Procedure file

Basic information

CNS - Consultation procedure Regulation 2021/0209(CNS)	Procedure completed
Canary Islands: 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 Geographical area Spain	

Key players

European Parliament	Committee responsible	Rapporteur	Appointed
	REGI Regional Development		06/09/2021
		OMARJEE Younous	
		Shadow rapporteur	
		BENJUMEA BENJUMEA Isabel	
		GONZÁLEZ Mónica Silvana	
		BIJOUX Stéphane	
Council of the European Union			
European Commission	Commission DG	Commissioner	
	Taxation and Customs Union	GENTILONI Paolo	

Key events

14/07/2021	Legislative proposal published	COM(2021)0392	Summary
13/09/2021	Committee referral announced in Parliament		
27/09/2021	Vote in committee		
28/09/2021	Committee report tabled for plenary, 1st reading/single reading	A9-0267/2021	
05/10/2021	Decision by Parliament	T9-0403/2021	Summary

23/11/2021	Act adopted by Council after consultation of Parliament		
25/11/2021	Final act published in Official Journal		

Technical information

Procedure reference	2021/0209(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation
Legislative instrument	Regulation
Legal basis	Treaty on the Functioning of the EU TFEU 349-p1sub1-as1
Other legal basis	Rules of Procedure EP 159
Stage reached in procedure	Procedure completed
Committee dossier	REGI/9/06876

Documentation gateway

Legislative proposal		COM(2021)0392	14/07/2021	EC	Summary
Committee draft report		PE696.564	15/09/2021	EP	
Committee report tabled for plenary, 1st reading/single reading		A9-0267/2021	28/09/2021	EP	
Text adopted by Parliament, 1st reading/single reading		T9-0403/2021	05/10/2021	EP	Summary
Economic and Social Committee: opinion, report		CES4727/2021	20/10/2021	ESC	

Final act

Regulation 2021/2048
OJ L 420 25.11.2021, p. 0001

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

PURPOSE: to extend the suspension of Common Customs Tariff duties on imports of certain industrial products into the Canary Islands.

PROPOSED ACT: Council Regulation.

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

CONTENT: Council Regulation (EU) No 1386/2011 provided for the temporary suspension of the autonomous Common Customs Tariff duties on imports of certain industrial products into the Canary Islands. The measures introduced by this Regulation have made a positive contribution to the development of the Canary Islands' economy, particularly in the industrial and construction sectors, thus reducing the severe impact of economic and commercial disadvantages caused by the remoteness, the insularity and the small size of those islands.

In April 2021, Spain requested the prolongation of the suspension of the autonomous Common Customs Tariff duties for a number of products. In the same context, they requested the suspension of Common Customs Tariff duties for seven new product categories.

According to the request, the Canary Islands economy continues to be negatively affected by the small size of the islands market, its fragmentation and remoteness from Europe, particularly high-level unemployment and higher costs in production and distribution than those of economic operators in continental Europe.

Moreover, the COVID19 crisis halted tourism activity in the Canary Islands which, in 2020, led to an estimated drop of around 20 % in the GDP. In addition, there was a contraction in the construction and industrial activity with an estimated decline of 13 %, in relation to 2019.

The Commission therefore considers it appropriate to prolong the suspension of Common Customs Tariff duties for certain products listed in Annexes I and II to Regulation (EU) No 1386/2011.

CONTENT: this proposal is intended to replace Regulation (EU) No 1386/2011 and aims to help the Spanish outermost region to make the most of its assets in order to promote local growth and job creation. The measures provided for in the proposed regulation would apply from 1 January 2022 to 31 December 2031.

The proposal aims to prolong the suspension of Common Customs Tariff duties on certain products listed in Annexes I and II of Regulation (EU) No 1386/2011 in order to:

- ensure sustainability of positive effects of Regulation (EU) No 1386/2011;

- contribute to the diversification of the economy;

- ensure constant growth and the creation of jobs in industry and construction;

- enhance innovation;

- reduce the dependence of the local economy on the service sector;

- complement other measures dedicated to the stabilisation of the economic and social environment in the Canary Islands.

The proposal also provides for the suspension of Common Customs Tariff duties for seven new categories of products including machinery for industrial use and raw materials, which will help to strengthen the Canary Islands' economy.

In order to ensure that only economic operators established on the territory of the Canary Islands benefit from these tariff measures, it is foreseen that the suspensions are conditional on the end-use of the products.

In case of a deflection of trade and in order to ensure uniform conditions for the implementation of this Regulation, implementing powers should be conferred on the Commission allowing the Commission to temporarily withdraw the suspension

Budgetary implications

The proposal has no financial impact on expenditure but has a financial impact on revenue. Uncollected customs duties amount to a total of approximately EUR 3.3 million per year. The impact on the budgets traditional own resources is EUR 2.5 million per year (i.e. 75% of the total).

The loss of revenue in traditional own resources shall be compensated by Member States Gross National Income (GNI) based on resource contributions.

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

The European Parliament adopted by 677 votes to 5, with 9 abstentions, under a special legislative procedure (Parliaments consultation), a legislative resolution on the proposal for a Council Regulation temporarily suspending autonomous Common Customs Tariff duties on import of certain industrial products into the Canary Islands.

Parliament approved the Commission proposal without amendments.

The Canary Islands belong to the Outermost Regions of the European Union, for which special measures can be adopted, pursuant to Article 349 of the Treaty on the Functioning of the European Union (TFEU), to overcome the economic disadvantages these regions suffer due to their geographical situation.

Against this background, Council Regulation (EU) No 1386/2011 provided for the temporary suspension of the autonomous Common Customs Tariff duties on imports of certain industrial products into the Canary Islands, with a view to strengthening the competitiveness of the local economic operators, thus securing more stable employment on these islands. These measures are due to expire on 31 December 2021.

In April 2021, the Spanish Government requested the prolongation of the suspension of the autonomous Common Customs Tariff duties for a number of products, on the grounds that the constraints faced by the region, linked to the small size of the market and its fragmentation, are of a structural and permanent nature. Due to those limitations, the Canary Islands incur higher production, transport and environmental costs and are unable to benefit from globalisation to the same extent as other European regions.

In addition to the product categories covered by Regulation (EU) No 1386/2011, the Spanish Government has requested the suspension of Common Customs Tariff duties for seven new product categories, which include machines for industrial use and raw materials.

The requested suspension regime will reduce the constraints affecting the economy of the Canary Islands.