

**COOPERATION AGREEMENT BETWEEN THE EUROPEAN COMMUNITY
AND LEBANON**

Biennial Report on the Operation of the Agreement

Communication from the European Community

The report below presents the information received from the Permanent Delegation of the European Commission, dated 19 April 2002. It is organized in accordance with the standard format (WT/REG/W/6).

This report covers the period 1999-2001. The previous biennial report submitted by the EC on the operation of the Cooperation Agreement between the EC and Lebanon was circulated as WTO document WT/REG101/R/B/1, G/L/369 of 28 April 2000.

I. BACKGROUND INFORMATION ON THE AGREEMENT

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

The Co-operation Agreement between the European Community and Lebanon was signed on 3 May 1977. No changes have intervened under this heading since the last report.

2. Type of agreement

The Co-operation agreement between the European Community and Lebanon covers three main areas: trade, social affairs and economic and financial co-operation.

On 8 November 1995, negotiations began on an Euro-Mediterranean association agreement between Lebanon and the European Union (EU). After several rounds of discussions, by October 2001 negotiations were well underway. Negotiations are expected to conclude in the near future.

The Association Agreement will cover a number of areas, essentially involving political dialogue, the establishment of a free-trade area over a transitional period, economic and financial co-operation and co-operation in social and cultural affairs.

4. Trade data

Total bilateral trade in 2000 amounted to a little over €3 billion. Relevant trade statistics for the period are 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**

These trade provisions of the Agreement have not been modified during the reporting period.

7. Subsidies and State-aid

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

8. Sector-specific provisions

The situation remains as described in the last regular report.

III. GENERAL PROVISIONS OF THE AGREEMENT & IV. OTHER

The situation remains as described in the last regular report.

Annex

EC-Lebanon Imports/Exports, 2000 and comparison with extra-EU

Lebanon / Total	EU15 trade 2000 with Lebanon					EU15 trade 2000 with EXTRA-EUR					Lebanon		
	imports		exports		balance	imports		exports		balance	market shares		Exp-Imp
	M Euro	% Total	M Euro	% Total	M Euro	M Euro	% Total	M Euro	% Total	M Euro	imports	exports	ratio
HS Section													
Total	206	100.0%	2,845	100.0%	2,639	1,026,798	100.0%	937,836	100.0%	-88,961	0.0%	0.3%	13.78
of which:													
01 Animals & animal products	7	3.4%	204	7.2%	197	15,386	1.5%	12,064	1.3%	-3,321	0.0%	1.7%	28.98
02 Vegetable products	3	1.2%	36	1.3%	34	25,086	2.4%	11,223	1.2%	-13,864	0.0%	0.3%	14.43
03 Animal or vegetable fats	0	0.2%	18	0.6%	17	2,360	0.2%	2,687	0.3%	327	0.0%	0.7%	52.22
04 Prepared foodstuffs	10	4.8%	182	6.4%	172	22,170	2.2%	29,937	3.2%	7,767	0.0%	0.6%	18.46
05 Mineral products	16	7.6%	395	13.9%	379	160,181	15.6%	33,372	3.6%	-126,808	0.0%	1.2%	25.23
06 Chemical products	35	17.1%	373	13.1%	338	63,673	6.2%	113,378	12.1%	49,705	0.1%	0.3%	10.56
07 Plastics & rubber	2	0.8%	91	3.2%	89	26,308	2.6%	35,240	3.8%	8,932	0.0%	0.3%	54.89
08 Hides & skins	7	3.5%	11	0.4%	4	10,204	1.0%	8,969	1.0%	-1,234	0.1%	0.1%	1.49
09 Wood & wood products	2	0.9%	24	0.8%	22	14,618	1.4%	7,007	0.7%	-7,611	0.0%	0.3%	13.68
10 Wood pulp products	5	2.5%	86	3.0%	81	17,021	1.7%	24,481	2.6%	7,461	0.0%	0.4%	16.44
11 Textiles & textile articles	18	8.7%	180	6.3%	162	69,611	6.8%	40,549	4.3%	-29,062	0.0%	0.4%	10.01
12 Footwear, headgear	0	0.2%	23	0.8%	23	10,903	1.1%	6,825	0.7%	-4,078	0.0%	0.3%	68.19
13 Articles of stone, plaster, cement, asbestos	1	0.3%	64	2.3%	63	7,846	0.8%	15,121	1.6%	7,275	0.0%	0.4%	92.40
14 Pearls, (semi-)precious stones, metals	32	15.3%	101	3.6%	70	35,656	3.5%	28,969	3.1%	-6,687	0.1%	0.3%	3.20
15 Base metals & articles thereof	37	17.9%	155	5.5%	118	57,454	5.6%	52,942	5.6%	-4,512	0.1%	0.3%	4.20
16 Machinery & mechanical appliances	19	9.2%	458	16.1%	439	298,805	29.1%	298,008	31.8%	-797	0.0%	0.2%	24.03
17 Transportation equipment	5	2.2%	284	10.0%	279	90,679	8.8%	139,903	14.9%	49,224	0.0%	0.2%	61.11
18 Instruments - measuring, musical	2	1.1%	65	2.3%	63	42,480	4.1%	39,533	4.2%	-2,947	0.0%	0.2%	27.85
19 Arms & ammunition	0	0.0%	4	0.2%	4	601	0.1%	1,574	0.2%	973	0.0%	0.3%	
20 Miscellaneous	2	1.1%	63	2.2%	61	27,149	2.6%	18,409	2.0%	-8,739	0.0%	0.3%	28.03
21 Works of art	0	0.1%	4	0.1%	4	2,672	0.3%	4,583	0.5%	1,910	0.0%	0.1%	14.51
Other	4	1.8%	23	0.8%	19	25,935	2.5%	13,062	1.4%	-12,872	0.0%	0.2%	6.01

Source : Eurostat COMEXT 30 Jul 01 (Statistical regime 4)

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EC-Lebanon Imports/Exports, 1997-2000

Lebanon HS Section	EU15 trade 1997-2000 with Lebanon (million Euro)															
	imports				exports				balance				total trade			
	1997	1998	1999	2000	1997	1998	1999	2000	1997	1998	1999	2000	1997	1998	1999	2000
Total	154	154	209	206	3,095	2,823	2,665	2,845	2,941	2,669	2,456	2,639	3,249	2,978	2,874	3,051
<i>of which:</i>																
01 Animals & animal products	12	10	8	7	198	188	180	204	186	178	172	197	210	199	188	211
02 Vegetable products	2	2	2	3	35	42	38	36	32	40	36	34	37	44	40	39
03 Animal or vegetable fats	1	0	1	0	22	28	19	18	21	28	19	17	22	28	20	18
04 Prepared foodstuffs	7	8	9	10	181	180	181	182	175	172	172	172	188	188	190	192
05 Mineral products	6	0	6	16	309	203	258	395	303	203	252	379	314	204	264	411
06 Chemical products	18	19	21	35	307	319	349	373	288	300	328	338	325	338	369	408
07 Plastics & rubber	1	1	1	2	112	102	96	91	111	101	94	89	112	103	97	93
08 Hides & skins	3	4	5	7	11	11	8	11	8	7	4	4	15	15	13	18
09 Wood & wood products	0	0	0	2	20	24	20	24	20	24	20	22	20	25	21	26
10 Wood pulp products	5	9	8	5	78	81	83	86	73	73	75	81	83	90	91	92
11 Textiles & textile articles	18	19	16	18	203	213	170	180	186	194	154	162	221	231	186	198
12 Footwear, headgear	1	1	1	0	34	34	24	23	33	34	23	23	35	35	25	23
13 Articles of stone, plaster, cement, asbestos	0	0	1	1	89	75	66	64	89	75	65	63	90	75	66	65
14 Pearls, (semi-)precious stones, metals	34	26	34	32	127	114	130	101	93	88	96	70	161	139	163	133
15 Base metals & articles thereof	23	23	23	37	198	194	135	155	175	171	112	118	220	217	157	192
16 Machinery & mechanical appliances	13	16	20	19	576	619	472	458	563	603	451	439	589	635	492	477
17 Transportation equipment	2	7	48	5	416	234	286	284	414	226	238	279	418	241	334	288
18 Instruments - measuring, musical	3	4	3	2	67	59	63	65	64	55	60	63	70	63	66	68
19 Arms & ammunition	0	0	0	0	4	4	4	4	4	3	4	4	4	4	4	4
20 Miscellaneous	1	1	1	2	66	70	61	63	65	69	60	61	66	71	62	65
21 Works of art	1	1	0	0	4	4	3	4	2	3	3	4	5	4	4	5
Other	2	3	2	4	39	26	20	23	37	23	18	19	41	29	22	26

Source : Eurostat COMEXT 30 Jul 01 (Statistical regime 4)

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