EU/New Zealand Agreement: modification of concessions on all the tariff rate quotas included in the EU Schedule CLXXV as a consequence of the United Kingdom's withdrawal from the European Union

2022/0098(NLE) - 20/07/2022 - Legislative proposal

PURPOSE : to conclude, on behalf of the Union, of the Agreement between the European Union and New Zealand pursuant to Article XXVIII of the General Agreement on Tariffs and Trade (GATT) 1994 relating to the modification of concessions on all the tariff-rate quotas included in the EU Schedule CLXXV as a consequence of the United Kingdom’s withdrawal from 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: on 15 June 2018, the Council authorised the Commission to open negotiations pursuant to Article XXVIII of the General Agreement on Tariffs and Trade (GATT) 1994 on the apportionment of the tariff-rate quotas included in the EU Schedule CLXXV as a consequence of the United Kingdom’s withdrawal from the Union.

Negotiations with New Zealand were successfully concluded on 20 December 2021 with the initialling of the agreement between the European Union and New Zealand.

The agreement, signed on behalf of the Union subject to its conclusion at a later date, must now be approved.

CONTENT: the draft Council Decision concerns the approval, on behalf of the Union, of the Agreement between the European Union and New Zealand pursuant to Article XXVIII of the General Agreement on Tariffs and Trade (GATT) 1994 relating to the modification of concessions on all tariff quotas in EU Schedule CLXXV consequent on the withdrawal of the United Kingdom from the Union.

For the purpose of the withdrawal of the United Kingdom from the Union, the objective of the Agreement is to agree on the modification of tariff rate quota concessions and resulting quantitative commitments on the part of the Union which no longer includes the United Kingdom in respect of those tariff quotas for which New Zealand has negotiating or consultation rights under Article XXVIII of GATT 1994.

Regarding the following tariff quotas, New Zealand and the Union have agreed the following changes to the commitments provided for as follows:

- tariff rate quota 006 (high quality meat of bovine animals, fresh, chilled or frozen): the Union volume of this New Zealand specific quota is adjusted to 1 102 tonnes;

- tariff rate quota 020 (sheep meat): the Union amount of this specific quota for New Zealand is adjusted to 125.769 tonnes;

- tariff rate quota 030 (skimmed milk powder): the Union amount of this erga omnes quota will be adjusted to 62 917 tonnes.

For the following tariff rate quotas, New Zealand and the Union agree to the following changes to the commitments provided for in order to facilitate the utilisation of certain tariff rate quotas:

- tariff rate quota 011 (meat of bovine animals, frozen; edible offal of bovine animals, frozen): the Union will reduce the *ad valorem* part of the in-quota duty from 20% to 15%;

- tariff rate quota 032 (butter): the Union will: (i) remove the specific product specifications that have been applied under this tariff quota, (ii) align the product specifications to the Combined Nomenclature definition for butter and (iii) extend eligibility to the entire HS code 0405 10; the Union will also repeal the monitoring obligation set out in Article 51 of the Implementing Regulation (EU) 2020/761, currently in force for the weight and fat content of products imported under this tariff quota;

- tariff rate quota 040 (whole cheddar cheese): the Union will remove the specific product specifications that have been applied under this tariff rate quota and extend the eligibility to benefit from this tariff rate quota to the entire CN code 0406 90 21.

The Parties recognise that the Union continues to conduct negotiations and consultations with other WTO Members holding negotiating or consultation rights under Article XXVIII of the GATT 1994 following the withdrawal of the United Kingdom from the Union.