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

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The Committee on International Trade adopted the report by Iuliu WINKLER (EPP, RO) on the draft Council decision on the conclusion of the Agreement in the form of an Exchange of Letters between the European Union and the People's Republic of China 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 Croatia in the course of its accession to the European Union.

The committee recommended the European Parliament to **give its consent** to the conclusion of the Agreement.

Members stated that China has the right to have its previous trading rights restored, following its slight erosion due to the enlargement of the EU customs union with Croatian EU accession.

Article XXIV: 4 GATT rightly underlines that the purpose of a customs union or of a free trade area should be to facilitate trade between the constituent territories and not to raise barriers to the trade of other contracting parties with such territories. This compensatory Agreement can therefore be seen as yet another sign of the EU’s attachment to the multilateral rules-based trading regime, with the WTO at its centre.

The Commission has rightly chosen (1) the increase of tariff rate quotas, and (2) lowering the current bound tariff rates as the instruments of compensation for Chinese products involved as the way of compensating losses.

This is why the committee called for the consent of the proposal to conclude the Agreement, as the Agreement includes proportionate modifications to the concessions and is consistent with earlier practice and WTO framework.