

# Doc dues tax: implementation in Mayotte

2014/0010(CNS) - 24/01/2014 - Legislative proposal

**PURPOSE:** to amend Decision 2004/162/EC with regard to its implementation in Mayotte from 1 January 2014.

**PROPOSED ACT:** Council Decision.

**ROLE OF THE EUROPEAN PARLIAMENT:** the Council adopts the act after consulting the European Parliament but without being obliged to follow its opinion.

**BACKGROUND:** Council Decision 2004/162/EC authorises the French authorities to apply exemptions or reductions to dock dues for products produced locally in the French overseas departments and listed in the Annex to the Decision.

These exemptions or reductions constitute specific measures designed to offset the specific constraints facing the outermost regions which increase production costs for local companies and make it difficult for their products to compete with the same products imported from metropolitan France and other Member States.

Mayotte's situation is the same as that of the other French outermost regions.

In accordance with Decision 2012/419/EU, with effect **from 1 January 2014 Mayotte will become an outermost region within the meaning of the Treaty.**

The French authorities have asked for Decision 2004/162/EC concerning dock dues to be applicable to Mayotte with effect from 1 January 2014, and have submitted a list of the products to which they wish to apply differentiated taxation according to whether or not the products are produced locally.

**CONTENT:** the purpose of the Proposal is to amend Decision 2004/162/EC in order to make it applicable to Mayotte.

The proposal makes provision for authorising the application of a differentiated tax system for 59 products produced locally in Mayotte.

For all these products the French authorities were able to prove: (1) the existence of local production; (2) the existence of substantial imports (including from metropolitan France and other Member States) which could jeopardise the continuation of local production; and thirdly, the existence of additional costs relating to local production compared with 'imported' products, which compromise the competitiveness of locally produced products.