Basic information

2012/0304(NLE) NLE - Non-legislative enactments	Procedure completed
EU/China Agreement: modification of concessions in the schedules of Bulgaria and Romania in the course of their accession to the EU **Subject** 2.10.01 Customs union, tax and duty-free, Community transit 6.20.01 Agreements and relations in the context of the World Trade Organization (WTO) 6.20.03 Bilateral economic and trade agreements and relations 6.20.04 Union Customs Code, tariffs, preferential arrangements, rules of origin **Geographical area** China	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
INTA International Trade	SCHOLZ Helmut (GUE/NGL)	26/11/2012
	Shadow rapporteur WINKLER Iuliu (PPE) LANGE Bernd (S&D) DE SARNEZ Marielle (ALDE) JADOT Yannick (Verts/ALE) STURDY Robert (ECR)	

Committee for opinion	Rapporteur for opinion	Appointed
AFET Foreign Affairs	TANNOCK Timothy Charles Ayrton (ECR)	16/01/2013

Council of the European Union

Council configuration	Meetings	Date
Economic and Financial Affairs ECOFIN	3290	2014-01-28

European Commission

Commission DG	Commissioner
Trade and Economic Security	DE GUCHT Karel

Key events

Date	Event	Reference	Summary
07/11/2012	Preparatory document	COM(2012)0641	Summary
27/11/2012	Legislative proposal published	16112/2012	Summary
10/10/2013	Committee referral announced in Parliament		
14/10/2013	Vote in committee		
17/10/2013	Committee report tabled for plenary, 1st reading/single reading	A7-0332/2013	Summary
10/12/2013	Decision by Parliament	T7-0525/2013	Summary
10/12/2013	Results of vote in Parliament		
28/01/2014	Act adopted by Council after consultation of Parliament		
28/01/2014	End of procedure in Parliament		
04/03/2014	Final act published in Official Journal		

Technical information

Procedure reference	2012/0304(NLE)
Procedure type	NLE - Non-legislative enactments
Procedure subtype	Consent by Parliament
Legal basis	Treaty on the Functioning of the European Union TFEU 207-p4 Treaty on the Functioning of the European Union TFEU 218-p6a
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	INTA/7/11162

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE504.152	28/01/2013	
Committee opinion	AFET	PE504.204	05/03/2013	
Committee report tabled for plenary, 1st reading/single reading		A7-0332/2013	17/10/2013	Summary
Text adopted by Parliament, 1st reading/single reading		T7-0525/2013	10/12/2013	Summary

Council of the EU

Document type	Reference	Date	Summary

Legislative proposal	16112/2012	27/11/2012	Summary
Document attached to the procedure	16118/2012	27/11/2012	

European Commission

Document type	Reference	Date	Summary
Preparatory document	COM(2012)0641	07/11/2012	Summary

National parliaments

Document type	Parliament /Chamber	Reference	Date	Summary
Contribution	PT_PARLIAMENT	COM(2012)0641	27/03/2013	

Additional information

Source	Document	Date
National parliaments	IPEX	
European Commission	EUR-Lex	

Final act

Decision 2014/0116
OJ L 064 04.03.2014, p. 0001 Summary

EU/China Agreement: modification of concessions in the schedules of Bulgaria and Romania in the course of their accession to the EU

2012/0304(NLE) - 07/11/2012

PURPOSE: to conclude an Agreement in the form of an Exchange of Letters between the European Union and the People's Republic of China 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 schedules of Bulgaria and Romania in the course of their accession to the European Union.

PROPOSED ACT: Council Decision.

BACKGROUND: with the accession of the Republic of Bulgaria and Romania, the European Union enlarged its customs union. Consequently, the European Union was obliged under World Trade Organization (WTO) rules (GATT Article XXIV:6) to enter into negotiations with WTO Members having negotiating rights in the schedules of any of the acceding Members in order to agree on compensatory adjustment. Such adjustment is due if the adoption of the EU's external tariff regime results in an increase in tariff beyond the level for which the acceding country has bound itself at the WTO, whilst taking "due account of reductions of duties on the same tariff line made by other constituents of the customs union upon its formation".
On 29 January 2007, the Council authorised the Commission to open negotiations under Article XXIV:6 of GATT 1994. The Commission has therefore 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 schedules of the Republic of Bulgaria and Romania**, in the course of their accession to the European Union.
Negotiations with the People's Republic of China resulted in a draft Agreement in the form of an Exchange of Letters that was initialled on 31 May 2012.
It is now necessary to approve the agreement on behalf of the EU.
IMPACT AALYSIS: no impact assessment has been carried out.

LEGAL BASE: the first subparagraph of Article 207(4), in conjunction with point (v) of Article 218(6)(a) of the Treaty on the Functioning of the European Union (TFUE).
CONTENT: this proposal asks the Council to adopt a Decision concluding the Agreement in the form of an Exchange of Letters with the People's Republic of China. In parallel, a separate proposal on the signature of this Agreement is also submitted.
The ensuing implementing Regulation will be adopted by the Commission, pursuant to Article 144 of the Single Common Market Organisation (CMO) Regulation (Regulation (EC) No 1234/2007) and to Article 7 of the Regulation (EC) No 1216/2009 laying down the trade arrangements applicable to certain goods resulting from the processing of agricultural products.

Concessions foreseen:

- - the European Union shall incorporate in its schedule, for the customs territory of the EU 27, the concessions contained in the schedule of the EU 25 with the following modifications:
  - on tariff line 0703 20 00 add 12 375 tonnes to the allocation for People's Republic of China under the EU tariff rate quota for **garlic**, maintaining the present in quota rate of 9.6%;
  - add 800 tonnes (drained net weight) to the allocation for People's Republic of China under the EU tariff rate quota for **mushroom of species *Agaricus***, prepared or preserved otherwise than by vinegar and mushroom of species Agaricus, provisionally preserved or preserved otherwise than by vinegar in-quota rate 23%;
  - create a tariff rate quota of 2 026 tonnes for **chocolate** with an in-quota rate of 38%;
  - create a tariff rate quota of 2 289 tonnes for **confectionary** with an in-quota rate of 35%;
  - create a tariff rate quota of 409 tonnes for **biscuits** with an in-quota rate of 40%.

People's Republic of China accepts the European Union's approach to netting-out of tariff rate quotas as a way of adjusting the GATT obligations of the EU 25 and those of the Republic of Bulgaria and Romania following the most recent enlargement of the European Union.

BUDGETARY IMPLICATIONS: the proposal has no implications for the EU budget.

EU/China Agreement: modification of concessions in the schedules of Bulgaria and Romania in the course of their accession to the EU

2012/0304(NLE) - 27/11/2012 - Legislative proposal

PURPOSE: to conclude an Agreement in the form of an Exchange of Letters between the European Union and the People’s Republic of China 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 schedules of Bulgaria and Romania in the course of their 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: on 29 January 2007, the Council authorised the Commission to open negotiations under Article XXIV:6 of GATT 1994. The Commission has therefore 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 schedules of the Republic of Bulgaria and Romania, in the course of their accession to the European Union.

The negotiations were successfully conducted by the Commission within the framework of the negotiating directives and an Agreement in the form of an Exchange of Letters between the EU and China 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 schedules of the Republic of Bulgaria and Romania in the course of their accession to the European Union was initialled on 31 May 2012.

The Agreement was signed on behalf of the European Union subject to its conclusion at a later date, in accordance with a Council Decision.

It is now appropriate to approve the agreement on behalf of the EU.

CONTENT: under this proposal, it is envisaged to ask the Council to adopt a decision on the conclusion of an Agreement in the form of an Exchange of Letters between the European Union and the People’s Republic of China 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 schedules of Bulgaria and Romania in the course of their accession to the European Union.

To recap, the Agreement provides for a series of **tariff concessions to China** on a range of foodstuffs.

For further information about the provisions of the draft agreement in the form of an Exchange of Letters, *refer to the summary of the Commission’s initial legislative proposal dated 07/11/2012*.

EU/China Agreement: modification of concessions in the schedules of Bulgaria and Romania in the course of their accession to the EU

2012/0304(NLE) - 07/11/2012 - Preparatory document

PURPOSE: to conclude an Agreement in the form of an Exchange of Letters between the European Union and the People's Republic of China 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 schedules of Bulgaria and Romania in the course of their accession to the European Union.

PROPOSED ACT: Council Decision.

BACKGROUND: with the accession of the Republic of Bulgaria and Romania, the European Union enlarged its customs union. Consequently, the European Union was obliged under World Trade Organization (WTO) rules (GATT Article XXIV:6) to enter into negotiations with WTO Members having negotiating rights in the schedules of any of the acceding Members in order to agree on compensatory adjustment. Such adjustment is due if the adoption of the EU's external tariff regime results in an increase in tariff beyond the level for which the acceding country has bound itself at the WTO, whilst taking "due account of reductions of duties on the same tariff line made by other constituents of the customs union upon its formation".

On 29 January 2007, the Council authorised the Commission to open negotiations under Article XXIV:6 of GATT 1994. The Commission has therefore 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 schedules of the Republic of Bulgaria and Romania**, in the course of their accession to the European Union.

Negotiations with the People's Republic of China resulted in a draft Agreement in the form of an Exchange of Letters that was initialled on 31 May 2012.

It is now necessary to approve the agreement on behalf of the EU.

LEGAL BASE: the first subparagraph of Article 207(4), in conjunction with point (v) of Article 218(6)(a) of the Treaty on the Functioning of the European Union (TFUE).

CONTENT: this proposal asks the Council to adopt a Decision concluding the Agreement in the form of an Exchange of Letters with the People's Republic of China. In parallel, a separate proposal on the signature of this Agreement is also submitted.

The ensuing implementing Regulation will be adopted by the Commission, pursuant to Article 144 of the Single Common Market Organisation (CMO) Regulation (Regulation (EC) No 1234/2007) and to Article 7 of the Regulation (EC) No 1216/2009 laying down the trade arrangements applicable to certain goods resulting from the processing of agricultural products.

Concessions foreseen:

- - the European Union shall incorporate in its schedule, for the customs territory of the EU 27, the concessions contained in the schedule of the EU 25 with the following modifications:

  - on tariff line 0703 20 00 add 12 375 tonnes to the allocation for People's Republic of China under the EU tariff rate quota for **garlic**, maintaining the present in quota rate of 9.6%;
  - add 800 tonnes (drained net weight) to the allocation for People's Republic of China under the EU tariff rate quota for **mushroom of species *Agaricus***, prepared or preserved otherwise than by vinegar and mushroom of species Agaricus, provisionally preserved or preserved otherwise than by vinegar in-quota rate 23%;
  - create a tariff rate quota of 2 026 tonnes for **chocolate** with an in-quota rate of 38%;
  - create a tariff rate quota of 2 289 tonnes for **confectionary** with an in-quota rate of 35%;
  - create a tariff rate quota of 409 tonnes for **biscuits** with an in-quota rate of 40%.

People's Republic of China accepts the European Union's approach to netting-out of tariff rate quotas as a way of adjusting the GATT obligations of the EU 25 and those of the Republic of Bulgaria and Romania following the most recent enlargement of the European Union.

BUDGETARY IMPLICATIONS: the proposal has no implications for the EU budget.

EU/China Agreement: modification of concessions in the schedules of Bulgaria and Romania in the course of their accession to the EU

2012/0304(NLE) - 17/10/2013 - Committee report tabled for plenary, 1st reading/single reading

The Committee on International Trade unanimously adopted the report by Helmut SCHOLZ (GUE/NGL, DE) on the draft Council decision on the conclusion of the Agreement in the form

of an Exchange of Letters between the European Union and China 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 schedules of the Republic of Bulgaria and Romania in the course of their accession to the European Union.

Members recommended the European Parliament to give its consent to the conclusion of the Agreement. They considered that this Protocol would enable the EU to **align its customs union with the WTO requirements**, following the accession of Bulgaria and Romania to the EU, whilst ensuring that China maintains its position as a reliable trading partner.

EU/China Agreement: modification of concessions in the schedules of Bulgaria and Romania in the course of their accession to the EU

2012/0304(NLE) - 10/12/2013 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted a legislative resolution on the draft Council decision on the conclusion of the Agreement in the form of an Exchange of Letters between the European Union and the People's Republic of China 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 schedules of the Republic of Bulgaria and Romania in the course of their accession to the European Union.

Parliament gave its consent to the conclusion of the Agreement.

EU/China Agreement: modification of concessions in the schedules of Bulgaria and Romania in the course of their accession to the EU

2012/0304(NLE) - 28/01/2014 - Final act

PURPOSE: to conclude an Agreement in the form of an Exchange of Letters between the European Union and the People's Republic of China 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 schedules of Bulgaria and Romania in the course of their accession to the European Union.

NON-LEGISLATIVE ACT: Council Decision 2014/116/EU on the conclusion of the Agreement in the form of an Exchange of Letters between the European Union and China 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 schedules of the Republic of Bulgaria and Romania in the course of their accession to the European Union.

BACKGROUND: negotiations between the EU and China resulted in a draft Agreement in the form of an Exchange of Letters relating to the modification of concessions in the schedules of Bulgaria and Romania and was initialled on 31 May 2012.

The Agreement was signed on behalf of the European Union on 9 September 2013, subject to its conclusion at a later date, in accordance with Council Decision 2012/763/EU.

The Agreement should now be approved on behalf of the EU.

CONTENT : with this Decision, the Council concluded, with Parliament’s approval, and on behalf of the EU, an Agreement in the form of an Exchange of Letters, on the following concessions:

- the European Union shall incorporate in its schedule, for the customs territory of the EU 27, the concessions contained in the schedule of the EU 25 with the following modifications:

  - on tariff line 0703 20 00 add 12 375 tonnes to the allocation for People's Republic of China under the EU tariff rate quota for **garlic**, maintaining the present in quota rate of 9.6%;
  - add 800 tonnes (drained net weight) to the allocation for China under the EU tariff rate quota for **mushroom of species Agaricus**, prepared or preserved otherwise than by vinegar and mushroom of species Agaricus, provisionally preserved or preserved otherwise than by vinegar in-quota rate 23%;
  - create a tariff rate quota of 2 026 tonnes for **chocolate** with an in-quota rate of 38%;
  - create a tariff rate quota of 2 289 tonnes for **confectionary** with an in-quota rate of 35%;
  - create a tariff rate quota of 409 tonnes for **biscuits** with an in-quota rate of 40%.

- China accepts the European Union's approach to netting-out of tariff rate quotas as a way of adjusting the GATT obligations of the EU 25 and those of Bulgaria and Romania following the most recent enlargement of the European Union.

Implementing Regulation: an implementing Regulation will be adopted by the Commission laying down the trade arrangements applicable.

ENTRY INTO FORCE: the Decision enters into force on 28.01.2014. The date of entry into force of the Agreement will be published in the Official Journal by the General Secretariat of the Council.