



Negotiations for a Deep and Comprehensive Free Trade Area between the European Union and Tunisia

The EU Proposal on Competition and State Aid

FACTSHEET

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The present document aims at providing a general overview of the European Union's (EU) proposal for a chapter on competition and state aid in the Deep and Comprehensive Free Trade Area (DCFTA) envisaged between the EU and Tunisia. The text of the EU proposal was presented to Tunisian experts in October 2015 and is now available on the website [link] of the European Commission.

Why such a chapter?

An anticompetitive behaviour of a company can remove the benefits of trade liberalisation.

Moreover, once trade is liberalised, to ensure a level playing field for companies on both sides it is necessary to apply appropriate state aid rules.

Context

Harmonisation of competition rules is an important factor driving economic integration between the EU and Tunisia. Open and fair competition ensures fair conditions for EU and Tunisian firms.

The Association agreement between the EU and Tunisia of 1995 prohibits certain practices and transactions (e.g. cartels and abuse of a dominant position) and creates rules for state aids that may affect trade between the EU and Tunisia.

The objective of the chapter on competition of the Association agreement is to ensure that companies on both sides have fair and equal access to each other's markets, unhampered by anti-competitive practices. The chapter sets out the main principles for enforcement of competition and state aid control.

Main objectives

The EU proposal aims at updating and making the Association agreement between the EU and Tunisia operational. It provides notably for:

1. Completion and clarification of the provisions in force, by:
 - mentioning merger and including references to secondary legislation and case law of the Court of Justice of the EU;
 - updating references to EU treaties;
2. Having in place an antitrust and merger legislation in line with the EU acquis;
3. Having in place an operationally independent competition authority with sufficient resources and powers to ensure effective enforcement of competition rules;
4. Having in place state aid legislation in line with the EU acquis and setting up of operationally independent state aid authorities with sufficient resources and powers to ensure effective state aid control.