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

2011/0263(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 Agreement establishing an Association between the European Union and its Member States on the one hand, and Central America on the other.

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: 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.**

Furthermore, upon a duly reasoned request from the European Parliament, a Member State, the Union industry, any interested party or on its own initiative, the Commission shall pay particular attention to any noticeable increase in banana imports from Central America and, if appropriate, shall take prior surveillance measures.

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.

Parliament adds that when appropriate, the European Parliament may consult and source analysis from independent bodies, such as trade unions, the ILO, academics or human rights organisations.

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.

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 Central America 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 Central America 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.