COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 20.10.2005
COM(2005) 510 final

2005/0212 (ACC)
2005/0213 (ACC)

Proposal for a

COUNCIL DECISION

on the conclusion of an Agreement in the form of an Exchange of Letters between the European Community and the Kingdom of Thailand.

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 the Kingdom of Thailand.

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

2005/0212 (ACC)

Proposal for a

COUNCIL DECISION

on the conclusion of an Agreement in the form of an Exchange of Letters between the European Community and the Kingdom of Thailand.

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 the Kingdom of Thailand. 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 the Kingdom of Thailand 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; are hereby approved on behalf of the Community.

The text of the Agreement is annexed to this Decision.

Article 2

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 the Kingdom of Thailand

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 the Kingdom of Thailand under Article XXIV:6 and Article XXVIII of GATT 1994 for 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 their accession to the EC, the following is agreed between the EC and the Kingdom of Thailand in order to conclude the negotiations initiated 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 of EC 15.

The EC agrees that it will incorporate in its Schedule for the EC 25 the concessions contained in the Annex to this Agreement.

The Kingdom of Thailand accepts the basic components of the EC's approach to adjusting the obligation of the EC-15 and those 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 following the recent enlargement of the EC: netting out of export commitments; netting out of tariff quotas; and aggregation of domestic support commitments.

This Agreement shall enter into force on the date on which the EC and the Kingdom of Thailand have exchanged letters 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

ANNEX

16042070: a new annual tariff rate quota of 2,558 Tonnes of which 1,816 Tonnes shall be allocated to the Kingdom of Thailand, the rest erga omnes, with an in quota rate of 0%, out of quota rate 24%.

16042050: a new annual tariff rate quota of 2,275 Tonnes of which 1,410 Tonnes shall be allocated to the Kingdom of Thailand, the rest erga omnes, with an in quota rate of 0%, out of quota rate 25%.

100610 (Paddy rice): a new annual quota (erga omnes) of 7 Tonnes, in quota rate 15%.

100620 (Husked rice): a new annual quota (erga omnes) of 1,634 Tonnes, in quota rate 15%.

100630 (Semi/wholly milled rice): an increase in annual quota of 25,516 Tonnes (erga omnes) in the current EC15 quota, in quota rate 0%.

A country allocation of 1,200 Tonnes to the Kingdom of Thailand to be integrated in the current EC15 semi/wholly milled rice quota, in-quota rate 0%.

100640 (Broken rice): an increase of 31,788 Tonnes (erga omnes) in the current EC15 quota, in quota rate 0%.

FINANCIAL STATEMENT					DATE: 13/09/2005
1.	BUDGET HEADING: Chapter 10 – Agricultural Duties Chapter 12 – Customs Duties				CREDITS B 2005: 10.37 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 the Kingdom of Thailand relating 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:	PERIODE DE 12 MOIS (Mio EUR)	EXERCICE EN COURS 2005 (Mio EUR)		EXERCICE SUIVANT 2006 (Mio EUR)
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	-	- 10,37 (1)		(1)
		[n+2]	[n+3]	[n+4]	[n+5]
5.0.1	ESTIMATED EXPENDITURE	-	-	-	-
5.1.1	ESTIMATED REVENUE	(1)	(1)	(1)	(1)
5.2	METHOLD 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 the Kingdom of Thailand 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.

2005/0213 (ACC)

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 Commission[1],

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 the Kingdom of Thailand, 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 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. 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)

CN Code	Description	Other terms and conditions
Tariff item number 16042070	Quota for prepared or preserved fish (excl. whole or in pieces): --- of tunas, skipjack or other fish of the genus Euthynnus	A new annual tariff rate quota of 2,558 Tonnes of which 1,816 Tonnes shall be allocated to Thailand, the rest erga omnes, with an in quota rate of 0%, out of quota rate 24%
Tariff item number 16042050	Quota for prepared or preserved fish (excl. whole or in pieces): --- of sardines, bonito, mackerel of the species Scomber scombrus and Scomber japonicus, fish or the species Orcynopsis unicolor	A new annual tariff rate quota of 2,275 Tonnes of which 1,410 Tonnes shall be allocated to Thailand, the rest erga omnes, with an in quota rate of 0%, out of quota rate 25%
Tariff item number 100610	Quota for Paddy rice	A new annual quota (erga omnes) of 7 Tonnes, in quota rate 15%
Tariff item number 100620	Quota for Husked rice	A new annual quota (erga omnes) of 1,634 Tonnes, in quota rate 15%
Tariff item number 100630	Quota for semi-milled or wholly-milled rice	An increase in annual quota of 25,516 Tonnes (erga omnes) in the current EC15 quota, in quota rate 0% A country allocation of 1,200 Tonnes to Thailand to be integrated in the current EC15 semi-wholly milled rice quota, in quota rate 0%
Tariff item number 100640	Quota for broken rice	An increase of 31,788 Tonnes (erga omnes) in the current EC15 quota, in quota rate 0%