

WORLD TRADE ORGANIZATION

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COOPERATION AGREEMENT BETWEEN THE EUROPEAN COMMUNITY AND SYRIA

Biennial Report on the Operation of the Agreement

The following communication, dated 24 July 2006, is being circulated at the request of the Delegation of the European Communities. It is organized in accordance to the Standard Format for Information on Regional Trade Agreements (WT/REG/W/6).

This report covers the period 2001-2005. The previous biennial report submitted by the EC on the operation of the cooperation Agreement between the EC and Syria was circulated as WTO document WT/REG104/R/B/2, G/L/546 of 13 May 2002.

I. BACKGROUND INFORMATION ON THE AGREEMENT

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

The Co-operation Agreement between the European Communities and Syria was signed on 18 January 1977. Since the last biennial report, issued in April 2002 (WT/REG104/R/B/2, G/L/546), no changes have been made to the provisions of the Co-operation Agreement, exception that Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, and Slovenia have become parties to the Agreement, following their accession to the European Union on 1 May 2004.

Negotiations for the conclusion of a new and strengthened agreement, the Euro Mediterranean Association Agreement, which would replace the existing Co-operation Agreement, were launched in May 1998 and concluded in October 2004 with the initialling of the Association Agreement. However, the signature has not yet taken place.

4. Trade Data

Total bilateral trade between the EU and Syria amounted to €5.7 billion in 2005 (EU25), around 16 per cent less than 2004. In 2005, the main trading sectors remain mineral products, with a share of 86 per cent of imports from Syria and 52 per cent of total trade, followed by machinery (30 per cent of exports to Syria and 15 per cent of total trade). Further statistical information is provided in the annex.

II. TRADE PROVISIONS

1. Import Restrictions
2. Export Restrictions

- 3. Rules Of Origin**
- 4. Standards**
- 5. Safeguards**
- 6. Anti-Dumping And Countervailing Measures**

The trade provisions of the Co-operation Agreement remain unchanged, according to which industrial products (other than those in Annex II to the Treaty establishing the EEC) originating in Syria may be imported into the European Community without quantitative restrictions or measures having an equivalent effect.

The Agreement does not contain specific provisions relating to standards. Other trade provisions of the Agreement (rules of origin and trade defence) have not been modified during the reporting period.

- 7. Subsidies And State-Aid**

The Agreement does not include any provisions concerning State aid or subsidies.

- 8. Sector-Specific Provisions**

The situation remains as described in the last biennial report.

The Agreement continues to contain preferential measures pertaining to agricultural and processed agricultural products (including reduction of customs duties).

- III. GENERAL PROVISIONS OF THE AGREEMENT &**

- IV. OTHER**

The Agreement does not cover services, intellectual property rights or other trade related provisions.

ANNEX

EU25-Syria Imports/Exports, 2005 and comparison with extra-EU25

Syria / Total	EU25 trade 2005 with Syria					EU25 trade 2005 with the World (extra-EU)					Syria		
	imports		exports		balance	imports		exports		balance	market shares		Exp-Imp ratio
	M Euro	% Total	M Euro	% Total	M Euro	M Euro	% Total	M Euro	% Total	M Euro	imports	exports	
TOTAL	2,913	100.0	2,773	100.0	-140	1,176,055	100.0	1,061,836	100.0	-114,219	0.2	0.3	1.0
<i>of which</i>													
I. Live animals; animal products.....	18	0.6	28	1.0	10	17,041	1.4	12,370	1.2	-4,671	0.1	0.2	1.5
II. Vegetable products.....	30	1.0	22	0.8	-8	27,449	2.3	10,472	1.0	-16,976	0.1	0.2	0.7
III. Animal or vegetable fats and oils.....	75	2.6	7	0.2	-68	3,924	0.3	2,492	0.2	-1,432	1.9	0.3	0.1
IV. Prep foodstuffs; beverages, tobacco	4	0.1	211	7.6	207	25,766	2.2	33,623	3.2	7,857	0.0	0.6	59.3
V. Mineral Products.....	2,519	86.5	452	16.3	-2,067	285,197	24.3	42,712	4.0	-242,486	0.9	1.1	0.2
VI. Products of the chemical.....	5	0.2	290	10.5	285	86,790	7.4	147,203	13.9	60,413	0.0	0.2	60.9
VII. Plastics; rubber.....	8	0.3	104	3.8	96	29,488	2.5	41,346	3.9	11,858	0.0	0.3	12.5
VIII. Raw hides and skins, leather	34	1.2	1	0.0	-33	10,007	0.9	8,829	0.8	-1,178	0.3	0.0	0.0
IX. Wood and articles of wood; cork.....	1	0.0	14	0.5	13	11,619	1.0	8,387	0.8	-3,233	0.0	0.2	15.4
X. Paper or paperboard.....	4	0.1	93	3.4	89	13,670	1.2	24,110	2.3	10,440	0.0	0.4	23.5
XI. Textiles and textile articles.....	166	5.7	61	2.2	-104	73,056	6.2	36,315	3.4	-36,741	0.2	0.2	0.4
XII. Footwear.....	1	0.0	1	0.0	0	13,910	1.2	5,824	0.5	-8,085	0.0	0.0	0.8
XIII. art of stone plaster cement.....	7	0.2	23	0.8	16	8,220	0.7	15,228	1.4	7,008	0.1	0.1	3.3
XIV. Pearls; precious stones and metals.....	1	0.0	10	0.4	9	29,696	2.5	28,397	2.7	-1,300	0.0	0.0	15.6
XV. Iron and steel, base metals and art.....	4	0.1	225	8.1	221	68,868	5.9	70,977	6.7	2,109	0.0	0.3	63.9
XVI. Mach., elect.equip.....	20	0.7	829	29.9	809	286,987	24.4	324,117	30.5	37,130	0.0	0.3	40.9
XVII. Transport equip, aircraft, ship.....	4	0.1	251	9.1	247	95,253	8.1	161,947	15.3	66,694	0.0	0.2	61.1
XVIII. Optic photo cine precision instr.....	5	0.2	84	3.0	79	45,014	3.8	51,712	4.9	6,698	0.0	0.2	18.3
XIX. Arms and ammunition.....	0	0.0	0	0.0	0	705	0.1	1,704	0.2	999	0.0	0.0	1,371.7
XX. Miscellaneous manufactured articles.....	4	0.2	14	0.5	9	29,314	2.5	18,219	1.7	-11,095	0.0	0.1	3.0
XXI. Works of art, collectors' pieces.....	0	0.0	0	0.0	0	3,119	0.3	4,279	0.4	1,160	0.0	0.0	3.7
other.....	4	0	53	2	49	10,962	1	11,574	1	612	0.0	0.5	13.0

World excluding Intra-EU trade and European Union: 25 members.

Source: EUROSTAT (*Comext, Statistical regime 4*)