



ENHANCEMENT OF THE BUSINESS ENVIRONMENT IN THE SOUTHERN MEDITERRANEAN

**National Seminar for Lebanon
9 and 10 October 2014**





Non-Tariff Measures

J.R. Iturriagagoitia





GATT General Principle

TRADE LIBERALISATION

NON DISCRIMINATION embodied in:

- MFN principle applies to “any advantage granted by any MEMBER to any product originating in ... any other COUNTRY ...”;
- National treatment.



What is a trade barrier?

Trade barriers are measures that governments or public authorities introduce to make imported goods or services less competitive than locally produced goods and services.

Trade barriers within the EU are subject to special rules that apply to the internal market of the EU.



Introduction



Trade barriers take different forms:

- Tariffs (= customs duties)
- Non-tariff measures, or non-tariff barriers
 - ADMINISTRATIVE TRADE BARRIERS (“red tape”):
 - Customs procedures
 - Restrictions on access to primary products
 - Insufficient protection of IPRs
 - Rules for customs valuation
 - Restrictions in access to investments
 - TECHNICAL BARRIERS TO TRADE
 - **Technical regulations, standards**
 - Veterinary and phytosanitary measures
 - Etc.



Introduction



While traditional trade obstacles (prohibitive tariffs, quotas, ...) have been reduced,

other trade restrictions become at present increasingly significant.



NTMs in the EU



The EU is a Customs Union (GATT, art. XXIV), rather a “Customs Union plus”.

The EU is committed to trade liberalisation.

The EU pursues even closer trade relations with MED countries via Association Agreements, i.e. free trade agreements. (-> + trade liberalisation!)



Basic principle in EU law:

FREE MOVEMENT OF GOODS

= Goods originating in one EU Member State have (1) the right to be exported and the right to be imported into another Member State without:

- Customs duties (customs union!)
- Charges having an equivalent effect.



The Single European Act of 1986

AND

The harmonisation program between 1986 and 1992.



Special dimension of this fundamental principle for products imported from third countries:

Products coming from a third country shall be considered to be in free circulation in a Member State if the import formalities have been complied with and any customs duties or charges having equivalent effect which are payable have been levied in that Member State.



The EU-Lebanon Association Agreement



One of the aims of the Association Agreement is to:

“establish the conditions for a gradual liberalisation of trade in goods, services and investments.”



The EU-Lebanon Association Agreement



Basic principle:

Article 6 – The Community and Lebanon shall gradually establish a free trade area (FTA) over a transitional period non exceeding 12 years from the entry into force of this agreement, ... in conformity with GATT(1994).

Date of entry into force of the AA: 1 April 2006.



The EU-Lebanon Association Agreement



The concept of the “free trade area” (GATT, art. XXIV)

FTA vs. Customs Unions



The EU-Lebanon Association Agreement



(Current situation for:) EXPORTS OF INDUSTRIAL PRODUCTS TO THE EU MARKET

“Imports into the Community of products originating in Lebanon shall be allowed free of customs duties and any other charge having an equivalent effect.”

AND

no new customs duties or charges having an equivalent effect may be introduced in future.

(tariff-wise “total” free movement of goods towards the EU)



The EU-Lebanon Association Agreement



What is the effect of this provision in terms of competition in the EU/Lebanese market?

- O -

Which industrial products?

Those falling within Chapters 25 to 97 of the Combined Nomenclature (with some exceptions).



The EU-Lebanon Association Agreement



The APPROXIMATION OF LEGISLATION

-> in order to facilitate the implementation of the AA.

Non-tariff measures are:

Close to irrelevant for exports of EU products to the Lebanese markets.

Very important for exports of Lebanese products to the markets of EU Member States.



The EU-Lebanon Association Agreement



INSTITUTIONAL PROVISIONS

- The Association Council
- The Association Committee



The EU-Lebanon Association Council



THE ASSOCIATION COUNCIL

- Meetings at ministerial level
- “Shall examine any major issues arising within the framework of this Agreement and any other bilateral or international issues of mutual interest.”
- “Each of the parties may refer to the Association Council any dispute relating to the application or interpretation of this Agreement.”
 - First step: decision within the Association Council
 - Second step: arbitration



The EU-Lebanon Association Agreement



THE ASSOCIATION COMMITTEE

- Is responsible for the implementation of the AA.
- Meets at the level of officials.



Thank you for your attention

