EU/Norway Agreement: additional trade preferences in agricultural products

2010/0243(NLE) - 27/09/2010 - Preparatory document

PURPOSE: the conclusion of the Agreement in the form of the Exchange of Letters between the European Union and the Kingdom of Norway concerning additional trade preferences in agricultural products reached on the basis of Article 19 of the Agreement on the European Economic Area (EEA).

PROPOSED ACT: Council Decision

BACKGROUND: Article 19 of the Agreement on the European Economic Area provides for progressive liberalisation of agricultural trade between Contracting Parties. To that end, Parties will carry out, at two-yearly intervals, reviews of the conditions of trade in agricultural products and decide, within the framework of this agreement, on a preferential, bilateral or multilateral, reciprocal and mutually beneficial basis, on further reduction of any type of barriers to trade in the agricultural sector.

The last agreement in the form of an exchange of letters between the parties came into force in July 2003. It comprised the arrangements for reciprocal trade in cheese and mutual concessions for a variety of agricultural products, including tariff quotas.

The present proposal, which stems from bilateral trade negotiations in agriculture, conducted from March 2008 to January 2010, has resulted in this draft agreement in the form of the exchange of letters which needs to be approved on behalf of the EU.

IMPACT ASSESSMENT: no impact assessment was undertaken.

LEGAL BASE: Article 207(4) first subparagraph of the Treaty on the Functioning of the European Union (TFEU), in conjunction with Article 218(6)(a) thereof.

CONTENT: the purpose of this proposal is the conclusion of the Agreement in the form of the Exchange of Letters between the European Union and the Kingdom of Norway concerning additional trade preferences in agricultural products reached on the basis of Article 19 of the EEA Agreement.

The objective is to make provision for **further liberalisation of agricultural trade**.

The new preferences will consist in additional full liberalisation for some sensitive products, thus allowing **some 60% of agricultural trade between Norway and the European Union** to be completely free.

For more sensitive products such as:

- meat,
- dairy,
- fruit,
- vegetables and
- ornamental plants,
- tariff quotas or tariff reductions have been agreed upon.

Specific provisions are foreseen as regards the management of tariff rate quotas for cheese.

BUDGETARY IMPACT: the loss of customs revenues is estimated at approximately EUR 4.96 million (net amount after deduction of collection costs).