EUROPEAN COMMISSION

Brussels, 10.11.2010
COM(2010) 647 final

2010/0314 (NLE)

Proposal for a

COUNCIL DECISION

on the European Union position on the adaptation of Annex 3 to the Agreement between the European Community and the Swiss Confederation on trade in agricultural products

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

Annex 3 (thereafter "the Annex") to the Agreement between the European Community and the Swiss Confederation on trade in agricultural products (thereafter "the Agreement") provides for concessions regarding cheeses, in particular for gradual liberalisation of trade in cheeses over a period of five years following the entry into force of the Agreement. Liberalisation of cheeses has been completed in June 2007. Furthermore, the European Union and the Swiss Confederation agreed to insert into the Agreement a new Annex 12 on the protection of designations of origin and geographical indications for agricultural products and foodstuffs. As a consequence, the Annex needs to be revised to take into account both the full liberalisation in bilateral trade in cheeses and the protection of geographical indications, stipulated for in Annex 12.

The Commission therefore submits to the Council for adoption the proposal for the Decision on the European Union position on the adaptation of Annex 3 to the Agreement between the European Community and the Swiss Confederation on trade in agricultural products.

2. BUDGETARY IMPLICATION

No implications.

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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 Article 207(4) first subparagraph, in conjunction with Article 218(9) thereof,

Having regard to the proposal from the European Commission,

Whereas:

(1) The Agreement between the European Community and the Swiss Confederation on trade in agricultural products[1] (thereafter "the Agreement") entered into force on 1 June 2002.

(2) Article 6 of the Agreement sets up a Joint Committee on Agriculture to be responsible for the administration of the Agreement and to ensure its proper functioning.

(3) Article 11 of the Agreement provides that the Joint Committee on Agriculture may decide to amend Annexes to the Agreement.

(4) Following the full liberalisation in bilateral trade in cheeses, with effect from 1 June 2007 and the protection of geographical indications, to be stipulated for in a new Annex 12 to the Agreement, which calls for consistency in the specifications notably of cheeses, the necessary adaptations of Annex 3 to the Agreement should be made,

(5) The first subparagraph of Article 5(2) of Decision 2002/309/EC, Euratom of the Council, and of the Commission as regards the Agreement on Scientific and Technological Cooperation, of 4 April 2002 on the conclusion of seven Agreements with the Swiss Confederation[2] provides that the European Union position within the Joint Committee for Agriculture is to be adopted by the Council on a proposal from the Commission.

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[1] OJ L 114, 30.4.2002, p. 132. Agreement as last amended by Decision No 1/2007 of the Joint Committee on Agriculture (OJ L 173, 3.7.2007, p. 31).

[2] OJ L 114, 30.4.2002, p. 1.

HAS ADOPTED THIS DECISION:

Article 1

The position to be adopted by the European Union within the Joint Committee on Agriculture set up by Article 6 of the Agreement between the European Community and the Swiss Confederation on trade in agricultural products, regarding the adaptations of the Agreement as far as bilateral trade in products falling under heading 0406 of the Harmonised System is concerned to take account of the fully liberalised trade in the sector, shall be based on the draft Decision of the Joint Committee attached to this Decision.

Article 2

The decision of the Joint Committee on Agriculture shall be published in the *Official Journal of the European Union* as soon as it is adopted.

Done at Brussels,

For the Council
The President

ANNEX

DRAFT

DECISION N° …./2010 OF THE JOINT COMMITTEE ON AGRICULTURE

the

Concerning the modification of the Annex 3 to the Agreement between the European Community and the Swiss Confederation on trade in agricultural products

(…/…/…)

THE JOINT COMMITTEE ON AGRICULTURE,

Having regard to the Agreement between the European Community and the Swiss Confederation on trade in agricultural products[3] , and in particular Article 11 thereof,

Whereas:

(1) The Agreement between the European Community and the Swiss Confederation on trade in agricultural products (thereafter "the Agreement") entered into force on 1 June 2002.

(2) Annex 3 (thereafter "the Annex") to the Agreement provides for concessions regarding cheeses, in particular for gradual liberalisation of trade in cheeses over a period of five years following the entry into force of the Agreement.

(3) . The European Union and the Swiss Confederation agree to insert into the Agreement a new Annex 12 on the protection of designations of origin and geographical indications for agricultural products and foodstuffs, which calls for consistency in the specifications notably of cheeses.

(4) As a consequence, the Annex needs to be revised to take into account both the full liberalisation in bilateral trade in cheeses, with effect from 1 June 2007, and the protection of geographical indications, to be stipulated for in a new Annex 12.

HAS DECIDED AS FOLLOWS:

Article 1

Annex 3 to the Agreement between the European Community and the Swiss Confederation on trade in agricultural products and its appendices shall be replaced by the text in the Annex to this Decision.

Article 2

The decision enters into force on …….2010.

Done at …, the…

[3] Agreement between the European Community and the Swiss Confederation on trade in agricultural products; OJ L 114, 30.4.2002 p. 132

For the Joint Committee on Agriculture

[…]

President and Head of EU delegation	Head of the Swiss delegation	Secretary of the Committee

ANNEX

'Annex 3

1. Bilateral trade in all products falling under heading 0406 of the Harmonised System is fully liberalised as from 1 June 2007 by abolishing all the tariffs and quota.

2. The European Union shall not apply export refunds for cheeses exported to Switzerland. Switzerland shall not apply export subsidies[4] for cheeses exported to the European Union.

3. All products falling under CN code 0406 originating in the European Union or in Switzerland and traded between those two Parties are exempted from the presentation of an import licence.

4. The European Union and Switzerland shall ensure that the benefits they grant each other are not undermined by other measures affecting imports and exports.

5. Should the development of prices and/or imports give rise to disturbance on the market of either Party, consultations shall be held as soon as possible within the Committee set up under Article 6 of the Agreement at the request of either Party with a view to finding appropriate solutions. In this connection, the Parties hereby agree periodically to exchange information on prices and any other relevant information on the market in locally produced and imported cheeses.'

[4] The basic amounts on which the elimination of export subsidies were based were calculated by common agreement by the Parties on the basis of the difference in the institutional prices for milk likely to be in force when the Agreement entered into force, plus an additional amount for milk processed into cheese, obtained on the basis of the quantity of milk needed to manufacture the cheeses concerned, minus (except in the case of cheeses subject to quotas) the reduction of customs duty applied by the Community.

FINANCIAL STATEMENT

Fichefin/10/599507
DDG/tm
6.0.2005.1-2010

DATE: 27/08/2010

1.	BUDGET HEADING: Chapter 12 – Custom duties and other duties			APPROPRIATIONS: B2010: 14 079.7 M€
2.	TITLE: Proposal for a Council Decision on the European Union position on the adaptation of Annex 3 to the Agreement between the European Community and the Swiss Confederation on trade in agricultural products.			
3.	LEGAL BASIS: Treaty and in particular art. 207(4) first subparagraph, in conjunction with Article 218(9).			
4.	AIMS: To establish the European Union position on the adaptation of Annex 3 to the Agreement between the European Community and the Swiss Confederation on trade in agricultural products.			
5.	FINANCIAL IMPLICATIONS	12 MONTH PERIOD (EUR million)	CURRENT FINANCIAL YEAR 2010 (EUR million)	FOLLOWING FINANCIAL YEAR 2011 (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	-	-	-
		2012	2013	2014
5.0.1	ESTIMATED EXPENDITURE			
5.1.1	ESTIMATED REVENUE	-	-	-
5.2	METHOD OF CALCULATION: -			
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:

The measure provides the position to be adopted by the European Union on the modification of Annex 3 (Trade on cheese products under CN code 0406) to the Agreement between the European Community and the Swiss Confederation on trade in agricultural products. It has no financial impact.