

EU/Australia, Brazil, Canada, Hong Kong, India and Japan Agreements: modifications of the commitments in the schedules of Bulgaria and Romania in the course of their accession to the EU

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PURPOSE: to conclude the Agreements in the form of an Exchange of Letters between the EU and Australia, Brazil, Canada, Hong Kong, India and Japan pursuant to the General Agreement on Trade in Services (GATS) 1994, relating to the modifications of the commitments in the schedules of the Republic of Bulgaria and Romania in the course of their accession to the European Union.

PROPOSED ACT: Council Decision.

ROLE OF THE EUROPEAN PARLIAMENT: Council may adopt the act only if Parliament has given its consent to the act.

BACKGROUND: each Member of the World Trade Organisation (WTO) has annexed to the General Agreement on Trade in Services (GATS) a list of specific commitments which includes the conditions of market access and national treatment for each service sector and, where applicable, of exemptions to the Most-Favoured Nation (MFN) clause.

The European Communities and its Member States at the time submitted at the end of the Uruguay Round (1994), a single schedule of commitments and of MFN exemptions, which reflected their obligations vis-à-vis third countries (EC-12).

In 2003, the European Communities launched the consolidation of the EC-12 GATS schedule and of the 13 separate GATS schedules of the EC Member States that joined the EC in 1995 and 2004 (i.e., Austria, Cyprus, the Czech Republic, Estonia, Finland, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, Slovenia and Sweden).

The negotiations with WTO Members and the certification process of the new EC-25 GATS schedule were concluded at the end of 2006. The conclusion of the agreements signed with the different affected WTO Members is underway (awaiting ratification in five Member States).

Following the accession of Bulgaria and Romania to the EU, their GATS schedules have to be consolidated with that of the EU-25 and the process of consolidation of the certified EU-25 GATS schedule and of schedules of the Republic of Bulgaria and Romania has been launched (EU-27).

With a Communication pursuant to Article V of the GATS, the European Communities and its Member States notified its intention to modify the commitments included in the list of commitments attached to the Communication in view of the accession of the Republic of Bulgaria and Romania to the EU ("EU 27").

On 31 January 2008, the Council authorised the Commission to open negotiations with certain other Members of the WTO under Article XXI of the General Agreement on Trade in Services (GATS) 1994, with a view of reaching an agreement on any necessary compensatory adjustment resulting from the modification of GATS trade commitments as a consequence of the accession of Bulgaria and Romania to the European Union.

Following the submission of that Communication, Australia, Brazil, Canada, China, India, Hong Kong, Japan and Mexico submitted respective claims of interest.

Pursuant to the procedures for the implementation of Article XXI of the GATS, the modifying Member and any Member considering itself affected shall negotiate with a view to reaching an agreement within three months following the last date on which a claim of interest may be made.

Negotiations with Australia, Brazil, Canada, India, Hong Kong and Japan resulted in the draft Agreements in the form of an Exchange of Letters that were initialled by all the parties.

It is now necessary to approve the Agreements in the form of an Exchange of Letters on behalf of the European Union.

LEGAL BASIS: Article 207(1) and the first subparagraph of Article 207(4), in conjunction with Article 218(6)(a) of the Treaty on the Functioning of the European Union (TFEU).

IMPACT ASSESSMENT: no impact assessment was undertaken.

CONTENT: with this proposed Decision, the Council is called upon to approve, on behalf of the Union, the Agreements in the form of an Exchange of Letters between the European Union and Australia, Brazil, Canada, Hong Kong, India and Japan pursuant to Article XXI of the General Agreement on Trade in Services (GATS) 1994, relating to the modification of commitments in the schedules of Bulgaria and Romania in the course of their accession to the European Union.

The text of the Agreements is annexed to this Decision.

BUDGETARY IMPLICATIONS: the proposal has no impact on the EU budget.