



Behind the Support of EU to the Tunisian Olive Oil Sector

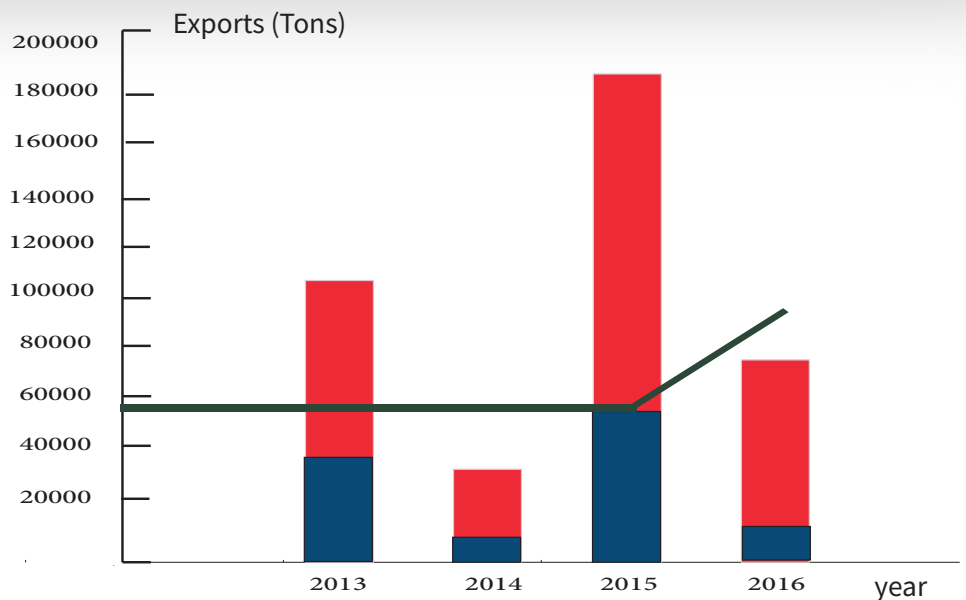
Key highlights

- In April 2016, the European Parliament granted an additional temporary quota of 000 35 tons of Tunisian olive oil exports under exemption of import duties for 2016 and 2017. The aim is to support Tunisia after the 2015 attacks.
- Data show this support did not materialize. The percentage of olive oil exportation under exemption of import duties to the EU has conversely declined from 27 % in 2015 to 19 % in 2016, an 8 % decline.
- The adoption of this support and the first negotiations round of the Deep and Comprehensive Free Trade Agreement (DCFTA) were simultaneous. Accordingly, this support came as a charm offensive towards Tunisia rather than a genuine support of the Tunisian olive oil sector.

Title: *Evolution of Tunisian exports of untreated olive oil to the EU 2013-2016*

Author: *Tunisian Observatory of Economy .*
Sources: *European Commission*
DG Agri

 Exempt exports
 Non exempt exports
Maximum quotas allowed



The quota system of Tunisian olive oil exports under exemption of import duties to the EU is set by the EC 2016/1918 Regulation. It sets a maximum annual quota of 57600 tons along with a system of variable monthly quotas for each month. The peak of Tunisian olive oil exportation to the EU in 2013 complied with a minimal monthly allocation which is the reason why Tunisia was not able to exhaust the entire available annual quota. Hence, there were actually 36 % of exports under exemption of import duties. In spite of the low-level exports of the 2013/2014 poor season, the EU refused to grant the quotas requested by Tunisia in 2014. Tunisia had nevertheless respected the annual and monthly cut-offs set by the rule. Consequently, the actual rate of exports under exemption of import duties accounted for 38 % of the total amount of exports in 2014. However, all the exports could have been under exemption. The EU complied with the regulation in 2015. Given the very good 2014/ 2015season, the EU granted the maximum possible quota, which enabled 27 % of olive oil exports to be under exemption of import duties that year. Following the 2015 attacks, the EU decided to support Tunisia by granting a temporary additional annual quota (for 2016 and 2017) of 35000 tons that would be available once the annual quota of 57600 tons is used up. However, by granting the entire quota of 57600 tons in January 2016 in order to make Tunisia benefit from the supplement, the EU has been able to create an illusion of support to the Tunisian olive oil sector. Tunisia did not actually benefit from the regular quota as it was only able to export 6,000 tons this month. It did not benefit from the additional quota either as it was used only up to 30 %.