EU/Brazil Agreement: modification of concessions in the schedule Croatia in the course of its accession to the EU

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The Committee on International Trade adopted the report by José Ignacio SALAFRANCA SÁNCHEZ-NEYRA (EPP, ES) 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 Federative Republic of Brazil 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.

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

The accession of Croatia enlarged the EU customs union. In compliance with WTO rules (Article XXIV:6 of the GATT 1994), Croatia should enter into negotiations with Brazil regarding the tariff schedule of Croatia in order to eventually agree on a compensatory adjustment connected to the EU-28, the EU's external tariff regime results in an increase of tariffs for Brazil.

Negotiations with Brazil resulted in a draft Agreement initialled on 12 July 2016 and signed on 25 November 2016.

Through this Agreement, the EU will incorporate in its schedule for the customs territory of the EU-28 that of the EU-27 with modifications related to tariff rate quotas on raw sugar and poultry meat.

The rapporteur noted that even if the agreement is not about new concessions but compensations, the sensitiveness of the products under consideration for the whole EU agricultural sector has given rise to concern.

Therefore, the European Parliament should have been fully informed as well during the negotiations. Moreover, the relevant sectors have complained about the lack of involvement and consultation from the European Commission during such negotiations.

The rapporteur therefore called on the Commission to conduct future negotiations under WTO rules in a more transparent way, fully informing the European Parliament and the relevant sectors at all stages and taking into considerations their views, in particular when the negotiations concern sensitive products.