EU/Palestinian Authority of the West Bank and the Gaza Strip Agreement: further liberalisation of agricultural products, processed agricultural products and fish and fishery products

2011/0042(NLE) - 28/03/2011 - Legislative proposal

PURPOSE: to conclude an Agreement in the form of an Exchange of Letters between the EU and the Palestinian Authority of the West Bank and the Gaza Strip providing further liberalisation of agricultural products and fish.

PROPOSED ACT: Council Decision.

BACKGROUND: the relationship between the Union and the Palestinian Authority of the West Bank and the Gaza Strip builds on the Euro-Mediterranean Interim Association Agreement on trade and cooperation between the European Community, of the one part, and the Palestine Liberation Organization (PLO) for the benefit of the Palestinian Authority of the West Bank and the Gaza Strip, of the other part which was signed in February 1997 and whose trade provisions entered into force on 1 July 1997. Its main objective is to promote trade and investment and harmonious economic relations between the Parties thereby fostering their sustainable economic development.

The Interim Agreement provides for duty-free access to the Union markets for Palestinian industrial goods, and a phasing-out of duties on the Union exports to the occupied Palestinian territory over five years. The possibility of granting the Palestinian Authority additional trade preferences is envisaged in the Interim Agreement.

Article 12 of the Interim Agreement provides that the Community and the Palestinian Authority shall progressively establish a greater liberalisation of their trade in agricultural and fishery products of interest to both Parties. Article 14(2) of the Interim Agreement provides that the Community and the Palestinian Authority shall examine, in the Joint Committee, the possibility of granting each other **further concessions**.

The European Neighbourhood Policy Action Plan for the Palestinian Authority, which was approved in May 2005 and subsequently extended, also contains provisions concerning the gradual liberalisation of trade in agriculture and fishery products.

The Euro-Mediterranean Roadmap for agriculture (Rabat Roadmap) adopted by the Euro-Mediterranean Ministers of Foreign Affairs on 28 November 2005 provides that a high degree of trade liberalisation for agricultural products, processed agricultural products and fish and fishery products is desirable; the objective is full liberalisation of such trade by 2010, possibly excluding a very limited number of sensitive products.

Consequently, it has been decided to extend the scope of the application of the said Agreement and approve the Agreement on behalf of the European Union.

IMPACT ASSESSMENT: no impact assessment was undertaken.

LEGAL BASIS: Article 207(4) first subparagraph, in conjunction with Article 218(6)(a) of the Treaty on the Functioning of the European Union (TFEU).

CONTENT: this proposal aims to approve, on behalf of the European Union, the Agreement in the form of an Exchange of Letters between the European Union, of the one part, and the Palestinian Authority of the West Bank and the Gaza Strip, of the other part, providing further liberalisation of agricultural products, processed agricultural products and fish and fishery products and amending the Euro-Mediterranean Interim Association Agreement on trade and cooperation between the European Community, of the one part, and the Palestine Liberation Organization (PLO) for the benefit of the Palestinian Authority of the West Bank and the Gaza Strip, of the other part.

The text of the Agreement is attached to the Decision. For further details, please refer to the summary of the previous initial legislative document dated 03/03/2011.

BUDGETARY IMPLICATION: this proposal has no implication on the EU budget.