



HIGH LEVEL MEETING ON
"The Future of Arab Economic Integration in
a Changing Global Trade Landscape"
July 1, 2019-Tunis

From Euro-MED Partnership to
the Deep and Comprehensive
Free Trade Agreements (DCFTA)

Saoussen Ben Romdhane, Delegation of the UE to Tunisia

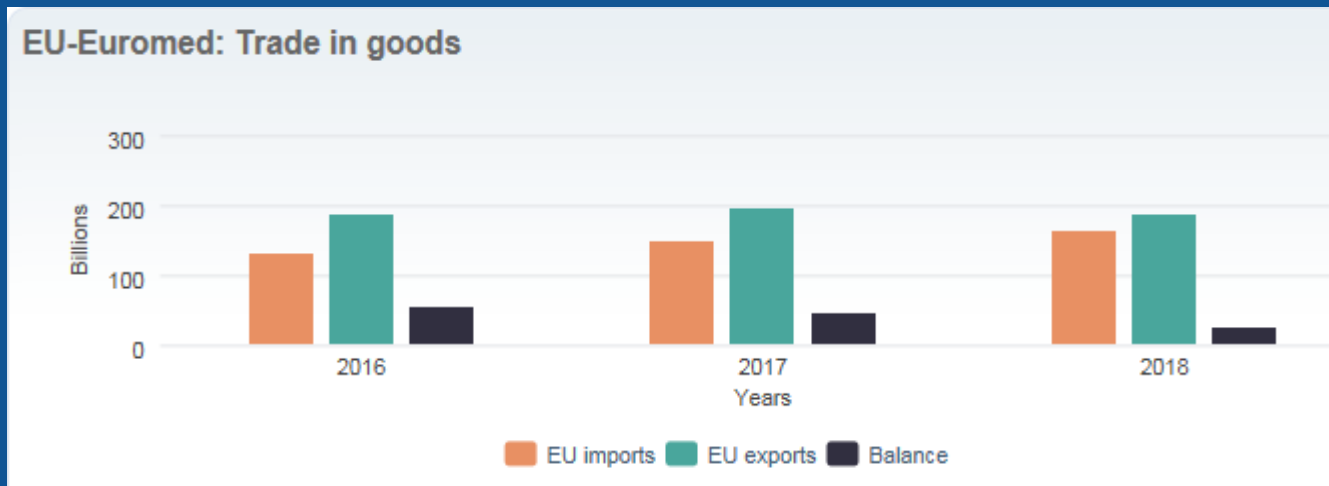


Euro-Mediterranean partnership

- *Euro-Mediterranean Association Agreements are in force with most of the partners (with the exception of Syria and Libya).*
- *The key objective of the trade partnership is the creation of a deep Euro-Mediterranean Free Trade Area, which aims at removing barriers to trade and investment between both the EU and Southern Mediterranean countries and between the Southern Mediterranean countries themselves.*
- *The scope of these agreements is essentially limited to trade in goods and a number of bilateral negotiations are on-going or being prepared in order to deepen the Association Agreements.*
- *These ongoing or future negotiations are related to further liberalisation of trade in agriculture, liberalisation of trade in services (DCFTA), accreditation and regulatory approximation.*

Trade between UE and Euromed countries

- *Together the region represents 9.4% of total EU external trade*
- *EU imports from Euromed countries increased*
- *Trade balance surplus declined*





European
Commission

EU and the Mediterranean region

- The Union for the Mediterranean aims to establish a common area of peace, stability, and shared prosperity in the Euro-Mediterranean region.
- EU-Southern Mediterranean relations at bilateral level are managed mainly through the Euro-Mediterranean Association Agreements.
- Nearly all countries have concluded Association Agreements with the EU. Preparations are going to deepen these agreements through the establishment of deep and comprehensive free trade areas.
- Negotiations for a Framework Agreement between the European Union and Libya are currently suspended.
- Steps towards the signature of the initialed Association Agreement with Syria are currently suspended.
- *These agreements established a free-trade area with the elimination of tariffs on industrial products and significant concessions on agricultural products*

Country	Status	Date signed	Entry into Force	Reference
Algeria	Signed	April 2002	September 2005	OJ L 265
Egypt	Signed	June 2001	June 2004	OJ L 304
Israel	Signed	Nov 1995	June 2000	OJ L 147
Jordan	Signed	Nov 1997	May 2002	OJ L 129/02
Lebanon	Signed	June 2002	April 2006	OJ L 143/06
Morocco	Signed	Feb 1996	March 2000	OJ L 70/00
Palestine	Signed	Feb 1997	Interim Agreement July 1997	OJ L 187/97
Syria	Initialled (December 2008)			
Tunisia	Signed	July 1995	March 1998	OJ L 97/98
Turkey	Customs Union January 1996	Customs Union	December 1995	OJ L 35/96



South-South economic integration

- Deepening South-South economic integration is a key goal of the Euro-Mediterranean trade partnership. It is an essential element towards the establishment of a fully-fledged Free Trade Area.
- *EU supports the strengthening of trade relations amongst Southern Mediterranean countries:*
 - ✓ *the Agadir Agreement between Tunisia, Morocco, Jordan, and Egypt, in force since 2007, remains open to other Arab Mediterranean countries;*
 - ✓ *Israel and Jordan have signed a Free Trade Agreement;*
 - ✓ *Egypt, Israel, Jordan, Lebanon, Morocco, the Palestinian Territories, Syria and Tunisia have signed bilateral agreements with Turkey.*
 - ✓ *Negotiations are underway between other Mediterranean countries to establish similar agreements.*
- The EU works closely with each of its Southern Mediterranean partners to support economic and social transition and reform, taking into account each country's specific needs and characteristics. These programmes are funded under the European Neighbourhood Policy



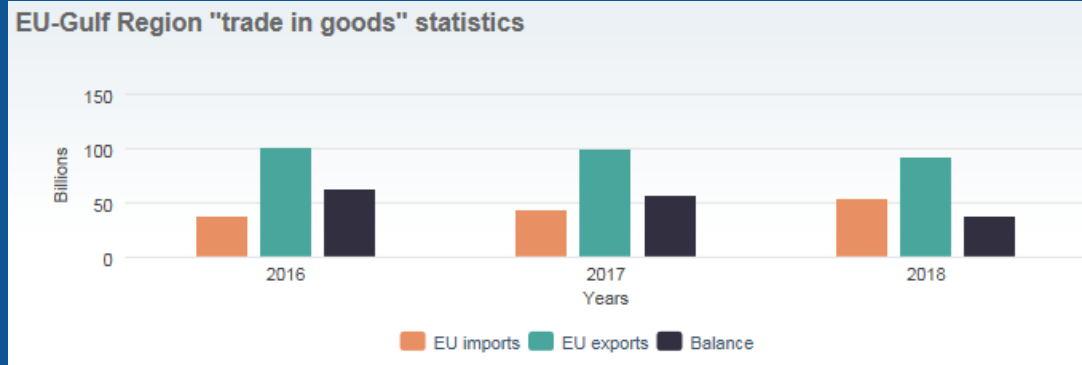
Additional agreements and ongoing negotiations

Trade agreements are complemented with a number of additional agreements, ongoing negotiations and preparations for future negotiations:

- ***to open up additional agricultural trade*** : agreement on agriculture and processed agricultural and fisheries products entered into force on 2007 in Jordan, on 2010 in Egypt and in Israel and on 2012 in Morocco. Negotiations for an agreement on the protection of geographical indications are under way in Morocco,
- ***to Liberalise trade in services and investment*** (Jordan: bilateral Dispute Settlement Mechanism entered into force in 2011, Lebanon : a protocol establishing a dispute settlement mechanism applicable to disputes under the trade provisions of the Association Agreement has been signed in 2010),
- ***to negotiate agreements on accreditation and acceptance of industrial products (ACAA)*** (Israel: ACAA for the pharmaceutical sector),
- ***to establish deep and comprehensive free trade areas*** (launched in Tunisia and Morocco. The EU and Egypt began talks about a Deep and Comprehensive Free Trade Agreement in June 2013. Negotiations on trade in services are currently on hold).

UE and GCC countries

- *EU and Gulf Cooperation Council launched negotiations for a Free Trade Agreement (FTA) in 1990. The FTA is foreseen to provide for a progressive and reciprocal liberalisation of trade in goods and services. The negotiations have faced several challenges and were effectively halted in 2008, when the GCC countries suspended all ongoing negotiations in which they were involved.*
- *In May 2017, the EU and GCC have launched a dedicated Dialogue on Trade and Investment issues, also with the participation of their respective private sectors.*





Negotiations for a Deep and Comprehensive Free Trade Area (DCFTA) between the EU and Tunisia

- *Strategic Objective: Privileged Partnership (2012)*
- *Natural continuation of a historical process of integration :*
 - *Close relationships but high untapped potential*
 - *Update and deepening of the Association Agreement (1995);*
- *UE: Political motivation rather than economic (Tunisia is the 34 th trade partner of the UE while the UE is the first trade partner of Tunisia)*
- *Tunisia : Instrument to support economic development and the upgrading of the Tunisian economy by facilitating and creating new export opportunities to the EU market, of around 500 million consumers;*
 - *Help to catalyse and accelerate domestic reforms*



DCFTA : Approach and principles guiding the negotiations

- *Ambitious and comprehensive agreement based on mutual priorities*
- *Asymmetry and progressivity in favour of Tunisia (i.e. for most of its trade the EU has offered to open up its market to Tunisia immediately whilst Tunisia will liberalise only gradually over a number of years)*
- *Each side will have the choice of fully excluding from this liberalisation its most sensitive tariff lines*
- *Non-traditional negotiation: trade opening accompanied by regulatory approximation = integration into the EU market for the chosen sectors by Tunisia*
- *Transparency and participation of civil society*
- *The DCFTA negotiation process will also be accompanied by EU cooperation support.*



UE-Tunisia DCFTA: State of play?

- DCFTA negotiations were formally launched in October 2015 in Tunisia
- Four full negotiating rounds have taken place :
 - 1- First round : 18 -21 April 2016 in Tunis*
 - 2-Second round : 27 May -01 June 2018 in Tunis*
 - 3- Third round: 10-14 December 2018 in Brussels*
 - 4-Fourth round : 29 April-03 May 2019 in Tunis*
- Intersessional and technical meetings have also taken place since the launch of negotiations
- Transparency, consultation with civil society



The areas covered by the DCFTA

- *Agricultural, processed agricultural and fishery products*
- *Sanitary and phytosanitary measures*
- *Competition Policy*
- *Technical barriers to trade (TBT)*
- *Trade defence*
- *Trade and sustainable development*
- *National treatment and market access*
- *SMEs*
- *Intellectual property rights*
- *Public procurement*
- *Energy*
- *Customs and Trade Facilitation*
- *Trade in services and investments*
- *Investment protection*
- *Digital trade*



Mobility issues

- *Under EU law, mobility and trade negotiations fall under different legal frameworks. In the case of Tunisia, trade and mobility negotiations are carried out in parallel, and this parallelism is an opportunity to ensure synergies between the EU commitments in the context of the DCFTA, on the one hand, and in the visa facilitation agreement, on the other hand.*
- *This is the first time ever that the EU negotiates these two agreements in parallel with a partner country and hence there is a real opportunity to coordinate closely, while avoiding that one negotiation slows down the other.*



Trade-related technical and financial assistance

RECENTLY COMPLETED PROJECTS

Support programme for Business Competitiveness and Market Access facilitation (PCAM)	2011-2016	€ 23 millions	Objective: Adapt the Tunisian quality infrastructure to the needs of the European market and improve the competitiveness of industrial enterprises. Technical assistance & equipment purchase
3 Twinning projects for the industrial sector (ACAAs)	2012-2014	€ 1 millions € 1.35 millions € 1.4 millions	The projects were dedicated to the Tunisian institutions in charge of (i) standardization (INNORPI), (ii) metrology (ANM) and (iii) market surveillance and consumer protection (the DQPC and the INC).
Support to accompany the launch of the DCFTA (P3AT)	2013-2017	€ 270 000	Support for communication and consultation with SC. The consultants drafted terms of reference for several sector studies (public procurement, competition, postal services, SPS) Website : www.aleca.tn



Ongoing projects and studies

DCFTA-SPS study (P3AI)	2016-2017	€ 272 000	Evaluation and approximation with the EU SPS acquis in the context of the DCFTA negotiations. The study also includes an action plan with the priority reforms to be implemented.
SERVICE COMPETITIVENESS PROGRAM (PACS)	2012-2020	€ 20 millions	1) Institutional support to the Ministry of Commerce for the strategy of upgrading service enterprises, (2) Direct support to strengthen the competitiveness of Tunisian enterprises (€ 10 million) and (3) Improvement of quality and safety health services.
Regional Initiative to Support Sustainable Economic Development (IRADA)	2016-2019	€ 32 millions	Contribute to the acceleration of local economic development by improving the competitiveness of enterprises in 8 pilot governorates. The private sector support component will support the creation of 8 regional platforms for public-private dialogue and the implementation of a set of concrete projects to support the local private sector.
FPI: ALECA support and market access	2018-2019	€300 000	2 objectives: (1) Advocacy and outreach DCFTA activities , (2) Market access studies & analysis.
Postal services study (P3AI)	2018	€ 200 000	Gap and regulatory approximation study with the EU's acquis on postal services in the context of the DCFTA negotiations. The study will include an action plan with the priority reforms to be implemented.
Operational Support for the UGPO-DCFTA (P3AI)	2018	€ 300 000	Provide technical and operational support to the UGPO / DCFTA, in order to carry out its missions of steering, supervision and coordination at the technical levels, studies, communication and consultation with the civil society and thus facilitate the negotiations
Competitiveness and export support Program(PACE)	2017-2020	€ 90 millions	4 objectives: (1) improve the competitiveness of the Tunisian industry and agriculture, (2) strengthen the capacity of Tunisian companies to penetrate the European and international markets, (3) modernize the agricultural and fishing sectors, (4) consolidate the legislative / regulatory approximation process with the EU acquis.
DCFTA-Public Procurement Study	2018	€ 140 000	Study of a rapprochement with the EU acquis on public procurement in the context of the DCFTA negotiations. The study will include an action plan with the priority reforms to be implemented.
DCFTA-Study on Competition and State Aid (P3AI)	2018	€ 200 000	Study of a rapprochement with the EU acquis on competition and state aid in the context of the DCFTA negotiations.
DCFTA-Study on regulatory and legal watch	2018	€ 100 000	Provide tools and trainings to the government's legal adviser and legislation service to develop a permanent and adapted legal watch in order to follow the EU's acquis change and progress
DCFTA-Study on technical barriers to trade-ACAAs	2018	€ 600 000	Evaluation of the gap and impact on (1) horizontal regulation and quality infrastructure, (2) construction materials, ceramic and glass industries, and (3) electrical, electronic and appliance industries.



More information on:

- *The EU Delegation to Tunisia Website: https://eeas.europa.eu/delegations/tunisia_en*
- *DG trade Website: <http://ec.europa.eu/trade/>*
- *Tunisian Dedicated DCFTA website: www.aleca.tn*



Thank you
Saoussen Ben Romdhane

Saoussen.BEN-ROMDHANE@ec.europa.eu