

**ASSOCIATION OF CERTAIN OVERSEAS COUNTRIES AND TERRITORIES
WITH THE EUROPEAN COMMUNITY**

The following communication, dated 3 September 2004, is being circulated at the request of the Permanent Delegation of the European Commission.

Biennial Report on the Operation of the Agreement

Communication from the European Communities

I. BACKGROUND INFORMATION ON THE AGREEMENT

1. Membership And Dates Of Signature, Ratification And Entry Into Force

Under the Treaty establishing the European Community (EC), the Overseas Countries and Territories (OCTs) are linked to the Community under a specific Association, which is set out in Part Four of the Treaty. The purpose of this Association is to promote the economic and social development of the countries and territories and to establish close economic relations between them and the EC as a whole.

The Association was reviewed in 2001 and Council Decision 2001/822/EC adopted on 27 November 2001. The decision is applicable until 31 December 2011. It does not change the principles underlying the arrangements governing trade between the EC and the OCTs.

There have been no changes to the list of OCTs which are associated with the EC (see Annex 1). There are currently 20 such OCTs, linked to four EC Member States (Denmark, France, the Netherlands and the United Kingdom).

2. Type Of Agreement

3. Scope

The 2001 Association does not contain any amendments compared to previous decisions on Association.

4. Trade Data

Since the last biennial report, trade has slightly decreased by 3.4 per cent. In 2002, total imports from the OCTs to the EC were 1 billion euros and total exports were 2.7 billion euros. The overall share of the OCTs in the total trade of the EU remains highly limited at 0.2 per cent. Further statistical information is provided in annex 2.

II. TRADE PROVISIONS

1. Import Restrictions

2. Export Restrictions

The 2001 Association confirms existing trade provisions, notably the duty-free and quota-free access for all products originating in the OCTs. No export restrictions apply.

3. Rules Of Origin

The 2001 Association confirms and updates the existing definitions of “OCT products” for the purposes of the rules of origin. This maintains provisions allowing cumulation of origin with the African, Caribbean and Pacific (ACP) Group of States, intended to promote regional integration and trade between the ACP States and the OCTs, but seeks to prevent the mere re-importation of agricultural products into the EC, and envisages the gradual phasing out of cumulation for sugar and sugar mixes in view of their relatively minor contribution to OCT development.

4. Standards

The 2001 Association contains a new provision envisaging closer cooperation in the field of standardisation, certification and quality assurance, to remove unnecessary technical barriers and reduce differences in those areas, so as to facilitate trade.

5. Safeguards

The 2001 Association leaves the possibility of safeguard measures in case of serious disturbances or when external financial stability is jeopardised, priority being given to measures as would least disturb the Association. No safeguard measures are in force.

6. Anti-Dumping And Countervailing Measures

7. Subsidies And State-Aid

8. Sector-Specific Provisions

9. Other

The 2001 Association does not contain any amendments compared to previous decisions on Association.

III. GENERAL PROVISIONS OF THE AGREEMENT

1. Exceptions And Reservations

The 2001 Association contains a standard provision on prohibitions or restrictions justified on grounds of public morality or public policy, the protection of health and life and national treasures, conservation of natural resources, and industrial or commercial property protection.

- 2. Accession**
- 3. Dispute Settlement Procedures**
- 4. Relations With Other Trade Agreements**

The 2001 Association does not contain any amendments compared to previous decisions on Association.

5. Institutional framework

The 2001 Association maintains the European Commission/Member State/OCT partnership, involving close consultation between the European Commission, the Member State responsible for an individual OCT and the relevant local authorities of the OCTs. This partnership now includes annual meetings of an OCT-EC Forum for dialogue, bringing together representatives of the European Commission and all OCTs and Member States involved.

IV. OTHER

Trade In Services

The 2001 Association confirms provisions on trade in services and rules of establishment. With the long-term aim of progressively liberalising trade in services, the EC applies to the OCTs its undertakings under the General Agreement on Trade in Services (GATS). The OCTs would afford nationals, companies or enterprises of the EC's Member States treatment no less favourable than that extended to third countries. With regard to the right of establishment and provision of services, both the EC Member States and the OCTs are obliged to treat each other's nationals and companies or enterprises on a non-discriminatory basis, in line with Part IV of the Treaty establishing the EC, with the possibility for OCTs to aid their inhabitants and local activities.

ANNEX 1

Overseas Countries And Territories Associated With The European Community

Country having special relations with the Kingdom of Denmark

- Greenland

Territories of the French Republic

- New Caledonia and Dependencies
- French Polynesia
- French Southern and Antarctic Territories
- Wallis and Futuna Islands
- Mayotte
- St Pierre and Miquelon

Overseas Countries of the Kingdom of the Netherlands

- Aruba
- Netherlands Antilles (Bonaire, Curaçao, Saba, Sint Eustatius, Sint Maarten)

Overseas Countries and Territories of the United Kingdom of Great Britain and Northern Ireland

- Anguilla
- Cayman Islands
- Falkland Islands
- South Georgia and South Sandwich Islands
- Montserrat
- Pitcairn
- Saint Helena, Ascension Island, Tristan da Cunha
- Turks and Caicos Islands
- British Antarctic Territory
- British Indian Ocean Territory
- British Virgin Islands

EU15-OCTs Imports/Exports, 1999-2002

OCTs	EU15 trade 1999 - 2002 with OCTs (million Euro)															
	imports				exports				balance				total trade			
	1999	2000	2001	2002	1999	2000	2001	2002	1999	2000	2001	2002	1999	2000	2001	2002
Total	841	1,132	941	1,018	2,502	2,718	2,860	2,652	1,661	1,586	1,919	1,634	3,344	3,850	3,801	3,669
of which:																
01 Animals & animal products	207	233	239	294	88	100	107	96	-119	-133	-132	-198	295	333	346	389
02 Vegetable products	9	15	14	13	24	24	29	30	14	10	15	16	33	39	43	43
03 Animal or vegetable fats	4	3	2	2	9	9	8	9	5	7	6	7	13	12	10	11
04 Prepared foodstuffs	131	136	94	110	207	211	213	244	76	75	119	134	338	348	307	354
05 Mineral products	133	202	118	113	118	173	64	77	-15	-29	-54	-36	250	375	182	189
06 Chemical products	7	6	3	4	179	204	228	245	172	198	225	241	186	211	231	249
07 Plastics & rubber	0	0	1	2	59	66	62	66	59	65	62	64	59	66	63	68
08 Hides & skins	1	2	2	2	5	7	7	7	4	5	5	5	6	8	9	9
09 Wood & wood products	0	0	0	0	22	18	16	24	21	17	15	24	22	18	16	25
10 Wood pulp products	1	1	2	1	67	68	72	79	65	67	70	78	68	69	73	81
11 Textiles & textile articles	4	4	6	8	61	66	74	76	57	62	68	68	65	70	80	84
12 Footwear, headgear	0	0	0	0	15	15	16	18	15	15	16	18	15	15	16	18
13 Articles of stone, plaster, cement, asbestos	0	0	0	0	46	48	44	51	46	48	44	50	46	48	44	51
14 Pearls, (semi-)precious stones, metals	73	74	36	32	140	166	160	96	67	92	123	64	213	240	196	128
15 Base metals & articles thereof	129	237	208	190	140	143	151	161	11	-94	-57	-29	269	381	359	350
16 Machinery & mechanical appliances	21	16	15	23	439	491	538	514	418	475	522	492	460	508	553	537
17 Transportation equipment	99	179	166	198	715	721	871	648	616	543	705	450	814	900	1,037	846
18 Instruments - measuring, musical	11	8	9	6	54	59	70	73	44	51	61	68	65	67	79	79
19 Arms & ammunition	0	0	0	0	2	2	2	2	2	2	2	2	3	2	2	3
20 Miscellaneous	1	2	3	3	78	91	89	97	77	89	86	94	79	93	91	101
21 Works of art	1	3	1	2	2	1	1	1	0	-1	0	0	3	4	2	3
Other	8	10	22	14	33	33	38	37	26	22	17	23	41	43	60	51

Source : Eurostat COMEXT 10 September 2003 (Statistical regime 1)

TRADEFIT José Álvarez

EU15-OCTs Imports/Exports, 2002 and comparison with extra-EU15

OCTs / Total

Total

of which:

01 Animals & animal products
02 Vegetable products
03 Animal or vegetable fats
04 Prepared foodstuffs
05 Mineral products
06 Chemical products
07 Plastics & rubber
08 Hides & skins
09 Wood & wood products
10 Wood pulp products
11 Textiles & textile articles
12 Footwear, headgear
13 Articles of stone, plaster, cement, asbestos
14 Pearls, (semi-)precious stones, metals
15 Base metals & articles thereof
16 Machinery & mechanical appliances
17 Transportation equipment
18 Instruments - measuring, musical
19 Arms & ammunition
20 Miscellaneous
21 Works of art
Other

Source : Eurostat COMEXT 10 September 2003 (Statistical regime 1)

EU15 trade 2002 with OCTs				
imports		exports		balance
M Euro	% Total	M Euro	% Total	M Euro

1,031	100.0%	2,661	100.0%	1,630
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294	28.5%	96	3.6%	-198
13	1.3%	30	1.1%	17
2	0.2%	9	0.3%	7
110	10.6%	244	9.2%	135
113	10.9%	77	2.9%	-36
4	0.4%	245	9.2%	241
2	0.2%	66	2.5%	65
2	0.2%	7	0.3%	5
0	0.0%	24	0.9%	24
1	0.1%	79	3.0%	78
8	0.8%	76	2.9%	68
0	0.0%	18	0.7%	18
0	0.0%	51	1.9%	51
32	3.1%	96	3.6%	64
190	18.4%	162	6.1%	-28
23	2.2%	517	19.4%	494
198	19.2%	649	24.4%	451
6	0.6%	74	2.8%	68
0	0.0%	2	0.1%	2
3	0.3%	99	3.7%	95
2	0.2%	1	0.1%	0
27	2.6%	37	1.4%	10

EU15 trade 2002 with Extra-EUR				
imports		exports		balance
M Euro	% Total	M Euro	% Total	M Euro

918,798	100.0%	868,524	100.0%	-50,274
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15,949	1.7%	11,195	1.3%	-4,754
26,010	2.8%	11,625	1.3%	-14,385
2,317	0.3%	2,339	0.3%	22
23,791	2.6%	27,732	3.2%	3,941
147,537	16.1%	29,272	3.4%	-118,266
67,920	7.4%	126,606	14.6%	58,685
25,724	2.8%	36,740	4.2%	11,016
10,253	1.1%	9,177	1.1%	-1,076
13,546	1.5%	7,637	0.9%	-5,908
15,485	1.7%	25,167	2.9%	9,682
66,360	7.2%	38,688	4.5%	-27,671
11,422	1.2%	6,862	0.8%	-4,560
7,809	0.8%	15,368	1.8%	7,559
33,805	3.7%	26,743	3.1%	-7,062
49,836	5.4%	52,420	6.0%	2,584
235,463	25.6%	270,216	31.1%	34,754
76,013	8.3%	92,269	10.6%	16,257
38,860	4.2%	41,363	4.8%	2,504
955	0.1%	1,197	0.1%	242
28,770	3.1%	18,637	2.1%	-10,132
2,949	0.3%	4,098	0.5%	1,150
18,025	2.0%	13,172	1.5%	-4,853

OCTs		
market shares		Exp-Imp
imports	exports	ratio

27-30-04

0.1%	0.3%	2.58
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1.8%	0.9%	0.33
0.1%	0.3%	2.23
0.1%	0.4%	4.34
0.5%	0.9%	2.23
0.1%	0.3%	0.68
0.0%	0.2%	60.37
0.0%	0.2%	38.67
0.0%	0.1%	3.83
0.0%	0.3%	54.16
0.0%	0.3%	53.14
0.0%	0.2%	9.13
0.0%	0.3%	511.33
0.0%	0.3%	111.44
0.1%	0.4%	3.00
0.4%	0.3%	0.85
0.0%	0.2%	22.73
0.3%	0.7%	3.28
0.0%	0.2%	12.67
0.0%	0.2%	5.75
0.0%	0.5%	28.46
0.1%	0.0%	0.76
0.1%	0.3%	1.39

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