Canary Islands: suspending duties on industrial products, administration of quotas on fishery products

2001/0289(CNS) - 06/12/2001 - Legislative proposal

PURPOSE: To temporarily suspend from the Common Customs Tariff duties on imports of certain industrial products and providing tariff quotas on imports of certain fishery products into the Canary Islands. CONTENT: In spite of a visible increase in living standards in the Canary Islands, thanks largely to the expansion of the tourist sector as well as a consolidation in the agricultural field, the industrial sector remains vulnerable, contributing less than 6% to the Island's GDP. The inherent weaknesses in the industrial sector is thanks in large part to the Island's peripheral location translating into higher transport costs. The increase in energy prices over the past couple of years have confounded what already is a weak sector. Manufacturing costs can be up to 12% higher on the Canary Islands compared to manufacturing costs of similar companies on the Spanish peninsula. The Commission proposal does not seek to phase out the existing autonomous tariff measures, rather it seeks to restructure them. Products excluded would include products subject to CCT below 2%. Furthermore, products which are subject to the local AIEM tax will also be excluded. In terms of "end-consumer" products, the Commission proposes phasing out their current 4.5% duty advantage over the coming five years, given the overall increase in living standards. Moreover the suspension of end-consumer products shall only apply to products which are unloaded from ship or aircraft when the customs declaration for release into free circulation is submitted to the custom authorities. Those products benefiting from the full suspension of CCT duties will include: - capital investment goods; and - raw materials, and parts and components for industrial transformation and maintenance. This will last for a period of ten years starting on 01/01/02. In terms of special measures for the supply of certain fish products considered essential for the domestic market, the Commission proposes suspending custom duties on imports of certain products from third countries. In order to avoid distortions in the internal market measures will be taken to ensure that fishery products, for which suspension is requested, are intended solely for the Canary Islands' domestic market.