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

2017/0137(NLE) - 22/06/2017 - Preparatory document

PURPOSE: to conclude the Agreement in the form of an Exchange of Letters between the European Union and New Zealand 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.

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, it was required under World Trade Organisation (WTO) rules 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 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 Croatia in the course of its accession to the European Union.

Negotiations with New Zealand resulted in a draft Agreement in the form of an Exchange of Letters that was initialled on 18 May 2017 in Geneva. It is now necessary to conclude the Agreement.

CONTENT: with this proposal, the Council is called on to adopt a decision on the **conclusion of the Agreement in the form of an Exchange of Letters between the European Union and New Zealand** pursuant to Article XXIV:6 and Article XXVIII of the General Agreement on Tariffs and Trade1994 relating to the modification of concessions in the schedule of Croatia in the course of its accession to the European Union.

In parallel, a separate proposal on the signature of this Agreement is also submitted.

Negotiations with New Zealand resulted in the following Agreement:

- add 1 875 tonnes to 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;
- add 135 tonnes (carcase weight) to the allocation for New Zealand under the EU tariff rate quota **'Meat of sheep or goats, fresh, chilled or frozen'**, tariff item number 0204, maintaining the present in-quota rate of 0%. The new tariff rate quota allocation to New Zealand shall be 228 389 tonnes.

The Commission will adopt implementing Regulations to expand and manage the relevant quotas. These implementation measures are being prepared in parallel to this proposal.