Basic information

2020/0253(COD) COD - Ordinary legislative procedure (ex-codecision procedure) Regulation	Procedure completed
Elimination of customs duties on certain products **Subject** 6.20.03 Bilateral economic and trade agreements and relations 6.20.04 Union Customs Code, tariffs, preferential arrangements, rules of origin **Geographical area** United States	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
INTA International Trade	LANGE Bernd (S&D)	10/09/2020
	Shadow rapporteur HÜBNER Danuta Maria (EPP) SCHREINEMACHER Liesje (Renew) BÜTIKOFER Reinhard (Greens/EFA) BOURGEOIS Geert (ECR) LANCINI Danilo Oscar (ID) SCHOLZ Helmut (GUE/NGL)	

Council of the European Union

European Commission

Commission DG	Commissioner
Trade and Economic Security	DOMBROVSKIS Valdis

Key events

Date	Event	Reference	Summary
08/09/2020	Legislative proposal published	COM(2020)0496	Summary

17/09/2020	Committee referral announced in Parliament, 1st reading		
10/11/2020	Vote in committee, 1st reading		
12/11/2020	Committee report tabled for plenary, 1st reading	A9-0217/2020	
26/11/2020	Decision by Parliament, 1st reading	T9-0333/2020	Summary
26/11/2020	Debate in Parliament		
16/12/2020	Act adopted by Council after Parliament's 1st reading		
16/12/2020	Final act signed		
16/12/2020	End of procedure in Parliament		
18/12/2020	Final act published in Official Journal		

Technical information

Procedure reference	2020/0253(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Regulation
Legal basis	Treaty on the Functioning of the European Union TFEU 207-p2
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	INTA/9/04086

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE657.423	05/10/2020	
Amendments tabled in committee		PE659.027	20/10/2020	
Committee report tabled for plenary, 1st reading/single reading		A9-0217/2020	12/11/2020	
Text adopted by Parliament, 1st reading/single reading		T9-0333/2020	26/11/2020	Summary

Council of the EU

Document type	Reference	Date	Summary
Draft final act	00044/2020/LEX	16/12/2020	

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2020)0496	08/09/2020	Summary

Additional information		
Source	**Document**	**Date**
European Commission	EUR-Lex	

Final act
Corrigendum to final act 32021R2131R(01) OJ L 071 02.03.2021, p. 0024 Regulation 2020/2131 OJ L 430 18.12.2020, p. 0001

Elimination of customs duties on certain products

2020/0253(COD) - 08/09/2020 - Legislative proposal

PURPOSE: to eliminate customs duties on certain imports into the European Union with a view to consolidating the partnership between the European Union and the United States.

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 EU and the US have a close trade and investment relationship. Bilateral trade in goods and services between them amounts to more than EUR 1000 billion per year, or EUR 3 billion per day.

On 21 August 2020 Commissioner Hogan and US Trade Representative Lighthizer stated their intention to go ahead with a trade-facilitating package to eliminate or reduce customs duties for a small number of tariff lines covering EUR 168 million (approximatively USD 200 million) in EU and US exports.

The Commission therefore proposes to create additional opportunities for EU and US operators by eliminating or reducing tariffs. It sees this initiative as a first step to de-escalate bilateral trade tensions and to support the settlement of on-going disputes.

CONTENT: the Commission proposes to eliminate a number of customs tariffs on lobster. Lobster is not sensitive products for the EU, which is a net importer of these products. EU producers supply less than 5% of European consumption. The elimination of import duties shall support the food-processing industry and the hospitality sector.

In return, the US has committed to ease market access for EU27 exports worth EUR 143 million (USD 160 million) on average in the past three years, through a 50% reduction of duties. These include products such as prepared meals, certain crystal glassware, surface preparations, propellant powders, cigarette lighters and lighter parts. The US requested the tariff reduction for lobster in light of its declining exports of the product to Europe and the world.

The tariff reductions should be implemented in a fully WTO consistent manner and respect the most-favoured nation (MFN) principle. The measures shall apply retroactively as of 1 August 2020 and end on 31 July 2025.

The agreement shall have a limited negative impact on the budget of the EU in the form of foregone customs duties due to tariff liberalisation for the products covered by the tariff lines in annex to this Regulation, representing some EUR 5.3 million in duties collected from the US (average 2017-2019 period).

Elimination of customs duties on certain products

2020/0253(COD) - 26/11/2020 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 638 votes to 45, with 11 abstentions, a legislative resolution on the proposal for a Regulation of the European Parliament and of the Council on the elimination of customs duties on certain products.

Parliament adopted its position at first reading under the ordinary legislative procedure, taking over the Commission proposal.

The EU and the US have the largest and most deeply rooted bilateral trade and investment relationship in the world. Bilateral trade in goods and services between them amounts to more than EUR 1 trillion a year, or about EUR 3 billion a day.

The proposed regulation aims to eliminate a number of tariffs on lobsters and crawfish. The elimination of these duties would be subject to two conditions:

- the effective reduction by the US of custom duties for a number of products (certain prepared dishes, certain crystalware, coatings, propellant powders, cigarette lighters and parts of lighters) and;

- the US refraining from introducing new measures against the EU that undermine the objectives of the Joint Statement of 21 August 2020, in which Commissioner Hogan and US Trade Representative Lighthizer announced a package of tariff reductions meant ‘to mark just the beginning of a process that will lead to additional agreements that create more free, fair, and reciprocal transatlantic trade’.

The elimination of customs duties should apply from the same date as the effective implementation of the announcement of the United States regarding the reduction of its customs duties on a selected number of goods, namely from 1 August 2020.

The Commission would have implementing powers to temporarily suspend the application of the regulation if the conditions set out in it were not met.