

EU/Uruguay Agreement: modification of concessions in the schedule of Croatia in the course of its accession to the European Union

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PURPOSE: to conclude an Agreement in the form of an Exchange of Letters between the European Union and the Eastern Republic of Uruguay 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 schedule of the Republic of Croatia in the course of its 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: with the accession of Croatia, the European Union enlarged its customs union. Consequently, the European Union was required under World Trade Organisation (WTO) rules (Article XXIV:6 of the GATT 1994) to enter into negotiations with WTO Members having negotiating rights related to the tariff schedule of Croatia in order to eventually agree on a compensatory adjustment.

On 15 July 2013, the Council authorised the Commission to open negotiations under Article XXIV:6 of the 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 schedule of the Republic of Croatia in the course of its accession to the European Union.

The Council (Trade Policy Committee) has been regularly consulted on the content and advancement of the negotiations. The European Parliament (INTA Committee) has been informed.

Negotiations with the Eastern Republic of Uruguay resulted in a draft Agreement in the form of an Exchange of Letters that was initialled on 18 December 2015 in Nairobi (the Agreement).

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

As a result of the Agreement, the Commission will adopt an implementing Regulation to extend the following tariff rate quotas, pursuant to Article 187(a) of the Single Common Market Organisation (CMO) Regulation ([Regulation \(EU\) No 1308/2013](#)):

- add 76 tonnes in the country allocated (Uruguay) EU tariff rate quota '**boneless meat of bovine animals, fresh or chilled; edible offal of bovine animals, thick skirt and thin skirt, fresh or chilled**', tariff item numbers ex 0201 30 00 and ex 0206 10 95, maintaining the present in-quota rate of 20%. The new tariff rate quota shall be 4 076 tonnes;
- add 1 875 tonnes into the EU tariff rate quota '**Meat of bovine animals, frozen – Edible offal of bovine animals, frozen**', tariff item numbers 0202 and 0206.29.91, maintaining the present in-quota rate of 20%. The new tariff rate quota shall be 54 875 tonnes.

The relevant implementation measures are being prepared in parallel to this proposal.

BUDGETARY IMPLICATION: the budgetary impact shall be exclusively **limited to the revenue side**. The amounts are estimated at **EUR 1.3 million per year**.

The method used for calculation of revenues: unit value of average similar trade imports for years 2012-2014 multiplied by the new tariff rate quotas volumes multiplied by the in-quota rate duty (20%) minus 25% deduction for collection costs. For subsequent years, the unit value has been considered as constant.