

# EU/Colombia and Peru Trade Agreement: implementation of the bilateral safeguard clause and stabilisation mechanism for bananas

2011/0262(COD) - 13/09/2012 - Text adopted by Parliament, partial vote at 1st reading/single reading

The European Parliament adopted **amendments** to 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 Trade Agreement between the European Union and Colombia and Peru.

The matter was referred back to the committee responsible and the vote was postponed until a subsequent plenary session.

The main amendments adopted by Parliament are as follows:

**Monitoring:** Parliament feels that close monitoring of banana imports will facilitate any timely decision concerning activation of the stabilisation mechanism for bananas, the launch of an investigation or the imposition of safeguard measures. The Commission should, therefore, step up regular monitoring of imports in the banana sector from the date of application of the Agreement.

Members specify that the Commission shall monitor the evolution of import and export statistics of Colombian and Peruvian 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 from Colombia and Peru 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 Colombia and Peru to avoid all forms of dumping**. Parliament added that the Commission shall closely monitor the evolution of statistics for banana imports from Colombia and Peru. For this purpose, it shall cooperate and exchange information on a regular basis with the Member States and interested parties. Upon a duly reasoned request from a Member State, the Union industry, the European Parliament or any interested party, the Commission shall pay particular attention to any noticeable increase in banana imports from Colombia and Peru and, if appropriate, shall introduce prior surveillance measures.

**The Commission's investigation:** any investigation must also look into **working conditions and effects on employment** in Union industry. It **must also evaluate the observance by Colombia and Peru of the social and environmental standards** laid down in the Agreement and any consequences on prices or unfair competitive advantages potentially leading to serious injury or the threat of serious injury to producers or specific sectors of the economy in the Union.

**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.

**Dialogue with civil society:** the Commission shall establish a systematic dialogue with civil society organisations as regards the implementation and impact of the Agreement.

**Prior surveillance measures:** in the event that there is an increase of imports concentrated in one or several of the Union's outermost regions, the Commission may introduce prior surveillance measures.

**Implementing rules:** the applicable provision for the purposes of adopting the necessary implementing rules for the application of the rules contained in Appendix 2A of the Annex II to the Trade Agreement between the EU and its Member States, of the one part, and Colombia and Peru, of the other part "Concerning the Concept of 'Originating Products' and Methods of Administrative Co-operation" and Appendix 2 of Annex I "Elimination of customs duties" of the Agreement is Article 247a of Council Regulation (EEC) No 2913/92 establishing the Community Customs Code.

**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 Colombia and Peru 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 IX of the Agreement, and action taken in that respect by Colombia and Peru;
- a summary of the statistics and the evolution of trade with Colombia and Peru.

**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.

**Respect for ILO standards:** Parliament stresses the importance of complying with the international labour standards drawn up and supervised by the International Labour Organisation because defending decent work for all should be an absolute priority and bananas imported from Colombia or Peru should be produced under decent social and environmental conditions and for a fair wage to ensure that Union producers are not the victims of dumping.

**Stabilisation mechanism for bananas:** Parliament 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.

**Procedure applicable when stabilisation mechanism is triggered:** once the trigger volume for either Colombia or Peru is met during the corresponding calendar year, the Commission shall, in accordance with the examination procedure referred to in the proposal, temporarily suspend the preferential customs duty applied to products of the corresponding origin during that same year for a period of time not exceeding three months, and not going beyond the end of the calendar year. The text states that only reasons of *force majeure* shall prevent the suspension from being imposed.