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EUROPEAN COMMISSION

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Proposal for a

COUNCIL DECISION

authorising the signature of an Agreement in the form of an Exchange of Letters between the European Union and Argentina pursuant to Article XXIV:6 and Article XXVIII of the General Agreement on Tariffs and Trade (GATT) 1994 relating to the modification of concessions in the schedules of the Republic of Bulgaria and Romania in the course of their accession to the European Union

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

With the accession of the Republic of Bulgaria and Romania, the European Union enlarged its customs union. Consequently, the European Union was obliged under WTO rules (GATT Article XXIV:6) to enter into negotiations with WTO Members having negotiating rights in the schedules of any of the acceding Members in order to agree on compensatory adjustment. Such adjustment is due if the adoption of the EU's external tariff regime results in an increase in tariff beyond the level for which the acceding country has bound itself at the WTO, whilst taking 'due account of reductions of duties on the same tariff line made by other constituents of the customs union upon its formation'.

On 29 January 2007, the Council authorised the Commission to open negotiations under Article XXIV:6 of GATT 1994. The Commission has negotiated with the Members of the WTO holding negotiating rights with respect to the withdrawal of specific concessions in relation to the withdrawal of the schedules of the Republic of Bulgaria and Romania, in the course of their accession to the European Union.

Negotiations with Argentina resulted in a draft Agreement in the form of an Exchange of Letters that was initialled on 22 September 2010 in Brussels.

2. RESULTS OF CONSULTATIONS WITH THE INTERESTED PARTIES AND IMPACT ASSESSMENTS

Negotiations have been conducted by the Commission within the framework of the negotiating directives issued by the Council.

3. LEGAL ELEMENTS OF THE PROPOSAL

This proposal asks the Council to authorise the signature of the Agreement in the form of an Exchange of Letters with Argentina. In parallel, a separate proposal on the conclusion of this Agreement is also submitted.

The implementing Regulation will consequently be adopted by the Commission, as foreseen in Article 144 of the Single Common Market Organisation (CMO) Regulation (Regulation (EC) No 1234/2007).

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THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 207(4), first subparagraph, in conjunction with Article 218(6)(a)(v) thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) On 29 January 2007 the Council authorised the Commission to open negotiations with certain other Members of the WTO under Article XXIV:6 of the General Agreement on Tariffs and Trade (GATT) 1994, in the course of the accessions to the European Community of the Republic of Bulgaria and Romania.
- (2) Negotiations have been conducted by the Commission within the framework of the negotiating directives issued by the Council.
- (3) These negotiations have been concluded and an Agreement in the form of an Exchange of Letters between the European Union and Argentina pursuant to Article XXIV:6 and Article XXVIII of the General Agreement on Tariffs and Trade (GATT) 1994 relating to the modification of concessions in the schedules of the Republic of Bulgaria and Romania in the course of their accession to the European Union was initialled on 22 September 2010.
- (4) This Agreement should be signed on behalf of the European Union, subject to its conclusion at a later date,

HAS ADOPTED THIS DECISION:

Article 1

The signing of the Agreement between the European Union and Argentina pursuant to Article XXIV:6 and Article XXVIII of the General Agreement on Tariffs and Trade (GATT) 1994 relating to the modification of concessions in the schedules of the Republic of Bulgaria and Romania in the course of their accession to the European Union is hereby approved on behalf of the European Union, subject to the conclusion of the said agreement.

The text of the Agreement to be signed is annexed to this Decision.

Article 2

The Decision shall enter into force on the day of its adoption.

This Decision shall be published in the Official Journal of the European Union.

Done at

*For the Council
The President*

ANNEX

AGREEMENT IN THE FORM OF AN EXCHANGE OF LETTERS

between the European Union and the Argentine Republic pursuant to Article XXIV:6 and Article XXVIII of the General Agreement on Tariffs and Trade (GATT) 1994 relating to the modification of concessions in the schedules of the Republic of Bulgaria and Romania in the course of their accession to the European Union

A. Letter from the European Union

[...], [...]

Sir,

Following negotiations under Article XXIV:6 and Article XXVIII of the General Agreement on Tariffs and Trade 1994 (GATT) relating to the modification of the Schedules of the Republic of Bulgaria and Romania in the course of their accession to the European Union, I have the honour to propose the following:

The European Union shall incorporate in its schedule, for the customs territory of the EU 27, the concessions contained in the schedule of the EU 25 with the following modifications:

Add 1 500 tonnes in the country allocated (Argentina) EU tariff rate quota 'boneless meat of bovine animals, fresh or chilled', maintaining the present in quota rate of 20%. For four first years of the implementation the increase will be 2 000 tonnes. As from the fifth year of implementation onwards the increase will be 1 500 tonnes

Create a country allocation (Argentina) of 200 tonnes under the EU tariff rate quota 'Boneless buffalo meat, frozen', the allocation of Argentina also covering 'fresh and chilled', maintaining the present in quota rate of 20%

Add 122 790 tonnes (erga omnes) in the EU tariff rate quota 'common wheat (medium and low quality)', maintaining the present in quota rate of 12 €/t

Add 890 tonnes (erga omnes) in the EU tariff rate quota 'barley', maintaining the present in quota rate of 16 €/t

Add 890 tonnes (erga omnes) in the EU tariff rate quota 'malting barley', maintaining the present in quota rate of 8 €/t

Add 35 914 tonnes (erga omnes) in the EU tariff rate quota 'maize', maintaining the present in quota rate of 0%.

The European Union and the Argentine Republic shall notify each other the completion of their internal procedures for the entry into force of the agreement. The agreement shall enter into force 14 days after the date of receipt of the latest notification.

I should be obliged if you would confirm that your Government is in agreement with the content of this letter. Should this be the case, this letter and your confirmation shall together constitute an Agreement in the form of an Exchange of Letters between the European Union and the Argentine Republic.

Please accept, Sir, the assurance of my highest consideration.

For the European Union

B. Letter from the Argentine Republic

[...], [...]

Sir,

I have the honour to acknowledge the receipt of your letter of [...], which reads as follows:

"Following negotiations under Article XXIV:6 and Article XXVIII of the General Agreement on Tariffs and Trade 1994 (GATT) relating to the modification of the Schedules of the Republic of Bulgaria and Romania in the course of their accession to the European Union, I have the honour to propose the following:

The European Union shall incorporate in its schedule, for the customs territory of the EU 27, the concessions contained in the schedule of the EU 25 with the following modifications:

Add 1 500 tonnes in the country allocated (Argentina) EU tariff rate quota 'boneless meat of bovine animals, fresh or chilled', maintaining the present in quota rate of 20%. For four first years of the implementation the increase will be 2 000 tonnes. As from the fifth year of implementation onwards the increase will be 1 500 tonnes

Create a country allocation (Argentina) of 200 tonnes under the EU tariff rate quota 'Boneless buffalo meat, frozen', the allocation of Argentina also covering 'fresh and chilled', maintaining the present in quota rate of 20%

Add 122 790 tonnes (erga omnes) in the EU tariff rate quota 'common wheat (medium and low quality)', maintaining the present in quota rate of 12 €/t

Add 890 tonnes (erga omnes) in the EU tariff rate quota 'barley', maintaining the present in quota rate of 16 €/t

Add 890 tonnes (erga omnes) in the EU tariff rate quota 'malting barley', maintaining the present in quota rate of 8 €/t

Add 35 914 tonnes (erga omnes) in the EU tariff rate quota 'maize', maintaining the present in quota rate of 0%.

The European Union and the Argentine Republic shall notify each other the completion of their internal procedures for the entry into force of the agreement. The agreement shall enter into force 14 days after the date of receipt of the latest notification.

I should be obliged if you would confirm that your Government is in agreement with the content of this letter. Should this be the case, this letter and your confirmation shall together constitute an Agreement in the form of an Exchange of Letters between the European Union and the Argentine Republic."

I hereby have the honour to express my Government's agreement with the above letter.

On behalf of the Argentine Republic