Proposal for a

COUNCIL DECISION

on the conclusion of an Agreement in the form of an Exchange of Letters between the European Community and Australia

Proposal for a

COUNCIL REGULATION

concerning the implementation of the Agreement concluded by the EC following negotiations in the framework of Article XXIV.6 of GATT 1994, amending Annex I to Regulation (EEC) No 2658/87 on the tariff and statistical nomenclature and on the Common Customs Tariff

(presented by the Commission)
EXPLANATORY MEMORANDUM

1. In the context of enlarging the customs union the provisions of GATT Article XXIV.6 oblige the EC to enter into negotiations with third countries having negotiating rights in any of the acceding Members in order to agree on compensatory adjustment if the adoption of the EC’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’.

2. On 22 March 2004, the Council authorised the Commission to open negotiations under Article XXIV.6 of the GATT 1994 (COM proposal 6792/04 WTO 34).

3. Negotiations have been conducted by the Commission in consultation with the Committee established by Article 133 of the Treaty and within the framework of the negotiating directives issued by the Council.

4. 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 schedules of the Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Hungary, the Republic of Malta, the Republic of Poland, the Republic of Slovenia and the Slovak Republic, in the course of the accession to the European Community.

5. The negotiations have resulted in an Agreement in the form of an exchange of letters with Australia.

6. This proposal asks the Council to approve this agreement.
COUNCIL DECISION

on the conclusion of an Agreement in the form of an Exchange of Letters between the European Community and Australia

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 133 in conjunction with the first sentence of the first subparagraph of Article 300(2) thereof,

Having regard to the proposal from the Commission,

Whereas:

(1) On 22 March 2004 the Council authorised the Commission to open negotiations with certain other Members of the WTO under Article XXIV.6 of the GATT 1994, in the course of the accessions to the European Community of Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Hungary, the Republic of Malta, the Republic of Poland, the Republic of Slovenia and the Slovak Republic.

(2) Negotiations have been conducted by the Commission in consultation with the Committee established by Article 133 of the Treaty and within the framework of the negotiating directives issued by the Council.

(3) The Commission has finalised negotiations for an Agreement in the form of an Exchange of Letters between the European Community and Australia. This agreement should be approved.

HAS DECIDED AS FOLLOWS:

Article 1

The Agreement in the form of an Exchange of Letters between the European Community and Australia with respect to the withdrawal of specific concessions in relation to the withdrawal of the schedules of the Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Hungary, the Republic of Malta, the Republic of Poland, the Republic of Slovenia and the Slovak Republic in the course of accession to the European Community; is hereby approved on behalf of the Community.
The text of the Agreement is annexed to this Decision.

Article 2

The Commission shall adopt the detailed rules for implementing the agreement in accordance with the procedure laid down in Article 3 of this Decision.

Article 3

1. The Commission shall be assisted by the Management Committee for Cereals instituted by Article 25 of Regulation (EC) No 1784/2003 or the relevant committee instituted by the corresponding article of the regulation for the common market organization for the product concerned.

2. Where reference is made to this paragraph, Articles 4 and 7 of Decision 1999/468/EC shall apply.

The period provided for in Article 4(3) of Decision 1999/468/EC shall be one month.

Article 4

The President of the Council is hereby authorised to designate the person(s) empowered to sign the Agreement in the form of an Exchange of Letters referred to in Article 1 in order to bind the Community.

Done at Brussels, […]

For the Council
The President
AGREEMENT

In the form of an exchange of letters between the European Community and Australia relating to the modification of concessions in the schedules of the Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Hungary, the Republic of Malta, the Republic of Poland, the Republic of Slovenia and the Slovak Republic in the course of accession to the European Community.

Letter from the European Communities

Brussels,

Sir,

Following the initiation of negotiations between the European Communities (EC) and Australia under Article XXIV:6 and Article XXVIII of GATT 1994 for the modification of concessions in the schedules of Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Hungary, the Republic of Malta, the Republic of Poland, the Republic of Slovenia and the Slovak Republic in the course of their accession to the EC, the following is agreed between the EC and Australia with a view to concluding the negotiations opened following the EC’s notification of 19 January 2004 to the WTO pursuant to Article XXIV:6 of GATT 1994.

The EC agrees to incorporate in its schedule for the customs territory of EC 25, the concessions that were included in its previous schedule.

The EC agrees that it will incorporate in its schedule for the EC 25 the concessions contained in the annex to this agreement.

This agreement shall enter into force on the date on which the EC receives from Australia a duly executed letter of agreement, following consideration by the parties in accordance with their own procedures. The EC shall use its best endeavours to put in place the appropriate implementing measures before 1 January 2006 and under no circumstances later than 1 July 2006.

On behalf of the European Communities
AGREEMENT

In the form of an exchange of letters between the European Community and Australia relating to the modification of concessions in the schedules of the Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Hungary, the Republic of Malta, the Republic of Poland, the Republic of Slovenia and the Slovak Republic in the course of accession to the European Communities.

Letter from Australia

Brussels,

Sir,

Reference is made to your letter stating:

“Following the initiation of negotiations between the European Communities (EC) and Australia under Article XXIV:6 and Article XXVIII of GATT 1994 for the modification of concessions in the schedules of Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Hungary, the Republic of Malta, the Republic of Poland, the Republic of Slovenia and the Slovak Republic in the course of their accession to the EC, the following is agreed between the EC and Australia with a view to concluding the negotiations opened following the EC’s notification of 19 January 2004 to the WTO pursuant to Article XXIV:6 of GATT 1994.

The EC agrees to incorporate in its schedule for the customs territory of EC 25, the concessions that were included in its previous schedule.

The EC agrees that it will incorporate in its schedule for the EC 25 the concessions contained in the annex to this agreement.

This agreement shall enter into force on the date on which the EC receives from Australia a duly executed letter of agreement, following consideration by the parties in accordance with their own procedures. The EC shall use its best endeavours to put in place the appropriate implementing measures before 1 January 2006 and under no circumstances later than 1 July 2006.”

I hereby have the honour to express my government’s agreement.

On behalf of Australia
Annex

- add 136 tonnes (carcase weight) to the allocation for Australia under the EC tariff rate quota for sheep meat; ‘meat of sheep or goats, fresh, chilled or frozen’ (tariff item number 0204),

- a country allocated (Australia) tariff rate quota 9925 tonnes of raw cane sugar for refining (tariff item number 1701 1110), in quota rate 98€/tonne.

- add 4003 tonnes (erga omnes) in EC tariff rate quota for ‘meat of bovine animals, frozen; un-separated or separated forequarters; boneless’ and ‘edible offal of bovine animals, frozen; thick skirt and thin skirt. The meat imported shall be used for processing’ (tariff item numbers 0202 2030, 0202 30, 0206 2991),

- add 150 tonnes (product weight) to the allocation for Australia under the EC tariff rate quota for ‘high quality meat of bovine animals, fresh, chilled or frozen, with or without bone; edible offal of bovine animals, fresh, chilled or frozen’ (tariff item numbers ex 0201, ex 0202, ex 0206 1095 and ex 0206 2991),

- add 461 tonnes to the allocation for Australia under the EC tariff rate quota for Cheddar cheese (tariff item number ex 0406 9021),

- add 1360 tonnes (erga omnes) in the EC tariff rate quota for butter (tariff item numbers 0405 10, 0405 90).

In quota rates of the EC15 shall apply.
**FINANCIAL STATEMENT**

**DATE:** 06/10/2005

1. **BUDGET HEADING:**
   Chapter 10 – Agricultural Duties

   **CREDITS B 2005:**
   13.2 M€

2. **TITLE:**
   Proposal for a Council Decision on the conclusion of an Agreement in the form of an exchange of letters between the European Community and Australia to compensatory adjustment as provided for by Article XXIV:6 of the GATT 1994.

3. **LEGAL BASIS:**
   Article 133 of the Treaty

4. **AIMS:**
   To comply with Article XXIV:6 of the GATT 1994 in relation to the enlargement of the Customs Union as of 1 May 2004.

5. **FINANCIAL IMPLICATIONS:**

<table>
<thead>
<tr>
<th>PERIODE DE 12 MOIS</th>
<th>EXERCICE EN COURS 2005</th>
<th>EXERCICE SUIVANT 2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Mio EUR)</td>
<td>(Mio EUR)</td>
<td>(Mio EUR)</td>
</tr>
</tbody>
</table>

   **5.0 EXPENDITURE**
   - CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTIONS)
   - NATIONAL AUTHORITIES
   - OTHER

   **5.1 REVENUE**
   - OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES)
   - NATIONAL

<table>
<thead>
<tr>
<th>[n+2]</th>
<th>[n+3]</th>
<th>[n+4]</th>
<th>[n+5]</th>
</tr>
</thead>
<tbody>
<tr>
<td>-</td>
<td>-</td>
<td>13.2 (1)</td>
<td>(1)</td>
</tr>
</tbody>
</table>

5.0.1 **ESTIMATED EXPENDITURE**
5.1.1 **ESTIMATED REVENUE**

<table>
<thead>
<tr>
<th></th>
<th>[n+2]</th>
<th>[n+3]</th>
<th>[n+4]</th>
<th>[n+5]</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

5.2 **METHOD OF CALCULATION:**

6.0 **CAN THE PROJECT BE FINANCED FROM APPROPRIATIONS ENTERED IN THE RELEVANT CHAPTER OF THE CURRENT BUDGET?**

   **N/A**

6.1 **CAN THE PROJECT BE FINANCED BY TRANSFER BETWEEN CHAPTERS OF THE CURRENT BUDGET?**

   **N/A**

6.2 **WILL A SUPPLEMENTARY BUDGET BE NECESSARY?**

   **NO**

6.3 **WILL APPROPRIATIONS NEED TO BE ENTERED IN FUTURE BUDGETS?**

   **NO**

**OBSERVATIONS:**
EXPLANATORY MEMORANDUM

(1) Reference is made to Council Decision XXXX, regarding the conclusion of an Agreement with Australia following negotiations in the framework of Article XXIV:6 of the GATT 1994.

(2) The present proposal for a Council Regulation implements the Agreement entered into by the Community.
Proposal for a

COUNCIL REGULATION

concerning the implementation of the Agreement concluded by the EC following negotiations in the framework of Article XXIV.6 of GATT 1994, amending Annex I to Regulation (EEC) No 2658/87 on the tariff and statistical nomenclature and on the Common Customs Tariff

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 133 thereof,

Having regard to the proposal from the Commission¹,

Whereas:

(1) Council Regulation (EEC) No 2658/87(1) established a goods nomenclature, hereinafter referred to as the "Combined Nomenclature", and set out the conventional duty rates of the Common Customs Tariff.

(2) By its decision XX/XXX/EC concerning the conclusion of Agreements in the form of an Exchange of Letters between the European Community and Australia, the Council approved, on behalf of the Community, the before mentioned Agreement with a view to closing negotiations initiated pursuant to Article XXIV:6 of GATT 1994.

HAS ADOPTED THIS REGULATION:

Article 1

Annex I to Regulation (EEC) No 2658/87 shall be amended as shown in the Annex to this Regulation.

¹ OJ C […][…], p. […].
Article 2

This Regulation shall enter into force six weeks following the day of its publication in the Official Journal of the European Union.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, […]

For the Council
The President
**ANNEX**

Notwithstanding the rules for the interpretation of the Combined Nomenclature, the wording for the description of the products is to be considered as having no more than an indicative value, the concessions being determined, within the context of this Annex, by the coverage of the CN codes as they exist at the time of adoption of the current regulation. Where ex CN codes are indicated, the concessions are to be determined by application of the CN code and corresponding description taken together.

### Annex 7

**WTO Tariff Quotas to be opened by the Competent community authorities**

(Qualification for these quotas is subject to conditions laid down in the relevant Community provisions)

<table>
<thead>
<tr>
<th>CN Code</th>
<th>Description</th>
<th>Other terms and conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tariff item number 0204</td>
<td>Meat of sheep or goats, fresh, chilled or frozen</td>
<td>add 136 tonnes (carcase weight) to the allocation for Australia</td>
</tr>
<tr>
<td>Tariff item number 1701 1110</td>
<td>Raw cane sugar for refining</td>
<td>a country allocated (Australia) tariff rate quota 9925 tonnes, in quota rate 98 €/tonne (<em>) (</em>) This rate applies to raw sugar with a yield of 92% (see also additional note 2 to chapter 17)</td>
</tr>
<tr>
<td>Tariff item number 0202 2030, 0202 30, 0206 2991</td>
<td>Meat of bovine animals, frozen; un-separated or separated forequarters; boneless’ and ‘edible offal of bovine animals, frozen; thick skirt and thin skirt. The meat imported shall be used for processing</td>
<td>add 4003 tonnes (erga omnes) in EC tariff quota</td>
</tr>
<tr>
<td>Tariff item number ex 0201, ex 0202, ex 0206 1095 and ex 0206 2991</td>
<td>High quality meat of bovine animals, fresh, chilled or frozen, with or without bone; edible offal of bovine animals, fresh, chilled or frozen</td>
<td>add 150 tonnes (product weight) to the allocation for Australia</td>
</tr>
<tr>
<td>Tariff item number ex 0406 9021</td>
<td>Cheddar cheese</td>
<td>add 461 tonnes to the allocation for Australia</td>
</tr>
<tr>
<td>Tariff item number</td>
<td>Butter and other fats and oils derived from milk</td>
<td>add 1360 tonnes (erga omnes) in the EC tariff rate quota</td>
</tr>
<tr>
<td>--------------------</td>
<td>-------------------------------------------------</td>
<td>--------------------------------------------------------</td>
</tr>
<tr>
<td>0405 10, 0405 90</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>