Basic information

2016/0307(NLE) NLE - Non-legislative enactments	Procedure completed
EU/Brazil Agreement: modification of concessions in the schedule Croatia in the course of its accession to the EU **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 **Geographical area** Brazil	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
INTA International Trade	SALAFRANCA SÁNCHEZ-NEYRA José Ignacio (PPE)	20/02/2017
	Shadow rapporteur DANTI Nicola (S&D) ZAHRADIL Jan (ECR) CHARANZOVÁ Dita (ALDE) SCHOLZ Helmut (GUE/NGL) BUCHNER Klaus (Verts/ALE) BEGHIN Tiziana (EFDD)	

Council of the European Union

Council configuration	Meetings	Date
General Affairs	3531	2017-04-25
Foreign Affairs	3496	2016-11-14

European Commission

Commission DG	Commissioner
Trade and Economic Security	MALMSTRÖM Cecilia

Key events

Date	Event	Reference	Summary

03/10/2016	Preparatory document	COM(2016)0630	Summary
28/10/2016	Legislative proposal published	13037/2016	Summary
12/12/2016	Committee referral announced in Parliament		
28/02/2017	Vote in committee		
03/03/2017	Committee report tabled for plenary, 1st reading/single reading	A8-0052/2017	Summary
15/03/2017	Decision by Parliament	T8-0078/2017	Summary
15/03/2017	Results of vote in Parliament		
25/04/2017	Act adopted by Council after consultation of Parliament		
25/04/2017	End of procedure in Parliament		
26/04/2017	Final act published in Official Journal		

Technical information

Procedure reference	2016/0307(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/8/08059

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE594.050	20/02/2017	
Committee report tabled for plenary, 1st reading/single reading		A8-0052/2017	03/03/2017	Summary
Text adopted by Parliament, 1st reading/single reading		T8-0078/2017	15/03/2017	Summary

Council of the EU

Document type	Reference	Date	Summary
Legislative proposal	13037/2016	28/10/2016	Summary
Document attached to the procedure	13038/2016	28/10/2016	

European Commission

Document type	Reference	Date	Summary

Document attached to the procedure	COM(2016)0629	03/10/2016	
Preparatory document	COM(2016)0630	03/10/2016	Summary

Additional information		
Source	**Document**	**Date**
European Commission	EUR-Lex	

Final act	
Decision 2017/0730 OJ L 108 26.04.2017, p. 0001	Summary

EU/Brazil Agreement: modification of concessions in the schedule Croatia in the course of its accession to the EU

2016/0307(NLE) - 03/10/2016

PURPOSE: to conclude an Agreement in the form of an Exchange of Letters between the European Union and Brazil in order to take into account the accession of Croatia to the European Union.

PROPOSED ACT: Council Decision.

ROLE OF THE EUROPEAN PARLIAMENT: the Council may adopt the act only with Parliament's approval.

BACKGROUND: with the accession of Croatia, the European Union enlarged its customs union. Consequently, it was required under World Trade Organisation (WTO) rules 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 with respect to the withdrawal of specific concessions in relation to the withdrawal of the schedule of Croatia in the course of its accession to the European Union.

Negotiations with Brazil resulted in a draft Agreement in the form of an Exchange of Letters that was initialled on 12 July 2016 in Geneva.

CONTENT: in this proposal, the Council is asked to adopt a decision relating to the **conclusion of the Agreement in the form of an exchange of letters between the EU and Brazil** pursuant to the General Agreement on Tariffs and Trade1994 relating to the modification of concessions in the schedule of Croatia in the course of its accession to the European Union is approved on behalf of the Union.

The Commission states that the **results of the Agreement** are as follows:

- additional 4 766 tonnes allocated to Brazil under EU tariff rate quota 'Cut of fowls of the species gallus domesticus, frozen', maintaining the present in quota rate of 0%.
- additional 610 tonnes allocated to Brazil under EU tariff rate quota ' Cut of turkey, frozen', maintaining the present in quota rate of 0% ;
- additional 36 000 tonnes under the erga omnes part of the EU tariff rate quota 'Raw cane sugar, for refining', maintaining the present in quota rate of EUR 98 per tonne ;
- additional 78 000 tonnes to the allocation for Brazil under the EU tariff rate quota 'Raw cane sugar, for refining' , maintaining the present in quota rate of EUR 98 per tonne.

As regards the volume of 78 000 tonnes allocated to Brazil under the EU tariff rate quota 'Raw cane sugar, for refining', notwithstanding the bound in quota rate of EUR 98 per tonne, the EU shall autonomously apply:

- during the first six years during which this volume is available, an in quota rate of no more than EUR 11 per tonne, and
- in the seventh year during which this volume is available, an in quota rate of no more than EUR 54 per tonne.

The Commission will adopt implementing regulations to expand and manage the relevant quotas.

EU/Brazil Agreement: modification of concessions in the schedule Croatia in the course of its accession to the EU

2016/0307(NLE) - 03/03/2017 - Committee report tabled for plenary, 1st reading/single reading

The Committee on International Trade adopted the report by José Ignacio SALAFRANCA SÁNCHEZ-NEYRA (EPP, ES) 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 Federative Republic of Brazil 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.

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

The accession of Croatia enlarged the EU customs union. In compliance with WTO rules (Article XXIV:6 of the GATT 1994), Croatia should enter into negotiations with Brazil regarding the tariff schedule of Croatia in order to eventually agree on a compensatory adjustment connected to the EU-28, the EU's external tariff regime results in an increase of tariffs for Brazil.

Negotiations with Brazil resulted in a draft Agreement initialled on 12 July 2016 and signed on 25 November 2016.

Through this Agreement, the EU will incorporate in its schedule for the customs territory of the EU-28 that of the EU-27 with modifications related to tariff rate quotas on raw sugar and poultry meat.

The rapporteur noted that even if the agreement is not about new concessions but compensations, the sensitiveness of the products under consideration for the whole EU agricultural sector has given rise to concern.

Therefore, the European Parliament should have been fully informed as well during the negotiations. Moreover, the relevant sectors have complained about the lack of involvement and consultation from the European Commission during such negotiations.

The rapporteur therefore called on the Commission to conduct future negotiations under WTO rules in a more transparent way, fully informing the European Parliament and the relevant sectors at all stages and taking into considerations their views, in particular when the negotiations concern sensitive products.

EU/Brazil Agreement: modification of concessions in the schedule Croatia in the course of its accession to the EU

2016/0307(NLE) - 15/03/2017 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 579 votes to 35 with 59 abstentions, 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 Federative Republic of Brazil 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.

In line with the recommendation made by the Committee on International Trade, Parliament **approved** the conclusion of the agreement.

EU/Brazil Agreement: modification of concessions in the schedule Croatia in the course of its accession to the EU

2016/0307(NLE) - 25/04/2017 - Final act

PURPOSE: to conclude the Agreement in the form of an Exchange of Letters between the European Union and Brazil in order to take account of Croatia’s accession to the European Union.

NON-LEGISLATIVE ACT: Council Decision (EU) 2017/730 on the conclusion of the Agreement in the form of an Exchange of Letters between the European Union and the Federative Republic of Brazil 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.

BACKGROUND: With the accession of Croatia, the European Union has extended its customs union. Accordingly, it was required by the World Trade Organization (WTO) rules (Article XXIV: 6 GATT 1994) to enter into negotiations with WTO members having negotiating rights related to Croatia’s tariff schedule in order to agree on a compensatory arrangement.

On 15 July 2013, the Council authorised the Commission to open negotiations with certain other WTO Members under Article XXIV, para. 6 of the GATT 1994 in the context of Croatia's accession to the Union.

The negotiations were concluded and the agreement in the form of an exchange of letters between the EU and Brazil concerning the modification of concessions in Croatia's schedule of commitments as part of its accession to the EU was initialled on 12 July 2016.

The Agreement was signed on behalf of the Union on 25 November 2016, subject to its conclusion at a later date, in accordance with Council Decision (EU) 2016/1995.

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

CONTENT: with this Decision, the Agreement in the form of an Exchange of Letters between the EU and Brazil under Article XXIV, para. 6 and Article XXVIII of the GATT 1994 concerning the modification of concessions in Croatia's schedule of commitments in connection with its accession to the EU is hereby approved on behalf of the Union.

The text of the Agreement is attached to the Decision.

Main technical provisions of the Agreement: Under this Agreement, the EU shall include in its Schedule of Commitments for the EU-28 customs territory the concessions contained in the EU-27 list, With the following modifications:

- an additional 4 766 tonnes allocated to Brazil under the EU tariff rate quota ‘Cut of fowls of the species gallus domesticus, frozen’ maintaining the current quota rate of 0%;
- an additional 610 tonnes allocated to Brazil under the EU tariff quota ‘Cut of turkey, frozen’, maintaining the current quota rate of 0%;
- an additional 36 000 tonnes in the *erga omnes* part of the EU tariff quota 'Raw cane sugar, raw, for refining', maintaining the current quota rate of EUR 98/tonne;
- an increase of 78 000 tonnes of the share allocated to Brazil under the EU tariff quota 'Raw cane sugar, for refining', maintaining the current quota rate of EUR 98/tonne.

As regards the volume of 78 000 tonnes allocated to Brazil under the EU tariff quota 'Raw cane sugar, for refining', not withstanding the bound in quota rate of EUR 98/tonne, the EU will apply autonomously:

- for the first six years during which this volume is available, a maximum quota of EUR 11/tonne, and
- in the seventh year in which this volume is available, a maximum quota rate of EUR 54/tonne.

ENTRY INTO FORCE: the Decision enters into force on 25.4.2017. The date of entry into force of the Agreement will be published in the *Official Journal of the European Union* by the General Secretariat of the Council.

EU/Brazil Agreement: modification of concessions in the schedule Croatia in the course of its accession to the EU

2016/0307(NLE) - 28/10/2016 - Legislative proposal

PURPOSE: to conclude the Agreement in the form of an Exchange of Letters between the European Union and Brazil 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.

PROPOSED ACT: Council Decision.

ROLE OF THE EUROPEAN PARLIAMENT: the Council adopts the act after consulting the European Parliament but without being obliged to follow its opinion.

BACKGROUND: with the accession of Croatia, the European Union enlarged its customs union. Consequently, the European Union 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 with respect to the withdrawal of specific concessions in relation to the withdrawal of the schedule of Croatia in the course of its accession to the European Union. Negotiations with Brazil resulted in a draft Agreement in the form of an Exchange of Letters that was initialled on 12 July 2016 in Geneva which should now be approved on behalf of the European Union.

CONTENT: under this proposal, the Council is asked to adopt a Decision to **conclude the Agreement in the form of an Exchange of Letters with Brazil**. In parallel, a separate proposal on the signature of this Agreement is also being submitted to the Council.

The Commission will adopt implementing Regulations to expand and manage the relevant quotas, pursuant to the Single Common Market Organisation (CMO) Regulation (Regulation (EC) No 1308/2013).

The results of the Agreement are as follows:

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add 4 766 tonnes to the country allocated (Brazil) EU tariff rate quota 'Cut of fowls of the species gallus domesticus, frozen', tariff item numbers 0207.14.10, 0207.14.50 and 0207.14.70, maintaining the present in quota rate of 0%;
- add 610 tonnes to the country allocated (Brazil) EU tariff rate quota ' Cut of turkey, frozen', tariff item numbers 0207.27.10, 0207.27.20 and 0207.27.80, maintaining the present in quota rate of 0%;
- add 36 000 tonnes under the erga omnes part of the EU tariff rate quota 'Raw cane sugar, for refining', tariff item 1701.13.10 and 1701.14.10, maintaining the present in quota rate of EUR 98 per tonne;
- add 78 000 tonnes to the allocation for Brazil under the EU tariff rate quota 'Raw cane sugar, for refining', tariff item 1701.13.10 and 1701.14.10, maintaining the present in quota rate of EUR 98 per tonne.

As regards the volume of 78 000 tonnes allocated to Brazil under the EU tariff rate quota 'Raw cane sugar, for refining', tariff item 1701.13.10 and 1701.14.10, notwithstanding the bound in quota rate of EUR 98 per tonne, the EU shall autonomously apply:

- during the first six years during which this volume is available, an in quota rate of no more than EUR 11 per tonne, and
- in the seventh year during which this volume is available, an in quota rate of no more than EUR 54 per tonne.

These implementation measures are being prepared in parallel to this proposal.

BUDGETARY IMPLICATIONS: this is solely **limited to revenue**. The estimated amounts are **EUR 4.4 million per year**.

EU/Brazil Agreement: modification of concessions in the schedule Croatia in the course of its accession to the EU

2016/0307(NLE) - 03/10/2016 - Preparatory document

PURPOSE: to conclude an Agreement in the form of an Exchange of Letters between the European Union and Brazil in order to take into account the accession of Croatia to the European Union.

PROPOSED ACT: Council Decision.

ROLE OF THE EUROPEAN PARLIAMENT: the Council may adopt the act only with Parliament’s approval.

BACKGROUND: with the accession of Croatia, the European Union enlarged its customs union. Consequently, it was required under World Trade Organisation (WTO) rules 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 with respect to the withdrawal of specific concessions in relation to the withdrawal of the schedule of Croatia in the course of its accession to the European Union.

Negotiations with Brazil resulted in a draft Agreement in the form of an Exchange of Letters that was initialled on 12 July 2016 in Geneva.

CONTENT: in this proposal, the Council is asked to adopt a decision relating to the **conclusion of the Agreement in the form of an exchange of letters between the EU and Brazil** pursuant to the General Agreement on Tariffs and Trade1994 relating to the modification of concessions in the schedule of Croatia in the course of its accession to the European Union is approved on behalf of the Union.

The Commission states that the **results of the Agreement** are as follows:

- additional 4 766 tonnes allocated to Brazil under EU tariff rate quota 'Cut of fowls of the species gallus domesticus, frozen', maintaining the present in quota rate of 0%.
- additional 610 tonnes allocated to Brazil under EU tariff rate quota ' Cut of turkey, frozen', maintaining the present in quota rate of 0% ;
- additional 36 000 tonnes under the erga omnes part of the EU tariff rate quota 'Raw cane sugar, for refining', maintaining the present in quota rate of EUR 98 per tonne ;
- additional 78 000 tonnes to the allocation for Brazil under the EU tariff rate quota 'Raw cane sugar, for refining' , maintaining the present in quota rate of EUR 98 per tonne.

As regards the volume of 78 000 tonnes allocated to Brazil under the EU tariff rate quota 'Raw cane sugar, for refining', notwithstanding the bound in quota rate of EUR 98 per tonne, the EU shall autonomously apply:

- during the first six years during which this volume is available, an in quota rate of no more than EUR 11 per tonne, and
- in the seventh year during which this volume is available, an in quota rate of no more than EUR 54 per tonne.

The Commission will adopt implementing regulations to expand and manage the relevant quotas.