COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 10.4.2007
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2007/0060 (ACC)
2007/0061 (ACC)

Proposal for a

COUNCIL DECISION

on the conclusion of Agreements in the form of agreed minutes on the modification of concessions with respect to poultry meat between the European Community and the Federal Republic of Brazil, and between the European Community and the Kingdom of Thailand pursuant to Article XXVIII of the General Agreement on Tariffs and Trade 1994 (GATT 1994)

Proposal for a

COUNCIL REGULATION

concerning the implementation of Agreements concluded by the EC following negotiations in the framework of Article XXVIII of GATT 1994, amending and supplementing 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. On 5 May 2006, the Council authorised the Commission to open negotiations under Article XXVIII of the GATT 1994 (COM proposal 8114/06 WTO 63 AGRI 123) with a view to modify the bound duties on three poultry meat products provided for in the EC Schedule CXL annexed to the GATT 1994.

2. The Commission notified to the World Trade Organisation its intention to modify concessions for salted poultry meat under heading 0210 99 39 and to extend these negotiations to cooked chicken meat under heading 1602 32 19 and to turkey meat preparations under heading 1602 31 of the Combined Nomenclature.

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 Federal Republic of Brazil, holding a principal supplying interest in products of HS codes 0210 99 39 (salted poultry meat), 1602 31 (prepared turkey meat) and holding a substantial interest in products of HS codes 1602 32 19 (cooked chicken meat) and with the Kingdom of Thailand, holding a substantial interest in products of HS code 0210 99 39 (salted poultry meat) and a principal supplying interest in products of HS code 1602 32 19 (cooked chicken meat).

5. The negotiations have resulted in Agreements in the form of Agreed minutes with the Kingdom of Thailand on 23 November 2006 and Federal Republic of Brazil on 6 December 2006.

6. This proposal asks the Council to approve the decision on the conclusion of Agreements in the form of agreed minutes.

7. Following this decision, the Council is invited to approve the proposal for a Council Regulation concerning the implementation of the Agreements concluded.

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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 the first sentence of the first subparagraph of Article 300(2) thereof,

Having regard to the proposal from the Commission[1],

Whereas:

(1) On 5 May 2006, the Council authorised the Commission to open negotiations under Article XXVIII of the GATT 1994 with a view to modification of the bound duties on three poultry meat products provided for in EC Schedule CXL annexed to the GATT 1994. The Commission notified to the World Trade Organisation its intention to modify concessions for salted poultry meat under heading 0210 99 39 and to extend these negotiations to cooked chicken meat under heading 1602 32 19 and to turkey meat preparations under heading 1602 31 of the Combined Nomenclature.

(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 reached Agreements in the form of Agreed Minutes with the Federal Republic of Brazil, holding a principal supplying interest in products of HS codes 0210 99 39, 1602 31 and holding a substantial interest in products of HS codes 1602 32 19, on 6 December 2006, and with the Kingdom of Thailand, holding a substantial interest in products of HS code 0210 99 39, and a principal supplying interest in products of HS code 1602 32 19, on 23 November 2006. These Agreements should therefore be approved,

[1] OJ C …, …, p. ….

HAS DECIDED AS FOLLOWS:

Article 1

The Agreements in the form of Agreed Minutes between the European Community and the Federal Republic of Brazil, and between the European Community and the Kingdom of Thailand, pursuant to Article XXVIII of the GATT 1994 relating to the modification of concessions with respect to poultry meat products of HS codes 0210 99 39 (salted poultry meat), 1602 31 (prepared turkey meat) and 1602 32 19 (cooked chicken meat) provided for in EC Schedule CXL annexed to the GATT 1994 is hereby approved on behalf of the Community.

The texts of the Agreements are annexed to this Decision.

Article 2

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

Article 3

The Commission shall be assisted by the Management Committee for Poultry meat and Eggs in order to implement the management of the Tariff rate quotas.

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

The period laid down 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 persons empowered to sign the Agreements in order to bind the Community[2].

Done at Brussels,

For the Council
The President

[2] The date of entry into force of the agreement will be published in the *Official Journal of the European Union*.

ANNEX

A. Agreed minutes between the European Community and the Federal Republic of Brazil

Negotiations under Article XXVIII of GATT 1994 relating to the modification of concessions with respect to poultry provided for in EC Schedule CXL annexed to GATT 1994.

In the negotiations between the European Community (hereinafter 'EC') and the Federative Republic of Brazil (hereinafter 'Brazil') under Article XXVIII of GATT 1994 for the modification of concessions with respect to poultry provided for in EC Schedule CXL annexed to the General Agreement on Tariffs and Trade 1994 (GATT 1994), the Delegations of the Commission of the European Communities and Brazil reached the Agreement outlined below.

The Delegations of the Commission of the European Communities and Brazil will submit this Agreement for approval to their respective authorities.

1. Bound Rates of Duty: the bound rate of duty for items 0210 90 20 (currently 0210 99 39), 1602 31 and 1602 32 19 shall be €1 300/ton, €1 024/ton and €1 024/ton respectively.

2. Tariff Rate Quotas: the EC shall open the following annual TRQs:

   a) for item 0210 90 20 ("salted") a quota of 264 245 tons, of which 170 807 tons shall be allocated to Brazil. The in-quota rate shall be 15.4% *ad valorem*;

   b) for item 1602 31 ("turkey") a quota of 103 896 tons, of which 92 300 tons shall be allocated to Brazil. The in-quota rate shall be 8.5% *ad valorem*;

   c) for item 1602 32 19 ("cooked") a quota of 250 953 tons, of which 79 477 tons shall be allocated to Brazil. The in-quota rate shall be 8% *ad valorem*.

3. Imports under the TRQs referred to in paragraph 2 shall take place on the basis of certificates of origin issued in a non-discriminatory way by the competent authorities in Brazil.

4. The concessions contained in the present agreement shall be subject to the modalities eventually agreed to in the DDA of WTO.

5. The quota volumes allocated among the countries with principal supplying interest and substantial interest shall follow the general principles of GATT Article XIII. The concessions that may result from the application of such principles shall not be less favourable than those negotiated under the present agreement.

6. The two parties commit themselves to implement the provisions of this agreement as soon as possible in accordance to their internal procedures.

7. At the request of either party to the present agreement, consultations shall take place in relation to the implementation of the present agreement.

For the Delegation of the Commission of the European Communities

For the Delegation of Brazil

B. Agreed minutes between the European Community and the Kingdom of Thailand

Negotiations under Article XXVIII of GATT 1994 relating to the modification of concessions with respect to poultry provided for in EC Schedule CXL annexed to GATT 1994.

In the negotiations between the European Community (hereinafter 'EC') and the Federative Kingdom of Thailand (hereinafter 'Thailand') under Article XXVIII of GATT 1994 for the modification of concessions with respect to poultry provided for in EC Schedule CXL annexed to the General Agreement on Tariffs and Trade 1994 (GATT 1994), the Delegations of the Commission of the European Communities and Thailand reached the Agreement outlined below.

The Delegations of the Commission of the European Communities and Thailand will submit this Agreement for approval to their respective authorities.

1. Bound Rates of Duty: the bound rate of duty for items 0210 90 20 (currently 0210 99 39) and 1602 32 19 shall be €1 300/ton and €1 024/ton respectively.

2. Tariff Rate Quotas: the EC shall open the following annual TRQs:

   a) for item 0210 90 20 ("salted") a quota of 264 245 tons, of which 92 610 tons shall be allocated to Thailand. The in-quota rate shall be 15.4% *ad valorem*;

   b) for item 1602 32 19 ("cooked") a quota of 250 953 tons, of which 160 033 tons shall be allocated to Thailand. The in-quota rate shall be 8% *ad valorem*.

3. Imports under the TRQs referred to in paragraph 2 shall take place on the basis of certificates of origin issued in a non-discriminatory way by the competent authorities in Thailand.

4. The concessions contained in the present agreement shall be subject to the modalities eventually agreed to in the DDA of WTO.

5. The quota volumes allocated among the countries with principal supplying interest and substantial interest shall follow the general principles of GATT Article XIII. The concessions that may result from the application of such principles shall not be less favourable than those negotiated under the present agreement.

6. The two parties commit themselves to implement the provisions of this agreement as soon as possible in accordance to their internal procedures.

7. At the request of either party to the present agreement, consultations shall take place in relation to the implementation of the present agreement.

For the Delegation of the Commission of the European Communities

For the Delegation of Thailand

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Proposal for a

COUNCIL REGULATION

concerning the implementation of Agreements concluded by the EC following negotiations in the framework of Article XXVIII of GATT 1994, amending and supplementing 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 Commission[3],

Whereas:

(1) Council Regulation (EEC) No 2658/87[4] 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 between the European Community and the Federal Republic of Brazil, and between the European Community and the Kingdom of Thailand, the Council approved, on behalf of the Community, the before mentioned Agreements with a view to closing negotiations initiated pursuant to Article XXVIII of GATT 1994,

HAS ADOPTED THIS REGULATION:

Article 1

In Regulation (EEC) No 2658/87 Annex I of Part Two (Schedule of Customs Duties) shall be amended with the duties shown in the Annex to this Regulation.

Article 2

Annex 7 of Section III of Part Three (WTO tariff quotas to be opened by the Competent Community Authorities) shall be amended with the tariff quotas and supplemented with the volumes and duties shown in the Annex of this Regulation.

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[3] OJ C …, …, p. ….

[4] OJ L 256, 7.9.1987, p. 1.

Article 3

This Regulation shall enter into force on the day following that 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.

Part Two – Schedule of Customs Duties

CN code	Description	Duty rate
0210 99 39	Salted poultry meat	€1 300/ton
1602 31	Prepared turkey meat	€1 024/ton
1602 32 19	Cooked chicken meat	€1 024/ton

Part Three – Tariff Annexes

CN code	Description	Duty rate
0210 99 39	Salted poultry meat	Open a tariff rate quota 264 245 tons, of which 170 807 tons shall be allocated to Brazil and 92 610 tons to Thailand, in-quota rate 15.4%
1602 31	Prepared turkey meat	Open a tariff rate quota 103 896 tons, of which 92 300 tons shall be allocated to Brazil, in-quota rate 8.5%
1602 32 19	Cooked chicken meat	Open a tariff rate quota 250 953 tons, of which 79 477 tons shall be allocated to Brazil and 160 033 tons to Thailand, in-quota rate 8.0%

The exact tariff description of the EC-25 shall apply to all tariff lines and quotas above.

FINANCIAL STATEMENT

1.	BUDGET HEADING: Chapter 10 – Agricultural duties	APPROPRIATIONS: €1 486.7 Mio

2. TITLE:
- Council Decision on the conclusion of Agreements in the form of agreed minutes on the modification of concessions with respect to poultry meat between the European Community and the Federal Republic of Brazil, and between the European Community and the Kingdom of Thailand pursuant to Article XXVIII of the General Agreement on Tariffs and Trade 1994 (GATT 1994), and
- Council Regulation concerning the implementation of Agreements concluded by the EC following negotiations in the framework of Article XXVIII of GATT 1994, amending and supplementing Annex I to Regulation (EEC) No 2658/87 on the tariff and statistical nomenclature and on the Common Customs Tariff

3. LEGAL BASIS:
Article 133 of the EC Treaty and first sentence of the first subparagraph of Article 300(2)

4. AIMS:
- to approve the conclusion of agreements between the EC and the Federal Republic of Brazil and between the EC and the Kingdom of Thailand, on the modification of concessions with respect to poultry meat imports and
- to amend and supply Annex I to Regulation (EEC) No 2658/87 on the tariff and statistical nomenclature and on the common customs tariff, following the conclusion of agreements concluded by the EC with Brazil and Thailand.

5.	FINANCIAL IMPLICATIONS (1)	12 MONTH PERIOD (EUR million)	CURRENT FINANCIAL YEAR 2007 and FOLLOWING YEARS (EUR million)
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	–92.5	–92.5

		2008	2009	2010	2011
5.0.1	ESTIMATED EXPENDITURE	–	–	–	–
5.1.1	ESTIMATED REVENUE	–92.5	–92.5	–92.5	–92.5

5.2 METHOD OF CALCULATION:
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6.0	CAN THE PROJECT BE FINANCED FROM APPROPRIATIONS ENTERED IN THE RELEVANT CHAPTER OF THE CURRENT BUDGET?	~~YES NO~~
6.1	CAN THE PROJECT BE FINANCED BY TRANSFER BETWEEN CHAPTERS OF THE CURRENT BUDGET?	~~YES NO~~
6.2	WILL A SUPPLEMENTARY BUDGET BE NECESSARY?	~~YES NO~~
6.3	WILL APPROPRIATIONS NEED TO BE ENTERED IN FUTURE BUDGETS?	~~YES NO~~

OBSERVATIONS:

(1) Since the duty rate outside quota will be prohibitive, it's expected that only the quantity within quota will be imported. With respect to the revenue, it can be estimated that the measure would imply a loss of a net amount of approximately –€92.5 Mio.