EU/Central America Association Agreement: implementation of the bilateral safeguard clause and the stabilisation mechanism for bananas

2011/0263(COD) - 17/07/2012 - Committee report tabled for plenary, 1st reading/single reading

The Committee on International Trade adopted the report by Jörg LEICHTFRIED (S&D, DE) on the proposal for a regulation of the European Parliament and of the Council implementing the bilateral safeguard clause and the stabilisation mechanism for bananas of the Agreement establishing an Association between the European Union and its Member States on the one hand, and Central America on the other.

The committee recommends that the European Parliament's position in first reading following the ordinary legislative procedure should amend the Commission proposal as follows:

Monitoring: Members specify that the Commission shall monitor the evolution of import and export statistics of Central American products, in particular in sensitive sectors including bananas, and it may consider extending the scope of the monitoring to other sectors. The Commission shall present an **annual monitoring report** on updated statistics on imports of products in the sensitive sectors and those sectors to which monitoring has been extended, including bananas, and will do its utmost to **include the employment rates and working conditions for banana producers** in Central America to avoid all forms of dumping.

Members add that the Commission shall closely monitor the evolution of statistics for banana imports from Central America. **Employment rates and working conditions, as well as organic production and consumption and Fair-Trade flows shall be part of the monitoring process.**

The Commission's investigation: this may look at factors which are causing or may have caused serious injury, or threaten to cause serious injury to the Union industry, such as meeting the trigger volumes described within the framework of the stabilisation mechanism for bananas included in Chapter II of the Regulation.

European Parliament recommendation: in the event that the European Parliament adopts a recommendation to initiate a safeguard investigation, the Commission will carefully examine whether the conditions under the Regulation for ex-officio initiation are fulfilled.

Prior surveillance measures: these may be introduced in the event that there is a surge of imports of products falling into sensitive sectors concentrated in one or several Member States or outermost regions.

Report: the Commission shall present an annual report on the application and implementation of the Agreement and of the Regulation to the European Parliament. The report shall include:

- information about the application of provisional and definitive measures, prior surveillance measures, regional surveillance and safeguard measures, the termination of investigations without measures, and the activities of the various bodies responsible for monitoring the implementation of the Agreement;

- up-to- date statistics on banana imports from Central America and their direct and indirect impact on the development of employment and working conditions in the Union production sector;

- the fulfilment of obligations under Title VIII “Trade and Sustainable development” of Part IV of the Agreement and with action taken in that respect by Central America ;

- a summary of the statistics and the evolution of trade with Central America.

ILO standards: the committee stressed the importance of adhering to the international labour standards drawn up and supervised by the International Labour Organisation.

Ad hoc meeting with Parliament: the European Parliament may, within one month from the Commission presenting the report, invite the Commission to an ad hoc meeting of its responsible committee to explain any issues related to the implementation of the Regulation.

Lastly, the committee stated that the application of the stabilisation mechanism for bananas shall **under no circumstances prevent the activation of measures included in the bilateral safeguard clause.**