Dock dues in the French overseas department: period of application of exemptions or reductions to dock dues

2014/0101(CNS) - 20/03/2014 - Legislative proposal

PURPOSE: to extend for a period of six months the current arrangements on dock dues in the French overseas departments.

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 (as amended by Council Decisions 2008/439/EC and 448/2011/EU), authorised France, until 1 July 2014, to apply exemptions or reductions to the ‘dock dues’ tax for certain products produced in the French outermost regions (excluding Saint Martin). The Annex to that Decision contains a list of the products to which tax exemptions and reductions may be applied. The difference between the taxation of locally manufactured products and that of other products may not exceed 10, 20 or 30 percentage points, depending on the product.

The French authorities believe that the handicaps suffered by the French outermost regions persist and asked the Commission that a system of differentiated taxation similar to the current system be maintained **after 1 July 2014 until 31 December 2020.**

Analysing the lists of the products to which the French authorities wish to apply differentiated taxation is a lengthy process which has not been completed because of the large number of products involved (several hundred) and the quantity of information to be collected on the structure of the relevant product markets.

In order to avoid a legal vacuum, complete the work currently being undertaken and give the Commission the time to prepare a balanced proposal, that takes account of the various interests at stake, an additional period of six months is needed.

CONTENT: the proposal provides for a **six-month extension of the validity of Council Decision 2004 /162/EC until 31 December 2014** instead of 1 July 2014.

This extension will enable the completion of the full analysis, product by product, of the request to authorise the application of differentiated taxation to offset the handicaps suffered by local products