

# EU/Central America Association Agreement: implementation of the bilateral safeguard clause and the stabilisation mechanism for bananas

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The Commission presented a report on the Annual Report on the Implementation of Part IV of the EU-Central America Association Agreement.

The EU signed the Association Agreement with Central America on 29 June 2012. Part IV of the Agreement, covering Trade, has been provisionally applied as from 1 August 2013 with Nicaragua, Honduras and Panama, 1 October 2013 with El Salvador and Costa Rica and finally as from 1 December 2013 with Guatemala.

This report contains:

- an update on the implementation of the [Agreement](#), in particular an overall assessment of trade flows;
- information as regards the implementation of the bilateral safeguard clause and the stabilisation mechanism for bananas of the Agreement, in accordance with Regulation (EU) No 20/2013 of the European Parliament and of the Council.

**Information on the application of the Agreement:** the Commission considers that it is too early to make any conclusive assessment of the impact of the trade part of the Agreement.

Despite the negative global environment including the overall decrease in global demand in 2014, **EU trade flows with Central America remained substantially stable** and saw significant increases in specific sectors. EU trade flows with most Central American countries increased except with Panama.

Moreover, the **relatively low utilisation rate of the available tariff rate quotas** points to the possibility to further increase bilateral trade flows between the two regions.

It has been agreed with Central America to carry out a **technical review of the statistical methods** and data on trade flows which should allow a more detailed analysis in the future.

**Bananas:** the Commission has been monitoring the evolution of imports of bananas from Central American countries to assess if the conditions set out in Regulation (EU) NO 20/2013 are met to initiate a safeguard investigation or introduce prior surveillance measures.

During the first year of implementation of the Agreement, the Commission neither initiated nor received any requests to initiate a safeguard investigation or to introduce prior surveillance measures as the conditions set out in the Regulation to initiate a safeguard investigation or introduce prior surveillance measures were never reached.

The report noted that imports from Central American countries remained overall stable and below the established trigger imports, so that it was unnecessary to consider initiating any suspension of preferential customs duties.