EU/Macao Agreement: air services

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PURPOSE: to conclude the Agreement on certain aspects of air services between the European Union and the Macao Special Administrative Region of the People's Republic of China.

PROPOSED ACT: Council Decision.

BACKGROUND: following the judgements of the Court of Justice in the so-called “Open Skies” cases, on 5 June 2003 the Council granted the Commission a mandate to open negotiations with third countries on the replacement of certain provisions in existing agreements with an agreement at Union level (the “horizontal mandate”). The objectives of such agreements are to give all European Union air carriers non-discriminatory access to routes between the European Union and third countries, and to bring bilateral air service agreements between Member States and third countries in line with the law of the Union.

In accordance with the mechanisms and directives in the Annex to the ”horizontal mandate”, the Commission has negotiated an agreement with the Macao Special Administrative Region of the People's Republic of China that replaces certain provisions in the existing bilateral air services agreements between Member States and the Macao Special Administrative Region of the People's Republic of China.

IMPACT ASSESSMENT: Member States as well as the industry were consulted throughout the negotiations.

LEGAL BASIS: Article 100(2), in conjunction with Article 218(6)(a) and 218 (8) first paragraph of the Treaty on the Functioning of the European Union (TFEU).

CONTENT: in accordance with the standard procedure for the signature and conclusion of international agreements, the Council is asked to approve the decisions on the signature and on the conclusion of the Agreement on certain aspects of air services between the European Union and the Macao Special Administrative Region of the People's Republic of China and to designate the persons authorised to sign the Agreement on behalf of the Union.

More specifically,

- Article 2 of the Agreement replaces the traditional designation clauses with an EU designation clause, permitting all EU carriers to benefit from the right of establishment.
- Article 4 deals with the taxation of aviation fuel, a matter which has been harmonised by Council Directive 2003/96/EC restructuring the Community framework for the taxation of energy products and electricity.
- Article 5 resolves potential conflicts with the competition rules of the Union.

BUDGETARY IMPLICATION: this proposal has no implication for the budget of the Union.