Exceptional trade measures for countries and territories participating in or linked to the Stabilisation and Association process

2010/0036(COD) - 22/02/2010 - Legislative proposal

PURPOSE: to amend Council Regulation (EC) No 1215/2009 introducing exceptional trade measures for countries and territories participating in or linked to the European Union's Stabilisation and Association process.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

BACKGROUND: by Regulation (EC) No 2007/2000, the European Union has granted exceptional unlimited duty-free access to the EU market for nearly all products originating in the countries and territories benefiting from the Stabilisation and Association process.

Council Regulation (EC) No 2007/2000 was codified by Council Regulation (EC) No 1215/2009 of 30 November 2009.

Two Stabilisation and Association Agreements, the first between the EC and their Member States of the one part, and Bosnia and Herzegovina, of the other part, and the second between the EC and its Member States of the one part, and Serbia of the other part, was signed respectively in Luxemburg on 16 June 2008 and on 29 April 2008. Pending the completion of the procedures necessary for its entry into force, two Interim Agreements on trade and trade-related matters were signed and concluded. These Agreements entered into force on 1 July 2008 (Bosnia and Herzegovina) and on 1 February 2010 (Serbia).

The Stabilisation and Association Agreements and the Interim Agreements establish a contractual trade regime between the European Union and Bosnia and Herzegovina, and between the European Union and Serbia.

It is therefore necessary to amend Regulation (EC) No 1215/2009 by removing Bosnia and Herzegovina and Serbia from the list of beneficiaries of the tariff concessions granted for the same products under the contractual regime and to adjust the global tariff quota volumes for specific products for which tariff quotas have been granted under the contractual regimes.

Bosnia and Herzegovina and Serbia should however remain beneficiaries of Regulation (EC) No 1215 /2009 insofar as that Regulation provides for concessions which are more favourable than the concessions existing under the contractual regime. Council Regulation (EC) No 1215/2009 expires on 31 December 2010. It remains the main instrument governing trade relations with Kosovo.

The General Affairs Council in its Conclusions of 8 December 2009 states that in respect to the EU's relations with Kosovo it attaches importance to measures on trade, without prejudice to Member States' positions on status.

Continued access to the market of the European Union is crucial for the economic recovery of Kosovo and the whole region. At the same time, it will not create negative effects for the European Union.

The European Parliament in its Resolution on 26 November 2009 Enlargement strategy 2009 concerning the countries of the Western Balkans Iceland and Turkey calls on the Commission to make every possible effort to mitigate the effect of the economic crisis on the Western Balkans.

For these reasons it is appropriate to extend the validity of Council Regulation (EC) No 1215/2009 to 31 December 2015.

CONTENT: this proposal amends certain elements of Regulation (EC) No 1215/2009 to **permit the extension of its validity to 31 December 2015** and make certain adjustments consequent to the entry into force of bilateral agreements with Bosnia and Herzegovina and Serbia.

In order to ensure the respect of the Union's international obligations, the preferences contained in this Regulation should be made conditional on continuation or renewal of the existing waiver from WTO obligations obtained by the European Union.

To protect the economic interest of operators, it is necessary to provide for transitional measures for goods that are, at the date of entry into force of this Regulation in transit or in temporary storage in customs warehouses.

Regulation (EC) No 1215/2009 also contains certain powers reserved to the Council and which are not based on Council Decision 1999/468/EC laying down the procedures for the exercise of implementing powers conferred on the Commission (comitology). The Commission will make a proposal which will revise all such procedures in the common commercial policy in the light of the system of implementing acts set out in Article 291 of the Treaty on the Functioning of the European Union and the regulation on the rules and general principles concerning the Commission's exercise of the implementing powers adopted on the basis of Article 291(3). That proposal will also address Articles 2 and 10 of Regulation (EC) No 1215/2009. This proposal will be presented as soon as possible after the Commission has adopted a proposal on the rules and general principles concerning the Commission's exercise of the implementing powers.

In order not to disrupt trade, it is necessary for this Regulation to be applied as of 1 January 2011 given that Council Regulation (EC) 1215/2009 expires on 31 December 2010.

FINANCIAL IMPLICATIONS: the Regulation does not incur costs charged to the EC budget. Its application would also not entail any losses of customs revenue compared to the current situation.