AGREEMENT

in the form of an Exchange of Letters between the European Union and Australia pursuant to Article XXIV:6 and Article XXVIII of the General Agreement on Tariffs and Trade (GATT) 1994 relating to the modification of concessions in the schedules of the Republic of Bulgaria and Romania in the course of their accession to the European Union

A. *Letter from the Union*

Done at Geneva, 24 May 2011

Sir,

Following negotiations under Article XXIV:6 and Article XXVIII of the General Agreement on Tariffs and Trade (GATT) 1994 relating to the modification of the Schedules of the Republic of Bulgaria and Romania in the course of their accession to the European Union, I have the honour to propose the following:

1. The European Union will incorporate in its schedule, for the customs territory of the EU 27, the concessions granted and applied for the EU 25 with the following modifications:

   Add 400 tonnes (carcase weight) to the allocation for Australia under the EU tariff rate quota 'meat of sheep or goats, fresh, chilled or frozen', maintaining the present in-quota rate of 0 %;

   Create an erga omnes allocation of 200 tonnes (carcase weight) under the EU tariff rate quota 'meat of sheep or goats, fresh, chilled or frozen', maintaining the present in-quota rate of 0 %;

   Adjust the EU tariff rate quota 'live sheep, other than pure-bred breeding animals', with an in-quota rate 10 %, by removing the allocations of 1 010 tonnes (Romania) and 4 255 tonnes (Bulgaria);

   Adjust the EU tariff rate quota 'meat of sheep or goats, fresh, chilled or frozen', with an in-quota rate 0 %, by removing the allocations of 75 tonnes (Romania) and 1 250 tonnes (Bulgaria).

2. The European Union will ensure that the full additional allocation of 400 tonnes for Australia under the EU tariff rate quota 'meat of sheep or goats, fresh, chilled or frozen', is available in the first annual quota period which applies on the date of entry into force of the agreement, and in each annual quota period thereafter.

3. Australia accepts the European Union's approach to netting-out of tariff rate quotas as a way of adjusting the GATT obligations of the EU 25 and those of the Republic of Bulgaria and Romania following the recent enlargement of the European Union.

4. Consultations may be held at any time with regard to any of the above matters at the request of either Party.

I should be obliged if you would confirm that your Government is in agreement with the content of this letter. Should this be the case, this letter and your confirmation will together constitute an Agreement in the form of an Exchange of Letters between the European Union and Australia.

The European Union and Australia will notify to each other the completion of their internal procedures for the entry into force of the Agreement. The Agreement will enter into force 14 days after the date of the latest notification.

Please accept, Sir, the assurance of my highest consideration.

For the European Union



B. *Letter from Australia*

Done at Geneva, 24 May 2011

Sir,

I have the honour to acknowledge receipt of your letter of today's date, which reads as follows:

'Following negotiations under Article XXIV:6 and Article XXVIII of the General Agreement on Tariffs and Trade (GATT) 1994 relating to the modification of the Schedules of the Republic of Bulgaria and Romania in the course of their accession to the European Union, I have the honour to propose the following:

1. The European Union will incorporate in its schedule, for the customs territory of the EU 27, the concessions granted and applied for the EU 25 with the following modifications:

   Add 400 tonnes (carcase weight) to the allocation for Australia under the EU tariff rate quota "meat of sheep or goats, fresh, chilled or frozen", maintaining the present in-quota rate of 0 %;

   Create an erga omnes allocation of 200 tonnes (carcase weight) under the EU tariff rate quota "meat of sheep or goats, fresh, chilled or frozen", maintaining the present in-quota rate of 0 %;

   Adjust the EU tariff rate quota "live sheep, other than pure-bred breeding animals", with an in-quota rate 10 %, by removing the allocations of 1 010 tonnes (Romania) and 4 255 tonnes (Bulgaria);

   Adjust the EU tariff rate quota "meat of sheep or goats, fresh, chilled or frozen", with an in-quota rate 0 %, by removing the allocations of 75 tonnes (Romania) and 1 250 tonnes (Bulgaria).

2. The European Union will ensure that the full additional allocation of 400 tonnes for Australia under the EU tariff rate quota "meat of sheep or goats, fresh, chilled or frozen", is available in the first annual quota period which applies on the date of entry into force of the agreement, and in each annual quota period thereafter.

3. Australia accepts the European Union's approach to netting-out of tariff rate quotas as a way of adjusting the GATT obligations of the EU 25 and those of the Republic of Bulgaria and Romania following the recent enlargement of the European Union.

4. Consultations may be held at any time with regard to any of the above matters at the request of either Party.

I should be obliged if you would confirm that your Government is in agreement with the content of this letter. Should this be the case, this letter and your confirmation will together constitute an Agreement in the form of an Exchange of Letters between the European Union and Australia.

The European Union and Australia will notify to each other the completion of their internal procedures for the entry into force of the Agreement. The Agreement will enter into force 14 days after the date of the latest notification.'.

I have the honour to express my Government's agreement with the above letter.

Please accept, Sir, the assurance of my highest consideration.

For the Government of Australia

