and would be communicated back to capital for proper review, and once the responses had been received, they would be duly transmitted to the concerned parties.

119. The Committee took note of the statements made.

11 RUSSIAN FEDERATION – LOCAL CONTENT REQUIREMENTS FOR PURCHASES BY STATE-OWNED ENTERPRISES

120. The Chair noted that this item was on the agenda for the first time at the request of the European Union and the United States. Questions to the Russian Federation had been circulated in document G/TRIMS/W/149.

121. The United States expressed its concern about a growing emphasis in the Russian Federation on local content requirements and import substitution policies. For example, on 28 January 2015, the Russian Federation had published its "Plan of Priority Measures to Ensure Sustainable Economic Development and Social Stability in 2015" – the so-called "Anti-Crisis Plan". An important element of the plan was the call for government action to support import substitution.

122. Steps had already been taken to implement this import substitution strategy on medical devices. On 5 February 2015, the Russian government adopted Resolution No. 102, "Establishing Market Entry Restrictions for Individual Types of Medical Devices Originating from Foreign Countries in the Context of Procurement for State and Municipal Needs." According to the Resolution, certain foreign-made medical devices were not eligible for state and municipal government procurement tenders if the device was made by two or more producers in the Eurasian Economic Union (the Russian Federation, Kazakhstan, Belarus, and Armenia).

123. Although such provisions related to government procurement, outside the scope of this Committee, other plans appeared to be in the works to expand those kinds of requirements beyond government procurement. In the US understanding, the Russian Federation had been considering applying requirements to purchase Russian-made inputs to State-Owned Enterprises ("SOEs") as well. Proposed amendments to the Federal Law No. 223 (dated 18 July 2011) would allow the Russian government to "establish specifics of procurement plans and tender rules for procurement by specific entities or procurement of specific goods, works and services by state-owned companies, including during implementation of investment projects." Interestingly, the background note acknowledged that the current law could be viewed as inconsistent with the Russian Federation's WTO obligations. It was not clear though how an obligation for SOEs to purchase local goods would be drafted in a manner consistent with those obligations. Any further details the Russian Federation could provide as to the status of the proposed amendments to law 223, and the approach it would take in those amendments would be very much appreciated.

124. The European Union supported the US intervention and underlined the growing and concerning trend observed in the Russian Federation to further restrict the access to public procurements with local content requirements. Over the past months, the European Union witnessed with regret a series of government Decrees that had been adopted with the aim to exclude foreign country goods from public procurements, notably: medical devices since

February 2015, machinery and equipment since January 2015, certain types of textile and footwear since August 2014, imported vehicles since July 2014, light industry imports since September 2014. This long list seemed to be further extended as the Russian government appeared to be preparing a further access restriction to public procurement for foreign software companies already from 1 July this year. Therefore, the European Union asked for clarifications from the Russian Federation with a view to understanding whether it only affects "government purchases products" (in this case, it would fall outside the scope of the TRIMS agreement) or whether its scope was wider as it might seem.

125. Beyond public procurement, the European Union was also concerned by a possible extension of local content requirements to SOEs. The amendment to the Russian Federal law 223 of 18 July 2011, currently under consideration, seemed to give the Government the right to grant State-Owned Enterprises 'special requirements for planning and carrying out procurement'. This amendment was meant to bring this law in full compliance with the Russian Federation's WTO commitments that was why the European Union was concerned by that provision that effectively would lead SOEs to purchase Russian goods only. The European Union requested further clarifications on this point.

126. Canada noted its interest in hearing the Russian Federation's response to the EU and US questions.

127. Japan echoed the EU and US concerns in document G/TRIMS/W/149 that the Russian Federation appeared to be preparing to expand the scope of the procurement entities under the measure to SOEs. Japan would observe the development of the process of amendment of the Federal Law No. 223.

128. The Russian Federation stated that the sponsors of this agenda item in support of their view on the existence in the Russian Federation of local content requirements for purchases by SOEs made reference to the Resolution of the Government of the Russian Federation "On Establishing Restrictions for Certain Types of Medical Devices Originating from Foreign Countries for the Purposes of Procurement for State and Municipal Needs". That measure, on its face, related to the "requirement governing the procurement by governmental agencies of products purchased for governmental purposes and not with a view to commercial resale of with a view to use in the production of goods for commercial sale". It thus clearly fell into the scope of reservation from the national treatment rule and was therefore in full compliance with Russian WTO commitments.

129. With regard to the so-called "Anti-Crisis Plan" of the Russian Federation, it, indeed, presumed development of the national industry and other sectors of economy and there were many tools that a Member might use without violating WTO rules. In the end, such policies were expected to increase domestic competitiveness which might lead to substitution of imports. In fact, any support given to the domestic industry did not necessarily favor imports nor was it required to under the WTO. The Russian Federation therefore saw no basis for the concerns expressed by certain Members in respect of the Russian "Anti-Crisis Plan" and saw no factual support for the expressed presumptions that its implementation was accompanied with measures violating its commitments under the WTO, including imposition of local content requirements.

130. Finally, it addressed the concern expressed by the United States that the Russian Federation was considering to apply requirements upon SOEs to purchase Russian-made inputs beyond government procurement, basing such concern on an unnamed explanatory note of an amendment allegedly proposed to the Federal law No. 223 regulating procurement of goods and services by certain types of Russian SOEs. The Russian Federation had done its best to find the information referred to by the United States. Even if this note of an alleged amendment was correctly identified such amendment to the Federal Law No. 223 would have been under consideration by the relevant authorities taking account of, inter alia, the respective WTO rules. That said, it did not seem to be rational to discuss concerns in respect of some legal provisions that did not yet exist, if ever.

131. As for the existing measures, including Federal Law No. 223 and the Decrees regulating government procurement mentioned by the EU, the Russian Federation assured Members that those measures were in full compliance with the respective WTO rules.

132. The Committee took note of the statements made.

12 RUSSIAN FEDERATION – LOCAL CONTENT REQUIREMENTS FOR AGRICULTURAL EQUIPMENT

133. The Chair noted that this item was put on the Committee's agenda upon the request of the European Union. Questions to the Russian Federation had been circulated in document G/TRIMS/W/116, to which the Russian Federation had responded in document G/TRIMS/W/130.

134. The European Union reiterated its concerns about local content practices in the farming equipment sector. Recalling its previous interventions on this item in the 2013 and 2014 TRIMS Committee meetings, the European Union noted that the Russian subsidy programme for agricultural machinery foreseen for both producers and consumers still had preferential access. Such subsidies would be granted on the basis of localization requirements, notably the use of locally-produced elements and the localization of certain production operations.

135. In relation to Resolution of the Government of the Russian Federation N°908 of 11 October 2013 (and Decree N°1715), the European Union asked the Russian Federation to confirm if 15% of the sales price of agricultural machinery could be granted to Russian farmers (i.e. purchasers) if the products in question satisfied a certain level of domestic production in the Russian Federation; and to elaborate on how the local content was calculated as well as to clarify when such subsidies had started to be distributed and, if this was not yet the case, when it was intended to do so.

136. Regarding Resolution of the Government of the Russian Federation N°1432 of 27 December 2012, according to which producers of agricultural machinery might be granted specific subsidies (up to 15% of the selling price) provided that a set of technical operations were respected and that its main components were produced domestically, the European Union asked the Russian Federation the following:

- What these technical operations consisted of; was the local production a qualifying condition for being granted the subsidy (and how was the level of required local content calculated);

- Which were the exact components that had been excluded from the necessary domestic production; and

- Whether the above-mentioned subsidies were linked to the requirement that the company was established since more than 3 years in the Russian Federation.

137. The European Union reiterated its concern about concessional financing of the JSC 'Rosagroleasing' for the purchase of combine harvesters and asked the Russian Federation to indicate what the conditions required for such financing were.

138. Finally, regarding the co-financing received by the agricultural machinery producer Rostselmash from the Federal budget to cover R&D costs, the European Union asked what the conditions for such a financing were and whether any other combine harvester producer in the Russian Federation also benefited from such a financing.

139. The United States recalled its concerns, raised also in previous meetings, about reports that RosAgroLeasing (RAL), a state-owned leasing company created to supply agricultural equipment to farmers in the Russian Federation, had been imposing a local content requirement for that agricultural equipment. The United States appreciated the Russian Federation's responses to the US questions about that program, including the indication that, consistent with the working party report, subsidization of manufacturing in this sector had been abandoned. It continued reviewing Resolution No. 1432 of 27 December 2012, and may have questions at a future meeting.

140. The United States further recalled that in prior meetings it had posed several questions about the leasing process between RAL and farmers to clear up some final points about this program. In its responses, the Russian Federation had explained that: "the lessor shall acquire property, specified by the lessee, in its ownership from a particular seller and provide to the lessee

this property in temporary possession and use for a fee;" and "the leasing agreement was specified by the lessee. Exact features of such property were specified by the leasing agreement."

141. The United States asked for a confirmation that there was no difference in the fee or other terms of leasing agreements dependent whether or not the leasing agreement pertained to Russian manufactured agricultural equipment.

142. It also requested a breakdown of the brands of agricultural equipment that had been leased by RAL during the period 2013-2014. Such statistical information would help paint a more complete picture of RAL and the market for leased agricultural equipment, and would help confirm their consistency with the TRIMS agreement. Finally, it would be helpful if samples of leasing agreements, signed by RAL and involving non-Russian manufactured agricultural equipment, could be provided.

143. Japan expressed its continuing systemic concern in the local content requirement by the state-owned leasing company "RosAgroLeasing" for agricultural equipment and looked forward to further clarifications by the Russian Federation.

144. Canada looked forward to hearing the Russian Federation's response to the US questions and the potential impact on foreign suppliers.

145. The Russian Federation stated that, in respect of the mentioned by the Members Resolution of the Government of the Russian Federation of 11 October 2013 No. 908, the subsidies envisaged by this Resolution had never been distributed. Moreover, the Decree of the Ministry of Industry and Trade of 25 October 2013 No. 1715 in implementation of the said Governmental Resolution had never come into force. As for the possibility of distribution of those subsidies in future, it would depend on the availability of funds in the Federal Budget. Up to that moment, there were no such plans.

146. As for the Resolution of the Government of the Russian Federation of 27 December 2012 No. 1432, it had already provided detailed explanations in writing, in document G/SCM/Q2/RUS/7, answers to the question 2.4.

147. Regarding Resolution No. 1432, the European Union had posed a question on what components were excluded from the necessary domestic production. The Russian Federation asked for a clarification on this question as it could not fully understand the question and to what legal provisions the European Union referred to. As for the questions regarding the operation of "RosAgroLeasing", the Russian Federation referred Members to its written explanations in document G/TRIMS/W/130 and the official website of the entity: http://www.rosagroleasing.ru. Finally, regarding the question on "co-financing received by the agricultural machinery producer Rostselmash to cover R&D costs", again, it asked the European Union to specify the measure to which it was referring.

148. As for the issues raised by the United States, the Russian Federation recalled its statement in its written replies regarding "RasAgroLeasing", that it "was a commercial organisation with a state share in its authorized capital". And "the property acquired under the leasing agreement was specified by the lessee". It further added that there had been no difference in the fee or other terms of leasing agreements dependent on whether the lessee chose domestic or imported equipment. On the other hand, unfortunately, due to the confidential nature of the requested commercial information, it was not possible to share with the United States a breakdown of the brands leased in 2013 – 2014 and samples of signed leasing agreements. For non-confidential information, it referred to the official website of the entity.

149. Finally, the Russian Federation invited Members to submit their questions in writing.

150. The Committee took note of the statements made and the responses provided.

13 RUSSIAN FEDERATION – SUPPORT MEASURES FOR THE AUTOMOTIVE SECTOR

151. The Chair stated that this item was on the Committee's agenda upon the request of the European Union and Japan; both Members had submitted written questions in respect to this matter in documents G/TRIMS/W/152 and G/TRIMS/W/153 respectively.

152. The European Union stated that it had submitted written questions to the Russian Federation, on 1 April 2015, seeking clarifications on several aspects of the recent measures adopted by the Russian Government in support to the automotive industry, including as part of an "anti-crisis plan".

153. In the EU's understanding, the Russian government issued a Decree No 244 of 18 March 2015, providing for subsidies to "compensate the costs related to the production of wheeled vehicles" and also re-activated the "cash for clunkers" program, which was understood as being based on Decree 1194 of 31 December 2009. This support came on top of the subsidies based on Resolutions No 29, 30, 31 and 32 of 15 January 2014 that had already been addressed to some extent in the previous meetings of this Committee. Moreover, there had been recent reports that the Ministry of Industry and Trade would launch a program of preferential car loans, for purchasing of domestically produced cars. Today, the European Union wished to highlight the main aspects of its questions that needed clarification. In particular, it asked the Russian Federation to provide:

- An overview of all existing support measures for the automotive industry (that applied in addition to Resolutions No 29, 30, 31 and 32 of 15 January 2014);

- An explanation of the eligibility conditions under those support measures and the relevant legal bases;

- An explanation of the meaning of "industrial assembly" and "industrial assembly agreement", as referred to in various support measures;

- An explanation of the conditions for the conclusion of "industrial assembly agreements", and the general contents of such agreements;

- The rationale for the requirement for the manufacturer to had an "industrial assembly agreement", in order to benefit from various support measures;

- A clarification whether the various support measures were conditional on the production in "industrial assembly mode", pursuant to an "industrial assembly agreement".

154. The EU looked forward to receive detailed written replies to its questions.

155. Japan associated itself with the concerns expressed by the European Union about the support measures for the automotive sector implemented by the Russian Federation. Having been monitoring the Russian Federation's implementation of WTO commitments in the automotive sector, Japan reiterated its concern about the industrial assembly program particularly on the local-content requirement imposed on companies which engaged in automobile production and assembly to obtain preferential treatment. Last January, the Russian Federation had adopted a number of resolutions that provided subsidies in four areas relating to, namely, energy consumption, production of ecologically-friendly vehicles, employment and research and development, to automobile producers in the Russian Federation. Those producers could receive subsidies in exchange for ensuring the production itself to be "in the industrial assembly mode". Japan suspected that those measures would be inconsistent with relevant provisions of the WTO agreements, such as Article 3.1 (b) of SCM Agreement, Article III:4 of GATT and Article 2.1 of TRIMS Agreement because the conditions stipulated in them could constitute local-content requirements. Japan also expressed its doubt about the consistency of those measures with the Russian Federation's commitments under paragraph 2 of the Protocol of Accession to the WTO, particularly with regard to paragraphs 1450 and 1090 of the Working Party Report, as the benefit provided to the vehicles produced "in the industrial assembly mode" would be more than the preferential treatment in tariffs, which the Russian Federation was allowed to maintain until 1 July 2018.

156. Japan had already raised points of those support measures in the CTG meeting in the previous month and was disappointed with the remarks of the Russian Federation that it had already clarified the issues regarding industrial assembly program and its relation to the subsidies in automotive sector in the TRIMS Committee. Japan considered the information provided in the last meeting of this Committee and in the written answer to the US in G/TRIMS/W/146 was still inadequate to dispel Japan's concern and doubt about the local-content requirement in those measures. Japan had recently submitted questions in this Committee to encourage the Russian Federation to engage in deepening the discussion on this matter. Japan also paid great attention to the measures on which the EU raised questions in G/TRIMS/W/152.

157. Lastly, in reply to the Russian remarks in the CTG meeting that no interested Member had bilaterally approached the Russian Federation, Japan underscored the fact that this issue had already been raised in the Trade and Investment Subcommittee of the Japan-Russian Federation Intergovernmental Committee on Trade and Economic Issues, where both countries met regularly.

158. The United States shared the concerns expressed by the European Union and Japan with respect to the measures in this sector. The United States also monitored the Russian Federation's implementation of its WTO obligations in that important sector and looked forward to hearing the Russian responses with respect with the questions that had been posed.

159. Ukraine echoed the concerns expressed by the European Union, Japan and the United States and indicated its interest in this issue, taking into account the current countervailing investigation which was being conducted by Ukraine with respect to subsidies provided to the producers of motor cars in the Russian Federation. In this context, Ukraine would appreciate the Russian Federation to provide its replies as soon as possible.

160. Canada looked forward to hearing the Russian Federation's response to the EU and Japan questions.

161. The Russian Federation underscored its understanding that this was a new agenda item for which it had received written questions from Japan and the European Union only two weeks ago and it was currently considering those questions.

162. Apart from the previous very detailed discussion of the issues related to the Russian measures in the automotive sector which should have clarified any misunderstandings, the Russian Federation would provide preliminary observations on this agenda item.

163. Firstly, according to the terms of accession of the Russian Federation to the WTO, the "industrial assembly" programme had been granted a transition period until 1 July 2018, meaning that Members had agreed that until that date this investment programme would not be subject to the relevant provisions of the WTO Agreement.

164. Secondly, the relevant provisions of the WTO Accession Protocol of the Russian Federation did not contain any limitations on granting WTO-permitted specific subsidies to any industrial producers, including those participating in the "industrial assembly" programme.

165. In conclusion, the Russian Federation recalled that the main recipients of the subsidies in question were automobile producers controlled by foreign investors, a substantial number of which was based in the European Union and Japan, and invited interested Members to engage deeper in bilateral consultations on this matter to resolve the issues of commercial nature, if any.

166. As for the written questions received, the Russian Federation would reply in due course.

167. The Committee took note of the statements made and the responses provided.

14 UNITED STATES – CERTAIN LOCAL CONTENT REQUIREMENTS IN SOME OF THE RENEWABLE ENERGY PROGRAMS

168. The Chair recalled that this item had been first raised and discussed at the Committee's meeting of 30 April 2013. It had been requested for today's meeting by the delegation of India. Initial questions on this matter had been circulated in document G/TRIMS/W/117, to which the

United States had replied in document G/TRIMS/W/129 and 129/Rev.1. India had posed follow-up questions in document G/TRIMS/W/144.

169. India noted that this matter had been on the Committee since April 2013 when it had first tabled a set of questions. The US had responded to those questions but most of India's questions had not been appropriately answered and the responses had been partial and incomplete. As a result, India had tabled an additional set of questions in the previous Committee meeting and requested now the US to provide responses to those questions.

170. The Russian Federation remained concerned in respect of some of the renewable energy sector programs of the United States which appeared to impose local content requirements. It was further interested in hearing the United States' view on how the incentives in the renewable energy sector with legally binding local content requirements complied with the US obligations under the WTO. It also asked the United States to provide clarified information on the total amount of each programme. This data remained unclear as the United States had failed to provide the WTO with the relevant notifications.

171. The United States appreciated the follow-up questions from India regarding the information previously provided. Having reviewed the questions, it appeared that the responses had been contained in the information previously provided to the Committee. Nevertheless, the United States was pleased to further elaborate on its responses and to identify the information that addressed India's questions.

172. India had asked about the legal status, constitution, composition and functions of the Michigan Public Service Commission and its role in the formulation, approval, implementation, grant and allotment of the Renewable Energy Credits. As described in the information previously provided to this Committee, the Michigan Public Service Commission (MPSC) was a regulatory agency which regulated public utilities in the state of Michigan, including electric power, telecommunications, natural gas and transportation services. The MPSC's headquarters were located in Lansing, Michigan. The MPSC had begun its history in 1873 as the Michigan Railroad Commission (MRC), with a single Commissioner, to regulate railroad rates and conditions of service. The Legislature expanded the Commission to a three-member body in 1909, to regulate rail and electric rates and conditions of service. The MRC's authority had been extended to include telephone services in 1911 and natural gas in 1957. The Michigan Public Service Commission was the regulator charged under statute with implementation and monitoring of application of the Michigan Renewable Energy Standard by investor-owned electric utilities, cooperative electric utilities, municipal electric utilities and alternative electric suppliers.

173. Regarding India's questions about more details regarding the method of grant, transfer and trading of renewable energy credits, and as noted in the prior US response, the Michigan Renewable Energy Certification System (MIRECS) had been established by the Michigan Public Service Commission in 2009 and administered by APX, pursuant to a contract with the State of Michigan, Department of Energy, Labor & Economic Growth. MIRECS was a tool to keep track of all relevant information about renewable energy produced and delivered in Michigan. MIRECS used verifiable generation data for all participating generators and created credits in the form of a tradable digital certificate for each MWh generated or saved.

174. The MIRECS website, www.mirecs.org, contained a complete listing of MIRECS account holders and projects, as well as a listing of non-Michigan projects certified for importation of credits into the MIRECS system. The web site also contained a bulletin board for holders of excess credits seeking transferees. MIRECS had been able to fully integrate with other tracking systems such as the Midwest Renewable Energy Tracking System and North American Renewables Registry. This integration allowed both businesses and individual citizens to sell their product to a wider market and enabled imports and exports of credits across renewable energy markets.

175. In question 3, India had asked about the Los Angeles Department of Power and Water (LADWP) – Solar Photovoltaic Incentive Program. More specifically, India had asked about the Los Angeles Manufacturing Credit (LAMC). However, in its prior response, the United States had provided all the information that existed about that program which had not been implemented, notwithstanding a written description of that unfunded program.

176. Concerning California's Self-Generation Incentive Program (SGIP), the United States confirmed that there was no list of pre-approved California suppliers or of 'eligible distributed generation or Advanced Energy Storage technologies.'

177. The United States, referring to India's question 4c about the meaning of the term "installation" under the SGIP, confirmed that the term had been based on the physical and contractual permanence of the equipment. The intent of the SGIP was to provide incentives for equipment installed and functioning for the duration of its useful life, only permanently installed systems were eligible for incentives. That meant that the system had to demonstrate to the satisfaction of the Program Administrator adequate assurances of both physical and contractual permanence prior to receiving an incentive. Physical permanence had to be demonstrated by electrical, thermal and/or fuel connections in accordance with industry practice for permanently installed equipment while contractual permanence related to a minimum of the length of the applicable warranty period of 10 years.

178. The United States, referring to India's question about the legal status, constitution, composition and functions of the California Public Utilities Commission and its role in the formulation, approval, implementation, grant and allotment of the SGIP program, noted that this information had been previously provided to the Committee. The California Public Utilities Commission (CPUC) regulated privately owned electric, natural gas, telecommunications, water, railroad, rail transit, and passenger transportation companies, in addition to authorizing video franchises. The five Governor-appointed Commissioners ensured that consumers had safe, reliable utility service at reasonable rates, protect against fraud, and promoted the health of California's economy. The California Public Utilities Commission oversaw the Self-Generation Incentive Program (SGIP) by establishing the guidelines and setting the budget for the program. The process of approving projects under the SGIP was overseen by the project administrators. Most customers had received credits on their bill to be applied towards energy consumed. If a customer had earned surplus incentive, they might request a check. However, this had not been common as they might only have done so if the surplus exceeded $1.00.

179. Referring to India's questions 5 through 8 relating to the Austin Energy Solar PV Rebate Program and quoting from its prior submission, the United States quoted: "A previously mentioned incentive for use of equipment manufactured or assembled in the Austin Energy service area had subsequently been removed from the guidelines for qualification for the rebates." This program had not existed for any type of customer. As this program had not existed, the United State had been unable to provide further details that would be responsive to India's questions.

180. Finally, with regard to concerns expressed by India about its inability to follow the Internet links provided by the United States, it had been confirmed that the links provided to access further information from the Los Angeles Department of Water and Power and the California Public Utility Commission had been active, functioning, not password-protected, and contained up-to-date information about the programs of concern to India.

181. India thanked the US delegation for providing detailed replies and believed that the United States had provided further clarification to the additional questions asked through W/144. India asked that the information provided orally today also be provided in writing so it would be transferred to capital as in many areas the information provided today had not been included in previous replies.

182. The United States confirmed that all the information provided today had been extracted directly from information provided previously to the Committee. However, the United States would review such information carefully to find out what further transparency could be provided to India to ensure that India has had all the information needed to understand those programmes.

183. The Committee took note of the statements made and the answers provided.

184. Before moving on to the next agenda item, the Chair requested all Members that had posed oral questions or had provided oral responses to oral or written questions to send their questions and responses in writing to the Secretariat.

15 OTHER BUSINESS

185. No Member raised any issues under this agenda item.

16 DATE OF THE NEXT MEETING

186. The Chair stated that the next item of the agenda was the date of the next meeting of this Committee. This had been scheduled for Monday, 5 October 2015.

187. In order to provide Members with ample opportunity to prepare for this meeting, the Secretariat would issue an annotated draft agenda of each formal meeting three weeks in advance of the meeting. For the October 2015 meeting, the date for issuing the annotated draft agenda would be 14 September 2015. This annotated draft agenda would contain the proposed agenda for the meeting including all Members' requests for items to be placed on that agenda. Members' requests to place any items on the annotated draft agenda should be communicated in writing to the Secretariat by close of business on Tuesday, 8 September 2015. The annotated draft agenda would be open to Members' comments until close of business on Wednesday, 23 September 2015. In addition, Members wishing to circulate documents should do so by close of business on Wednesday, 23 September 2015 so that they could be reflected on the airgram. The airgram convening the meeting would be issued on Friday, 25 September 2015.

17 ELECTION OF CHAIRPERSON AND VICE – CHAIRPERSON

188. The Committee elected Mr Zaher Al-Qatarneh (Jordan) as Chair and Ms Marine Willemetz (Switzerland) as Vice-Chair of this Committee for 2015.

189. The Chair thanked his Vice-Chair, Mr Hüseyin Güngör, for his readiness to assist and conveyed his gratitude to the Secretariat, the interpreters and to Ms Vasiliki Avgoustidi, who had done an excellent job as the Committee Secretary.

190. The meeting was adjourned.

_____