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

2016/0307(NLE) - 25/04/2017 - Final act

PURPOSE: to conclude the Agreement in the form of an Exchange of Letters between the European Union and Brazil in order to take account of Croatia’s accession to the European Union.

NON-LEGISLATIVE ACT: Council Decision (EU) 2017/730 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.

BACKGROUND: With the accession of Croatia, the European Union has extended its customs union. Accordingly, it was required by the World Trade Organization (WTO) rules (Article XXIV: 6 GATT 1994) to enter into negotiations with WTO members having negotiating rights related to Croatia’s tariff schedule in order to agree on a compensatory arrangement.

On 15 July 2013, the Council authorised the Commission to open negotiations with certain other WTO Members under Article XXIV, para. 6 of the GATT 1994 in the context of Croatia's accession to the Union.

The negotiations were concluded and the agreement in the form of an exchange of letters between the EU and Brazil concerning the modification of concessions in Croatia's schedule of commitments as part of its accession to the EU was initialled on 12 July 2016.

The Agreement was signed on behalf of the Union on 25 November 2016, subject to its conclusion at a later date, in accordance with Council Decision (EU) 2016/1995.

The agreement should now be approved on behalf of the EU.

CONTENT: with this Decision, the Agreement in the form of an Exchange of Letters between the EU and Brazil under Article XXIV, para. 6 and Article XXVIII of the GATT 1994 concerning the modification of concessions in Croatia's schedule of commitments in connection with its accession to the EU is hereby approved on behalf of the Union.

The text of the Agreement is attached to the Decision.

Main technical provisions of the Agreement: Under this Agreement, the EU shall include in its Schedule of Commitments for the EU-28 customs territory the concessions contained in the EU-27 list, With the following modifications:

- an additional 4 766 tonnes allocated to Brazil under the EU tariff rate quota ‘Cut of fowls of the species gallus domesticus, frozen’maintaining the current quota rate of 0%;

- an additional 610 tonnes allocated to Brazil under the EU tariff quota ‘Cut of turkey, frozen’, maintaining the current quota rate of 0%;

- an additional 36 000 tonnes in the *erga omnes* part of the EU tariff quota 'Raw cane sugar, raw, for refining', maintaining the current quota rate of EUR 98/tonne;

- an increase of 78 000 tonnes of the share allocated to Brazil under the EU tariff quota 'Raw cane sugar, for refining', maintaining the current quota rate of EUR 98/tonne.

As regards the volume of 78 000 tonnes allocated to Brazil under the EU tariff quota 'Raw cane sugar, for refining', not withstanding the bound in quota rate of EUR 98/tonne, the EU will apply autonomously:

- for the first six years during which this volume is available, a maximum quota of EUR 11/tonne, and

- in the seventh year in which this volume is available, a maximum quota rate of EUR 54/tonne.

ENTRY INTO FORCE: the Decision enters into force on 25.4.2017. The date of entry into force of the Agreement will be published in the *Official Journal of the European Union* by the General Secretariat of the Council.