



Basic information	
<b>2011/0111(CNS)</b> CNS - Consultation procedure Regulation	Procedure completed
Canary Islands: temporary suspension of autonomous Common Customs Tariff duties on imports of certain industrial products  <b>Subject</b> 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  <b>Geographical area</b> Spain	

Key players				
European Parliament	<b>Committee responsible</b>		<b>Rapporteur</b>	<b>Appointed</b>
	<b>REGI</b> Regional Development		HÜBNER Danuta Maria (PPE)	21/06/2011
			Shadow rapporteur ESTARÀS FERRAGUT Rosa (PPE) GRÈZE Catherine (Verts /ALE) VLASÁK Oldich (ECR)	
	<b>Committee for opinion</b>		<b>Rapporteur for opinion</b>	<b>Appointed</b>
	<b>BUDG</b> Budgets		The committee decided not to give an opinion.	
	<b>IMCO</b> Internal Market and Consumer Protection		The committee decided not to give an opinion.	
Council of the European Union	<b>Council configuration</b>		<b>Meetings</b>	<b>Date</b>
	Environment		3139	2011-12-19
European Commission	<b>Commission DG</b>		<b>Commissioner</b>	
	Taxation and Customs Union		ŠEMETA Algirdas	

## Key events

Date	Event	Reference	Summary
18/05/2011	Legislative proposal published	COM(2011)0259 	Summary
07/06/2011	Committee referral announced in Parliament		
05/10/2011	Vote in committee		Summary
17/10/2011	Committee report tabled for plenary, 1st reading/single reading	A7-0357/2011	
15/11/2011	Decision by Parliament	T7-0482/2011	Summary
15/11/2011	Results of vote in Parliament		
19/12/2011	Act adopted by Council after consultation of Parliament		
19/12/2011	End of procedure in Parliament		
29/12/2011	Final act published in Official Journal		

## Technical information


Procedure reference	2011/0111(CNS)
Procedure type	CNS - Consultation procedure
Nature of procedure	Legislation
Legislative instrument	Regulation
Legal basis	Rules of Procedure EP 52-p1 Treaty on the Functioning of the EU TFEU 349-p1sub1-as1
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	REGI/7/06066

## Documentation gateway

### European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE470.077	02/09/2011	
Committee report tabled for plenary, 1st reading/single reading		A7-0357/2011	17/10/2011	
Text adopted by Parliament, 1st reading/single reading		T7-0482/2011	15/11/2011	Summary

### European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2011)0259 	18/05/2011	Summary

### National parliaments

Document type	Parliament /Chamber	Reference	Date	Summary
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Contribution	<a href="#">PT_PARLIAMENT</a>	<a href="#">COM(2011)0259</a>	17/10/2011	
<b>Other institutions and bodies</b>				
Institution/body	Document type	Reference	Date	Summary
ESC	Economic and Social Committee: opinion, report	<a href="#">CES1376/2011</a>	22/09/2011	

Additional information		
Source	Document	Date
National parliaments	<a href="#">IPEX</a>	
European Commission	<a href="#">EUR-Lex</a>	

Final act	
<a href="#">Regulation 2011/1386</a> <a href="#">OJ L 345 29.12.2011, p. 0001</a>	<a href="#">Summary</a>

## Canary Islands: temporary suspension of autonomous Common Customs Tariff duties on imports of certain industrial products

2011/0111(CNS) - 15/11/2011 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 538 votes to 66, with 18 abstentions, a legislative resolution approving, unamended, in the framework of a special legislative procedure (European Parliament consultation), the proposal for a Council regulation temporarily suspending autonomous Common Customs Tariff duties on imports of certain industrial products into the Canary Islands.

## Canary Islands: temporary suspension of autonomous Common Customs Tariff duties on imports of certain industrial products

2011/0111(CNS) - 18/05/2011 - Legislative proposal

**PURPOSE:** temporarily suspend autonomous Common Customs Tariff duties on imports of certain industrial products into the Canary Islands.

**PROPOSED ACT:** Council Regulation.

**BACKGROUND:** the Canary Islands belong to the Outermost Regions of the European Union, for which special measures may be foreseen, in order to overcome the economic disadvantages these regions suffer due to their geographical situation.

The Canary Islands industrial sector, together with construction, has been severely affected by the recent economic crisis. The slump in building depressed all the auxiliary industry that depends on it. Unfavourable financial conditions had a serious impact on many areas of business.

In addition, the sharp rise in unemployment in Spain aggravated the slump in domestic demand, including demand for industrial products. The rate of unemployment on the Canary Islands has been consistently exceeding the national average for Spain for the last ten years and, since 2009, the Autonomous Community has recorded the highest level throughout the country. Moreover, more than half of the industrial production in the Canaries is consumed on the Islands, which is particularly serious since demand there has been hit harder.

The government of the Kingdom of Spain has made a request on behalf of the authorities of the Autonomous Community of the Canary Islands for a prolongation of the current regime providing for tariff suspensions on imports of certain industrial products. These measures are aimed at strengthening the competitiveness of the local economic operators and thus securing a more stable employment on these islands.

**IMPACT ASSESSMENT:** no impact assessment has been carried out.

**LEGAL BASIS:** Article 349 of the Treaty on the Functioning of the European Union (TFEU).

CONTENT: the proposed suspension of the Common Customs Tariff duties allows the local economic operators in the Canary Islands to **import a certain number of raw materials, parts, components and capital goods duty free**. In order to avoid any misuse or change in traditional trade flows it is foreseen that products benefitting from duty suspension are subject to end use control.

Moreover, capital 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 other parts of the customs territory of the European Union. Raw materials, parts and components will have to be used for industrial transformation and maintenance in the Canary Islands in order to benefit from the duty suspension.

This proposal shall replace the measures introduced by Council Regulation (EC) No 704/2002 which expires on 31.12.2011. To enable the economic operators to make long-term investment decisions **the proposed suspensions should remain in force for 10 years** (01.01.2012 - 31.12.2021).

BUDGETARY IMPLICATIONS: the proposal has implications for the Union budget since the duty suspensions will lead to loss in revenue of the Union'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 2.96 million (gross amount, expenses incurred in collection included) x 0.75 = **EUR 2.22 million/year for the period 01.01.2012 - 31.12.2021**.

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

## **Canary Islands: temporary suspension of autonomous Common Customs Tariff duties on imports of certain industrial products**

2011/0111(CNS) - 19/12/2011 - Final act

PURPOSE: temporarily suspend autonomous Common Customs Tariff duties on imports of certain industrial products into the Canary Islands.

LEGISLATIVE ACT: Council Regulation (EU) No 1386/2011 temporarily suspending autonomous Common Customs Tariff duties on imports of certain industrial products into the Canary Islands.

CONTENT: the Council adopted a regulation **prolonging the suspension of tariff duties applicable to imports of certain industrial products into the Canary Islands for a further ten years until 31 December 2021**. The regulation also extends the suspension of tariff duties to some additional products.

The measure takes account of the remoteness of the Canary Islands, due to which economic operators suffer severe economic and commercial disadvantages with negative effects on demographic trends, employment and social and economic developments.

The Canary Islands industrial sector, together with construction, has been severely affected by the recent economic crisis. The slump in building depressed all the auxiliary industry that depends on it. Unfavourable financial conditions had a serious impact on many areas of business. In addition, the sharp rise in unemployment in Spain aggravated the slump in domestic demand, including demand for industrial products (unemployment in the Canary Islands has been consistently exceeding the national average for Spain for the last 10 years and, since 2009, the Canary Islands have recorded the highest level throughout the country).

Therefore, with the aim of giving a long-term perspective to investors and enabling economic operators to reach a level of industrial and commercial activities which stabilises the economic and social environment on the Canary Islands, it is appropriate to prolong in full the suspension of the Common Customs Tariff duties for certain goods as detailed in Annex II and Annex III to Regulation (EC) No 704/2002 for a period of 10 years

ENTRY INTO FORCE: from 01/01/2012.

DELEGATED ACTS: the Commission shall be empowered to adopt delegated acts concerning amendments and technical adaptations to Annexes I and II as are required as a consequence of amendments to the Combined Nomenclature. The power to adopt the delegated acts shall be conferred on the Commission for an indeterminate period of time as from 1 January 2012. It may be revoked at any time by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. A delegated act shall enter into force only if no objection has been expressed by the Council within a period of two months of notification of that act to the Council or if, before the expiry of that period, the Council has informed the Commission that it will not object. The European Parliament shall be informed of the adoption of delegated acts by the Commission, of any objection formulated to them, or of the revocation of the delegation of powers by the Council.