

Tariff treatment for goods originating from Ecuador

2014/0287(COD) - 01/10/2014 - Legislative proposal

PURPOSE: as from 1 January 2015, to maintain the level of duty rates applicable to Ecuador to those which apply from the date of initialling of the Protocol of Accession of this country to the Trade Agreement concluded between the EU and Colombia/Peru.

PROPOSED ACT: Regulation of the Council and the European Parliament.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: on 17 July 2014 the negotiations were concluded with Ecuador for its accession to the Trade Agreement concluded between the EU and Colombia/Peru. As a result of these negotiations, a Protocol of Accession by Ecuador to the Agreement was initialled between the parties.

In order to avoid unnecessary trade disruption pending the completion of the procedures for the approval and application of the Protocol of Accession, it is **necessary to ensure** that customs duties applied on the date of initialling of the Protocol of Accession are not increased and that **no new customs duties are applied on products originating in Ecuador**.

To this end, the proposed Regulation provides for the maintenance of the level of duty rates that were applicable to Ecuador on the date of initialling of the Protocol of Accession.

CONTENT: this proposal seeks to put in place an interim reciprocal arrangement for the establishment of a free-trade area with Ecuador in order to avoid unnecessary trade disruption, following the initialling of the Protocol of Accession.

As from 1 January 2015, customs duties applied on the date of initialling of the Protocol of Accession are **not increased** nor new customs duties applied on products originating in Ecuador.

Duration of the application: the Regulation shall apply from 1 January 2015. It shall expire six months after the Protocol of Accession enters into force or, where appropriate, is applied provisionally, or on **31 December 2016**, whichever occurs first.

Condition for the application: Ecuador should abstain from introducing new duties or charges having equivalent effect or new quantitative restrictions or measures having equivalent effect for imports originating in the Union, or from increasing existing levels of duties or charges or from introducing any other restrictions from [the date of initialling of the Protocol of Accession].

Ecuador should also:

- maintain its commitment to core international conventions on human and labour rights, environmental protection and good governance;
- be subject to benefit from the tariff treatment provided under this Regulation should be conditional on compliance by Ecuador with the relevant rules of origin of products and the procedures related thereto.

In the event of failure to comply with any of the conditions laid down in this Regulation, implementing powers should be conferred on the Commission to suspend temporarily in whole or in part the tariff treatment provided therein. Those powers should be exercised in accordance with [Regulation \(EU\) No 182/2011](#) of the European Parliament and the Council.

BUDGETARY IMPLICATION: the proposal maintains the current market access arrangements and in this sense does not have any additional financial implications for the EU budget.

The absence of its application would, however, entail a potential increase in the customs revenue collection. The amount of this customs revenue collection is difficult to predict, but would in any case be relatively small. The duty savings incurred by current market access regime enjoyed by Ecuador and which lapses on 1 January 2015 are in the range of EUR 215 million (based on 2013 trade figures).