EU/China agreement in connection with the WTO dispute settlement proceedings DS492: measures affecting tariff concessions on certain poultry meat products

2018/0281(NLE) - 23/07/2018 - Legislative proposal

PURPOSE: to conclude, on behalf of the European Union, the Agreement in the form of an Exchange of Letters between the Union and China in connection with the WTO dispute settlement proceedings: DS492 - measures affecting tariff concessions on certain poultry meat 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: following the WTO panel report adopted on 19 April 2017 in the WTO dispute settlement proceedings DS492 Measures affecting Tariff Concessions on Certain Poultry Meat Products brought by the People's Republic of China against the European Union, the EU needed to comply with the findings.

In particular, the panel found that when allocating quantities within tariff rate quotas to supplying countries under WTO rules, the EU should have taken into account as a “special factor” China's increased ability to export poultry products to the EU following the relaxation of sanitary measures in July 2008. The reasonable period of time for the implementation of the Panel Report under the WTO rules began on 19 April 2017.

On 12 March 2018, the Council authorised the Commission to open negotiations on a mutually agreed solution with China. Those negotiations have been concluded and an Agreement in the form of an Exchange of Letters between the European Union and China was initialled on 18 June 2018.

CONTENT: the draft Council Decision seeks the approval, on behalf of the Union, of the Agreement in the form of an Exchange of Letters between the European Union and China in relation to DS492 European Union - measures affecting tariff concessions on certain poultry meat products.

The proposed Agreement seeks to open the following tariff rate quotas (TRQ):

- a TRQ of 6060 tonnes for the tariff line 1602.3929 (with specific country allocation of 6000 tonnes to China and 60 tonnes to all others), with an in quota duty rate of 10.9%;

- a TRQ of 660 tonnes for the tariff line 1602.3985 (with specific country allocation of 600 tonnes to China and 60 tonnes to all others), with an in-quota duty rate of 10.9%;

- an *erga omnes* TRQ of 5000 tonnes for the tariff line 1602.3219, with an in quota duty rate of 8%.

The European Union and China shall notify each other of the completion of the internal procedures necessary for the entry into force of the Agreement. The Agreement shall enter into force fourteen days after the date of receipt of the last notification. The European Union shall open the above-mentioned tariff quotas on the date of entry into force of the agreement.