Introducing exceptional trade measures for countries and territories participating in or linked to the European Union's Stabilisation and Association process

2020/0051(COD) - 03/04/2020 - Legislative proposal

PURPOSE: to extend the application of Regulation (EC) No 1215/2009 introducing exceptional trade measures for countries and territories linked to the European Union's Stabilisation and Association process for the Western Balkans.

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 on an equal footing with the Council.

BACKGROUND: at its meeting in Lisbon on 23 and 24 March 2000, the European Council stated that Stabilisation and Association Agreements with the Western Balkan entities should be preceded by asymmetrical trade liberalisation.

By introducing exceptional trade measures in favour of the countries and territories participating in the Stabilisation and Association Process, Council Regulation (EC) No 1215/2009, which applies until 31 December 2020, has allowed such liberalisation.

Stabilisation and Association Agreements have now been concluded with all six relevant entities of the Western Balkans, namely Albania, Bosnia and Herzegovina, Kosovo, Northern Macedonia, Montenegro and Serbia.

Even though most of the trade preferences initially granted to the Western Balkans through the autonomous trade regime have now been integrated in their respective Stabilisation and Association Agreement with the Union, the limited preferences granted through this Regulation still provide a valuable support to the regional economy. These preferences allow for the suspension of the specific duties normally applied to fruits and vegetables and for the inclusion of a global wine quota available after exhaustion of the countries' respective national wine quotas.

The ATMs system contributed to the expansion of the total trade between the EU and the Western Balkans which exceeded EUR 54 billion in 2018. The EU is the leading trade partner accounting for over 72% of the region's total trade.

CONTENT: the Commission proposes to extend the period of application of Regulation (EC) No 1215 /2009 until 31 December 2025.

The proposed measures have been in place for almost 20 years, but are now considerably reduced, as most of the preferences have been gradually integrated into the various Stabilisation and Association Agreements concluded between the EU and the beneficiaries.

While the estimated impact is considered minimal in terms of loss of customs duties for the EU - around EUR 23.5 million for all six beneficiaries, based on the import value in 2018 - the extension of the measures is considered the best guarantee of the EU's commitment to the trade integration of the Western Balkans. It would also help to ensure stable market access conditions for economic operators both in the region and in the EU.

The unilateral preferences to Kosovo were included in the EU-Kosovo Stabilisation and Association Agreement, which entered into force on 1 April 2016. The autonomous trade preferences do no longer concern any fishery or beef trade concessions. It is therefore proposed to remove any references to these two categories of products.

This proposal is consistent with the political guidelines of the new Commission, which has reaffirmed the European perspective of the Western Balkans and its important role in the continued reform process across the region. The European Union aims to promote peace, stability and economic development in the region and open up the prospect of EU integration.

Budgetary implications

The proposed Regulation does not incur additional costs in the EU budget. For the years 2020 to 2025 there will be no additional tariff revenue foregone in respect of products produced by the current beneficiaries. Hypothetical revenue that could have been collected from additional new imports is not considered as a loss of tariff revenue.