EU/Brazil and EU/Thailand Agreements: modification of concessions on processed poultry meat

2012/0046(NLE) - 06/12/2012 - Final act

PURPOSE: to conclude Agreements between the European Union and Brazil and Thailand respectively in order to deal with the problem of potential substitution effects in the import of poultry.

NON-LEGISLATIVE ACT: Council Decision 2012/792/EU on the conclusion of the Agreement in the form of an Exchange of Letters between the European Union and Brazil pursuant to Article XXVIII of the General Agreement on Tariffs and Trade (GATT) 1994 relating to the modification of concessions with respect to processed poultry meat provided for in the EU Schedule annexed to GATT 1994, and of the Agreement in the form of an Exchange of Letters between the European Union and Thailand pursuant to Article XXVIII of the General Agreement on Tariffs and Trade (GATT) 1994 relating to the modification of concessions with respect to processed poultry meat provided for in the EU Schedule annexed to GATT 1994.

BACKGROUND: on 25 May 2009, the Council authorised the Commission to open negotiations under Article XXVIII of the GATT 1994 with a view to the renegotiation of concessions on poultry meat tariff lines under Chapter 16 of the Combined Nomenclature as provided for in Article 1 of Council Regulation (EEC) No 2658/87 of 23 July 1987 on the tariff and statistical nomenclature and on the Common Customs Tariff ("CN").

Those negotiations resulted in Agreements in the form of exchanges of letters initialled with Thailand on 22 November 2011 and with Brazil on 7 December 2011. In accordance with Council Decision 2012/231 /EU of 23 April 2012, the Agreements were signed on behalf of the Union on 26 June 2012 with Brazil and on 18 June 2012 with Thailand.

The Agreements should now be approved on behalf of the European Union.

CONTENT: with this Decision, the Agreement in the form of an Exchange of Letters between the European Union and Brazil pursuant to Article XXVIII of the General Agreement on Tariffs and Trade (GATT) 1994 relating to the modification of concessions with respect to processed poultry meat provided for in the EU Schedule annexed to GATT 1994, and the Agreement in the form of an Exchange of Letters between the European Union and Thailand pursuant to Article XXVIII of the General Agreement on Tariffs and Trade (GATT) 1994 relating to the modification of concessions with respect to processed poultry meat provided for in the EU Schedule annexed to GATT 1994 are hereby approved on behalf of the Union.

GATT Agreement and its impact on poultry trade: negotiations under Article XXVIII of GATT 1994 concluded on poultry in 2007 covered tariff lines on poultry meat under heading 0210 as well as one processed poultry line, 1602 32 19 in the EC Schedule CXL: cooked preparations containing more than 57% of poultry meat. Limiting the negotiations to the processed poultry line 1602 32 19 was considered to sufficiently prevent potential substitution effects.

Subsequent import data, however, showed a dramatic import surge of processed poultry meat under tariff line 1602 32 30: preparations containing 25% or more but less than 57% by weight of poultry meat or offal. This indicated that exporters seemed to take advantage of a relative gap in the EU level of

protection, substituting poultry preparations containing more than 57% of poultry meat with preparations containing less than 57%, under tariff line 1602 32 30. Comparable substitution effects were to be expected under other 1602 tariff lines in the future.

In order to comprehensively address these substitution effects affecting the EU poultry industry, an Agreement was considered necessary with Brazil and Thailand which both hold principal supplying interests and/or substantial interests in several of the tariff lines concerned.

This is the aim of this Agreement adopted on behalf of the EU is to deal with the problem of potential substitution effects in the import of poultry.

ENTRY INTO FORCE: the Decision shall enter into force on 7 December 2012. The Agreement shall enter into force when the necessary procedures have been completed.