

Brussels, 19 April 2011

## Operations of preferential trade to become easier between the European Union, the partners of the Southern Mediterranean and the Western Balkans

*The Council of the EU has decided to launch the process of signing the regional Convention on pan-Euro-Mediterranean preferential rules of origin. This Convention is intended to overcome the difficulties in the management of the current network of some 60 bilateral protocols on rules of origin among the countries or territories of the pan-Euro-Mediterranean zone.*

Friday 15 April 2011, the Council of the European Union adopted a decision authorising the signature of the regional Convention on pan-Euro-Mediterranean preferential rules of origin by the Commission on behalf of the European Union. The Convention will replace the current [pan-Euro-Mediterranean system of rules of origin](#) based on individual protocols applicable between two partner countries, with a single legal instrument in the form of a regional convention on preferential rules of origin.

The contracting parties to the Convention are the European Union, the Faroe Islands, the EFTA States, Turkey, the southern Mediterranean partners participating in the "Barcelona Process", and the Western Balkans.

On 24/25 March 2011 and in line with the 8th March Communication entitled a Partnership for Democracy and Shared Prosperity with the Southern Mediterranean, the European Council called for work to be rapidly taken forward to develop a new partnership with the region, founded on deeper economic integration, broader market access and closer political cooperation. It called, in particular, for rapid progress to be made on the proposals on pan-Euro-Mediterranean rules of origin.

Commissioner for Enlargement and European Neighbourhood policy Stefan Füle said *"I welcome the decision taken by the Council last Friday which paves the way for the signature by the EU of the 'Convention on pan-Euro-Mediterranean rules of origin'. This may seem a very technical matter, but in reality this opens the door to a simplification of the way the EU can trade with the countries of the Southern Mediterranean and the Western Balkans. It will help to develop growth and economic prosperity for the region and will facilitate regional integration, thus contributing to the overall stability of the whole region."*

Commissioner Šemeta in charge of Taxation, Customs Union, Antifraud and Audit said *"This customs agreement will facilitate trade at regional level and the commercial exchanges between those partner countries and the Union for the benefit of their businesses and citizens"*.

### **Background:**

The adoption of this decision last Friday by the Council of the EU follows up on the 8th March Communication entitled a Partnership for Democracy and Shared Prosperity with the Southern Mediterranean and the request from the Heads of Government and States at the recent 24-25 March European Council.

At the moment the EU has preferential trade agreements with several partners from the Southern Mediterranean and the Western Balkans. In order for a product to benefit from preferential duty rates, it must originate from one of the partners, meaning that in the course of production sufficient working or processing must be achieved in the originating country.

Cumulation of origin is a rule that allows using materials from other partners as if

they were domestically produced. It facilitates economic activities and trade among partners of the zone. Rules of origin need to be regularly adapted to technological evolution, a process which will be greatly facilitated, or even made possible, in the framework of the Convention. Indeed, the Convention will help to overcome the current difficulties stemming from the fact that any change to the rules within the cumulation zone requires amendment of approximately 60 other bilateral agreements.