



Brussels, 28.11.2012
COM(2012) 700 final

2012/0330 (NLE)

Proposal for a

COUNCIL DECISION

concerning the position of the European Union within the EU-Algeria Association Committee on the implementation of the provisions concerning the industrial products set out in Articles 9 and 11 of the Euro-Mediterranean Agreement establishing an Association between the European Community and its Member States, of the one part, and the People's Democratic Republic of Algeria, of the other part

EXPLANATORY MEMORANDUM

Association agreements form the legal base for the European Union's relations with southern Mediterranean countries.

The Euro-Mediterranean Agreement between the European Community and the People's Democratic Republic of Algeria, which was signed in 2002 and entered in force in 2005, provides in Articles 9 and 11 for mutual obligations in the field of tariff dismantling for industrial products, as listed in Annexes 2 and 3 to the Association Agreement.

Pursuant to Article 9, the tariff dismantling schedule may be revised by common agreement in the event of serious difficulties for a given product. Article 11 stipulates that Algeria may take exceptional measures of limited duration in the form of an increase in or reintroduction of customs duties. The total value of imported products subject to such measures may not exceed 15% of total imports of industrial products from the Community over the last year.

At the 5th meeting of the Association Council on 15 June 2010, Algeria informed the European Union of its intention to revise the tariff dismantling which took effect on 1 September 2005 and submitted a formal request on 13 September 2010. Algeria's decision, stemming from the evaluation of the Agreement's effects five years after its entry into force, was underpinned by the wish to rebalance the structure of non-hydrocarbon trade, given the economic situation in a number of industrial sectors in Algeria. The parties agreed to start consultations on the implementing conditions for such exceptional measures, and on the sectors concerned, with a view to negotiating a solution.

This draft is based on the result of the consultations between the parties in mid-June 2012, the aim of which was to decide on acceptable amendments to the basic duties and to the tariff dismantling schedule initially provided for in the Agreement.

Proposal for a

COUNCIL DECISION

concerning the position of the European Union within the EU-Algeria Association Committee on the implementation of the provisions concerning the industrial products set out in Articles 9 and 11 of the Euro-Mediterranean Agreement establishing an Association between the European Community and its Member States, of the one part, and the People's Democratic Republic of Algeria, of the other part

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular the first subparagraph of Article 207(4) in conjunction with Article 218(9) thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) The Euro-Mediterranean Agreement between the European Community and its Member States, of the one part, and the People's Democratic Republic of Algeria, of the other part, was signed on 22 April 2002 and entered into force on 1 September 2005.
- (2) Article 9(4) of the Agreement provides that the tariff dismantling schedule may be revised by common agreement by the Association Committee in the event of serious difficulties for a given product.
- (3) Article 11 stipulates that Algeria may take exceptional measures of limited duration in the form of an increase in or reintroduction of customs duties. The total value of imports of the products subjected to such measures may not exceed 15% of total imports of industrial products from the Community over the last year. The Association Committee may decide on the schedule for the elimination of duties.
- (4) Following the difficulties experienced by Algeria when applying the tariff dismantling schedule for industrial products, set out in Article 9(2) and (3) of the Agreement, an expert group of the European Commission and the Algerian Republic met eight times between September 2010 and June 2012.
- (5) These consultations made it possible to define acceptable amendments to the basic duties and the tariff dismantling schedule initially established, in accordance with the conditions laid down in Articles 9(4) and 11 of the Association Agreement.
- (6) Article 97 of the Association Agreement provides that the Association Committee has the power to make decisions for the management of the Agreement; The Association Committee should give its opinion on the planned amendments.

- (7) The European Union's position within the EU-Algeria Association Committee must be therefore be set out,

HAS ADOPTED THIS DECISION:

Article 1

The position to be taken by the European Union within the EU-Algeria Association Committee established by the Euro-Mediterranean Association Agreement between the European Community and the People's Democratic Republic of Algeria concerning the implementation of Articles 9 and 11 thereof, is to approve the adoption of the draft Decision attached.

Article 2

The decision of the Association Committee amending the implementing conditions of tariff dismantling for industrial products shall be published in the Official Journal of the European Union once it has been adopted.

Article 3

This Decision shall enter into force on the day of its adoption.

Done at Brussels,

*For the Council
The President*

ANNEX

Draft

DECISION OF THE EU-ALGERIA ASSOCIATION COMMITTEE

No [...]

of [...]

amending the conditions of tariff dismantling for industrial products provided for in Article 9 of the Euro-Mediterranean Agreement establishing an association between the European Community and its Member States, of the one part, and the People's Democratic Republic of Algeria of the other part

THE ASSOCIATION COMMITTEE,

Having regard to the Euro-Mediterranean Agreement establishing an Association between the European Community and its Member States, of the one part, and the People's Democratic Republic of Algeria, of the other part, hereinafter "the Agreement"¹, and in particular Articles 9 to 11 thereof,

Whereas:

- (1) Following the difficulties experienced by Algeria in applying the tariff dismantling schedule for industrial products, set out in Article 9(2) and (3) of the Agreement, an expert group of the European Commission and the Algerian Republic met eight times between September 2010 and June 2012.
- (2) These consultations made it possible to reach a compromise concerning acceptable amendments to the basic duties and to the tariff dismantling schedule initially established, in accordance with the conditions laid down in Articles 9(4) and 11 of the Association Agreement.
- (3) Article 97 of the Association Agreement provides that the Association Committee has the power to make decisions for the management of the agreement; the planned amendments should be subject to a decision by the Association Committee,

HAS DECIDED AS FOLLOWS:

Article 1

1. The rates and terms approved during the bilateral consultations and set out in Annex I to this Decision shall replace the tariff dismantling conditions initially laid down for industrial products.
2. The industrial products covered by these amendments are listed in Annex II.

¹ OJ L 265, 10.10.2005.

Article 2

This Decision shall enter into force the day after its adoption by the Association Committee.

Done at Brussels, [...]

For the Association Committee

The President
[...]

ANNEX I

1. Following a formal request to revise the tariff dismantling schedule for industrial products, filed by Algeria at the 5th meeting of the Association Council on 15 June 2010, and following the eight consultation meetings, the two parties agreed on 20 July 2012 on new provisions amending the tariff dismantling schedule for industrial products set out in Article 9 of the EU-Algeria Association Agreement, based on a list of 1 058 tariff sub-headings (final application by Algeria).
2. Of the products identified in Article 9(2) of the Association Agreement, an initial list of 82 tariff sub-headings set out in Annex II-A (list 2 level 1) of this Decision shall benefit from the partial re-establishment of customs duties of 23% for products subject to a basic duty of 30%, and of 12% for products subject to a basic duty of 15%.

The dismantling scheme for this measure, established in accordance with the provisions of Article 11 of the Association Agreement, shall last from 1 September 2012 to 1 September 2016, as detailed in Annex II to this Decision.

3. A second list of products covered by Article 9(2) of the EU-Algeria Association Agreement, covering 185 tariff sub-headings and included in Annex II-B (list 2 level 2) of this Decision, shall be subject to the preferential maintenance of customs duties, granted to the European Union in 2010, i.e. 3% in 2012 and 2013, with a linear reduction in the following years, reaching 0% on 1 September 2016.

The dismantling schedule for this measure is set out in accordance with the provisions of Article 9(4) of the Association Agreement.

The other products covered by Article 9(2) shall be subject to the initial tariff dismantling schedule set out in the Association Agreement.

4. As regards the products referred to in Article 9(3), a third list of the products covering 174 tariff sub-headings, included in Annex II-C (list 3 level 1) of this Decision, shall benefit from the partial re-establishment of customs duties:
 - 23% for products subject to a basic duty of 30%;
 - 12% for products subject to a basic duty of 15%.

The dismantling schedule for this measure, established in accordance with the provisions of Article 11(2) of the Association Agreement, is detailed in Annex II-C of this Decision.

5. A fourth list of the products referred to in Article 9(3) covering 617 tariff sub-headings included in Annex II-D (list 3 level 2) of this Decision shall be subject to the preferential maintenance of customs duties granted to the European Union in 2010 for the period from 1 September 2012 to 31 August 2016, with a linear reduction from 1 September 2016 to reach a rate of 0% by 1 September 2020.

The dismantling schedule for this measure, established in accordance with the provisions of Article 11 of the Association Agreement, is detailed in Annex II-D to this Decision.

6. The other products covered by Article 9(3) shall be subject to the initial tariff dismantling schedule set out in the Association Agreement.
7. The provisions of this Decision shall apply from 1 September 2012.

ANNEX II

Lists of the industrial products subject to the new tariff dismantling schedule

Annex II-A (List 2 Level 1): 82 sub-headings subject to the basic duties of 30% and 15%

Tariff heading
29362400
34021100
34021200
34021300
34021900
60063300
60069000
63051000
63053300
63053900
70171000
70172000
70179000
73043110
73051100
73051200
73051900
73052000
73053190
73061100
73061900

73062100
73062900
73063000
73071110
73072100
73072200
73072310
73079300
73079900
73101000
73102100
73102900
73110090
73201000
73202000
73209000
84191110
84813000
84834000
85011000
85013100
85013200
85013300
85013400
85014000
85015100

85015200
85015300
85016110
85016120
85016200
85016300
85016400
85030000
85041010
85041090
85045000
85079000
85171890
85176219
85299090
85441110
85441190
85441910
85441990
85442000
85443000
85444200
85444900
85446000
85447000

87029010
87032230
87032330
87032430
87033130
87033230
87033330
87087000
87089100
87089200

Annex II-B (List 2 Level 2): 185 sub-headings subject to a basic duty of 5%

Tariff heading
30044000
30045010
30049000
30051000
30059000
30061000
73110010
73110020
82071300
82071910
84021100
84021200
84021900
84081010
84082010
84082090
84089010
84089090
84131110
84131190
84134000
84137011
84137012
84137013

84137014
84137015
84137016
84137017
84137021
84137022
84137023
84137031
84137040
84137051
84137052
84137061
84137062
84137063
84137070
84137090
84138100
84138200
84144000
84151020
84158110
84158210
84158310
84171000
84172000
84178000

84179000
84198112
84221120
84221900
84223000
84229090
84232000
84233000
84238200
84238900
84242000
84248100
84254200
84261100
84262000
84269100
84271010
84271030
84272010
84272020
84272040
84272050
84283200
84289010
84291100
84292000

84294000
84295100
84295200
84314200
84321000
84322100
84322900
84323000
84324000
84328000
84329000
84332000
84333000
84334000
84335100
84335900
84378000
84381000
84388000
84425000
84501120
84501220
84501912
84501992
84502000
84532000

84538000
84543000
84581900
84596900
84601900
84624900
84651000
84659100
84713010
84713090
84714110
84714190
84714900
84715000
84716000
84717000
84718000
84719000
84743100
84775900
84791000
85021100
85021200
85021300
85022010
85022090

85023900
85024000
85042100
85042210
85042220
85042300
85043100
85043200
85043300
85043400
85044000
85049000
85143000
85149000
85153900
85176211
85176212
85176290
85176900
85309000
85439000
86069900
86079900
86090000
87011010
87012090

87013010
87013020
87013090
87019010
87019020
87019030
87019090
87041010
87041090
87042220
87042290
87042390
87043110
87043210
87051000
87053000
87054000
87059010
87059090
87060090
87079010
87091900
87162000
87163100
87163900
90011000

90281000
90282010
90282020
90283000
90289000

Annex II-C (List 3 Level 1): 174 sub-headings subject to the basic duties of 30% and 15%

Tariff heading
27101111
27101112
27101113
27101114
27101115
27101119
27101931
27101932
27101933
27101934
27101935
27101936
27101937
27101939
27109100
27109900
27111210
27111310
27150010
27150030
27150050
32081010
32081020

32082010
32082020
32089010
32089020
32089030
32091010
32091021
32091029
32099010
32099020
32100010
32100020
33030030
33043000
33049900
33051000
33059000
33061000
33071000
33072000
33073000
33074900
33079000
34011100
34012019
34022000

34029000
34052000
34053000
34054000
35069100
35069900
38089110
38089210
39229000
39231000
39232900
39233000
39235090
39239000
39249000
39251000
39253000
39259000
44181000
44182000
48025600
48030000
48171000
48184020
48191000
48192011

48192019
48193000
48194000
48211090
56074910
56074990
63022100
63025100
68021000
68022100
68022900
68029100
68029200
68029300
68029900
69079000
69089000
69101000
69109000
71031090
71081310
72104900
73083000
73090090
73211190
73221100

73221900
73229000
73239300
73239900
73259900
73269090
76101000
76151900
76169930
76169990
82055900
82060000
82119200
83100000
84185090
84186900
84189900
84191190
84501190
84811010
84818010
84818020
85012000
85071000
85072000
85073000

85078000
85166000
85168000
85287290
85351000
85352100
85352900
85353000
85354000
85359000
85362010
85362020
85363000
85364900
85365010
85365090
85366910
85366990
85369010
85371000
85372000
87032190
87032290
87032340
87032350
87032360

87032390
87033120
87033190
87033220
87033240
87033290
87033320
87033390
94018000
94033000
94034000
94035000
94036000
94038900
94039000
94042900
94051000
94054000
94056000
94060010
94060090

Annex II-D (List 3 Level 2): 617 sub-headings subject to the basic duties of 30%, 15% and 5%

Tariff heading
28289030
32081030
32082030
32100030
32131000
32139000
33030010
33030020
33030040
33041000
33042000
33049100
33052000
33053000
34011990
34051000
34059000
34060000
34070010
35061000
35079000
36050000
39211300

39221000
39222000
39232100
39241000
39252000
39261000
39262000
39264000
42021100
42031090
42033010
42033090
42034010
42034090
42050090
44140000
44151000
44152000
44184000
44189000
44190000
45031000
45039000
45041000
45049000
48026200

48101400
48142000
48173000
48181000
48183000
48192029
48201000
48202000
48203000
48237000
51113000
51129000
52042000
52079000
52081100
52081200
52081300
52081900
52082100
52082200
52082300
52082900
52083100
52083200
52083300
52083900

52084100
52084200
52084300
52084900
52085100
52085200
52085900
52093100
52093900
52102900
52121200
54011090
54012090
54071000
54072000
54075300
54075400
54076100
54076900
54077100
54077200
54077300
54077400
54078100
54078200
54078300

54078400
54079100
54079200
54079300
54079400
55081020
55082020
55121100
55121900
55122100
55122900
55129100
55129900
55151300
56011000
56012100
56012200
56012900
56013000
56021010
56021090
56022110
56022190
56022900
56029000
56072100

56072910
56072990
56074100
56075010
56075020
56075090
56079010
56079020
56079090
57011000
57019000
57021000
57022000
57023100
57023200
57023900
57024100
57024200
57024900
57029100
57029200
57029900
57031000
57032000
57033000
57039000

57041000
57049000
57050000
58021100
58021900
58022000
58023000
58061000
58062000
58063100
58063200
58063900
58064000
58110000
59031000
59032000
59039000
59041000
59050010
59050090
61012000
61031000
61032200
61033100
61033200
61033300

61033900
61034200
61034300
61034900
61051000
61052000
61059000
61071100
61071900
61072100
61079100
61079900
61081900
61082100
61082900
61089100
61089900
61091000
61099000
61101100
61101900
61102000
61103000
61109000
61142000
61143000

61149000
61151000
61152100
61152200
61159900
62011200
62011300
62011900
62019100
62019200
62019300
62019900
62029300
62031900
62032200
62032300
62032900
62033100
62033200
62033300
62033900
62034100
62034200
62034300
62034900
62052000

62059000
62113210
62113290
62113300
62113900
62121000
63014000
63019000
63022200
63022900
63023100
63023200
63023900
63024000
63025300
63025900
63026000
63029100
63029300
63029900
63031900
63039900
63041100
63041900
63049100
63049200

63049300
63049900
63061200
63061900
63069900
63071000
63072000
63079000
63090000
64011000
64019200
64019900
64029900
64031900
64032000
64034000
64035100
64035900
64039100
64039900
64041100
64041900
64042000
64051000
64052000
64059000

68010000
68022300
68030090
68052000
68071000
69071000
69081000
69111000
69119000
69120000
69141090
70091000
70099100
70099200
70131000
70139100
70139910
70139990
70140010
70161000
70169010
70169020
70169030
70169090
72103000
72104100

73090010
73141400
73141900
73142000
73143100
73143900
73144100
73144200
73144900
73145000
73158200
73158900
73159000
73192000
73193000
73199000
73211110
73211120
73211200
73211900
73218110
73218120
73218190
73218200
73218900
73239100

73239200
73239400
73241000
73242100
73242900
73249000
73259100
73261100
73261910
73261990
73269010
76151100
76152000
76161000
76169100
76169910
76169920
82011000
82012000
82013000
82014000
82015000
82016000
82019000
82021000
82022000

82023100
82023900
82024000
82029100
82029900
82031000
82032000
82033000
82034000
82041100
82041200
82042000
82051000
82052000
82053000
82054000
82055100
82056000
82057000
82058000
82059000
82111000
82119100
82119300
82119400
82119500

82121000
82122000
82129000
82130000
82141000
82151000
82152000
82159100
82159900
83011000
83012000
83013000
83014000
83015000
83016000
83017010
83017090
83021000
83023000
83024100
83024200
83030000
83040000
83052000
83079000
83081000

83091010
83091090
83099000
84082020
84082030
84145110
84145190
84145910
84145990
84146000
84148000
84149000
84151010
84151090
84152000
84158120
84158131
84158190
84158220
84158290
84158320
84158390
84159010
84159090
84181010
84181012

84181019
84182110
84182112
84182119
84182910
84182912
84182919
84183010
84183020
84183090
84184011
84184012
84184019
84184090
84185010
84185020
84186100
84189100
84191900
84198111
84198119
84198190
84198900
84199010
84199030
84199090

84221110
84221190
84229010
84231000
84238100
84239000
84241000
84331100
84331900
84501110
84501210
84501290
84501910
84501919
84501990
84501999
84509010
84512100
84513010
84513090
84523000
84615000
84703000
84705000
84818090
84819000

85061000
85065000
85066000
85068000
85069090
85094000
85098000
85099000
85102000
85103000
85129000
85161000
85162100
85162900
85163100
85163200
85163300
85164000
85165000
85167100
85167200
85167900
85169000
85171100
85171210
85171290

85171810
85185000
85198100
85198900
85232100
85238000
85255000
85256000
85271200
85271300
85271900
85272100
85272900
85279110
85279120
85279190
85279200
85279900
85284910
85284990
85285910
85285990
85286900
85287110
85287190
85287210

85287310
85287390
85291010
85291050
85291060
85291070
85299010
85301000
85311000
85312000
85318000
85319000
85361000
85364110
85364120
85366190
85369020
85369030
85369090
85381000
85389010
85389090
85391000
85392100
85392200
85392900

85393100
85393200
85393900
85394100
85394900
85399000
87019040
87021090
87032220
87032370
87032380
87032420
87032490
87039000
87120090
87149100
87168010
90031100
90160010
90160090
90183100
94013000
94014000
94016100
94016900
94017100

94017900
94019000
94021000
94029010
94029020
94029030
94029090
94031000
94032000
94037000
94041000
94042100
94049000
94052000
94055000
94059100
94059200
94059900
94060020
96081000
96089900
96091000

**LEGISLATIVE FINANCIAL STATEMENT FOR PROPOSALS HAVING A
BUDGETARY IMPACT EXCLUSIVELY LIMITED TO THE REVENUE SIDE**

1. TITLE OF THE PROPOSAL

Implementing conditions of tariff dismantling for industrial products provided for in Article 9 of the Euro-Mediterranean Agreement establishing an association between the European Community and its Member States, of the one part, and the People's Democratic Republic of Algeria of the other part

2. BUDGET LINES

Chapter and Article: not applicable

Amount budgeted for the year concerned: not applicable

3. FINANCIAL IMPACT

Proposal has no financial impact

Proposal has no financial impact on expenditure, but does have financial implications for revenue – the effect is as follows:

(€million to one decimal place)

Budget line	Revenue	12 month period, starting dd/mm/yyyy	[Year n]
Article ...	<i>Impact on own resources</i>		

4. ANTI-FRAUD MEASURES

...

5. OTHER REMARKS

...