



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

The EU proposal on energy and raw materials

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 energy and raw materials in the Deep and Comprehensive Free Trade Area (DCFTA) the EU and Tunisia. The text of the EU proposal was shared with Tunisia in April 2018 and is now available on [the website of European Commission](#).

Why include such a chapter?

Energy and raw materials are areas of common interest for the EU and Tunisia. Both parties must meet the challenge of **ensuring that access becomes more open, diversified and stable**.

The main objective of this chapter is to **strengthen trade and investment** in these sectors. An adequate, transparent and stable legislative framework could further enhance our relations in the energy and raw materials fields and would help us to achieve common goals.

The proposed rules also aim to improve **energy security** by diversifying supply routes, **developing new sources of renewable energy** and improving energy efficiency.

Tunisia has great potential to **produce renewable energy** and to broaden bilateral energy exchanges with the EU and its neighbours. EU investors are major players in energy technologies and both partners benefit from geographical proximity.

The particular focus on **production and sustainable use** responds to the need to fight against climate change and to the demands of the public at large.

With regards to **raw materials**, the underlying reasons for negotiating this chapter include:

- The significant **increase in imports of natural resources**, which would require promoting a more fair, competitive and sustainable access to these resources;
- The need for **rules adapted to the current level of interdependence** of states in terms of resources and global value chains.

The focus of the negotiations

The provisions of the EU proposal in the chapter on energy and raw materials provide mainly for:

- rules aimed at promoting **access to energy and raw materials** in a non-discriminatory, competitive and based on common rules and a sustainable environment;
- rules to promote **sustainable development, particularly in the field of renewable energies**.
- rules aimed at improving **transparency and fairness of authorisation** for exploration and production, as a means of ensuring favourable investment conditions and good governance.
- the **elimination** in the energy sector of **technical barriers to trade** and investment that are not justified.

These specific rules for this area complement horizontal rules in other chapters, for example, those that eliminate export duties and taxes.

Sovereignty

The negotiations must respect the principle that each party exercises sovereignty over its own natural resources. This is clearly stated in the EU's proposal.

This means that future trade rules in this area will not affect decisions taken by the respective governments on whether to allow the exploitation of a particular natural resource.

However, once a decision to authorise an operation is made, the rules of the DCFTA will encourage competition and investments and reinforce open and non-discriminatory access to energy and raw materials.

Regulatory harmonisation

The DCFTA will build on existing regulatory cooperation between the European Union and Tunisia through the Association Agreement and promote regulatory harmonisation between the two energy markets. This will be done in accordance with national specificities, shared ambitions, close geographical links between the EU and Tunisia and the need for progressive implementation of the new rules.