

# COMMISSION OF THE EUROPEAN COMMUNITIES

COM(82) 128 final

Brussels, 18 March 1982

Recommendation for a

COUNCIL DECISION

on the conclusion of the agreements resulting from the negotiations and consultations under Article XXIV § 6 of the GATT between the European Communities and Argentina of the first part and the European Communities and Uruguay of the other part

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(submitted to the Council by the Commission)

COM(82) 128 final

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EXPLANATORY MEMORANDUM

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In accordance with the authorization it received from the Council on 28 April 1981, the Commission, at the request of Argentina and Uruguay, initiated negotiations and consultations with those countries under Article XXIV § 6 of the GATT.

These negotiations and consultations have given rise to satisfactory agreements.

## S U M M A R Y

Recommendation for a Council Decision on the conclusion of agreements between Argentina and Uruguay of the one part and the European Communities of the other part concerning the tariff concessions which the Communities grant to Argentina and Uruguay for high-quality beef and veal.

These concessions represent the compensation which, in accordance with the GATT, the Communities owe Argentina and Uruguay for the withdrawal, following Greece's accession to the European Communities, of the tariff concessions previously bound by Greece under the GATT.

CONCLUSION OF AN AGREEMENT RESULTING FROM THE NEGOTIATIONS AND CONSULTATIONS  
BETWEEN ARGENTINA AND URUGUAY OF THE ONE PART AND THE EUROPEAN COMMUNITIES  
OF THE OTHER PART UNDER ARTICLE XXIV § 6 OF THE GATT

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(Commission Communication to the Council)

The Commission is transmitting to the Council :

- a report on the outcome of the negotiations and consultations between Argentina and Uruguay of the one part and the Commission of the European Communities of the other part, under Article XXIV § 6 of the GATT (annex A) ;
- a draft agreement in the form of an agreed minute (annex B) ;

The Commission recommends that the Council approve this agreement.

It presents to that end a draft decision on the conclusion of the agreement (annex C).

R E P O R T

on the negotiations and consultations between Argentina and Uruguay of the one part and the Commission of the European Communities of the other part under Article XXIV § 6 of the GATT, following the accession of the Hellenic Republic to the European Communities.

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1. Following Greece's accession to the European Communities, the latter were required to hold negotiations under Article XXIV § 6 of the GATT in order to compensate the Contracting Parties for the injury caused to them by the substitution of the Communities' bound duties for the Greek customs duties bound under GATT.

In the letters which Argentina and Uruguay sent to the Director-General of GATT on 28 May 1981 and 2 April 1981 respectively, these two countries requested the opening of negotiations and consultations with the Commission of the European Communities.

2. Since for both Argentina and Uruguay the benefits and disadvantages in the industrial products sector offset one another almost entirely, the negotiations focussed solely on the injury which these two countries had suffered in the agricultural sector.

Frozen beef and veal accounted for most of Greece's total imports from those two countries; Argentina was Greece's principal supplier of those products and therefore holds negotiating rights, and Uruguay has a substantial interest and therefore has a right to consultations under Article XXVIII.

The customs duty bound by Greece for those products before its accession to the Community was 20 % ad valorem. The import charge laid down in the CCT for that category of meat is a customs duty of 20 % ad valorem bound under GATT plus a variable levy which is not bound under GATT. The application of the levy, which has a high ad valorem incidence, has virtually put an end to exports from those countries to Greece. For that reason, the two countries have clearly indicated that only the beef and veal sector could provide satisfactory compensation.

It is also to be noted that, in view of the structure of these two countries' exports to the Community and the sensitivity of certain other sectors, there was practically no possibility of providing compensation for Argentina and Uruguay in other sectors.

In these negotiations, the only way to meet the requests of Argentina and Uruguay and prevent other countries vis-à-vis which the Community has no legal obligations from benefiting from any concessions granted was to increase the "special cuts" quota for only those qualities supplied by Argentina and Uruguay.

3. Following a series of discussions, in which the Member States (Article 113 Committee) assisted, agreement was finally reached with these two countries, providing for the following :

- a 7 500 t increase in Argentina's present quota in respect of the quality supplied by that country (see Article 1a of Commission Regulation (EEC) N° 263/81);
- a 1 300 t increase in Uruguay's quota in respect of the quality supplied by that country (see Article 1c of Commission Regulation (EEC) N° 263/81).

Account was taken in fixing the abovementioned quantities of the credit (though marginal) resulting from the tariff reductions on other products.

4. The Commission considers that a satisfactory balanced agreement has been reached for the Communities and for Argentina and Uruguay.

It therefore proposes that the Council adopt the attached agreed minutes (see Annex B).



AGREED MINUTE

OUTCOME OF THE NEGOTIATIONS AND CONSULTATIONS UNDER ARTICLE XXIV § 6 OF  
THE GATT BETWEEN THE DELEGATION OF THE REPUBLIC OF URUGUAY AND THE DELE-  
GATION OF THE COMMISSION OF THE EUROPEAN COMMUNITIES

The Delegation of the Republic of Uruguay and the Delegations of the Commission of the European Communities have agreed on the following :

1. The concessions previously granted by :

- the European Economic Community (Schedules LXXII - European Economic Community - and LXXIIbis - Member States of the European Coal and Steel Community -);
- the Hellenic Republic (Schedule XXV),

are hereby withdrawn and replaced by concessions granted by the European Communities of Ten. Apart from the modifications listed below, the concessions are identical to those at present set out in Schedules LXXII (European Economic Community) and LXXIIbis (Member States of the European Coal and Steel Community).

The Communities nevertheless reserve the right to modify these lists on the basis of the outcome of the negotiations and/or consultations under Article XXIV § 6 with other Contracting Parties.

2. The Community undertakes to modify the global annual tariff quota subject to a 20 % customs duty without levy for high-quality meat of bovine animals (CCT ex 02.01 AII) so that the quantity of 1 000 t at present permitted for meat corresponding to the following specifications :

"special or good-quality beef cuts obtained from exclusively pasture-grazed animals aged between 22 and 24 months, having two permanent incisors and presenting a slaughter liveweight not exceeding 460 kilograms, referred to as "special boxed beef" cuts of which may bear the letters "sc" (special cuts)"

is raised to 2 300 t.

They agreed to submit this agreement for approval by their respective authorities.

For the Delegation of the  
Republic of Uruguay,

For the Delegation of the  
Commission of the European  
Communities,

AGREED MINUTE

OUTCOME OF THE NEGOTIATIONS AND CONSULTATIONS UNDER ARTICLE XXIV § 6 OF  
THE GATT BETWEEN THE DELEGATION OF THE ARGENTINE REPUBLIC AND THE DELE-  
GATION OF THE COMMISSION OF THE EUROPEAN COMMUNITIES

The Delegation of the Argentine Republic and the Delegation of the Commission of the European Communities have agreed on the following :

1. The concessions previously granted by :

- the European Economic Community (Schedules LXXII - European Economic Community - and LXXIIbis - Member States of the European Coal and Steel Community -);
- the Hellenic Republic (Schedule XXV),

are hereby withdrawn and replaced by concessions granted by the European Communities of Ten. Apart from the modifications listed below, the concessions are identical to those at present set out in Schedules LXXII (European Economic Community) and LXXIIbis (Member States of the European Coal and Steel Community).

The Communities nevertheless reserve the right to modify these lists on the basis of the outcome of the negotiations and/or consultations under Article XXIV § 6 with other Contracting Parties.

2. The Community undertakes to modify the global annual tariff quota subject to a 20 % customs duty without levy for high-quality meat of bovine animals (CCT ex 02.01 AII) so that the quantity of 5 000 t at present permitted for meat corresponding to the following specifications :

"special or good-quality beef cuts obtained from exclusively pasture-grazed animals aged between 22 and 24 months, having two permanent incisors and presenting a slaughter liveweight not exceeding 460 kilograms, referred to as "special boxed beef" cuts of which may bear the letters "sc" (special cuts)"

is raised to 12 500 t.

They agreed to submit this agreement for approval by their respective authorities.

For the Delegations of the  
Argentine Republic,

For the Delegation of the  
Commission of the European  
Communities,

RECOMMENDATION FOR A COUNCIL DECISION

on the conclusion of the agreements resulting from the negotiations and consultations under Article XXIV § 6 of the GATT between the European Communities and Argentina of the first part and the European Communities and Uruguay of the other part

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THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 113 thereof,

Having regard to the Recommendation from the Commission,

Whereas in accordance with the authorization which it received from the Council on 28 April 1981, the Commission initiated negotiations with Argentina and Uruguay under Article XXIV § 6 of the GATT following Greece's accession to the European Communities and whereas an acceptable agreements were reached,

HAS DECIDED AS FOLLOWS :

Article 1

The agreements in the form of agreed minutes between the European Communities and Argentina and between the European Communities and Uruguay respectively are hereby approved on behalf of the Community.

The text of these agreements is annexed to this Decision.

Article 2

The President of the Council is hereby authorized to designate the person empowered to sign the agreements in order to bind the Community.

Done at Brussels,  
For the Council,  
The President,

