# EU/Norway agreement: additional trade preferences in agricultural products

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PURPOSE: to conclude an agreement in the form of an exchange of letters between the European Union and Norway concerning additional trade preferences in agricultural products.

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: the EU and Norway are **signatories to the Agreement on the European Economic Area (EEA Agreement)** which provides for the free movement of goods, with the exception of agricultural and fisheries products.

Article 19 of the EEA Agreement provides that the contracting Parties undertake to continue their efforts to **achieve progressive liberalisation of trade in agricultural products**.

The previous agreement in the form of an exchange of letters liberalising trade in agricultural products between Norway and the European Union was signed on 15 April 2011. It provided for mutual tariff rate quotas and reductions in duty. It also included an undertaking by the Parties to resume bilateral negotiations in two years' time.

The 2011 EU-Norway bilateral agricultural trade agreement increased the duty-free access of EU agricultural products to the Norwegian market to **around 60 % of trade**.

Therefore, the latest round of negotiations aimed at: (i) increasing the degree of liberalisation on both sides; (ii) increasing the current tariff rate quotas; and (iii) opening new tariff rate quotas for additional agricultural products; (iv) addressing certain pending trade irritants.

CONTENT: the Commission proposes that the Council adopt a decision approving, on behalf of the European Union, **the Agreement in the form of an exchange of letters** between the European Union and Norway concerning additional trade preferences in agricultural products.

The Agreement provides for **further trade preferences** for trade in **agricultural products**, including additional fully liberalised tariff lines.

For more sensitive products such as meat, dairy, vegetables and ornamental plants, additional or new tariff quotas have been agreed upon.

The deepening of trade relations with Norway fits into the overall context of EU trade policy and is **beneficial for the EU** since the EU is a net exporter of basic agricultural products to Norway.

The main products exported by the EU are wines and vinegar, animal feed, soya and colza oil, live plants and cheese.

Imports into the EU from Norway are mainly soybean, animal and vegetable oils and their residues, fur skins and undenatured ethyl alcohol.

BUDGETARY IMPLICATIONS: this Agreement will have no impact on the expenditure side of the EU budget. The new concessions granted on imports from Norway will likely result in a reduction of own resources through a lower collection of customs duties.