EU/Argentina 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

2023/0303(NLE) - 17/05/2024 - Final act

PURPOSE: to conclude, on behalf of the Union, the Agreement in the form of an Exchange of Letters between the European Union and the Argentine Republic amending the Agreement in the form of an Exchange of Letters between the European Union and the Argentine Republic 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.

NON-LEGISLATIVE ACT: Council Decision (EU) 2024/1334 on the conclusion, on behalf of the Union, of the Agreement in the form of an Exchange of Letters between the European Union and the Argentine Republic amending the Agreement in the form of an Exchange of Letters between the European Union and the Argentine Republic 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.

BACKGROUND: in 2018, the EU formally launched the negotiations process under Article XXVIII of the General Agreement on Tariffs and Trade (GATT) of 1994 with a number of WTO Members in Geneva.

The underlying principle of the negotiations is a ‘joint approach’ developed between the EU and the UK back in 2017 on how to ‘apportion’ the quantitative commitments contained in the EU28 WTO schedule for the 143 EU agricultural, fish and industrial WTO tariff rate quotas (TRQ). The basis of this approach was that the existing volume of each TRQ would be fully maintained in the future, but split across two separate customs territories: the EU27 and the UK.

The negotiations between EU and Argentina resulted in the signature of the relevant Agreement on 10 May 2021. The Agreement entered into force on 13 July 2021. The Agreement provides that the EU should inform Argentina in the case the result of the negotiations between the EU and other WTO Members with rights under Article XXVIII would change the shares agreed in their bilateral negotiations.

CONTENT: under this Decision, the Agreement in the form of an Exchange of Letters between the European Union and the Argentine Republic amending the Agreement in the form of an Exchange of Letters between the European Union and the Argentine Republic 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 is hereby approved on behalf of the Union.

The objective of the Agreement is to amend the Agreement between the Union and Argentina signed on 10 May 2021 in relation of the volume of two tariff-rate quotas and provide for the apportionment of the tariff-rate quotas included in the EU Schedule CLXXV of the General Agreement on Tariffs and Trade

(GATT) 1994 as a consequence of the United Kingdom’s withdrawal from the Union, pursuant to Article XXVIII of GATT 1994.

Following negotiations between the EU and other WTO members benefiting from rights under Article XXVIII of the GATT 1994, the EU has agreed to modify the shares of two tariff quotas for which Argentina has negotiating rights, as follows:

- Tariff rate quota 030 (skimmed milk powder): the EU share of the erga omnes quota is revised to 62 917 tonnes to avoid a non-commercially viable volume on UK side;

- Tariff rate quota 110 (fruit juice): the Union share of the erga omnes quota is revised to 6 551 tonnes, taking into account trade in reference periods 2015-2017 and 2016-2018.

ENTRY INTO FORCE: 25.09.2023.