

# Dock dues in the French outermost regions: period of application

2020/0174(CNS) - 11/08/2020 - Legislative proposal

**PURPOSE:** to extend by six months the arrangements concerning the dock dues in the French outermost regions.

**PROPOSED ACT:** Council Decision.

**ROLE OF THE EUROPEAN PARLIAMENT:** the Council adopts the act after consulting the European Parliament but without being obliged to follow its opinion.

**BACKGROUND:** the dock dues tax is an indirect tax in force only in the French outermost regions of Martinique, Guadeloupe, French Guiana, Réunion and Mayotte. In principle, it applies in the same way to locally produced products and to imported products.

However, Council Decision No 940/2014/EU authorises France to apply, until 31 December 2020, exemptions or reductions to dock dues in respect of certain locally produced products. The difference between the taxation of locally produced products and that of other products may not exceed 10, 20 or 30 percentage points, depending on the product.

France is of the view that the competitive disadvantages suffered by the French outermost regions persist, and has submitted a request to the Commission for a system of differentiated taxation similar to the current system to be maintained beyond 1 January 2021, until 31 December 2027.

The crisis caused by the COVID-19 pandemic has seriously delayed the work carried out by the French authorities to collect all the necessary information to examine the lists of products for which France wishes to apply differentiated taxation.

In order to allow for the completion of the work currently in progress and to give the Commission time to present a balanced proposal, respecting the various interests at stake, an additional six months is therefore necessary.

**CONTENT:** the Commission proposes to amend Council Decision 940/2014/EU to extend the current applicable regime from 31 December 2020 to 30 June 2021 in order to allow for the completion of a comprehensive product-by-product analysis to be carried out of the request to authorise the application of differentiated taxation to offset the competitive disadvantages suffered by local production.

The proposed measure aims to promote and maintain certain local production which is particularly at risk and thus to promote employment in the French outermost regions. It shall help to mitigate the additional costs faced by companies in the outermost regions, which impede their full participation in the Single Market.