

**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 21 March 2000. It is organized in accordance with the standard format (WT/REG/W/6).

I. BACKGROUND INFORMATION ON THE AGREEMENT

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

The Cooperation Agreement between the European Community and Lebanon was signed on 3 May 1977. Since then, Greece, Spain, Portugal, Austria, Finland and Sweden have become parties to the Agreement, following their accession to the European Communities.

2. Type of agreement

The Cooperation Agreement between the European Community and Lebanon covers three main areas: trade, social affairs, and economic and financial cooperation.

On 8 November 1995, negotiations began on a Euro-Mediterranean association agreement between Lebanon and the European Union (EU) with a view to reinforcing existing links by establishing a balanced partnership.

The new Association Agreement covers a number of areas, essentially involving political dialogue, the gradual creation of a free-trade area, economic and financial cooperation and cooperation in social and cultural affairs.

4. Trade data

The development of trade between the parties and the relevant trade statistics, including those for the rest of the world, appear in annex.

II. TRADE PROVISIONS

1. Import restrictions and

2. Export restrictions

The trade provisions of the 1977 Cooperation Agreement, according to which industrial products (other than those listed in Annex II to the Treaty Establishing the EEC) originating in Lebanon may be imported into the Community without quantitative restrictions or measures having an equivalent effect and with exemption from customs duties or all charges having an equivalent effect, remain unchanged.

The transitional measures provided for in the additional protocols signed in 1987 following the accession of Spain and Portugal to the European Communities and relating to imports into those two countries of industrial and agricultural products from Lebanon have now expired.

3. Rules of origin

4. Standards

5. Safeguards

6. Anti-dumping and countervailing measures and

7. Subsidies and State aid

The Cooperation Agreement does not contain provisions relating to standards or State aid. With regard to trade defence instruments and rules of origin, the provisions of the Agreement remain unchanged.

8. Sector-specific provisions

The provisions of the Agreement relating to agriculture remain unchanged, except for an adjustment in rules concerning olive oil.

IV. OTHER

Financial aspects

From 1977 to 1996, the Lebanon benefited from four five-yearly financial protocols providing for grants financed from the EC budget and EIB loans.

Areas related or complementary to trade liberalization

The Cooperation Agreement does not include provisions in these areas. No specific agreement has since been signed concerning the harmonization of legislation or the creation of common regulatory structures or disciplines.

Services and intellectual property

The Cooperation Agreement does not cover either services or intellectual property, and no specific agreement has since been signed in these areas.

ANNEX¹

Table 1 – EU Imports from the World and Lebanon 1980-1998
(Millions of ECU)

SITC:	0	1	2	3	4	5	6	7	8	9	TOTAL
1980 (EU 9)											
World	23,908	1,929	27,501	85,384	1,579	11,374	37,648	37,853	22,176	20,502	269,853
Lebanon	3	1	17	0	0	1	10	2	9	1	44
1984 (EU 10)											
World	33,643	2,810	36,139	107,594	2,803	19,968	48,969	71,432	34,537	24,205	382,100
Lebanon	1	0	41	-	0	1	6	3	7	6	64
1988 (EU 12)											
World	32,221	2,152	35,752	47,393	1,499	25,067	59,078	106,689	49,968	27,937	387,757
Lebanon	3	1	38	-	0	4	23	7	34	3	112
1992 (EU 12)											
World	34,580	3,215	32,218	65,183	1,748	33,888	69,355	146,277	76,771	23,900	487,135
Lebanon	3	2	12	0	0	2	20	8	29	4	78
1996 (EU 15)											
World	41,305	3,599	34,829	75,910	2,423	44,328	75,479	189,056	93,962	20,131	581,065
Lebanon	5	3	19	-	3	20	33	9	27	3	123
1997 (EU 15)											
World	44,248	4,072	40,131	85,155	2,554	51,485	87,685	229,346	108,779	17,690	672,413
Lebanon	5	4	26	3	1	18	51	14	29	2	153
1998 (EU 15)											
World	45,198	4,458	39,370	64,843	2,891	55,290	94,672	264,153	116,092	22,676	709,643
Lebanon	6	4	22	0	0	19	46	23	32	3	154

¹ Source for all tables: Eurostat (COMEXT).

Table 2 – EU Exports to the World and Lebanon 1980-1998
(Millions of ECU)

SITC:	0	1	2	3	4	5	6	7	8	9	TOTAL
1980 (EU 9)											
World	13,662	3,422	4,327	10,071	717	23,228	46,455	84,154	21,333	13,716	221,084
Lebanon	106	16	18	26	8	127	227	308	171	24	1,032
1984 (EU 10)											
World	21,120	5,784	7,319	18,087	1,343	38,465	65,412	129,088	39,835	24,806	351,259
Lebanon	210	32	21	46	22	187	323	334	291	43	1,510
1988 (EU 12)											
World	19,588	6,205	7,602	8,232	1,158	44,449	65,673	141,249	48,507	20,256	362,917
Lebanon	134	19	11	24	15	102	188	184	144	31	851
1992 (EU 12)											
World	24,887	8,778	8,068	10,552	1,491	54,200	71,091	180,838	59,247	16,939	436,091
Lebanon	152	26	20	51	19	169	273	273	294	18	1,296
1996 (EU 15)											
World	30,646	10,339	11,414	15,431	1,998	79,144	102,957	283,081	79,287	12,695	627,011
Lebanon	291	22	44	232	20	323	475	877	409	10	2,722
1997 (EU 15)											
World	33,504	12,374	13,084	17,109	2,575	93,046	114,927	331,113	88,686	13,717	721,109
Lebanon	371	35	49	273	21	366	509	997	435	4	3,095
1998 (EU 15)											
World	31,772	12,005	11,554	13,833	2,831	95,885	112,815	343,435	89,424	16,869	730,423
Lebanon	368	30	50	175	26	368	479	852	428	8	2,807

Table 3 – EU Trade with Lebanon by HS Section
(Millions of ECU)

EXPORTS					
SECTION	1988	1992	1996	1997	1998
TOTAL	851	1,296	2,722	3,095	2,807
I	45	61	149	198	188
II	25	18	27	35	42
III	18	20	21	22	27
IV	83	103	144	181	175
V	26	59	267	308	203
VI	80	139	273	307	319
VII	37	54	93	112	100
VIII	6	9	10	11	11
IX	4	6	17	20	24
X	18	37	69	78	81
XI	96	164	188	203	213
XII	15	31	33	34	34
XIII	29	55	83	89	75
XIV	46	81	120	127	114
XV	65	102	200	198	194
XVI	109	175	642	576	615
XVII	74	95	228	416	234
XVIII	27	29	59	67	58
XIX	1	2	3	4	4
XX	17	35	66	66	69
XXI	20	3	6	7	7

IMPORTS					
SECTION	1988	1992	1996	1997	1998
TOTAL	112	78	123	153	154
I	5	5	10	12	10
II	3	2	3	2	2
III	0	0	3	1	0
IV	3	3	6	7	8
V	4	4	0	6	0
VI	4	2	20	18	19
VII	3	1	1	1	1
VIII	21	2	1	3	4
IX	0	0	0	0	0
X	2	3	4	5	9
XI	24	27	20	18	19
XII	1	0	1	1	1
XIII	0	0	0	0	0
XIV	7	6	20	34	26
XV	22	10	18	22	23
XVI	5	7	8	13	16
XVII	2	1	1	2	7
XVIII	0	1	3	3	4
XIX	*	0	0	0	0
XX	1	1	1	1	1
XXI	2	2	3	4	3

Table 4 – EU Trade with the World by HS Section
(Millions of ECU)

EXPORTS					
SECTION	1988	1992	1996	1997	1998
TOTAL	362,917	436,091	627,011	721,109	730,423
I	7,060	8,001	9,980	10,897	10,062
II	6,372	8,511	8,819	9,757	9,145
III	1,341	1,673	2,286	2,977	3,156
IV	13,817	19,194	24,510	27,744	27,279
V	9,723	12,152	17,487	19,630	16,711
VI	37,393	46,951	68,968	81,772	85,215
VII	15,521	16,914	23,128	27,148	27,504
VIII	4,119	4,084	7,159	7,375	6,435
IX	1,771	2,035	4,045	4,927	5,182
X	7,937	10,271	18,033	19,764	19,803
XI	20,244	25,208	31,611	34,724	35,221
XII	3,440	4,526	5,922	6,313	6,043
XIII	7,153	8,120	11,257	12,916	12,894
XIV	13,026	12,425	16,992	19,285	17,990
XV	30,826	30,864	42,214	46,944	45,623
XVI	93,666	120,842	193,730	226,482	234,539
XVII	46,674	59,351	89,086	104,705	110,049
XVIII	14,107	17,067	23,982	28,129	29,109
XIX	402	388	1,097	1,326	1,656
XX	7,819	9,378	13,350	15,177	15,242
XXI	8,204	5,727	13,354	13,115	11,565

IMPORTS					
SECTION	1988	1992	1996	1997	1998
TOTAL	387,757	487,135	581,065	672,413	709,643
I	8,349	10,300	10,897	12,227	13,296
II	17,555	17,353	23,130	25,437	24,992
III	1,542	1,781	2,250	2,390	2,693
IV	13,638	15,595	18,511	19,019	19,518
V	55,920	73,081	84,793	95,737	75,508
VI	22,179	29,303	39,774	46,234	49,432
VII	10,125	13,862	17,132	19,323	21,043
VIII	6,121	5,701	7,590	8,498	8,224
IX	9,615	10,926	9,118	10,973	11,434
X	17,605	19,227	11,110	11,996	12,571
XI	28,639	39,478	47,467	55,248	57,903
XII	3,325	5,451	7,029	8,308	8,274
XIII	2,593	3,883	4,386	5,090	5,648
XIV	17,526	15,037	21,620	23,890	26,981
XV	26,101	29,345	33,661	40,312	44,472
XVI	81,389	106,397	146,298	173,122	195,378
XVII	25,240	40,386	42,797	56,275	68,476
XVIII	14,869	19,652	24,343	27,814	29,926
XIX	118	194	466	603	510
XX	6,655	12,072	14,394	17,529	19,046
XXI	5,733	5,511	14,298	12,387	14,318