



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 13.07.2001
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2001/0150 (ACC)

Proposal for a

COUNCIL DECISION

relating to the conclusion of an Agreement between the European Community and the Republic of Hungary concerning fishery products, in the form of an additional Protocol completing the Europe Agreement establishing an association between the European Communities and their Member States, of the one part, and the Republic of Hungary of the other part

(presented by the Commission)

EXPLANATORY MEMORANDUM

On 29 May 2000, the Council approved the negotiating mandate for the Commission to undertake negotiations with the associated CEECs, including the Republic of Hungary, to conclude reciprocal tariff concessions in the fisheries sector. As a result, negotiations were held with the Republic of Hungary on 13 October 2000 and 14 December 2000 to finalise these bilateral concessions. The details of the bilateral concessions are contained in Agreed Minutes that were signed on behalf of the Commission and the Hungarian authorities on 14 December 2000. The two parties agreed on a model for gradual and reciprocal liberalisation of trade on all fish and fishery products.

The agreement states that both the Community and Hungary, from the date of entry into force of the agreement, will apply a 50% reduction of the tariff duties applied to all fish and fishery products. The following year a further reduction of 25% will be applied and two years after the entry into force of the agreement, full free trade of all fish and fishery products will be applied. In addition, Hungary will open a ceiling of USD 40 million for fishery products originating in the Community in 2001, followed by a ceiling of USD 44 million in 2002 and the ceiling and the corresponding import licensing will be eliminated two years after entry into force of this agreement. For the product under Hungarian CN Code ex 1902 2010 00, this agreement will replace the concession laid down in Annex II to Protocol 3 on trade between Hungary and the Community in processed agricultural products.

The Commission services are of the opinion that the results of the technical negotiations represent a balanced and acceptable result which, in a simple administrative manner, and on a gradual basis, will lead to full free trade, without any exceptions, between the Republic of Hungary and the European Community.

The present proposal is one of a series of seven on which the Commission is being asked to take a decision. They are being presented individually as they are not identical in content although all adhere to the same principles of gradual liberalisation of trade in fish and fishery products. In addition, they may not all follow the same timetable as the date of entry into force of each protocol, to be fixed by mutual agreement, will depend on the internal administrative procedures of each party.

In light of the above, the Council is requested to adopt the present decision to add a Protocol concerning trade concessions in the fisheries sector to the Europe Agreement with the Republic of Hungary.

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THE COUNCIL OF THE EUROPEAN UNION,

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

Having regard to the proposal from the Commission,

Whereas:

- (1) It is desirable to complete by means of an additional Protocol the Europe Agreement establishing an association between the European Communities and their Member States, of the one part, and the Republic of Hungary, of the other part¹, so as to provide for preferential conditions for the importation into the Community of certain fish and fishery products originating in the Republic of Hungary, and into the Republic of Hungary of certain fish and fishery products originating in the Community;
- (2) To that end a new Protocol laying down the trade arrangements for certain fish and fishery products should be added to the said Europe Agreement;
- (3) The Agreement in the form of a Protocol should be approved,

HAS DECIDED AS FOLLOWS:

Article 1

The Agreement between the European Community and the Republic of Hungary in the form of an additional Protocol concerning fishery products, completing the Europe Agreement establishing an association between the European Communities and their Member States, of the one part, and the Republic of Hungary, of the other part, is hereby approved on behalf of the Community.

The text of the Agreement in the form of a Protocol is attached to this Decision.

¹ OJ L 347 of 31.12.1993, p. 2.

Article 2

The President of the Council is authorised to designate the person empowered to sign the Agreement in order to bind the Community.

Done at Brussels,

For the Council
The President

ANNEX

AGREEMENT

BETWEEN THE EUROPEAN COMMUNITY
AND THE REPUBLIC OF HUNGARY
CONCERNING FISHERY PRODUCTS
IN THE FORM OF AN ADDITIONAL PROTOCOL
TO THE EUROPE AGREEMENT
ESTABLISHING AN ASSOCIATION BETWEEN
THE EUROPEAN COMMUNITIES AND THEIR MEMBER STATES
OF THE ONE PART, AND THE REPUBLIC OF HUNGARY
OF THE OTHER PART

PROTOCOL 8

LAYING DOWN THE TRADE ARRANGEMENTS FOR

CERTAIN FISH AND FISHERY PRODUCTS BETWEEN

THE EUROPEAN COMMUNITY AND THE REPUBLIC OF HUNGARY

THE EUROPEAN COMMUNITY, hereinafter referred to as 'the Community' of the one part, and

THE GOVERNMENT OF THE REPUBLIC OF HUNGARY, of the other part,

WHEREAS the Europe Agreement establishing an association between the European Communities and their Member States, of the one part, and the Republic of Hungary, of the other part, hereinafter referred to as 'the Europe Agreement', was signed in Brussels on 16 December 1991 and entered into force on 1 February 1994;

WHEREAS Chapter III of Title III of the Europe Agreement provides for negotiations to conclude reciprocal tariff concessions in the fisheries sector;

WHEREAS to this effect technical negotiations based on Article 20(5) of the Europe Agreement were carried out and successfully concluded between the Community and the Republic of Hungary to agree on reciprocal tariff concessions in the fisheries sector;

WHEREAS the negotiated concessions in the fisheries sector shall affect the bilateral concessions granted under the Agreement, which should, therefore, be amended by means of a Protocol adjusting the trade aspects of the Agreement;

WHEREAS the Community and the Republic of Hungary also agreed on an administratively simple manner of implementing the negotiated tariff concessions as soon as possible on a gradual basis;

HAVE DECIDED to apply the agreed tariff concessions in view of establishing full free trade of all fish and fishery products:

ARTICLE 1

From the date of entry into force of this Protocol for fish and fishery products as defined in Article 1 of Council Regulation (EC) No 104/2000 both Parties shall apply a 50% reduction of the tariff duties applied by the Community and Hungary respectively for all fish and fishery products.

One year after the date of entry into force of this trade arrangement, both Parties shall apply a further 25% reduction of the tariff duties as they were at the time of the entry into force of this arrangement.

Two years after the date of entry into force of this trade arrangement, or if commonly agreed earlier, full free trade of all fish and fishery products shall be applied. . Any such agreement on earlier application of full free trade of all fish and fishery products shall be implemented in accordance with Article 6 of this Protocol.

ARTICLE 2

The calculation of the reductions mentioned in Article 1 will be carried out by using common mathematics principles taking into account that:

(a) all the figures which have less than 50 (included) after the decimal point should be rounded down;

- (b) all the figures which have more than 50 after the decimal point should be rounded up;
- (c) all the tariffs below 2% should automatically be fixed at 0%. The parties will exchange information on those cases where the above principles apply.

ARTICLE 3

Hungary shall open an import ceiling of USD 40 million for fishery products originating in the Community in 2001 and a ceiling of USD 44 million in 2002. The ceiling and the corresponding import licensing procedure shall be eliminated two years after the entry into force of this Protocol. Products falling within this category are specified in the Annex to this Protocol.

Hungary will eliminate import licensing on imports of all fishery products not listed in the Annex, originating in the Community, at the entry into force of this Protocol.

ARTICLE 4

Regarding the product under Hungarian CN code ex 19 02 20 10 00 (Pasta stuffed only with fish) the present Protocol shall replace the concession concerning this product laid down in Annex II to Protocol 3 on trade in processed agricultural products to the Europe Agreement establishing an association between the European Communities and their Member States, of the one part, and the Republic of Hungary, of the other part,

ARTICLE 5

This Protocol will enter into force on the first day of the month following the date on which the Parties have notified each other of the accomplishment of their internal procedures.

ARTICLE 6

This Protocol may be amended by decision of the Association Council.

ANNEX

	0305	FISH, FIT FOR HUMAN CONSUMPTION, DRIED, SALTED OR IN BRINE; SMOKED FISH, FIT FOR HUMAN CONSUMPTION, WHETHER OR NOT COOKED BEFORE OR DURING THE SMOKING PROCESS; FLOURS, MEALS AND PELLETS OF FISH, FIT FOR HUMAN CONSUMPTION
	030530	FISH FILLETS, DRIED, SALTED OR IN BRINE, NOT SMOKED
ex	0305301100	FILLETS OF COD 'GADUS MACROCEPHALUS', DRIED, SALTED OR IN BRINE, BUT NOT SMOKED
ex	0305301900	FILLETS OF COD 'GADUS MORHUA, GADUS OGAC' AND OF FISH OF THE SPECIES 'BOREOGADUS SAIDA', DRIED, SALTED OR IN BRINE, BUT NOT SMOKED
ex	0305303000	FILLETS OF PACIFIC SALMON 'ONCORHYNCHUS SPP.', OF ATLANTIC SALMON 'SALMO SALAR' AND DANUBE SALMON 'HUCHO HUCHO', SALTED OR IN BRINE, BUT NOT SMOKED
ex	0305305000	FILLETS OF LESSER OR GREENLAND HALIBUT 'REINHARDTIUS HIPPOGLOSSOIDES', SALTED OR IN BRINE, BUT NOT SMOKED
	03053090	OTHER:
ex	0305309001	FILLETS OF FISH, DRIED, SALTED OR IN BRINE, BUT SMOKED OF SALMON AND HERRINGS
ex	0305309099	FILLETS OF FISH, DRIED, SALTED OR IN BRINE, BUT SMOKED OF OTHER FISH
		FISH, DRIED OR SMOKED INCL. FILLETS
	0305410000	PACIFIC SALMON 'ONCORHYNCHUS SPP.', ATLANTIC SALMON 'SALMO SALAR' AND DANUBE SALMON 'HUCHO HUCHO', SMOKED, INCL. FILLETS
	0305420000	HERRINGS 'CLUPEA HARENGUS, CLUPEA PALLASII', SMOKED, INCL. FILLETS
	030549	OTHER:
	0305491000	LESSER OR GREENLAND HALIBUT, SMOKED, INCL. FILLETS
	0305492000	ATLANTIC HALIBUT 'HIPPOGLOSSUS HIPPOGLOSSUS', SMOKED, INCL. FILLETS
	0305493000	MACKEREL 'SCOMBER SCOMBRUS, SCOMBER AUSTRALASICUS, SCOMBER JAPONICUS', SMOKED, INCL. FILLETS
	0305494500	TROUT 'SALMO TRUTTA, ONCORHYNCHUS MYKISS, ONCORHYNCHUS CLARKI, ONCORHYNCHUS AGUABONITA, ONCORHYNCHUS GILAE, ONCORHYNCHUS APACHE AND ONCORHYNCHUS CHRYSOGASTER', SMOKED, INCL. FILLETS
	0305495000	EELS 'ANGUILLA SPP.', SMOKED, INCL. FILLETS
	03054980	OTHER:
	0305498001	SARDINIA
	0305498099	OTHER:
	0305610000	HERRINGS 'CLUPEA HARENGUS, CLUPEA PALLASII', SALTED OR IN BRINE ONLY
	0305620000	COD 'GADUS MORHUA, GADUS OGAC, GADUS MACROCEPHALUS', SALTED OR IN BRINE ONLY
	0305630000	ANCHOVIES 'ENGRAULIS SPP.', SALTED OR IN BRINE ONLY

030569	OTHER:
0305691000	FISH OF THE SPECIES BOREOGADUS SAIDA, SALTED OR IN BRINE ONLY
0305692000	LESSER OR GREENLAND HALIBUT 'REINHARDTIUS HIPPOGLOSSOIDES' AND PACIFIC HALIBUT 'HIPPOGLOSSUS STENOLEPIS', SALTED OR IN BRINE ONLY (EXCL. FILLETS)
0305693000	ATLANTIC HALIBUT 'HIPPOGLOSSUS HIPPOGLOSSUS', SALTED OR IN BRINE ONLY (EXCL. FILLETS)
0305695000	PACIFIC SALMON 'ONCORHYNCHUS SPP.', ATLANTIC SALMON 'SALMO SALAR' AND DANUBE SALMON 'HUCHO HUCHO', SALTED OR IN BRINE ONLY (EXCL. FILLETS)
03056990	OTHER:
0305699001	SARDINIA
0305699099	OTHER:
1604	PREPARED OR PRESERVED FISH; CAVIAR AND CAVIAR SUBSTITUTES PREPARED FROM FISH EGGS
	FISH, WHOLE OR IN PIECES (EXCL. MINCED)
1604110000	SALMON
160412	HERRINGS
1604121000	FILLETS OF HERRING, RAW, MERELY COATED WITH BUTTER OR BREADCRUMBS, WHETHER OR NOT PREFRIED IN OIL, FROZEN
	OTHER:
1604129100	IN AIRTIGHT CONTAINERS
1604129900	OTHER:
160413	PREPARED OR PRESERVED SARDINES, SARDINELLA AND BRISLING OR SPRATS
	SARDINIA
1604131100	IN OLIVE OIL
1604131900	OTHER:
1604139000	OTHER:
160414	TUNAS, SKIPJACK AND ATLANTIC BONITO
	TUNAS, SKIPJACK
1604141100	IN VEGETABLE OIL
	OTHER:
1604141600	LOIN
1604141800	OTHER:
1604149000	BONITO 'SARDA SPP.'
160415	MACKEREL
	OF THE SPECIES SCOMBER SCOMBRUS AND SCOMBER JAPONICUS
1604151100	FILLETS
1604151900	OTHER:
1604159000	OF SPECIES SCOMBER AUSTRALASICUS
1604160000	ANCHOVIES:

	160419	OTHER:
	1604191000	SALMONIDAE (EXCL. SALMON)
		FISH OF THE SPECIES EUTHYNNUS (EXCL. SKIPJACK [EUTHYNNUS KATSUWONUS PELAMIS])
	1604193100	LOINS
	1604193900	OTHER:
	1604195000	FISH OF SPECIES ORCYNOPSIS UNICOLOR
		OTHER:
	1604199100	DEEP FROZEN RAW FISH FILLETS, COATED WITH BATTER OR BREADCRUMBS
		OTHER:
	1604199200	COD OF THE SPECIES GADUS MORHUA, GADUS OGAC, GADUS MACROCEPHALUS
	1604199300	COALFISH 'POLLACHIUS VIRENS'
	1604199400	HAKE 'MERLUCCIOUS SPP., UROPHYCIS SPP.'
	1604199500	ALASKA POLLACK 'THERAGRA CHALCOGRAMMA' AND POLLACK 'POLLACHIUS POLLACHIUS'
	1604199800	OTHER:
	160420	PREPARED OR PRESERVED FISH
	1604200500	PREPARATIONS OF SURIMI
		OTHER:
	1604201000	OF SALMON
	1604203000	OF SALMONIDAE (EXCL. SALMON)
	1604204000	ANCHOVIES:
	1604205000	OF SARDINES, BONITO, MACKEREL OF SPECIES SCOMBER SCOMBRUS AND JAPONICUS AND FISH OF SPECIES ORCYNOPSIS UNICOLOR
	1604207000	OF TUNAS, SKIPJACK OR OTHER FISH OF THE GENUS 'EUTHYNNUS'
	1604209000	OF OTHER FISH

FINANCIAL STATEMENT

1. TITLE OF OPERATION

Proposal to add a Protocol to the Europe Agreement with Hungary implementing an agreement on concessions on fish and fishery products. These concessions have been agreed and will be implemented over a period of three years, leading to full trade liberalisation of the products concerned.

2. BUDGET HEADING(S) INVOLVED

Chapter 12, Article 120

3. LEGAL BASIS

Article 133 in conjunction with Article 300(2) of the Treaty establishing the European Community

4. DESCRIPTION OF OPERATION

4.1 General objective

Full trade liberalisation of trade in fish and fishery products in preparation for accession of the Republic of Hungary to the European Union

5. CLASSIFICATION OF EXPENDITURE OR REVENUE

5.3 Type of revenue involved

Import duties

6. TYPE OF EXPENDITURE OR REVENUE

- Will the proposed operation cause any change in the level of revenue? If so, what sort of change and what type of revenue is involved?
- The proposed operation will cause a reduction in import duties levied on fish and fishery products originating in the Republic of Hungary

7. FINANCIAL IMPACT

7.1 Method of calculating total cost of operation (relation between individual and total costs)

The cost of the operation has been based on trade in 1998, 1999 and 2000. Due to the unpredictable levels of trade and the varying rates of duty applied to the products concerned, an average estimated duty level of 12% has been used to calculate the

duty levied in 1998, 1999 and 2000. Import duties levied in 1999 showed an increase of almost 4% over 1998; however, duties in 2000 showed a decrease of almost 30% over 1999. No increase in duty level has thus been used to calculate the estimated import duties foreseen. The estimated duty has been reduced by 50% for year one and a further 25% for year two.

As the entry into force of the arrangements is expected to take place in the course of the year 2001, the estimated cost will be made as though 2001 is year one, 2002 is year two, 2003 is year three.

7.2 Itemised breakdown of cost

Commitment appropriations EUR million (at current prices)

Breakdown	2001	2001+1	2001+2				
Estimated import duties = (yr 2000)-50% = (1.42)-50%	0.71						
Estimated import duties = (yr 2001)-25% = (0.71)-25%		0.53					
Estimated import duties = 2001+2			0				
Total	0.71	0.53	0				