EU/Egypt 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

2023/0296(NLE) - 22/12/2023 - Legislative proposal

PURPOSE: to conclude, on behalf of the Union, the Agreement in the form of an Exchange of Letters between the European Union and the Arab Republic of Egypt 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: in 2018, the European Union officially launched the negotiation process under Article XXVIII of the General Agreement on Tariffs and Trade (GATT) 1994 with several WTO members in Geneva.

The Arab Republic of Egypt has negotiating rights for an erga omnes quota on cucumbers. An agreement has been reached to modify the volume of this tariff quota.

Negotiations with Egypt resulted in an agreement in the form of an exchange of letters, which was initialled in Geneva on 22 May 2023.

CONTENT: the draft Council Decision seeks to approve, on behalf of the Union, the Agreement in the form of an Exchange of Letters between the European Union and the Arab Republic of Egypt 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.

The objective of the Agreement is to provide, pursuant to Article XXVIII of the General Agreement on Tariffs and Trade (GATT) 1994, for 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.

On the conclusion of the negotiations, the Arab Republic of Egypt and the European Union agreed on the following:

- with respect to **tariff rate quota 048** (cucumbers, fresh or chilled, from 1 November to 15 May), Egypt and the European Union agree to the following change to the scheduled commitment: the European Union's volume of this erga omnes quota shall be adjusted to **647 tonnes**;

- with respect to tariff rate quota 048, the European Union will acknowledge Egypt's initial negotiating right;

- the European Union and Egypt acknowledge that the European Union is continuing to conduct negotiations and consultations with other WTO Members holding negotiating or consultation rights under Article XXVIII of the GATT 1994 as a consequence of the United Kingdom's withdrawal from the Union as communicated to WTO Members. As a result of those negotiations and consultations, the European Union may consider a change to the volume set out above for tariff rate quota 048. In the event of such a change, the European Union shall consult Egypt with a view to seeking a mutually satisfactory outcome before proceeding to any such change.