Basic information

2015/0298(NLE) NLE - Non-legislative enactments	Procedure completed
EU/China Agreement: modification of concessions in the schedule of Croatia in the course of its accession to the European Union **Subject** 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	WINKLER Iuliu (PPE)	25/01/2016
	Shadow rapporteur MOSCA Alessia Maria (S&D) MCCLARKIN Emma (ECR) LAMBSDORFF Alexander Graf (ALDE) SCHOLZ Helmut (GUE/NGL) BUCHNER Klaus (Verts /ALE) BEGHIN Tiziana (EFDD) SALVINI Matteo (ENF)	

Committee for opinion	Rapporteur for opinion	Appointed
AFET Foreign Affairs	The committee decided not to give an opinion.	

Council of the European Union

Council configuration	Meetings	Date
General Affairs	3494	2016-10-18
Economic and Financial Affairs ECOFIN	3445	2016-02-12

European Commission	Commission DG	Commissioner
	Trade and Economic Security	MALMSTRÖM Cecilia

Key events

Date	Event	Reference	Summary
16/12/2015	Preparatory document	COM(2015)0654	Summary
29/01/2016	Legislative proposal published	15561/2015	Summary
12/02/2016	Act adopted by Council after consultation of Parliament		
09/05/2016	Committee referral announced in Parliament		
14/07/2016	Vote in committee		
15/07/2016	Committee report tabled for plenary, 1st reading/single reading	A8-0231/2016	Summary
13/09/2016	Decision by Parliament	T8-0326/2016	Summary
13/09/2016	Results of vote in Parliament		
18/10/2016	Act adopted by Council after consultation of Parliament		
18/10/2016	End of procedure in Parliament		
26/10/2016	Final act published in Official Journal		

Technical information

Procedure reference	2015/0298(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/8/05426

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE583.950	27/05/2016	
Committee report tabled for plenary, 1st reading/single reading		A8-0231/2016	15/07/2016	Summary
Text adopted by Parliament, 1st reading/single reading		T8-0326/2016	13/09/2016	Summary

Council of the EU

Document type	Reference	Date	Summary
Legislative proposal	15561/2015	29/01/2016	Summary
Document attached to the procedure	15562/2015	29/01/2016	

European Commission

Document type	Reference	Date	Summary
Document attached to the procedure	COM(2015)0653	16/12/2015	
Preparatory document	COM(2015)0654	16/12/2015	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Decision 2016/1885
OJ L 291 26.10.2016, p. 0007 Summary

EU/China Agreement: modification of concessions in the schedule of Croatia in the course of its accession to the European Union

2015/0298(NLE) - 18/10/2016 - Final act

PURPOSE: to approve the conclusion of the Agreement in the form of an Exchange of Letters between the European Union and China pursuant to the General Agreement on Tariffs and Trade (GATT) 1994 relating to the modification of concessions in the schedule of the Republic of Croatia in the course of its accession to the European Union.

NON-LEGISLATIVE ACT: Council Decision (EU) 2016/1885 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 schedule of the Republic of Croatia in the course of its accession to the European Union.

CONTENT: the Council approved, on behalf of the Union, 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 schedule of Croatia in the course of its accession to the European Union.

To recall, on 15 July 2013 the Council authorised the Commission to open negotiations with certain other Members of the World Trade Organization under Article XXIV:6 of the General Agreement on Tariffs and Trade (GATT) 1994, in the course of the accession to the European Union of Croatia.

Those negotiations have been concluded and an Agreement in the form of an Exchange of Letters between the European Union and China was signed on behalf of the Union on 19 April 2016, subject to its conclusion at a later date.

Under this Agreement, **the EU shall incorporate in its schedule, for the customs territory of the EU 28**, the concessions contained in the schedule of the EU 27 with the following modifications:

- an increase of 2 150 tonnes to the allocation for China under the EU tariff rate quota for garlic, maintaining the present in-quota rate of 9.6 %;

- an increase of 650 tonnes (drained net weight) to the allocation for China under the EU tariff rate quota for **mushroom** of species *Agaricus*, prepared, preserved or provisionally preserved;
- for **footwear** with outer soles of rubbers or plastics – other: lower the current bound EU duty of 17 % to 16.9 %;
- for **window or wall air conditioning machines** "split-system": lower the current bound EU duty of 2.7 % to 2.5 %.

ENTRY INTO FORCE: 18.10.2016.

EU/China Agreement: modification of concessions in the schedule of Croatia in the course of its accession to the European Union

2015/0298(NLE) - 16/12/2015

PURPOSE: to conclude an Agreement in the form of an Exchange of Letters between the European Union and China pursuant to the General Agreement on Tariffs and Trade (GATT) 1994 relating to the modification of concessions in the schedule of Croatia in the course of its accession to the European Union.

PROPOSED ACT: Council Decision.

ROLE OF THE EUROPEAN PARLIAMENT: the Council may adopt the act only if Parliament has given its consent to the act.

BACKGROUND: with the accession of Croatia, the European Union enlarged its customs union. Consequently, it was required under World Trade Organisation (WTO) rules (Article XXIV:6 of the GATT 1994) to enter into negotiations with WTO Members having negotiating rights related to the tariff schedule of Croatia in order to eventually agree on a compensatory adjustment.

On 15 July 2013, the Council authorised the Commission to open negotiations under Article

XXIV:6 of the GATT 1994. The Commission has negotiated with the Members of the WTO holding negotiating rights, the issue of the withdrawal of specific concessions in relation to the withdrawal of the schedule of Croatia in the course of its accession to the EU.

Negotiations with China resulted in a **draft Agreement in the form of an Exchange of Letters that was initialled on 7 October 2015 in Brussels**. It is now appropriate to conclude the Agreement.

CONTENT: the proposal requires the Council to adopt a decision to **conclude the Agreement in the form of an Exchange of Letters with China.** In parallel, a separate proposal on the signature of the Agreement is also submitted.

Negotiations with China resulted in an Agreement containing the following points:

- an increase of the volumes of the existing quotas allocated to China for **garlic** (increased by 2 150 tonnes) and **mushrooms** (increased by 650 tonnes, net weight);
- a EU tariff reduction of -0.1% for **footwear** classified in tariff line 6404 19 90 (lowering the current bound EU duty of 17 % to 16.9%);
- a EU tariff reduction of -0.2% for **air conditioning machines** classified in tariff line 8415 10 90 (lowering the current bound EU duty of 2.7 % to 2.5%).

It is envisaged that these measures will become effective by the second half of 2016.

EU/China Agreement: modification of concessions in the schedule of Croatia in the course of its accession to the European Union

2015/0298(NLE) - 15/07/2016 - Committee report tabled for plenary, 1st reading/single reading

The Committee on International Trade adopted the report by Iuliu WINKLER (EPP, RO) 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 schedule of Croatia in the course of its accession to the European Union.

The committee recommended the European Parliament to **give its consent** to the conclusion of the Agreement.

Members stated that China has the right to have its previous trading rights restored, following its slight erosion due to the enlargement of the EU customs union with Croatian EU accession.

Article XXIV: 4 GATT rightly underlines that the purpose of a customs union or of a free trade area should be to facilitate trade between the constituent territories and not to raise barriers to the trade of other contracting parties with such territories. This compensatory Agreement can therefore be seen as yet another sign of the EU’s attachment to the multilateral rules-based trading regime, with the WTO at its centre.

The Commission has rightly chosen (1) the increase of tariff rate quotas, and (2) lowering the current bound tariff rates as the instruments of compensation for Chinese products involved as the way of compensating losses.

This is why the committee called for the consent of the proposal to conclude the Agreement, as the Agreement includes proportionate modifications to the concessions and is consistent with earlier practice and WTO framework.

EU/China Agreement: modification of concessions in the schedule of Croatia in the course of its accession to the European Union

2015/0298(NLE) - 13/09/2016 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 590 votes to 41, with 35 abstentions, a legislative resolution on the draft Council decision on the conclusion of the Agreement, on behalf of the European Parliament, of the General Agreement on Tariffs and Trade (GATT) 1994 relating to the modification of concessions in the schedule of Croatia in the course of its accession to the European Union.

The European Parliament **gave its consent** to the conclusion of the agreement.

Parliament stated that China has the right to have its previous trading rights restored, following its slight erosion due to the enlargement of the EU customs union with Croatian EU accession.

This agreement responds to the need to: (i) increase tariff rate quotas, and (ii) lower the current bound tariff rates as the instruments of compensation for Chinese products involved as the way of compensating losses.

EU/China Agreement: modification of concessions in the schedule of Croatia in the course of its accession to the European Union

2015/0298(NLE) - 16/12/2015 - Preparatory document

PURPOSE: to conclude an Agreement in the form of an Exchange of Letters between the European Union and China pursuant to the General Agreement on Tariffs and Trade (GATT) 1994 relating to the modification of concessions in the schedule of Croatia in the course of its accession to the European Union.

PROPOSED ACT: Council Decision.

ROLE OF THE EUROPEAN PARLIAMENT: the Council may adopt the act only if Parliament has given its consent to the act.

BACKGROUND: with the accession of Croatia, the European Union enlarged its customs union. Consequently, it was required under World Trade Organisation (WTO) rules (Article XXIV:6 of the GATT 1994) to enter into negotiations with WTO Members having negotiating rights related to the tariff schedule of Croatia in order to eventually agree on a compensatory adjustment.

On 15 July 2013, the Council authorised the Commission to open negotiations under Article

XXIV:6 of the GATT 1994. The Commission has negotiated with the Members of the WTO holding negotiating rights, the issue of the withdrawal of specific concessions in relation to the withdrawal of the schedule of Croatia in the course of its accession to the EU.

Negotiations with China resulted in a **draft Agreement in the form of an Exchange of Letters that was initialled on 7 October 2015 in Brussels**. It is now appropriate to conclude the Agreement.

CONTENT: the proposal requires the Council to adopt a decision to **conclude the Agreement in the form of an Exchange of Letters with China.** In parallel, a separate proposal on the signature of the Agreement is also submitted.

Negotiations with China resulted in an Agreement containing the following points:

- an increase of the volumes of the existing quotas allocated to China for **garlic** (increased by 2 150 tonnes) and **mushrooms** (increased by 650 tonnes, net weight);
- a EU tariff reduction of -0.1% for **footwear** classified in tariff line 6404 19 90 (lowering the current bound EU duty of 17 % to 16.9%);
- a EU tariff reduction of -0.2% for **air conditioning machines** classified in tariff line 8415 10 90 (lowering the current bound EU duty of 2.7 % to 2.5%).

It is envisaged that these measures will become effective by the second half of 2016.

EU/China Agreement: modification of concessions in the schedule of Croatia in the course of its accession to the European Union

2015/0298(NLE) - 29/01/2016 - Legislative proposal

PURPOSE: to conclude the Agreement in the form of an Exchange of Letters between the European Union and China pursuant to the General Agreement on Tariffs and Trade (GATT) 1994 relating to the modification of concessions in the schedule of the Republic of Croatia in the course of its 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 15 July 2013, the Council authorised the Commission to open negotiations with certain other Members of the World Trade Organization under Article XXIV:6 of the General Agreement on Tariffs and Trade (GATT) 1994, in the course of the accession to the European Union of Croatia.

Those negotiations have been concluded and an 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 schedule of Croatia in the course of its accession to the European Union was initialled on 7 October 2015.

The Agreement should now be approved.

CONTENT: the draft 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 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 schedule of the Republic of Croatia in the course of its accession to the European Union, is hereby approved on behalf of the Union.

For further details regarding the content of the Agreement in the form of an Exchange of Letters, please refer to the summary of the Commission's initial legislative proposal from 16.12.2015.