

Basic information

2009/0125(CNS)

CNS - Consultation procedure
Regulation

Procedure completed

Madeira and Azores: temporary suspension of autonomous Common Customs Tariff duties on imports of certain industrial products

Subject

2.10.01 Customs union, tax and duty-free, Community transit
4.70.06 Outlying and outermost regions, overseas countries and territories
8.70.01 Financing of the budget, own resources

Key players

European
Parliament

Committee responsible	Rapporteur	Appointed
REGI Regional Development	HÜBNER Danuta Maria (PPE)	03/06/2010
	Shadow rapporteur GRÈZE Catherine (Verts /ALE) VLASÁK Oldřich (ECR)	
Former committee responsible	Former rapporteur	Appointed
REGI Regional Development	HÜBNER Danuta Maria (PPE)	04/11/2009
Committee for opinion	Rapporteur for opinion	Appointed
BUDG Budgets	The committee decided not to give an opinion.	
IMCO Internal Market and Consumer Protection	The committee decided not to give an opinion.	
Former committee for opinion	Former rapporteur for opinion	Appointed
BUDG Budgets	The committee decided not to give an opinion.	

	<div style="border: 1px solid red; display: inline-block; padding: 2px;">IMCO</div> Internal Market and Consumer Protection	The committee decided not to give an opinion.	
Council of the European Union	Council configuration	Meetings	Date
	General Affairs	3040	2010-10-25
European Commission	Commission DG	Commissioner	
	Taxation and Customs Union	ŠEMETA Algirdas	

Key events			
Date	Event	Reference	Summary
07/09/2009	Legislative proposal published	COM(2009)0370 	Summary
19/10/2009	Committee referral announced in Parliament		
02/12/2009	Additional information		
30/12/2009	Vote in committee		Summary
04/01/2010	Committee report tabled for plenary, 1st reading/single reading	A7-0001/2010	
20/01/2010	Decision by Parliament	T7-0002/2010	Summary
20/01/2010	Results of vote in Parliament		
28/04/2010	Amended legislative proposal for reconsultation published	09109/2010	Summary
29/04/2010	Formal reconsultation of Parliament		
13/07/2010	Vote in committee		Summary
16/07/2010	Committee report tabled for plenary, reconsultation	A7-0232/2010	
07/09/2010	Decision by Parliament	T7-0294/2010	Summary
25/10/2010	Act adopted by Council after consultation of Parliament		
25/10/2010	End of procedure in Parliament		
30/10/2010	Final act published in Official Journal		

Technical information	
Procedure reference	2009/0125(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation
Legislative instrument	Regulation
Legal basis	Treaty on the Functioning of the European Union TFEU 349-p1sub1-as1
Other legal basis	Rules of Procedure EP 165

Stage reached in procedure	Procedure completed
Committee dossier	REGI/7/02826 REGI/7/00872

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE430.601	06/11/2009	
Amendments tabled in committee		PE430.867	02/12/2009	
Committee report tabled for plenary, 1st reading/single reading		A7-0001/2010	04/01/2010	
Text adopted by Parliament, 1st reading/single reading		T7-0002/2010	20/01/2010	Summary
Committee draft report		PE443.135	24/06/2010	
Committee final report tabled for plenary, reconsultation		A7-0232/2010	16/07/2010	
Text adopted by Parliament after reconsultation		T7-0294/2010	07/09/2010	Summary

Council of the EU

Document type	Reference	Date	Summary
Amended legislative proposal for reconsultation	09109/2010	28/04/2010	Summary

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2009)0370 	07/09/2009	Summary
Commission response to text adopted in plenary	SP(2010)795	17/02/2010	

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
EESC	Economic and Social Committee: opinion, report	CES1933/2009	16/12/2009	

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Madeira and Azores: temporary suspension of autonomous Common Customs Tariff duties on imports of certain industrial products

2009/0125(CNS) - 07/09/2010 - Text adopted by Parliament after reconsultation

The European Parliament adopted by 629 votes to 7, with 14 abstentions, a legislative resolution amending, under the consultation procedure, the proposal for a Council regulation temporarily suspending autonomous Common Customs Tariff duties on imports of certain industrial products into the autonomous regions of Madeira and the Azores.

The European Parliament has been once again consulted on this proposal. The amendments aim to give the Commission the power to adopt delegated acts in accordance with Article 290 of the Treaty on the Functioning of the European Union (TFEU) with a view to making changes and the necessary technical adjustments to the list of goods covered by the temporary suspension.

The amendments adopted in plenary aim to amend the relevant provisions inserted into the text by Council so as to **ensure Parliament is informed** of any changes Council makes to the Status of the delegated acts.

Madeira and Azores: temporary suspension of autonomous Common Customs Tariff duties on imports of certain industrial products

2009/0125(CNS) - 28/04/2010 - Amended legislative proposal for reconsultation

The European Parliament has been consulted again on the proposal for a Council Regulation temporarily suspending autonomous Common Customs Tariff duties on imports of certain industrial products into the autonomous regions of Madeira and the Azores.

Compared to the initial proposal, this new text includes amendments stating that the Commission should be empowered to adopt delegated acts in accordance with Article 290 of the Treaty on the Functioning of the European Union (TFEU) for the purpose of making necessary amendments and technical adaptations to the list of goods for which a suspension applies.

Madeira and Azores: temporary suspension of autonomous Common Customs Tariff duties on imports of certain industrial products

2009/0125(CNS) - 07/09/2009 - Legislative proposal

PURPOSE: to suspend temporarily autonomous Common Customs Tariff duties applicable to imports into the autonomous regions of Madeira and the Azores of finished goods for agricultural, commercial or industrial use from 1 January 2010 to 31 December 2019.

PROPOSED ACT: Council Regulation.

BACKGROUND: Madeira and Azores belong to the outer most regions of the Community for which special measures may be foreseen in accordance with Treaty establishing the European Community in order to overcome the economic disadvantages these areas suffer due to their geographical situation.

In August and December 2007 the regional authorities of Madeira and Azores requested with the support of the Portuguese Government an autonomous suspension of the common customs tariff duties for a number of products. They justified their requests that in view of the remoteness of those islands the economic operators suffer severe commercial disadvantages which have negative effects on demographic trends, employment and social and economic developments.

The local economies of Madeira and the Azores are to a large extent dependant on national and international tourism, a fairly volatile economic resource. It is determined by factors on which the local authorities and the Portuguese government have hardly any influence. As a result, the economic development of Madeira and the Azores is severely restrained. In these circumstances it is necessary to support those economic sectors which are less dependent on the tourist industries in order to compensate the fluctuations of the touristic sector and thus to stabilise local employment.

It is therefore appropriate to provide for new suspensions which are not restricted to industries located in free zones but can benefit to all types of economic operators located on the territory of those regions. The scope of commercial sectors benefitting from the suspensions should therefore cover the fishery, agricultural, industrial and service sectors.

In order to ensure economic effect of the suspensions laid down in this Regulation it is appropriate to **extend the range of products** to finished goods for industrial use, to raw and other materials and to parts and components used for agricultural purposes, industrial transformation, maintenance and other services.

IMPACT ASSESSMENT: an individual impact assessment of the measure as such is not possible given the fact that the suspension of duties is only one measure in a whole row measures enacted for the improvement of the social and economic situation on these islands. To this effect the Commission publishes frequently communications setting out the effects of these measures for the different outer most regions. The last communication was forwarded to the Council on 17.10.2008 ([COM\(2008\)0642](#)).

CONTENT: in order to give a long term perspective to investors and enable economic operators to reach a level of industrial and commercial activities which stabilises the economic and social environment in the regions concerned, it is appropriate to suspend in full the Common Customs Tariff duties for certain goods for a period of **10 years** starting on 1 January 2010.

The proposed suspension of the Common Customs Tariff duties allows the local economic operators in Madeira and Azores to import a certain number of raw materials, parts, components and finished products duty free. In order to avoid any misuse or change in traditional trade flows of these goods it is foreseen that goods benefitting from duty suspension are subject to end use controls.

Therefore, finished goods will have to be used by local companies on the islands for a period of at least two years before they could be sold freely to other companies located in the other part of the customs territory of the European Community.

Moreover, raw materials, parts and components will have to be used for agricultural purposes, and industrial transformation and maintenance in the autonomous regions in order to benefit from the duty suspension.

Where the Commission has reasons to believe that the suspensions laid down in this Regulation has led to a deflection of the trade for a specific product it may provisionally repeal the suspension by a Commission Regulation for a period not longer than 12 months. Import duties for products for which the suspension has been provisionally repealed shall be secured by a guarantee, and the release of the products concerned for free circulation in the autonomous regions of Madeira and the Azores shall be conditional upon the provision of such guarantee.

When the Council decides on a proposal from the Commission within the 12 months period that the suspension should definitively be repealed the amounts of duties secured by guarantees shall be definitively collected. If no definitive decision has been adopted within the 12 month period, the securities shall be released.

BUDGETARY IMPLICATIONS: the proposal has implications for the Community budget. The application of the suspension will lead to loss in revenue of Community's own resources. On the basis of the information provided by the regional authorities, the impact on the loss of revenue resulting from this Regulation may therefore be estimated at EUR 0.16 million (gross amount, expenses incurred in collection included) x 0.75 = **EUR 0.12million/year for the period 01.01.2010 - 31.12.2019.**

The loss of revenue in Traditional Own Resources shall be compensated by Member States contributions based on the GNI.

Madeira and Azores: temporary suspension of autonomous Common Customs Tariff duties on imports of certain industrial products

2009/0125(CNS) - 20/01/2010 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 628 votes to 17 with 15 abstentions, a legislative resolution amending, under the consultation procedure, the proposal for a Council regulation temporarily suspending autonomous Common Customs Tariff duties on imports of certain industrial products into the autonomous regions of Madeira and the Azores.

The main amendments are as follows:

- Parliament wants to suspend in full the Common Customs Tariff duties for certain goods for a period starting on **1 February 2010 and ending on 31 December 2019** (the Commission had proposed that this period began on 1 January 2010);
- Members amended the table in Annex II of the proposal (Raw material, parts and components used for agricultural purposes, industrial transformation or maintenance) concerning the applicable CN codes (Tariff and Statistical nomenclature).

Madeira and Azores: temporary suspension of autonomous Common Customs Tariff duties on imports of certain industrial products

2009/0125(CNS) - 25/10/2010 - Final act

PURPOSE: temporarily suspend the autonomous Common Customs Tariff duties on imports of certain industrial products into the autonomous regions of the Azores and Madeira.

LEGISLATIVE ACT: Council Regulation (EU) No 973/2010 temporarily suspending the autonomous Common Customs Tariff duties on imports of certain industrial products into the autonomous regions of the Azores and Madeira.

CONTENT: The Council adopted a regulation temporarily suspending, from 1 November 2010 to 2 November 2020, tariff duties on imports of certain industrial products into the autonomous regions of Madeira and the Azores

In August and December 2007 the regional authorities of the Azores and Madeira requested, with the support of the Portuguese Government, an autonomous suspension of the Common Customs Tariff duties for a number of products. They justified their requests on the grounds that, in view of the remoteness of those islands, economic operators in the Azores and Madeira are at a severe commercial disadvantage, which has negative effects on demographic trends, employment and social and economic developments.

The local economies of the Azores and Madeira are to a large extent dependant on national and international tourism, a fairly volatile economic resource, which is determined by factors on which the local authorities and the Portuguese Government have hardly any influence. As a result, the economic development of the Azores and Madeira is severely restrained. In these circumstances it is necessary to support those economic sectors which are less dependent on the tourist industries in order to compensate the fluctuations of the tourist sector and thus to stabilise local employment.

Council Regulation (EEC) No 1657/93 temporarily suspending the autonomous Common Customs Tariff duties on certain industrial products intended to equip the free zones of the Azores and Madeira did not have the desired effect in the last years before its expiry on 31 December 2008. The scope of commercial sectors benefiting from the suspensions should therefore cover the fishery, agricultural, industrial and service sectors.

In order to ensure that the suspensions laid down in this Regulation have an economic impact, it is appropriate to extend the range of products benefiting from the suspensions to finished goods for agricultural, commercial or industrial use, as well as to raw materials, parts and components used for agricultural purposes, industrial transformation or maintenance.

In order to give a long-term perspective to investors and enable economic operators to reach a level of industrial and commercial activity which stabilises the economic and social environment in the regions concerned, it is appropriate to **suspend in full the Common Customs Tariff duties for certain goods for a period of 10 years as from 1 November 2010.**

In order to allow efficient operation of the suspensions, the authorities of the Azores and Madeira should take the necessary implementing measures and inform the Commission thereof. The Commission is permitted to adopt, if necessary, temporary measures designed to prevent any speculative movement or deflection of trade until a definitive solution for that movement will be adopted by the Council.

ENTRY INTO FORCE: 02/11/2010.

DATE OF APPLICATION: 01/11/2010.