



EUROPEAN COMMISSION

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Proposal for a

**COUNCIL DECISION**

**establishing the position to be taken by the European Union within the General Council  
of the World Trade Organization on the request for a WTO waiver on additional  
autonomous trade preferences granted by the European Union to Pakistan**

## **EXPLANATORY MEMORANDUM**

### **1. OBJECTIVE OF THE PROPOSAL**

The objective of this proposal is to establish the position to be taken by the European Union within the General Council of the World Trade Organization (WTO) as regards the request for a WTO waiver on additional autonomous trade preferences granted by the European Union to Pakistan and thus allow the European Union to join a consensus on the adoption of this waiver request.

On 14 October 2010, the Commission adopted a proposal for a *Regulation of the European Parliament and of the Council introducing emergency autonomous trade preferences for Pakistan*, thereby responding to the invitation by the European Council of 16 September 2010 in the wake of the unprecedented and devastating floods in Pakistan. Discussions on this proposal in the Parliament and in the Council will resume shortly.

To permit the EU to provide preferential treatment for imports originating in Pakistan without being required to extend the same preferential treatment to the like products of any other Member of the WTO, a waiver has to be granted by the WTO, suspending temporarily certain WTO commitments which would be otherwise applicable. On 18 November 2010, the EU presented to the WTO a request for a waiver from the provisions of GATT 1994 Article I:1 and Article XIII, to the extent necessary (in document G/C/W/640) and on 26 October 2011, a revised waiver request (in document G/C/W/640.Rev1). As bilateral discussions on this waiver request are still ongoing with some WTO Members, a second revised waiver request will be submitted in due time.

### **2. LEGAL BASIS OF THE PROPOSAL**

Article 218(9) of the Treaty on the functioning of the European Union (TFEU) provides that when a decision having legal effect needs to be taken in a body set up by an international agreement, the Council, on a proposal from the Commission or the High Representative of the Union for Foreign Affairs and Security Policy, shall adopt a decision establishing the position to be adopted on the Union's behalf. The granting of a waiver on additional autonomous trade preferences granted by the European Union to Pakistan falls under this provision as the decision is taken in a body set up by an international agreement (the WTO General Council or Ministerial Conference) affecting the rights and obligations of the EU.

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THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular the first subparagraph of Article 207(4), in conjunction with Article 218(9), thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) The European Union is currently in the process of adopting legislation for granting additional autonomous trade preferences to Pakistan. In the absence of a waiver from the European Union's obligations under paragraph 1 of Article I of the General Agreement on Tariffs and Trade 1994 (GATT 1994) and Article XIII GATT 1994, to the extent necessary, the treatment provided by additional autonomous trade preferences would need to be extended to all other Members of the World Trade Organization (WTO). It is therefore appropriate to seek a waiver from paragraph 1 of Article I GATT 1994 and Article XIII GATT 1994, to the extent necessary, pursuant to paragraph 3 of Article IX of the Marrakesh Agreement establishing the World Trade Organization.
- (2) The European Union submitted such a request initially on 18 November 2010, revised subsequently on 26 October 2011 and the WTO General Council is to deliberate thereon.
- (3) It is appropriate, therefore, to establish the position to be taken by the European Union within the WTO General Council concerning that request,

HAS ADOPTED THIS DECISION:

### *Article 1*

The position to be taken by the European Union within the General Council of the World Trade Organization is to approve the WTO waiver on additional autonomous trade preferences granted by the European Union to Pakistan.

This position shall be expressed by the Commission.

*Article 2*

This Decision shall enter into force on the date of its adoption.

Done at Brussels,

*For the Council  
The President*