



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 27.07.2001
COM(2001) 443 final

2001/0178 (ACC)

Proposal for a

COUNCIL DECISION

relating to the conclusion of an Agreement between the European Community and the Republic of Latvia concerning fishery products, in the form of an additional Protocol completing the Europe Agreement establishing an association between the European Communities and their Member States, of the one part, and the Republic of Latvia of the other part

(presented by the Commission)

EXPLANATORY MEMORANDUM

On 29 May 2000, the Council approved the negotiating mandate for the Commission to undertake negotiations with the associated CEECs, including the Republic of Latvia, to conclude reciprocal tariff concessions in the fisheries sector. As a result, negotiations were held on 11 September and 15 November 2000 to finalise these bilateral concessions. The details of the bilateral concessions are contained in Agreed Minutes that were signed on behalf of the Commission and the Latvian authorities on 15 November 2000. The two parties agreed on a model for gradual and reciprocal liberalisation of trade on all fish and fishery products.

The agreement states that both the Community and the Republic of Latvia, from the date of entry into force of the agreement, will apply full free trade for all the products covered by Annex XII and Annex XIII of the Europe Agreement. The Community and Latvia also agree to apply, from the date of entry into force of this agreement, a one third reduction of the tariff duties applied to all other fish and fishery products. The following year a further reduction of one third will be applied. Three years after the entry into force of the agreement, full free trade of all fish and fishery products will be applied.

The Commission services are of the opinion that the results of the technical negotiations represent a balanced and acceptable result which, in a simple administrative manner, and on a gradual basis, will lead to full free trade, without any exceptions, between the Republic of Latvia and the European Community.

The present proposal is one of a series of seven on which the Council is being asked to conclude. They are being presented individually as they are not identical in content although all adhere to the same principles of gradual liberalisation of trade in fish and fishery products. In addition, they may not all follow the same timetable as the date of entry into force of each protocol, to be fixed by mutual agreement, will depend on the internal administrative procedures of each party.

In light of the above, the Council is requested to adopt the present decision to add a Protocol concerning trade concessions in the fisheries sector to the Europe Agreement with the Republic of Latvia.

Proposal for a

COUNCIL DECISION

relating to the conclusion of an Agreement between the European Community and the Republic of Latvia concerning fishery products, in the form of an additional Protocol completing the Europe Agreement establishing an association between the European Communities and their Member States, of the one part, and the Republic of Latvia of the other part

THE COUNCIL OF THE EUROPEAN UNION,

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

Having regard to the proposal from the Commission,

Whereas:

- (1) It is desirable to complete by means of an additional Protocol the Europe Agreement establishing an association between the European Communities and their Member States, of the one part, and the Republic of Latvia, of the other part¹, as amended by the Protocol adjusting trade aspects of this Agreement², so as to provide for preferential conditions for the importation into the Community of certain fish and fishery products originating in the Republic of Latvia, and into the Republic of Latvia of certain fish and fishery products originating in the Community;
- (2) To that end a new Protocol laying down the trade arrangements for certain fish and fishery products should be added to the said Europe Agreement;
- (3) The Agreement in the form of a Protocol should be approved,

HAS DECIDED AS FOLLOWS:

Article 1

The Agreement between the European Community and the Republic of Latvia in the form of an additional Protocol concerning fishery products, completing the Europe Agreement establishing an association between the European Communities and their Member States, of the one part, and the Republic of Latvia, of the other part, is hereby approved on behalf of the Community.

The text of the Agreement in the form of a Protocol is attached to this Decision.

¹ OJ L 26 of 2.2.1998, p.3.

² OJ L 223 of 20.9.1995, p.1.

Article 2

The President of the Council is authorised to designate the person empowered to sign the Agreement in order to bind the Community.

Done at Brussels, [...]

For the Council
The President
[...]

ANNEX

AGREEMENT

BETWEEN THE EUROPEAN COMMUNITY

AND THE REPUBLIC OF LATVIA

CONCERNING FISHERY PRODUCTS

IN THE FORM OF AN ADDITIONAL PROTOCOL

COMPLETING THE EUROPE AGREEMENT

ESTABLISHING AN ASSOCIATION BETWEEN

THE EUROPEAN COMMUNITIES AND THEIR MEMBER STATES,

OF THE ONE PART, AND THE REPUBLIC OF LATVIA

OF THE OTHER PART

PROTOCOL ...
LAYING DOWN THE TRADE ARRANGEMENTS FOR
CERTAIN FISH AND FISHERY PRODUCTS BETWEEN
THE EUROPEAN COMMUNITY AND THE REPUBLIC OF LATVIA

THE EUROPEAN COMMUNITY, hereinafter referred to as 'the Community' of the one part, and

THE GOVERNMENT OF THE REPUBLIC OF LATVIA, of the other part,

WHEREAS the Europe Agreement establishing an association between the European Communities and their Member States, of the one part, and the Republic of Latvia, of the other part, hereinafter referred to as 'the Europe Agreement', was signed in Brussels on 12 June 1995 and entered into force on 1 February 1998;

WHEREAS technical negotiations based on Article 20(4) of the Europe Agreement were carried out and successfully concluded between the Community and the Republic of Latvia to agree on reciprocal tariff concessions in the fisheries sector;

WHEREAS the negotiated concessions in the fisheries sector shall affect the bilateral concessions granted under the Agreement, which should, therefore, be amended by means of a Protocol adjusting the trade aspects of the Agreement;

WHEREAS the Community and the Republic of Latvia also agreed on an administratively simple manner of implementing the negotiated tariff concessions as soon as possible on a gradual basis;

HAVE DECIDED to apply the agreed tariff concessions in view of establishing full free trade of all fish and fishery products:

ARTICLE 1

From the date of entry into force of this Protocol for fish and fishery products as defined in Article 1 of Council Regulation (EC) No 104/2000 both Parties shall apply full free trade for all the products covered by Annex XII and Annex XIII of the Europe Agreement, as published in OJ L 317 of 10 December 1999, and other concessions for fish and fishery products if otherwise granted. From the date of entry into force of this Protocol, both Parties shall apply a one third reduction of the tariff duties applied by the Community and the Republic of Latvia respectively for all the remaining fish and fishery products.

One year after the date of entry into force of this Protocol, both Parties shall apply a further one third reduction of the tariff duties as they were at the time of the entry into force of this arrangement.

Three years after the date of entry into force of this Protocol, or if commonly agreed earlier, full free trade of all fish and fishery products will be applied. Any such agreement on earlier application of full free trade of all fish and fishery products will be implemented in accordance with Article 4 of this Protocol.

ARTICLE 2

The calculation of the reductions mentioned in Article 1 will be carried out by using common mathematics principles taking into account that:

(a) all the figures which have less than 50 (included) after the decimal point should be rounded down to the nearest whole number;

(b) all the figures which have more than 50 after the decimal point should be rounded up to the nearest whole number;

(c) all the tariffs below 2% should automatically be fixed at 0% level by both parties. The parties will exchange information on those cases where the above principles apply.

ARTICLE 3

This Protocol will enter into force on the first day of the month following the date on which the Parties have notified each other of the accomplishment of their internal procedures.

ARTICLE 4

This Protocol may be amended by decision of the Association Council.

FINANCIAL STATEMENT

1. TITLE OF OPERATION

Proposal to add a Protocol to the Europe Agreement with Latvia implementing an agreement on concessions on fish and fishery products. These concessions have been agreed and will be implemented over a period of three years, leading to full trade liberalisation of the products concerned.

2. BUDGET HEADING(S) INVOLVED

Chapter 12, Article 120

3. LEGAL BASIS

Article 133 in conjunction with Article 300(2) of the Treaty establishing the European Community

4. DESCRIPTION OF OPERATION

4.1 General objective

Full trade liberalisation of trade in fish and fishery products in preparation for accession of the Republic of Latvia to the European Union

5. CLASSIFICATION OF EXPENDITURE OR REVENUE

5.3 Type of revenue involved

Import duties

6. TYPE OF EXPENDITURE OR REVENUE

- Will the proposed operation cause any change in the level of revenue? If so, what sort of change and what type of revenue is involved?
- The proposed operation will cause a reduction in import duties levied on fish and fishery products originating in the Republic of Latvia

7. FINANCIAL IMPACT

7.1 Method of calculating total cost of operation (relation between individual and total costs)

The cost of the operation has been based on trade in 1998, 1999 and 2000. Due to the unpredictable levels of trade and the varying rates of duty applied to the products concerned, an average estimated duty level of 12% has been used to calculate the

duty levied in 1998, 1999 and 2000. Import duties levied in 1999 showed an increase of approximately 10% over 1998; duties in 2000 showed an increase of approximately 2% over 1999. An average increase in duty level of 6% has thus been used to calculate the estimated import duties foreseen. This has then been reduced by one third for year one and a further one third for year two.

As the entry into force of the arrangements is expected to take place in the course of the year 2001, the estimated cost will be made as though 2001 is year one, 2002 is year two, 2003 is year three.

7.2 Itemised breakdown of cost

Commitment appropriations EUR million (at current prices)

Breakdown	2001	2001+1	2001+2				
Estimated import duties = (yr 2000 x 6%)-33.3% = (1.3 x 6%)-33.3%	0.92						
Estimated import duties = (yr 2001 x 6%)-33.3% = (0.92 x 6%)-33.3%		0.65					
Estimated import duties = 2001+2			0				
Total	0.92	0.65	0				