

Emergency autonomous trade measures for Tunisia

2015/0218(COD) - 17/09/2015 - Legislative proposal

PURPOSE: to introduce emergency autonomous trade measures for the Republic of Tunisia.

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

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: the current framework for trade relations between the EU and Tunisia is provided by the Euro-Mediterranean Association Agreement, signed in 1995. The Agreement entered into force in 1998 and laid the foundation for the establishment of a Free Trade Area, including a progressive liberalisation on agriculture. Tunisia and the EU are on the verge of engaging in negotiations for establishing a Deep and Comprehensive Free Trade Agreement (DCFTA) that will notably provide for further liberalisation of trade in agriculture.

The terrorist attack of 26 June 2015 in Sousse prompted a reaction from the EU on the need to further assist Tunisia in its political and economic transition, in a concrete and targeted manner, through actions that can be effective in the short-term.

On 20 July 2015, the Foreign Affairs Council discussed the situation in Tunisia and concrete measures which the EU could take to support it.

It is within this context that the following trade measures are proposed.

CONTENT: the Commission proposes to offer a **temporary, unilateral duty free tariff rate quota of 35 000 tons annually for Tunisia's exports of olive oil to the Union**, under the form of autonomous trade measure. Such quota will be made available for a period of two years, from 1 January 2016 until 31 December 2017. This additional volume will be opened once the existing duty free tariff rate quota of 56 700 tonnes, enshrined in the Agreement, is exhausted.

Olive oil is Tunisia's main agricultural export to the EU, and the olive oil industry is an important part of the country's economy, providing direct and indirect employment to more than one million people and representing one-fifth of the country's total agricultural employment.

Rule of origin: the proposed autonomous trade measures should be subject to compliance by Tunisia with the Union's relevant rules regarding the origin of products and the procedures related thereto, as well as to Tunisia's effective administrative cooperation with the Union. Powers shall be conferred on the Commission as regards the respect of the conditions subject to which the preferential arrangements are provided for.

Temporary suspension: where the Commission finds that there is sufficient evidence of a failure by Tunisia to comply with the conditions set out in the Regulation, it may adopt an implementing act suspending in whole or in part the preferential arrangements.

BUDGETARY IMPLICATIONS: the measures might lead to a modest net increase on imports as most of the quota increase will probably replace current inward processing trade (about 50 000 tonnes of olive oil

a year under the Inward Processing regime), resulting in a reduction of the imports under this regime. The budgetary implications (of duty collections) cannot be quantified precisely at present, but are assumed to be insignificant.