

# WORLD TRADE ORGANIZATION

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Committee on Regional Trade Agreements

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## ASSOCIATION AGREEMENT BETWEEN THE EUROPEAN COMMUNITY AND MALTA

### Biennial Report on the Operation of the Agreement (2001 – 2003)

#### *Communication from the Parties*

The following communication, dated 21 February 2005, is being circulated at the request of the Delegation of the European Communities.

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#### I. BACKGROUND INFORMATION ON THE AGREEMENT

##### 1. Membership and dates of signature, ratification and entry into force.

The Association Agreement with the Republic of Malta was signed in December 1970 and entered into force in April 1971 (Official Journal L61, 14/03/1971). As of 1 May 2004, it was superseded by the accession of the Republic of Malta to the EU. The Association Agreement is, therefore, no longer in force.

##### 2. Type of agreement

The Association Agreement with Malta established a free trade area between the parties through a progressive liberalisation of trade in goods.

##### 3. Scope

While the scope of the Association Agreement remained largely unaltered under the reporting period, some additional improvements in the agreement were achieved in the area of textiles, processed agricultural products and fisheries.

##### 4. Trade data

Bilateral trade totalled € 3.21 billion in 2003 and averaged € 3.41 billion over the period 2001-2003. The EU-15 imports from Malta were € 851 million in 2003 whereas the imports into Malta from the EU-15 amounted to € 2.36 billion. Of total bilateral trade, industrial goods represented 93 percent in 2003 and also averaged 93 percent over 2001-2003. The share of trade in agricultural and processed agricultural products was 7 percent in 2003. Further statistical information is provided in the annex.

## **II. TRADE PROVISIONS**

### **1. Import restrictions**

Bilateral trade was further liberalized during the reporting period through some improvements in the following three areas: For textiles products, the tariff ceilings applicable to Community imports originating in Malta were suppressed in March 2000 (protocol to the Association Agreement). For processed agricultural products, the EU granted additional liberalisation in the form of autonomous measures (Regulation 1890/2003 of 27.10.2003 [OJ L 278 /1 of 29.10.2003]). For fish products, the parties concluded an agreement in 2001 to decrease their tariffs by one third per year upon entry into force of the agreement (2002) while the EU fixed a temporary tariff quota for various categories of fish (sea bream, sea bass). As a result, trade in fishery products was fully liberalised on 1 January 2004.

### **3. Rules of origin**

In the framework of its accession to the EU, Malta participated in the Pan-European system of cumulation for rules of origin.

### **4. Standards**

The Malta Standards Authority is the recognised standardisation body in Malta. An agreement with the British Standards Institute (BSI) for the adoption of all European standards as national standards (MSA ENs) was finalised in February 2001.

**EU15-Malta: Imp/Exp 2003 - comparison with extra-EU15 (million Euro)**

Malta / Total	EU15 trade 2003 with Malta					EU15 trade 2003 with Extra-EU15					Malta		
	imports		exports		balance	imports		exports		balance	market shares		
	M Euro	% Total	M Euro	% Total	M Euro	M Euro	% Total	M Euro	% Total	M Euro	imports	exports	Exp-Imp ratio
HS Section													
Total	851	100.0%	2,358	100.0%	1,507	899,676	100.0%	853,002	100.0%	-46,674	0.1%	0.3%	2.77
of which:													
01 Animals & animal products	4	0.5%	41	2.2%	37	16,046	1.8%	10,483	1.2%	-5,563	0.0%	0.4%	10.29
02 Vegetable products	2	0.2%	31	5.0%	29	25,276	2.8%	11,388	1.3%	-13,888	0.0%	0.3%	15.59
03 Animal or vegetable fats	0	0.0%	7	0.2%	7	2,427	0.3%	1,988	0.2%	-439	0.0%	0.4%	--
04 Prepared foodstuffs	5	0.6%	134	2.2%	129	23,696	2.6%	26,396	3.1%	2,700	0.0%	0.5%	26.79
05 Mineral products	30	3.5%	371	1.8%	341	141,932	15.8%	28,125	3.3%	-113,807	0.0%	1.3%	12.36
06 Chemical products	13	1.5%	153	16.8%	140	67,153	7.5%	124,587	14.6%	57,434	0.0%	0.1%	11.79
07 Plastics & rubber	60	7.1%	85	5.3%	25	26,750	3.0%	37,629	4.4%	10,878	0.2%	0.2%	1.42
08 Hides & skins	6	0.7%	15	0.1%	9	9,342	1.0%	8,767	1.0%	-576	0.1%	0.2%	2.47
09 Wood & wood products	0	0.0%	12	2.3%	12	13,694	1.5%	7,358	0.9%	-6,336	0.0%	0.2%	--
10 Wood pulp products	51	6.0%	82	3.7%	31	14,666	1.6%	24,961	2.9%	10,296	0.3%	0.3%	1.60
11 Textiles & textile articles	142	16.7%	93	2.5%	-49	65,714	7.3%	37,079	4.3%	-28,635	0.2%	0.2%	0.65
12 Footwear, headgear	19	2.2%	12	0.2%	-7	11,539	1.3%	6,154	0.7%	-5,386	0.2%	0.2%	0.66
13 Articles of stone, plaster, cement, asbestos	3	0.4%	38	1.7%	35	7,946	0.9%	14,671	1.7%	6,725	0.0%	0.3%	12.55
14 Pearls, (semi-)precious stones, metals	1	0.1%	20	0.3%	19	29,693	3.3%	21,893	2.6%	-7,800	0.0%	0.1%	19.93
15 Base metals & articles thereof	20	2.4%	93	7.0%	73	51,792	5.8%	54,252	6.4%	2,461	0.0%	0.2%	4.67
16 Machinery & mechanical applicances	277	32.5%	861	35.2%	584	237,072	26.4%	266,465	31.2%	29,393	0.1%	0.3%	3.11
17 Transportation equipment	102	12.0%	197	5.4%	95	79,715	8.9%	102,270	12.0%	22,555	0.1%	0.2%	1.94
18 Instruments - measuring, musical	45	5.3%	41	4.3%	-4	37,342	4.2%	41,430	4.9%	4,087	0.1%	0.1%	0.91
19 Arms & ammunition	0	0.0%	1	0.1%	1	503	0.1%	891	0.1%	388	0.0%	0.1%	--
20 Miscellaneous	65	7.6%	52	1.0%	-13	29,532	3.3%	17,650	2.1%	-11,882	0.2%	0.3%	0.80
21 Works of art	0	0.0%	1	0.0%	1	2,100	0.2%	3,767	0.4%	1,667	0.0%	0.0%	--
Other	6	0.7%	16	0.0%	10	5,744	0.6%	4,799	0.6%	-945	0.1%	0.3%	--

Source : Eurostat COMEXT - 5 November 2004 (Statistical regime 1)

TRADE/F/1 José Álvarez

(million Euro)

05 November 2004

## EU15-Malta Imports/Exports, 2001-2003

Malta	EU15 trade 2001 - 2003 with Malta (million Euro)											
	imports			exports			balance			total trade		
	2001	2002	2003	2001	2002	2003	2001	2002	2003	2001	2002	2003
HS Section												
Total	1,101	1,062	851	2,348	2,523	2,358	1,247	1,461	1,507	3,449	3,585	3,209
of which:												
01 Animals & animal products	4	3	4	40	40	41	36	37	37	44	43	45
02 Vegetable products	2	3	2	35	34	31	33	31	29	37	37	33
03 Animal or vegetable fats	0	0	0	6	6	7	6	6	7	6	6	7
04 Prepared foodstuffs	2	8	5	140	128	134	138	120	129	142	136	139
05 Mineral products	67	57	30	392	464	371	325	407	341	459	521	401
06 Chemical products	7	11	13	127	133	153	120	122	140	134	144	166
07 Plastics & rubber	57	59	60	80	78	85	23	19	25	137	137	145
08 Hides & skins	7	8	6	24	20	15	17	12	9	31	28	21
09 Wood & wood products	0	0	0	13	13	12	13	13	12	13	13	12
10 Wood pulp products	41	56	51	61	76	82	20	20	31	102	132	133
11 Textiles & textile articles	145	161	142	117	113	93	-28	-48	-49	262	274	235
12 Footwear, headgear	34	28	19	15	14	12	-19	-14	-7	49	42	31
13 Articles of stone, plaster, cement, asbestos	4	3	3	38	36	38	34	33	35	42	39	41
14 Pearls, (semi-)precious stones, metals	3	1	1	42	19	20	39	18	19	45	20	21
15 Base metals & articles thereof	21	21	20	84	99	93	63	78	73	105	120	113
16 Machinery & mechanical appliances	361	346	277	797	826	861	436	480	584	1,158	1,172	1,138
17 Transportation equipment	247	168	102	244	336	197	-3	168	95	491	504	299
18 Instruments - measuring, musical	43	43	45	45	39	41	2	-4	-4	88	82	86
19 Arms & ammunition	0	0	0	1	1	1	1	1	1	1	1	1
20 Miscellaneous	48	80	65	38	43	52	-10	-37	-13	86	123	117
21 Works of art	0	0	0	3	0	1	3	0	1	3	0	1
Other	8	6	6	5	4	16	-3	-2	10	13	10	22

Source : Eurostat COMEXT - 5 November 2004 (Statistical regime 1)

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