EU/Argentina Agreement: modification of concessions in the schedules of Bulgaria and Romania in the course of their accession to the EU

2011/0027(NLE) - 14/02/2011 - Preparatory document

PURPOSE: to conclude 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 Bulgaria and Romania in the course of their accession to the European Union.

PROPOSED ACT: Council Decision.

BACKGROUND: with the accession of Bulgaria and Romania, the European Union has 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 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.

IMPACT ASSESSMENT: no impact assessment was carried out.

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

CONTENT: this proposal asks the Council to adopt the decision concluding the Agreement in the form of an Exchange of Letters with Argentina. In parallel, a separate proposal on the signature of this Agreement is also submitted.

The implementing Regulation will consequently be adopted by the Commission, pursuant to Article 144 of the Single Common Market Organisation (CMO) Regulation.

BUDGETARY IMPLICATIONS: this proposal has no implications on the EU budget.