



Council of the
European Union

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'I/A' ITEM NOTE

From:	General Secretariat of the Council
To:	Permanent Representatives Committee (Part 2)/Council
Subject:	Proposal for a Council Decision on the position to be taken on behalf of the European Union regarding the envisaged decision of the Participants to the Arrangement on Officially Supported Export Credits - Adoption

1. On 12 March 2021, the Commission submitted to Council a "Proposal for a Council Decision on the position to be taken on behalf of the European Union regarding the envisaged decision of the Participants to the Arrangement on Officially Supported Export Credits"¹. This proposal is based on the first subparagraph of Article 207(4) TFEU in conjunction with Article 218(9) thereof.

¹ doc 7002/21 + ADD 1

2. The proposal aims to determine the position to be taken by the European Union within the Participants to the Arrangement on Officially Supported Export Credits. The envisaged decision to increase official support for local costs adapts the provisions on local cost support in the Arrangement to prevailing trade and production patterns. Global value chains have changed exporters' sourcing decisions and most exporters now source supply from multiple countries and to an increasing extent from where the buyer is located. In order to offer EU exporters greater flexibility and to allow for optimal sourcing strategies the cap on official support for local costs should be raised from 30 % to 40 % of the export contract value in high-income countries and from 30 % to 50 % of the export contract value in middle- and low-income countries.
3. Following comments, Article 2 of the Council Decision was revised in a Presidency compromise².
4. In the absence of a meeting of the Group owing to the current travel restrictions, the delegates exchanged their positions in writing on the Presidency compromise for a Council Decision³ and the Commission proposal for the Annex to the Council Decision⁴ and reached an agreement on 23 March 2021 on them.

² WK 3929/2021 INIT

³ WK 3929/2021 INIT

⁴ doc 7002/21 ADD 1

5. It is therefore suggested that the Permanent Representatives Committee invite the Council, as an "A" item at a forthcoming meeting, to
- adopt the Council Decision on the position to be taken on behalf of the European Union regarding the envisaged decision of the Participants to the Arrangement on Officially Supported Export Credits, as finalised by the legal/linguistic experts, set out in 7201/21⁵ and the Annex to the Council Decision, as finalised by the legal/linguistic experts, set out in 7202/21⁶,
 - inform the European Parliament of the Council Decision and Annex in accordance with Article 218 (10) TFEU.
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⁵ document to be issued

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