



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 01.02.1996

COM(96) 39 final

96/0036 (ACC)

Proposal for a

COUNCIL DECISION

Concerning the conclusion of the results of negotiations with certain third countries under GATT Article XXIV:6 and other related matters

(Republic of Argentina)

(presented by the Commission)



## EXPLANATORY MEMORANDUM

The Commission has now concluded negotiations with Argentina under GATT Article XXIV.6. The results of the negotiations are contained in the Proposal for a Council Decision concerning the conclusion of the results of negotiations with Argentina under GATT Article XXIV:6 and other related matters.

The agreement covers agricultural issues and includes commitments on tariffs, tariff quotas, export commitments and domestic support. The phasing in of the duty reductions foreseen in the agreement needs to be specified.

As regards the EC's import regime for cereals, an exchange of letters has been negotiated under which Argentina agrees not to request GATT consultations provided the terms of the agreement are respected.

## Proposal for a Council Decision

### Concerning the conclusion of the results of negotiations with certain third countries under GATT Article XXIV:6 and other related matters

The Council of the European Union,

having regard to the Treaty establishing the European Community, and in particular Article 113, in conjunction with Article 228 (2), first sentence thereof,

having regard to the proposal from the Commission,

whereas the Community has entered into negotiations under GATT Article XXIV:6; whereas these negotiations have resulted in an agreement with Argentina.

whereas the phasing in of the duty reductions foreseen in the agreement should be specified,

whereas the Community has entered into discussions with Argentina relating to the Community's import regime for cereals. Whereas the result of these discussions are contained in an agreement in the form of an exchange of letters,

whereas it is in the interest of the Community to approve these agreements,

has decided as follows :

#### Article 1

1. The following agreements are hereby approved on behalf of the Community:
  - . Agreement for the conclusion of negotiations between Argentina and the European Community under Article XXIV:6 of the GATT 1994 (Annex I).
  - . Exchange of letters between Argentina and the European Community on cereals (Annex II).
2. The texts of the agreements referred to in this Article are attached to this Decision.
3. The President of the Council is hereby authorised to designate the person empowered to sign the agreements in order to bind the Community.
4. The phasing in of the duty reductions foreseen in the Agreement is laid down in Annex III.

Done at Brussels,

For the Council  
The President

AGREEMENT  
FOR THE CONCLUSION OF NEGOTIATIONS BETWEEN  
THE REPUBLIC OF ARGENTINA AND THE EUROPEAN COMMUNITY  
UNDER ARTICLE XXIV:6

The Republic of Argentina and the European Community,

- desiring to bring their GATT Article XXIV:6 negotiations, following the enlargement of the European Community which took place on 1 January 1995, to conclusion on the basis of a reasonable and mutually satisfactory compromise, and
- further desiring to strengthen the close partnership in commercial and economic matters between the European Community and the Republic of Argentina,

agree to the following provisions:

- A. The European Community shall incorporate in its new Schedule CXL, for the customs territory of the EC-15, the concessions that were included in the previous Schedule LXXX as modified by the European Community Schedule annexed to the Marrakech Protocol to the General Agreement, 1994 (dated 15 April 1994) and additions thereto as set out in document G/SP/2 (dated 3 August 1994).
- B. To settle the current GATT Article XXIV:6 negotiations on agriculture the following has been agreed and will apply with effect from 1 January 1996 :
- 08081093 Fresh Apples (1/1-31/3) :  
two additional steps (10%, 12%) before the full tariff equivalent is applied in the period 15/2-31/3.
  - 08081099 Fresh apples (1/4-31/7) :
    - reduction of the final tariff rate from 3% to 0%.
    - one additional step (14%) before the full tariff equivalent is applied in the period 1/4-30/6.
    - three additional steps (10%, 12%, 14 %) before the full tariff equivalent is applied in the period 1-15/7.
  - 08082031 Fresh Pears (1/1-31/3) :  
reduction of the final tariff rate from 8% to 5% for pears respecting the entry price for the period 1/2 - 31/3.
  - 08082033 Fresh pears (1/4-30/4 and 1-15/7) :
    - reduction of the final tariff rate from 2.5% to 0%.
    - one additional step (14%) before the full tariff equivalent is applied in the period 1/4-30/4.
    - three additional steps (10%, 12%, 14 %) before the full tariff equivalent is applied in the period 1-15/7.

- 08053010 Lemons :
  - four additional steps (10%, 12%, 14 %, 16 %) before the full tariff equivalent is applied in the period 1/5 - 31/7.
  - three additional steps (10 %, 12 %, 14 %) before the full tariff equivalent is applied in the period 1 - 15/8.
- Grape juice and grape must. Tariff rate quota for 14.000 t (erga omnes). See Annex 1. This tariff rate quota will apply with effect from 1 September 1996 <sup>1</sup>.
- 15081010 Ground-nut oil, crude : reduction of the final tariff rate (3.2%) to zero.

The Republic of Argentina accepts the basic components of the European Community's approach to adjusting the GATT obligations of EC 12 and those of Austria, Sweden and Finland, following the recent enlargement of the Community :

- netting out of export commitments
- netting out of tariff quotas
- aggregation of domestic support commitments.

The appropriate legal modalities of implementation remain to be agreed.

C. Final provisions:

This Agreement shall enter into force on the date of signature.

Consultations will be held with regard to the matters in this Agreement at any time at the request of either party.

Signed at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_ in the year one thousand nine hundred and ninety-six.

For the Republic of Argentina

For the Council of the European Union

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<sup>1</sup> In accordance with present EC regulations imports for inward processing will not be counted against the TRQ. Taking into account the fact that in the past imports of products covered by the TRQ were sometimes higher than 14 000 t the European Community is prepared to open up, on an autonomous basis, additional import opportunities if it emerges, after assessing relevant data (domestic supply and demand situation including market assessment by operators), that the internal market situation in the European Community necessitates additional import of grape juice and grape must used for the production of grape juice and/or non-wine sector products.

Tariff quota for grape juice and grape must

Description of product	Tariff item number	Initial quota quantity and in-quota tariff rate	Final quota quantity and in-quota tariff rate	Other terms and conditions
Grape juice (including grape must) : - Of a density exceeding 1.33 g/cm <sup>3</sup> at 20° C : -- Of a value not exceeding 22 ECU per 100 kg net weight -- Other - Of a density not exceeding 1.33 g/cm <sup>3</sup> at 20° C : -- Of a value exceeding 18 ECU/100 kg net weight : --- Concentrated -- Of a value not exceeding 18 ECU/100 kg net weight : --- Other	2009 60 11            2009 60 19            2009 60 51            2009 60 90	14.000 t            46.7 % + 24.0 ECU/100 kg/net            46.7 %            26.1 %            26.1 %	14.000 t            The initial in-quota tariff rates shall be reduced as committed in the Uruguay Round for out-quota rates	The products imported will be used for the production of grape juice and/or non-wine sector products such as vinegar, non-alcoholic drinks, jams and sauces.            Qualification for the quota is subject to conditions laid down in the relevant Community provisions.

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Exchange of letters

I have the honour to confirm the following understanding reached between the delegations of the Republic of Argentina and the European Community:

The European Community agrees to make the following adjustment to its import rules for "flint maize" (within tariff line 10059000) from 1 January to 30 June 1996:

The abatement for flint maize (within tariff line 10059000) will be increased from 8 ECU/tonne to 14 ECU/tonne.

Flint maize will be certified by the Instituto Argentino de Sanidad y Calidad Vegetal as being in conformity with the specifications for "maíz colorado o plata".

The two parties will enter into consultations before 1 March 1996 with a view to determining whether the level of the abatement is reflecting prevailing market conditions.

It is agreed that the two parties will enter into discussions in the first half of 1996 with a view to examining what measures might be necessary in view of the European Community commitments, under Schedule LXXX, for subsequent marketing years. If the outcome of those consultations is mutually satisfactory, its results may be implemented starting 1 July 1996.

Subject to the foregoing being implemented, the Republic of Argentina will not request consultations under Article XXII or XXIII of the GATT 1994 on this issue.



Summary description UR Code	CN Code 1996	Rate of duty to be applied in 1996 and in later years indicated
1	2	3
<p><b>Fresh apples, 1 April - 31 July</b></p> <p>0808 10 99</p>	<p><u>1/4 - 30/6</u> 0808 10 61 63 69</p> <p><u>1 - 31/7</u> 0808 10 71 73 79</p>	<p>1996 5.0 % 1997 4.0 % 1998 3.0 % 1999 2.0 % 2000 1.0 % 2001 0.0 %</p> <p>1996 4.0 % 1997 3.0 % 1998 2.0 % 1999 1.0 % 2000 0.0 %</p>
<p><b>Fresh pears, 1 February - 31 March</b></p> <p>ex 0808 20 31</p>	<p>ex 0808 20 31</p>	<p><b>1996 9.2 %</b> <b>1997 8.3 %</b> <b>1998 7.5 %</b> <b>1999 6.7 %</b> <b>2000 5.8 %</b> <b>2001 5.0 %</b></p>
<p><b>Fresh pears, 1 - 30 April and 1 - 15 July</b></p> <p>ex 0808 20 33</p>	<p><u>1 - 30/4</u> 0808 20 37</p> <p><u>1 - 15/7</u> 0808 20 47</p>	<p>1996 4.2 % 1997 3.3 % 1998 2.5 % 1999 1.7 % 2000 0.8 % 2001 0.0 %</p> <p>1996 3.3 % 1997 2.5 % 1998 1.7 % 1999 0.8 % 2000 0.0 %</p>
<p><b>Ground nut oil, crude</b></p> <p>1508 10 10</p>	<p>1508 10 10</p>	<p>1/1/1996 4.2 % 1/7/1996 3.3 % 1/7/1997 2.5 % 1/7/1998 1.7 % 1/7/1999 0.8 % 1/7/2000 0.0 %</p>

## FINANCIAL STATEMENT

### **Section 1. Financial Implications**

1. Proposal for a Council Regulation providing for offers of compensation made in the Article XXIV.6 Negotiations to be implemented from 1 January 1996.
2. Budget heading: (loss of revenue: not known)
3. Legal basis: Article 113
4. Description: The application of the Common External Tariff duty rates by the three new Member States from 1 January 1995 has resulted in increases in duty payments on imports from third countries beyond levels previously in force.

The proposed regulation is intended to implement the compensation offered for the adverse effects experienced by third countries as a result of changed duty rates in the three new Member States.

5. Type of revenue: Loss of revenue for duties paid on third country imports.
6. Change in level of revenue:

It is estimated that the maximum loss of revenue will be in the order of 6 MECU in the period 1996 until final UR rates are reached.



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# DOCUMENTS

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