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

2011/0262(COD) - 11/12/2012 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 569 votes to 47, with 61 abstentions, a legislative resolution 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 Trade Agreement between the European Union and Colombia and Peru.

To recap, during the 13 September 2012 plenary session, in accordance with Rule 57(2) of Parliament's Rules of Procedure, the report was referred back to the committee responsible. Parliament now agrees its position at first reading under the ordinary legislative procedure. The amendments adopted in plenary are the result of a compromise negotiated between the European Parliament and the Council. They amend the proposal as follows:

Safeguarding the Community banana: appropriate safeguard measures are foreseen to avoid serious harm to the Union banana-growing sector which is of great importance to the agricultural producers of many of the outermost regions of the Union. The limited ability of those regions to diversify, owing to their natural characteristics, makes the banana sector particularly vulnerable. It is therefore essential to create effective mechanisms to address preferential imports from third countries concerned, in order **to guarantee that Union banana production is maintained under the best possible conditions,** especially in the outermost regions.

Statistical monitoring: it is foreseen that the Commission shall monitor the evolution of import statistics of bananas from Colombia and Peru. For that purpose, it shall cooperate and exchange data on a regular basis with Member States and the Union industry. Upon a duly justified request by the industries concerned, the Commission **may consider extending the scope of the monitoring to other sectors**. The Commission shall monitor the observance by Colombia and Peru of the social and environmental standards laid down in the Agreement.

Initiation of proceedings: a proceeding shall be initiated upon request by a Member State, by any legal person or any association not having legal personality acting on behalf of the Union industry, or on the Commission's own initiative if it is apparent to the Commission that there is sufficient prima facie evidence to justify such initiation. A proceeding may also be initiated in the event that there is a surge of imports concentrated in **one or several Member States, or outermost regions**, provided that there is sufficient prima facie evidence that the conditions for initiation are met.

Safeguard measures: safeguard measures are provided for in the event that a product is imported at such high quantities and under conditions that cause or threaten to cause serious harm to the economic situation in particular in one of the outermost regions of the EU.

Provisional safeguard measures: the Commission may adopt provisional safeguard measures as regards products imported from Colombia or Peru, in particular in cases of a **surge of imports concentrated in one or several Member States or in one or several of the Union's outermost regions**. Provisional (or definitive) safeguard measures may in this case be introduced to protect the Union's market.

Commission report: it is foreseen that the Commission should submit a report to the European Parliament and the Council on the application, the implementation and the fulfilment of the obligations laid down in the Agreement and this Regulation in respect of social and environmental standards. The report shall include information about the application of provisional and definitive measures, prior surveillance measures, regional surveillance and safeguard measures and the termination of investigations and proceedings without measures. The report shall include information on the activities of the various bodies responsible for monitoring the implementation of the Agreement, including on fulfilment of obligations under the Agreement and on activities with civil society advisory groups. The report shall set out a summary of the statistics and the evolution of trade with Colombia and Peru and shall include up-to-date statistics on banana imports from Colombia and Peru.

Transparency measures *vis-à-vis* the European Parliament: the European Parliament may, within one month of submission of the Commission's report, invite the Commission to an *ad hoc* meeting of its responsible committee to present and explain any issues related to the implementation of this Regulation.

Stabilisation mechanism for bananas: it is stipulated that a stabilisation mechanism shall apply **until 31 December 2019**. From 1 January 2020 the general bilateral safeguard mechanism including the special provisions for outermost regions remains applicable. This mechanism offers the possibility to suspend swiftly for a maximum period of three months the preferential customs duties when imports exceed a defined annual trigger import volume. The decision on suspension is taken by the Commission by means of the advisory procedure.

When deciding whether measures should be applied under the stability mechanism, the Commission shall take into consideration the impact of the imports concerned on the situation of the Union market for bananas. That examination shall include factors such as: effect of the imports concerned on the Union price level, development of imports from other sources, overall stability of the Union market. Specific and technical implementing measures are laid down with this in mind. The decision whether to apply the stabilisation mechanism shall take into account the stability of the Union’s banana market. In any event, safeguard measures and the provisions applicable to the triggering of the banana stabilisation mechanism shall not, however, be applied simultaneously.

Joint declaration: in a declaration, the European Parliament and the Commission agree on the need for close cooperation on the monitoring of the implementation of the provisions of the Agreement in respect of the respect of environmental and social standards by the countries concerned. A mechanism is foreseen to alert Parliament in the event any specific concerns relating to the implementation by Colombia or Peru of their commitments on trade and sustainable development.

If the European Parliament adopts a recommendation to initiate a safeguard investigation, the Commission will carefully examine whether the conditions for ex-officio initiation are fulfilled. If the Commission considers that the conditions are not fulfilled, it will present a report to the responsible committee of the European Parliament including an explanation of all the factors relevant to the initiation of such an investigation.

In parallel, in a statement, the Commission indicates its satisfaction in regard to the agreement reached at first reading on this matter, and states that it attaches particular importance to the effective implementation of commitments on trade and sustainable development in the Agreement.

After the expiry of the stabilisation mechanism for bananas on 31 December 2019, the Commission will assess the situation of the Union market for bananas and the state of Union banana producers. The Commission will report its findings to the European Parliament and to the Council and will include a preliminary assessment of the functioning of the ‘Programme d'Options Spécifiques à l'Éloignement et l'Insularité’ (POSEI) in preserving the banana production in the Union.