

**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 As of 1 May 2004, it was superseded by the accession of the Republic of Malta to the EU. The Association Agreement is, therefore, no longer in force.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
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HS Section
<b>Total</b>

<i>of which:</i>
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

EU15 trade 2003 with Malta				
imports		exports		balance
M Euro	% Total	M Euro	% Total	M Euro

<b>851</b>	<b>100.0%</b>	<b>2,358</b>	<b>100.0%</b>	<b>1,507</b>
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4	0.5%	41	2.2%	37
2	0.2%	31	5.0%	29
0	0.0%	7	0.2%	7
5	0.6%	134	2.2%	129
30	3.5%	371	1.8%	341
13	1.5%	153	16.8%	140
60	7.1%	85	5.3%	25
6	0.7%	15	0.1%	9
0	0.0%	12	2.3%	12
51	6.0%	82	3.7%	31
142	16.7%	93	2.5%	-49
19	2.2%	12	0.2%	-7
3	0.4%	38	1.7%	35
1	0.1%	20	0.3%	19
20	2.4%	93	7.0%	73
277	32.5%	861	35.2%	584
102	12.0%	197	5.4%	95
45	5.3%	41	4.3%	-4
0	0.0%	1	0.1%	1
65	7.6%	52	1.0%	-13
0	0.0%	1	0.0%	1
6	0.7%	16	0.0%	10

EU15 trade 2003 with Extra-EU15				
imports		exports		balance
M Euro	% Total	M Euro	% Total	M Euro

<b>899,676</b>	<b>100.0%</b>	<b>853,002</b>	<b>100.0%</b>	<b>-46,674</b>
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16,046	1.8%	10,483	1.2%	-5,563
25,276	2.8%	11,388	1.3%	-13,888
2,427	0.3%	1,988	0.2%	-439
23,696	2.6%	26,396	3.1%	2,700
141,932	15.8%	28,125	3.3%	-113,807
67,153	7.5%	124,587	14.6%	57,434
26,750	3.0%	37,629	4.4%	10,878
9,342	1.0%	8,767	1.0%	-576
13,694	1.5%	7,358	0.9%	-6,336
14,666	1.6%	24,961	2.9%	10,296
65,714	7.3%	37,079	4.3%	-28,635
11,539	1.3%	6,154	0.7%	-5,386
7,946	0.9%	14,671	1.7%	6,725
29,693	3.3%	21,893	2.6%	-7,800
51,792	5.8%	54,252	6.4%	2,461
237,072	26.4%	266,465	31.2%	29,393
79,715	8.9%	102,270	12.0%	22,555
37,342	4.2%	41,430	4.9%	4,087
503	0.1%	891	0.1%	388
29,532	3.3%	17,650	2.1%	-11,882
2,100	0.2%	3,767	0.4%	1,667
5,744	0.6%	4,799	0.6%	-945

Malta		
market shares		Exp-Imp ratio
imports	exports	

05 November 2004		
<b>0.1%</b>	<b>0.3%</b>	<b>2.77</b>

0.0%	0.4%	10.29
0.0%	0.3%	15.59
0.0%	0.4%	--
0.0%	0.5%	26.79
0.0%	1.3%	12.36
0.0%	0.1%	11.79
0.2%	0.2%	1.42
0.1%	0.2%	2.47
0.0%	0.2%	--
0.3%	0.3%	1.60
0.2%	0.2%	0.65
0.2%	0.2%	0.66
0.0%	0.3%	12.55
0.0%	0.1%	19.93
0.0%	0.2%	4.67
0.1%	0.3%	3.11
0.1%	0.2%	1.94
0.1%	0.1%	0.91
0.0%	0.1%	--
0.2%	0.3%	0.80
0.0%	0.0%	--
0.1%	0.3%	--

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

TRADE/F/1 José Álvarez

EU15-Malta Imports/Exports, 2001-2003 (million Euro)

05 November 2004

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		1,101	1,062	851	2,348	2,523	2,358	1,247	1,461	1,507	3,449	3,585	3,209
Total													
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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