


# Procedure file

Basic information	
NLE - Non-legislative enactments	2012/0304(NLE)
EU/China Agreement: modification of concessions in the schedules of Bulgaria and Romania in the course of their accession to the EU	
Procedure completed	
Subject 2.10.01 Customs union, tax and duty-free, Community transit 6.20.01 Agreements and relations in the context of the World Trade Organization (WTO) 6.20.03 Bilateral economic and trade agreements and relations 6.20.04 Union Customs Code, tariffs, preferential arrangements, rules of origin	
Geographical area China	

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	<b>INTA</b> International Trade	Shadow rapporteur	
		PPE <a href="#">WINKLER Iuliu</a>	
		S&D <a href="#">LANGE Bernd</a>	
		ALDE <a href="#">DE SARNEZ Marielle</a>	
		Verts/ALE <a href="#">JADOT Yannick</a>	
		ECR <a href="#">STURDY Robert</a>	
	Committee for opinion	Rapporteur for opinion	Appointed
	<b>AFET</b> Foreign Affairs		16/01/2013
		ECR <a href="#">TANNOCK Timothy</a>	
		<a href="#">Charles Ayrton</a>	
Council of the European Union	Council configuration	Meeting	Date
	<a href="#">Economic and Financial Affairs ECOFIN</a>	<a href="#">3290</a>	28/01/2014
European Commission	Commission DG	Commissioner	
	<a href="#">Trade</a>	DE GUCHT Karel	

Key events			
07/11/2012	Preparatory document	<a href="#">COM(2012)0641</a>	Summary
27/11/2012	Legislative proposal published	<a href="#">16112/2012</a>	Summary
10/10/2013	Committee referral announced in Parliament		
14/10/2013	Vote in committee		
17/10/2013	Committee report tabled for plenary, 1st reading/single reading	<a href="#">A7-0332/2013</a>	Summary
10/12/2013	Results of vote in Parliament		
10/12/2013	Decision by Parliament	<a href="#">T7-0525/2013</a>	Summary

28/01/2014	Act adopted by Council after consultation of Parliament		
28/01/2014	End of procedure in Parliament		
04/03/2014	Final act published in Official Journal		

### Technical information

Procedure reference	2012/0304(NLE)
Procedure type	NLE - Non-legislative enactments
Procedure subtype	Consent by Parliament
Legal basis	Treaty on the Functioning of the EU TFEU 218-p6a; Treaty on the Functioning of the EU TFEU 207-p4
Other legal basis	Rules of Procedure EP 159
Stage reached in procedure	Procedure completed
Committee dossier	INTA/7/11162

### Documentation gateway

Preparatory document		<a href="#">COM(2012)0641</a>	07/11/2012	EC	Summary
Legislative proposal		<a href="#">16112/2012</a>	27/11/2012	CSL	Summary
Document attached to the procedure		<a href="#">16118/2012</a>	27/11/2012	CSL	
Committee draft report		<a href="#">PE504.152</a>	28/01/2013	EP	
Committee opinion	AFET	<a href="#">PE504.204</a>	05/03/2013	EP	
Committee report tabled for plenary, 1st reading/single reading		<a href="#">A7-0332/2013</a>	17/10/2013	EP	Summary
Text adopted by Parliament, 1st reading/single reading		<a href="#">T7-0525/2013</a>	10/12/2013	EP	Summary

### Additional information

National parliaments	<a href="#">IPEX</a>
European Commission	<a href="#">EUR-Lex</a>

### Final act

[Decision 2014/116](#)  
[OJ L 064 04.03.2014, p. 0001](#) Summary

## EU/China Agreement: modification of concessions in the schedules of Bulgaria and Romania in the course of their accession to the EU

**PURPOSE:** to conclude an Agreement in the form of an Exchange of Letters between the European Union and the People's Republic of China 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 Bulgaria and Romania in the course of their accession to the European Union.

**PROPOSED ACT:** Council Decision.

**BACKGROUND:** with the accession of the Republic of Bulgaria and Romania, the European Union enlarged its customs union. Consequently, the European Union was obliged under World Trade Organization (WTO) rules (GATT Article XXIV:6) to enter into negotiations with WTO Members having negotiating rights in the schedules of any of the acceding Members in order to agree on compensatory adjustment. Such adjustment is due if the adoption of the EU'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".

On 29 January 2007, the Council authorised the Commission to open negotiations under Article XXIV:6 of GATT 1994. The Commission has therefore 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 Republic of Bulgaria and Romania, in the course of their accession to the European Union.

Negotiations with the People's Republic of China resulted in a draft Agreement in the form of an Exchange of Letters that was initialled on 31 May 2012.

It is now necessary to approve the agreement on behalf of the EU.

**LEGAL BASE:** the first subparagraph of Article 207(4), in conjunction with point (v) of Article 218(6)(a) of the Treaty on the Functioning of the European Union (TFUE).

**CONTENT:** this proposal asks the Council to adopt a Decision concluding the Agreement in the form of an Exchange of Letters with the People's Republic of China. In parallel, a separate proposal on the signature of this Agreement is also submitted.

The ensuing implementing Regulation will be adopted by the Commission, pursuant to Article 144 of the Single Common Market Organisation (CMO) Regulation (Regulation (EC) No 1234/2007) and to Article 7 of the Regulation (EC) No 1216/2009 laying down the trade arrangements applicable to certain goods resulting from the processing of agricultural products.

Concessions foreseen:

- - the European Union shall incorporate in its schedule, for the customs territory of the EU 27, the concessions contained in the schedule of the EU 25 with the following modifications:

- on tariff line 0703 20 00 add 12 375 tonnes to the allocation for People's Republic of China under the EU tariff rate quota for garlic, maintaining the present in quota rate of 9.6%;
- add 800 tonnes (drained net weight) to the allocation for People's Republic of China under the EU tariff rate quota for mushroom of species *Agaricus*, prepared or preserved otherwise than by vinegar and mushroom of species *Agaricus*, provisionally preserved or preserved otherwise than by vinegar in-quota rate 23%;
- create a tariff rate quota of 2 026 tonnes for chocolate with an in-quota rate of 38%;
- create a tariff rate quota of 2 289 tonnes for confectionary with an in-quota rate of 35%;
- create a tariff rate quota of 409 tonnes for biscuits with an in-quota rate of 40%.

People's Republic of China 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 most recent enlargement of the European Union.

**BUDGETARY IMPLICATIONS:** the proposal has no implications for the EU budget.

## EU/China Agreement: modification of concessions in the schedules of Bulgaria and Romania in the course of their accession to the EU

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**PURPOSE:** to conclude an Agreement in the form of an Exchange of Letters between the European Union and the Peoples Republic of China 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 Bulgaria and Romania in the course of their accession to the European Union.

**PROPOSED ACT:** Council Decision.

**ROLE OF THE EUROPEAN PARLIAMENT:** Council may adopt the act only if Parliament has given its consent to the act.

**BACKGROUND:** on 29 January 2007, the Council authorised the Commission to open negotiations under Article XXIV:6 of GATT 1994. The Commission has therefore 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 Republic of Bulgaria and Romania, in the course of their accession to the European Union.

The negotiations were successfully conducted by the Commission within the framework of the negotiating directives and an Agreement in the form of an Exchange of Letters between the EU and China 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 was initialled on 31 May 2012.

The Agreement was signed on behalf of the European Union subject to its conclusion at a later date, in accordance with a Council Decision.

It is now appropriate to approve the agreement on behalf of the EU.

**CONTENT:** under this proposal, it is envisaged to ask the Council to adopt a decision on the conclusion of an Agreement in the form of an Exchange of Letters between the European Union and the Peoples Republic of China 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 Bulgaria and Romania in the course of their accession to the European Union.

To recap, the Agreement provides for a series of tariff concessions to China on a range of foodstuffs.

For further information about the provisions of the draft agreement in the form of an Exchange of Letters, refer to the summary of the Commissions initial legislative proposal dated 07/11/2012.

## EU/China Agreement: modification of concessions in the schedules of Bulgaria and Romania in

## the course of their accession to the EU

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The Committee on International Trade unanimously adopted the report by Helmut SCHOLZ (GUE/NGL, DE) on the draft Council decision on the conclusion of the Agreement in the form

of an Exchange of Letters between the European Union and China 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.

Members recommended the European Parliament to give its consent to the conclusion of the Agreement. They considered that this Protocol would enable the EU to align its customs union with the WTO requirements, following the accession of Bulgaria and Romania to the EU, whilst ensuring that China maintains its position as a reliable trading partner.

## EU/China Agreement: modification of concessions in the schedules of Bulgaria and Romania in the course of their accession to the EU

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The European Parliament adopted a legislative resolution on the draft Council decision on the conclusion of the Agreement in the form of an Exchange of Letters between the European Union and the People's Republic of China 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.

Parliament gave its consent to the conclusion of the Agreement.

## EU/China Agreement: modification of concessions in the schedules of Bulgaria and Romania in the course of their accession to the EU

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**PURPOSE:** to conclude an Agreement in the form of an Exchange of Letters between the European Union and the People's Republic of China 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 Bulgaria and Romania in the course of their accession to the European Union.

**NON-LEGISLATIVE ACT:** Council Decision 2014/116/EU on the conclusion of the Agreement in the form of an Exchange of Letters between the European Union and China 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.

**BACKGROUND:** negotiations between the EU and China resulted in a draft Agreement in the form of an Exchange of Letters relating to the modification of concessions in the schedules of Bulgaria and Romania and was initialled on 31 May 2012.

The Agreement was signed on behalf of the European Union on 9 September 2013, subject to its conclusion at a later date, in accordance with Council Decision 2012/763/EU.

The Agreement should now be approved on behalf of the EU.

**CONTENT :** with this Decision, the Council concluded, with Parliaments approval, and on behalf of the EU, an Agreement in the form of an Exchange of Letters, on the following concessions:

- the European Union shall incorporate in its schedule, for the customs territory of the EU 27, the concessions contained in the schedule of the EU 25 with the following modifications:

- on tariff line 0703 20 00 add 12 375 tonnes to the allocation for People's Republic of China under the EU tariff rate quota for garlic, maintaining the present in quota rate of 9.6%;
- add 800 tonnes (drained net weight) to the allocation for China under the EU tariff rate quota for mushroom of species *Agaricus*, prepared or preserved otherwise than by vinegar and mushroom of species *Agaricus*, provisionally preserved or preserved otherwise than by vinegar in-quota rate 23%;
- create a tariff rate quota of 2 026 tonnes for chocolate with an in-quota rate of 38%;
- create a tariff rate quota of 2 289 tonnes for confectionary with an in-quota rate of 35%;
- create a tariff rate quota of 409 tonnes for biscuits with an in-quota rate of 40%.

- China 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 Bulgaria and Romania following the most recent enlargement of the European Union.

**Implementing Regulation:** an implementing Regulation will be adopted by the Commission laying down the trade arrangements applicable.

**ENTRY INTO FORCE:** the Decision enters into force on 28.01.2014. The date of entry into force of the Agreement will be published in the Official Journal by the General Secretariat of the Council.