# Procedure file

# Basic information COD - Ordinary legislative procedure (ex-codecision 2015/0218(COD) procedure) Regulation Emergency autonomous trade measures for Tunisia Subject 3.10.03 Marketing and trade of agricultural products and livestock 6.20.03 Bilateral economic and trade agreements and relations 6.20.04 Union Customs Code, tariffs, preferential arrangements, rules of origin Geographical area Tunisia

| Key players               |  |                                      |            |
|---------------------------|--|--------------------------------------|------------|
| European Parliament       | Committee responsible                  | Rapporteur                           | Appointed  |
|                           | INTA International Trade               |                                      | 22/10/2015 |
|                           |  | DE CARNEZ M III                      |            |
|                           |  | DE SARNEZ Marielle Shadow rapporteur |            |
|                           |  | <u>~</u>                             |            |
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|                           |  |                                      |            |
|                           | Committee for opinion                  | Rapporteur for opinion               | Appointed  |
|                           | AGRI Agriculture and Rural Development |                                      | 15/10/2015 |
|                           |  | S&D AGUILERA Clara                   |            |
|                           |  | ACCILLIA Cidia                       |            |
|                           |  |                                      |            |
|                           |  |                                      |            |
| Council of the European U | nion Council configuration             | Meeting                              | Date       |
|                           | Agriculture and Fisheries              | 3459                                 | 11/04/2016 |
| European Commission       | Commission DG                          | Commissioner                         |            |

| events     |   |               |         |
|------------|---|---------------|---------|
| 17/09/2015 | Legislative proposal published                          | COM(2015)0460 | Summary |
| 05/10/2015 | Committee referral announced in Parliament, 1st reading |               |         |
| 25/01/2016 | Vote in committee, 1st reading                          |               |         |
| 28/01/2016 | Committee report tabled for plenary, 1st reading        | A8-0013/2016  | Summary |
| 24/02/2016 | Debate in Parliament                                    | <b>T</b>      |         |
| 25/02/2016 | Results of vote in Parliament                           |               |         |
| 25/02/2016 | Decision by Parliament, 1st reading                     | T8-0056/2016  | Summary |
| 25/02/2016 | Matter referred back to the committee responsible       |               |         |
| 10/03/2016 | Decision by Parliament, 1st reading                     | T8-0086/2016  | Summary |
| 11/04/2016 | Act adopted by Council after Parliament's 1st reading   |               |         |
| 13/04/2016 | Final act signed  |               |         |
| 13/04/2016 | End of procedure in Parliament                          |               |         |
| 18/04/2016 | Final act published in Official Journal                 |               |         |

| Technical information      |  |
|----------------------------|--|
| Procedure reference        | 2015/0218(COD)   |
| Procedure type             | COD - Ordinary legislative procedure (ex-codecision procedure)               |
| Procedure subtype          | Legislation  |
| Legislative instrument     | Regulation   |
| Legal basis                | Rules of Procedure EP 59-p4; Treaty on the Functioning of the EU TFEU 207-p2 |
| Stage reached in procedure | Procedure completed  |
| Committee dossier          | INTA/8/04516   |

| Documentation gateway  |      |               |            |    |         |
|--|------|---------------|------------|----|---------|
| Legislative proposal   |      | COM(2015)0460 | 17/09/2015 | EC | Summary |
| Committee draft report   |      | PE571.420     | 11/11/2015 | EP |         |
| Committee opinion  | AGRI | PE569.814     | 12/01/2016 | EP |         |
| Amendments tabled in committee   |      | PE573.199     | 12/01/2016 | EP |         |
| Committee report tabled for plenary, 1st reading/single reading        |      | A8-0013/2016  | 28/01/2016 | EP | Summary |
| Text adopted by Parliament, partial vote at 1st reading/single reading |      | T8-0056/2016  | 25/02/2016 | EP | Summary |
|  |      |               |            |    |         |

| Text adopted by Parliament, 1st reading/single reading | T8-0086/2016   | 10/03/2016 | EP  | Summary |
|--|----------------|------------|-----|---------|
| Draft final act  | 00004/2016/LEX | 13/04/2016 | CSL |         |
| Commission response to text adopted in plenary         | SP(2016)270    | 19/04/2016 | EC  |         |
| Follow-up document                                     | SWD(2016)0433  | 08/12/2016 | EC  | Summary |

### Final act

Regulation 2016/580

OJ L 102 18.04.2016, p. 0001 Summary

## Emergency autonomous trade measures for Tunisia

PURPOSE: to introduce emergency autonomous trade measures for the Republic of Tunisia.

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 current framework for trade relations between the EU and Tunisia is provided by the Euro-Mediterranean Association Agreement, signed in 1995. The Agreement entered into force in 1998 and laid the foundation for the establishment of a Free Trade Area, including a progressive liberalisation on agriculture. Tunisia and the EU are on the verge of engaging in negotiations for establishing a Deep and Comprehensive Free Trade Agreement (DCFTA) that will notably provide for further liberalisation of trade in agriculture.

The terrorist attack of 26 June 2015 in Sousse prompted a reaction from the EU on the need to further assist Tunisia in its political and economic transition, in a concrete and targeted manner, through actions that can be effective in the short-term.

On 20 July 2015, the Foreign Affairs Council discussed the situation in Tunisia and concrete measures which the EU could take to support it.

It is within this context that the following trade measures are proposed.

CONTENT: the Commission proposes to offer a temporary, unilateral duty free tariff rate quota of 35 000 tons annually for Tunisia's exports of olive oil to the Union, under the form of autonomous trade measure. Such quota will be made available for a period of two years, from 1 January 2016 until 31 December 2017. This additional volume will be opened once the existing duty free tariff rate quota of 56 700 tonnes, enshrined in the Agreement, is exhausted.

Olive oil is Tunisias main agricultural export to the EU, and the olive oil industry is an important part of the countrys economy, providing direct and indirect employment to more than one million people and representing one-fifth of the countrys total agricultural employment.

Rule of origin: the proposed autonomous trade measures should be subject to compliance by Tunisia with the Unions relevant rules regarding the origin of products and the procedures related thereto, as well as to Tunisias effective administrative cooperation with the Union. Powers shall be conferred on the Commission as regards the respect of the conditions subject to which the preferential arrangements are provided for.

Temporary suspension: where the Commission finds that there is sufficient evidence of a failure by Tunisia to comply with the conditions set out in the Regulation, it may adopt an implementing act suspending in whole or in part the preferential arrangements.

BUDGETARY IMPLICATIONS: the measures might lead to a modest net increase on imports as most of the quota increase will probably replace current inward processing trade (about 50 000 tonnes of olive oil a year under the Inward Processing regime), resulting in a reduction of the imports under this regime. The budgetary implications (of duty collections) cannot be quantified precisely at present, but are assumed to be insignificant.

### Emergency autonomous trade measures for Tunisia

The Committee on International Trade adopted the report by Marielle DE SARNEZ (ALDE, FR) on the proposal for a regulation of the European Parliament and of the Council on the introduction of emergency autonomous trade measures for the Republic of Tunisia.

To recall, the Commission proposed to offer a temporary, zero-duty tariff quota of 35 000 tonnes per year (70 000 tonnes in total) for exports of olive oil from Tunisia to the EU, in the form of an autonomous trade measure, and to do this without increasing the overall volume of imports. This tariff-rate quota will be available for a period of two years, from 1 January 2016 to 31 December 2017, and will enter into force as soon as the current duty-free tariff quota of 56 700 tonnes laid down in the EU-Tunisia association agreement has been exhausted.

The amendments seek to stipulate that support measures for the Tunisian economy should be exceptional and temporary and that the trade measures should really benefit the Tunisian economy.

The committee recommended that the European Parliament?s position adopted at first reading under the ordinary legislative procedure should amend the Commission proposal.

Members called on the Commission to conduct a mid-term review of the Union olive oil market following the entry into force of this Regulation,

and to submit the conclusions of that assessment to the European Parliament and the Council. If it is found that the Union market is affected by the provisions of this Regulation, the Commission shall be empowered to adopt an implementing act in order to propose corrective measures aimed at restoring the situation on the Union market.

### Emergency autonomous trade measures for Tunisia

The European Parliament adopted by 475 votes to 126, with 35 abstentions, amendments to the proposal for a regulation of the European Parliament and of the Council on the introduction of emergency autonomous trade measures for the Republic of Tunisia.

The matter was referred back to committee. The vote has been postponed to a later sitting.

To recall, the Commission proposed to offer a temporary, zero-duty tariff quota of 35 000 tonnes per year (70 000 tonnes in total) for exports of olive oil from Tunisia to the EU, in the form of an autonomous trade measure, and to do this without increasing the overall volume of imports. This tariff-rate quota will be available for a period of two years, from 1 January 2016 to 31 December 2017, and will enter into force as soon as the current duty-free tariff quota of 56 700 tonnes laid down in the EU-Tunisia association agreement has been exhausted.

The emergency autonomous trade measures established by this Regulation are intended to alleviate the difficult economic situation, which Tunisia is currently facing, due to the terrorist attacks. Those measures should therefore be limited in time and be without prejudice to negotiations between the Union and Tunisia on the establishment of a Deep and Comprehensive Free Trade Area (DCFTA).

Preferential arrangements: Parliament considered that an annual duty free import tariff quota of 35 000 tons for calendar years 2016 and 2017 should be opened for imports into the Union of untreated olive oil originating in Tunisia where such virgin olive oil is wholly obtained in Tunisia and transported directly from Tunisia to the Union.

Mid-term review: Parliament called on the Commission to conduct an assessment of the impact of this Regulation on the Union olive oil market at mid-term following its entry into force and present the conclusions of that assessment to the European Parliament and to the Council. If it is found that the Union olive oil market is affected by the provisions of this Regulation, the Commission shall be empowered to adopt an implementing act in order to introduce corrective measures aiming to restore the situation on that market.

It should be noted that plenary turned down a proposal to reject the Commissions proposal which was presented by more than 40 members, by 114 votes to 528 with 9 abstentions.

### Emergency autonomous trade measures for Tunisia

The European Parliament adopted by 500 votes to 107, with 42 abstentions, a legislative resolution on the proposal for a regulation of the European Parliament and of the Council on the introduction of emergency autonomous trade measures for the Republic of Tunisia.

The matter was referred back to committee at the 25.2.2016 plenary sitting.

With a view to supporting the Tunisian economy following the terrorist attack of 26 June 2015 near Sousse, the proposal seeks to offer a temporary, zero-duty tariff quota of 35 000 tonnes per year (70 000 tonnes in total) for exports of olive oil from Tunisia to the EU, in the form of an autonomous trade measure, and to do this without increasing the overall volume of imports. This tariff-rate quota will be available for a period of two years, from 1 January 2016 to 31 December 2017, and will enter into force as soon as the current duty-free tariff quota of 56 700 tonnes laid down in the EU-Tunisia association agreement has been exhausted.

Parliaments position, adopted at first reading following the ordinary legislative procedure, amended the Commission proposal as follows:

Preferential arrangements: Parliament considered that an annual duty free import tariff quota of 35 000 tons for calendar years 2016 and 2017 should be opened for imports into the Union of untreated olive oil originating in Tunisia where such virgin olive oil is wholly obtained in Tunisia and transported directly from Tunisia to the Union.

Mid-term review: Parliament called on the Commission to conduct an assessment of the impact of this Regulation on the Union olive oil market at mid-term following its entry into force and present the conclusions of that assessment to the European Parliament and to the Council. If it is found that the Union olive oil market is affected by the provisions of this Regulation, the Commission shall be empowered to adopt an implementing act in order to introduce corrective measures aiming to restore the situation on that market.

### Emergency autonomous trade measures for Tunisia

PURPOSE: to introduce emergency autonomous trade measures in favour of Tunisia.

LEGISLATIVE ACT: Regulation (EU) 2016/580 of the European Parliament and of the Council for the Republic of Tunisia.

CONTENT: the Regulation opens an annual duty free import tariff quota of 35 000 tons for the calendar years 2016 and 2017 for imports into the Union of untreated olive oil originating in Tunisia, where such untreated olive oil is wholly obtained in Tunisia and transported directly from there to the Union.

Conditions for entitlement to the annual import tariff quota: entitlement to the annual import tariff quota shall be subject to compliance by Tunisia with the rules regarding the origin of products and with the procedures related thereto, provided for in Protocol No 4 to the Agreement.

Access to the annual import tariff quota: the annual import tariff quota shall be made available only after the exhaustion of the volume of the annual untreated olive oil duty free tariff quota provided for in the association agreement with Tunisia.

Temporary suspension: where the Commission finds that there is sufficient evidence of a failure by Tunisia to comply with the conditions of entitlement to the import tariff quota, it may adopt an implementing act suspending temporarily in whole or in part the preferential arrangements.

Mid-term review: the Commission shall conduct an assessment of the impact of this Regulation on the Union olive oil market at mid-term following its entry into force and present the conclusions of that assessment to the European Parliament and to the Council. If it is found that the provisions of the Regulation affect the Union olive oil market, the Commission shall be empowered to adopt an implementing act in order to introduce corrective measures aiming to restore the situation on that market.

ENTRY INTO FORCE: 19.4.2016. The Regulation is applicable until 31.12.2017.

# Emergency autonomous trade measures for Tunisia

This Commission working document assesses the impact of Regulation (EU) 2016/580 introducing emergency autonomous trade measures for Tunisia have had on the Unions olive oil market at mid-term.

Regulation (EU) 2016/580 opened an autonomous annual duty free tariff quota of 35 000 tonnes for 2016 and 2017 for imports of lampante, virgin and extra virgin olive oils (CN codes 15091010 and 15091090) originating in Tunisia.

This autonomous trade measure was the EUs urgent response to help support Tunisias economy following the 26 June 2015 terrorist attack. This temporary quota was to be made available only after the entire existing bilateral annual quota of 56 700 tonnes opened by Article 3 of Protocol No 1 to the Euro-Mediterranean Agreement establishing an association between the Union and Tunisia has been allocated. The Commission set out the details for the administration of this new temporary tariff quota of 35 000 tonnes in Commission Implementing Regulation (EU) 2016/605 of 19 April 2016.

The entire bilateral tariff quota of 56 700 tonnes provided for in Regulation (EC) 1918/2006 was allocated in the first week of January 2016. The autonomous temporary tariff quota of 35 000 tonnes was made available in May 2016.

Between May and 30 October 2016, 29% of the total volume available under the autonomous temporary tariff quota of 35 000 tonnes was allocated, i.e. 10 168 tonnes. However, only 7.3% of total quantities were effectively imported between January and October 2016.

Taking into account the allocated volumes as well as the current pattern of use of the import licences for the temporary autonomous tariff quota of 35 000 tonnes, it is probable that this quota will be used only marginally by the end of the year. The main bilateral quota of 56 700 tonnes could also only be partially used by the end of 2016.

### Main conclusions:

- Bearing in mind the market conditions in 2016 and the pattern of the use of tariff quotas from Tunisia up to the end of October of that year, it is expected that the available volumes will not be fully used.
- The expected level of production and the initial stocks in the EU point towards a balanced market during the current campaign 2016/17, which will easily absorb the expected limited volumes available for export in Tunisia.

Both market developments and the level of use of these tariff rate quotas show that the implementation of Regulation (EU) 2016/580 has a marginal impact on the EU olive oil market.