



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 4.10.2006
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2006/0188 (ACC)
2006/0189 (ACC)

Proposal for a

COUNCIL DECISION

**on the conclusion of an Agreement in the form of an Exchange of Letters between the
European Community and The Argentine Republic**

Proposal for a

COUNCIL REGULATION

**concerning the implementation of the Agreement concluded by the EC following
negotiations in the framework of Article XXIV.6 of GATT 1994, amending and
supplementing Annex I to Regulation (EEC) No 2658/87 on the tariff and statistical
nomenclature and on the Common Customs Tariff**

(presented by the Commission)

EXPLANATORY MEMORANDUM

1. In the context of enlarging the customs union the provisions of GATT Article XXIV.6 oblige the EC to enter into negotiations with third countries having negotiating rights in any of the acceding Members in order to agree on compensatory adjustment if the adoption of the EC'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'.
2. On 22 March 2004, the Council authorised the Commission to open negotiations under Article XXIV.6 of the GATT 1994 (COM proposal 6792/04 WTO 34).
3. Negotiations have been conducted by the Commission in consultation with the Committee established by Article 133 of the Treaty and within the framework of the negotiating directives issued by the Council.
4. The Commission has negotiated with the Members of the WTO holding negotiations rights with respect to the withdrawal of specific concessions in relation to the withdrawal of the schedules of the Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Hungary, the Republic of Malta, the Republic of Poland, the Republic of Slovenia and the Slovak Republic, in the course of the accession to the European Community.
5. The negotiations have resulted in an Agreement in the form of an exchange of letters with The Argentine Republic.
6. This proposal asks the Council to approve this agreement.

Proposal for a

COUNCIL DECISION

on the conclusion of an Agreement in the form of an Exchange of Letters between the European Community and The Argentine Republic.

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 133 in conjunction with the first sentence of the first subparagraph of Article 300(2) thereof,

Having regard to the proposal from the Commission,

Whereas:

- (1) On 22 March 2004 the Council authorised the Commission to open negotiations with certain other Members of the WTO under Article XXIV.6 of the GATT 1994, in the course of the accessions to the European Community of Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Hungary, the Republic of Malta, the Republic of Poland, the Republic of Slovenia and the Slovak Republic.
- (2) Negotiations have been conducted by the Commission in consultation with the Committee established by Article 133 of the Treaty and within the framework of the negotiating directives issued by the Council.
- (3) The Commission has finalised negotiations for an Agreement in the form of an Exchange of Letters between the European Community and The Argentine Republic. This agreement should be approved.

HAS DECIDED AS FOLLOWS:

Article 1

The Agreement in the form of an Exchange of Letters between the European Community and The Argentine Republic with respect to the withdrawal of specific concessions in relation to the withdrawal of the schedules of the Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Hungary, the Republic of Malta, the Republic of Poland, the Republic of Slovenia and the Slovak Republic in the course of accession to the European Community; are hereby approved on behalf of the Community.

The text of the Agreement is annexed to this Decision.

Article 2

The President of the Council is hereby authorised to designate the person(s) empowered to sign the Agreement in the form of an Exchange of Letters referred to in Article 1 in order to bind the Community.

Done at Brussels,

*For the Council
The President*

AGREEMENT

In the form of an exchange of letters between the European Community and The Argentine Republic

relating to the modification of concessions in the schedules of the Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Hungary, the Republic of Malta, the Republic of Poland, the Republic of Slovenia and the Slovak Republic in the course of accession to the European Community.

Letter from the European Communities

Brussels,

Sir,

Following the initiation of negotiations between the European Communities (EC) and The Argentine Republic under Article XXIV:6 and Article XXVIII of GATT 1994 for the modification of concessions in the schedules of Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Hungary, the Republic of Malta, the Republic of Poland, the Republic of Slovenia and the Slovak Republic in the course of their accession to the EC, the following is agreed between the EC and The Argentine Republic with a view to concluding the negotiations opened following the EC's notification of 19 January 2004 to the WTO pursuant to Article XXIV:6 of GATT 1994

The EC agrees to incorporate in its schedule for the customs territory of EC 25, the concessions that were included in its previous schedule.

The EC agrees that it will incorporate in its schedule for the EC 25 the concessions contained in the annex to this agreement.

This agreement shall enter into force on the date on which the EC receives from The Argentine Republic a duly executed letter of agreement, following consideration by the parties in accordance with their own procedures. The EC shall use its best endeavours to put in place the appropriate implementing measures before 1 October 2006 and under no circumstances later than 1 January 2007.

On behalf of the European Community

AGREEMENT

In the form of an exchange of letters between the European Community and The Argentine Republic

relating to the modification of concessions in the schedules of the Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Hungary, the Republic of Malta, the Republic of Poland, the Republic of Slovenia and the Slovak Republic in the course of accession to the European Communities.

Letter from The Argentine Republic

Brussels,

Sir,

Reference is made to your letter stating:

“Following the initiation of negotiations between the European Communities (EC) and The Republic of Argentina under Article XXIV:6 and Article XXVIII of GATT 1994 for the modification of concessions in the schedules of Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Hungary, the Republic of Malta, the Republic of Poland, the Republic of Slovenia and the Slovak Republic in the course of their accession to the EC, the following is agreed between the EC and The Republic of Argentina with a view to concluding the negotiations opened following the EC’s notification of 19 January 2004 to the WTO pursuant to Article XXIV:6 of GATT 1994

The EC agrees to incorporate in its schedule for the customs territory of EC 25, the concessions that were included in its previous schedule.

The EC agrees that it will incorporate in its schedule for the EC 25 the concessions contained in the annex to this agreement.

This agreement shall enter into force on the date on which the EC receives from The Republic of Argentina a duly executed letter of agreement, following consideration by the parties in accordance with their own procedures. The EC shall use its best endeavours to put in place the appropriate implementing measures before 1 October 2006 and under no circumstances later than 1 January 2007.”

I hereby have the honour to express my government’s agreement.

On behalf of The Argentine Republic

ANNEX

03042096: A lower applied duty of 11.4% for three years or until the implementation of the results of the DDA reaches the tariff-level agreed, whichever comes first.

03037996: A lower applied duty of 12.4% for three years or until the implementation of the results of the DDA reaches the tariff-level agreed, whichever comes first.

- Add 4003 tonnes (erga omnes) in EC tariff rate quota for 'meat of bovine animals, frozen; un-separated or separated forequarters; boneless' and 'edible offal of bovine animals, frozen; thick skirt and thin skirt. The meat imported shall be used for processing' (tariff item numbers 0202 2030, 0202 30, 0206 2991),

- add 537 tonnes (erga omnes) in EC tariff rate quota for skimmed milk powder (tariff item number 0402 1019),

- add 96 tonnes (erga omnes) in EC tariff rate quota for apples (tariff item number ex 0808 1080),

- open a tariff rate quota 242074 tonnes (erga omnes) for maize (tariff item numbers 1005 1090, 1005 9000), in quota rate 0%,

- open a tariff rate quota 7044 tonnes (erga omnes) for fruit juices (tariff item numbers 2009 1111, 2009 1119, 2009 1911, 2009 1919, 2009 2911, 2009 2919, 2009 3911, 2009 3919, 2009 4911, 2009 4919, 2009 7911, 2009 7919, 2009 8011, 2009 8019, 2009 8032, 2009 8033, 2009 8035, 2009 8036, 2009 8038, 2009 9011, 2009 9019, 2009 9021, 2009 9029), in quota rate 20%,

- open a tariff rate quota 20000 hl (erga omnes) for wine (tariff item numbers 2204 2965 and 2204 2975), in quota rate 8€/hl

- open a tariff rate quota 40000 hl (erga omnes) for wine (tariff item numbers 2204 2179 and 2204 2180), in quota rate 10€/hl

- open a tariff rate quota 13810 hl (erga omnes) for vermouth (tariff item number 2205 9010), in quota rate 7€/hl

The exact tariff description of the EC-15 shall apply to all tariff lines and quotas above.

- adjust the definition of the EC tariff rate quota of 11000 tonnes 'Boneless "high quality" meat: "Special or good-quality beef cuts obtained from exclusively pasture-grazed animals, aged between 22 and 24 months, having two permanent incisors and presenting a slaughter live weight not exceeding 460 kilograms, referred to as "special boxed beef", cuts of which may bear the letters "sc" (special cuts)" to 'Boneless high quality meat of bovine animals fresh or chilled', supplying country Argentina.

<u>FINANCIAL STATEMENT</u>				
		DATE: 11-07-2006		
1.	BUDGET HEADING: Chapter 10 – Agricultural duties Chapter 12 – Customs duties	APPROPRIATIONS: 973.1 M €		
2.	TITLE: Proposal for a Council Decision on the conclusion of an Agreement in the form of an exchange of letters between the European Community and The Argentine Republic relating to compensatory adjustment as provided for by Article XXIV:6 of the GATT 1994			
3.	LEGAL BASIS: Article 133 of the Treaty			
4.	AIMS: To comply with Article Xof the GATT 1994 in relation to the enlargement of the Customs Union as of 1 May 2004			
5.	FINANCIAL IMPLICATIONS	12 MONTH PERIOD (EUR million)	CURRENT FINANCIAL YEAR [n] (EUR million)	FOLLOWING FINANCIAL YEAR [n+1] (EUR million)
5.0	EXPENDITURE - CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTIONS) - NATIONAL AUTHORITIES - OTHER			
5.1	REVENUE - OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES) - NATIONAL		- 973.1 M€ (1)	
		[n+2]	[n+3]	[n+4] [n+5]
5.0.1	ESTIMATED EXPENDITURE			
5.1.1	ESTIMATED REVENUE			
5.2	METHOD OF CALCULATION:			
6.0	CAN THE PROJECT BE FINANCED FROM APPROPRIATIONS ENTERED IN THE RELEVANT CHAPTER OF THE CURRENT BUDGET?			N/A
6.1	CAN THE PROJECT BE FINANCED BY TRANSFER BETWEEN CHAPTERS OF THE CURRENT BUDGET?			N/A
6.2	WILL A SUPPLEMENTARY BUDGET BE NECESSARY?			NO
6.3	WILL APPROPRIATIONS NEED TO BE ENTERED IN FUTURE BUDGETS?			NO
OBSERVATIONS:				

EXPLANATORY MEMORANDUM

- (1) Reference is made to Council Decision XXXX, regarding the conclusion of an Agreement with The Argentine Republic following negotiations in the framework of Article XXIV:6 of the GATT 1994.
- (2) The present proposal for a Council Regulation implements the Agreement entered into by the Community.

Proposal for a

COUNCIL REGULATION

concerning the implementation of the Agreement concluded by the EC following negotiations in the framework of Article XXIV.6 of GATT 1994, amending and supplementing Annex I to Regulation (EEC) No 2658/87 on the tariff and statistical nomenclature and on the Common Customs Tariff.

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 133 thereof,

Having regard to the proposal from the Commission¹,

Whereas:

- (1) Council Regulation (EEC) No 2658/87(1) established a goods nomenclature, hereinafter referred to as the "Combined Nomenclature", and set out the conventional duty rates of the Common Customs Tariff.
- (2) By its decision XX/XXX/EC concerning the conclusion of Agreements in the form of an Exchange of Letters between the European Community and The Argentine Republic, the Council approved, on behalf of the Community, the before mentioned Agreement with a view to closing negotiations initiated pursuant to Article XXIV:6 of GATT 1994.

HAS ADOPTED THIS REGULATION:

Article 1

In Regulation (EEC) No 2658/87 Annex I shall be amended with the duties and supplemented with the volumes shown in the annex to this Regulation.

Article 2

Annex 7 of Section III of Part Three (WTO quotas to be opened by the Competent Community authorities) shall be amended as follows:

- a) adjust the definition of the EC tariff rate quota of 11000 tonnes 'Boneless "high quality" meat: "Special or good-quality beef cuts obtained from exclusively pasture-grazed animals,

¹ OJ C , , p. .

aged between 22 and 24 months, having two permanent incisors and presenting a slaughter live weight not exceeding 460 kilograms, referred to as "special boxed beef", cuts of which may bear the letters "sc" (special cuts)" to 'Boneless high quality meat of bovine animals fresh or chilled'.

b) Insert under "other terms and conditions" the text: "Supplying country Argentina"

Article 3

This Regulation shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

*For the Council
The President*

ANNEX

Notwithstanding the rules for the interpretation of the Combined Nomenclature, the wording for the description of the products is to be considered as having no more than an indicative value, the concessions being determined, within the context of this Annex, by the coverage of the CN codes as they exist at the time of adoption of the current regulation. Where ex CN codes are indicated, the concessions are to be determined by application of the CN code and corresponding description taken together.

Part Two Schedule of Customs duties.		
CN code	Description	Duty rate
03042094	Frozen fish fillets of other than freshwater fish	A lower applied duty of 11.4% (1)
03037998	Other frozen saltwater fish, excluding fish fillets and other fish meat of heading 0304, excluding livers and roes	A lower applied duty of 12.4% (1)
Tariff item numbers 02022030 020230 02062991	Meat of bovine animals, frozen; un-separated or separated forequarters; boneless Edible offal of bovine animals, frozen; thick skirt and thin skirt. The meat imported shall be used for processing.	Add 4003 tonnes (erga omnes) in EC tariff rate quota
Tariff item number 04021019	Skimmed milk powder	Add 537 tonnes (erga omnes) in EC tariff rate quota
Tariff item number ex 08081080	Apples	Add 96 tonnes (erga omnes) in EC tariff rate quota
Tariff item numbers 10051090 10059000	Maize	Open a tariff rate quota 242074 tonnes (erga omnes) in quota rate 0%
Tariff item numbers 20091111 20091119 20091911 20091919 20092911	Fruit juices	Open a tariff rate quota 7044 tonnes (erga omnes) in quota rate 20%

20092919 20093911 20093919 20094911 20094919 20097911 20097919 20098011 20098019 20098034 20098035 20098036 20098038 20099011 20099019 20099021 20099029		
Tariff item numbers 22042965 22042975	Wine	Open a tariff rate quota 20 000 hl (erga omnes) in quota rate 8€/hl
Tariff item numbers 22042179 22042180	Wine	Open a tariff rate quota 40 000 hl (erga omnes) in quota rate 10€/hl
Tariff item number 22059010	Vermouth	Open a tariff rate quota 13 810 hl (erga omnes) in quota rate 7€/hl

(1) The lower applied rate indicated above is to be applied for three years or until the implementation of the results of the Doha Development Agenda Round reaches the tariff level above, whichever comes first.

The exact tariff description of the EC-15 shall apply to all tariff lines and quotas above.