Procedure file

| Basic information | | |
|---|----------------|---------------------|
| NLE - Non-legislative enactments Decision | 2011/0332(NLE) | Procedure completed |
| EU/Russia Agreement: introduction or increase by the Russian Federation of export duties on raw materials | | |
| Subject 3.40.16 Raw materials 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 | | |
| 6.40.04.02 Relations with Russian Federation | | |

| Key players | | | |
|-------------------------------|--------------------------|---|------------|
| European Parliament | Committee responsible | Rapporteur | Appointed |
| | INTA International Trade | | 25/01/2012 |
| | | PPE VAIDERE Inese | |
| | | Shadow rapporteur | |
| | | S&D CUTA George Sabin | |
| | | ALDE KOCH-MEHRIN Silvana | <u>a</u> |
| | | Verts/ALE TAYLOR Keith | |
| | | ECR STURDY Robert | |
| | | | |
| | Committee for opinion | Rapporteur for opinion | Appointed |
| | AFET Foreign Affairs | The committee decided not to give an opinion. | |
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| Council of the European Union | Council configuration | Meeting | Date |
| | General Affairs | 3184 | 24/07/2012 |
| European Commission | Commission DG | Commissioner | |
| | Trade | DE GUCHT Karel | |

| Key events | | | |
|------------|---|---------------|---------|
| 10/11/2011 | Preparatory document | COM(2011)0727 | |
| 09/12/2011 | Legislative proposal published | 16827/2011 | Summary |
| 17/01/2012 | Committee referral announced in Parliament | | |
| 30/05/2012 | Vote in committee | | |
| 01/06/2012 | Committee report tabled for plenary, 1st | A7-0178/2012 | Summary |

| | reading/single reading | | |
|------------|---|---------------------|---------|
| 04/07/2012 | Results of vote in Parliament | | |
| 04/07/2012 | Decision by Parliament | <u>T7-0286/2012</u> | Summary |
| 24/07/2012 | Act adopted by Council after consultation of Parliament | | |
| 24/07/2012 | End of procedure in Parliament | | |
| 27/07/2012 | Final act published in Official Journal | | |

| Technical information | | |
|----------------------------|---|--|
| Procedure reference | 2011/0332(NLE) | |
| Procedure type | NLE - Non-legislative enactments | |
| Procedure subtype | Consent by Parliament | |
| Legislative instrument | Decision | |
| Legal basis | Treaty on the Functioning of the EU TFEU 207-p4; Treaty on the Functioning of the EU TFEU 218-p6a | |
| Other legal basis | Rules of Procedure EP 159 | |
| Stage reached in procedure | Procedure completed | |
| Committee dossier | INTA/7/07966 | |

| Documentation gateway | | | | |
|---|---------------------|------------|-----|---------|
| Preparatory document | COM(2011)0727 | 10/11/2011 | EC | |
| Legislative proposal | 16827/2011 | 09/12/2011 | CSL | Summary |
| Document attached to the procedure | 16828/2011 | 09/12/2011 | CSL | |
| Committee draft report | PE486.172 | 02/04/2012 | EP | |
| Committee report tabled for plenary, 1st reading/single reading | <u>A7-0178/2012</u> | 01/06/2012 | EP | Summary |
| Text adopted by Parliament, 1st reading/single reading | <u>T7-0286/2012</u> | 04/07/2012 | EP | Summary |

| Additional information | |
|------------------------|-------------|
| National parliaments | <u>IPEX</u> |
| European Commission | EUR-Lex |

Final act

Decision 2012/435

OJ L 200 27.07.2012, p. 0002 Summary

EU/Russia Agreement: introduction or increase by the Russian Federation of export duties on raw materials

PROPOSED ACT: Council Decision.

BACKGROUND: in the context of its accession to the WTO, Russia has committed to gradually reduce or eliminate its current export duties. The commitments regarding export duty rates have been included in Russia's Schedule of Concessions and Commitments on Goods, which will be annexed to Russia's WTO accession Protocol.

However, this Schedule only covers products (mainly raw materials) for which export duties are currently applied by Russia, and it is Russia's understanding that any raw materials not included on the Schedule are not subject to any export duty restrictions.

Therefore, in order to reduce the risk of new export duties being applied on other raw materials in future, the EU has negotiated a bilateral agreement, in the form of an exchange of letters, which requires the Russian Federation to make its best efforts not to introduce or increase export duties for a list of raw materials that are included in an Annex to the letters. In addition, the Russian Federation commits to consult the European Commission advance and take its views into account should such export duties were considered.

The Agreement was signed subject to its conclusion at a later date.

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

IMPACT ASSESSMENT: no impact assessment was carried out.

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

CONTENT: under this Decision, the Agreement in the form of an Exchange of Letters between the European Union and the Russian Federation relating to the introduction or increase of export duties on raw materials is hereby approved on behalf of the Union.

Raw materials concerned: the list of raw materials set out in the Annex to the Exchange of Letters covers those raw materials which are not listed in the above-mentioned Schedule of Concessions and Commitments on Goods, and for which Russia has more than 10% of global production or exports, or for which the EU has major import interest either existing or potential, or for which there is a risk of tension in global supplies.

It should be noted that the agreement does not require the EU to undertake any commitments.

Provisional application and implementation: in order to ensure the above-mentioned commitments of the Russian Federation regarding new export duties on raw materials apply from the date of the accession of the Russian Federation to the WTO, the Agreement and the Protocol should be applied provisionally from the date of such accession.

BUDGET IMPLICATION: the proposal has no implication for the EU budget.

EU/Russia Agreement: introduction or increase by the Russian Federation of export duties on raw materials

The Committee on International Trade adopted the report by Inese VAIDERE (EPP, LV) in which it recommends the European Parliament to consent to the conclusion of the Agreement in the form of an Exchange of Letters between the European Union and the Russian Federation relating to the introduction or increase of export duties on raw materials.

Members note the urgency and importance of a legally binding agreement on raw materials is strongly supported by the recent ban on import of livestock from all the EU Member States imposed by Russia, following the spread of Schmallenberg and Bluetongue viruses, despite the fact that such a ban is in a clear breach of the rules of the World Trade Organization.

The European Commission has already demanded immediate lifting of the restrictions by Russia, but finds itself rather limited in its capacity to protect the EU's consumers' and producers' interests and respect for the WTO regulations. This ban signals that not much has changed in Russia's approach, even regardless its accession to the WTO.

Without a strong, legally binding bilateral agreement on raw materials, the EU will have no insurance against similar protectionist measures in the future.

This agreement will have a positive impact if it is concluded prior to the ratification of the WTO accession agreement by the Russian Federation.

EU/Russia Agreement: introduction or increase by the Russian Federation of export duties on raw materials

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 Russian Federation relating to the introduction or increase of export duties on raw materials.

Parliament gave its consent to the conclusion of the Agreement not without stressing the urgency and importance of a strong legally binding bilateral agreement on raw materials with Russia.

EU/Russia Agreement: introduction or increase by the Russian Federation of export duties on raw materials

PURPOSE: to conclude an Agreement in the form of an Exchange of Letters between the European Union and Russia relating to the

introduction or increase of export duties on raw materials.

LEGISLATIVE ACT: Council Decision 2012/435/EU on the conclusion of the Agreement in the form of an Exchange of Letters between the European Union and the Russian Federation relating to the introduction or increase of export duties on raw materials.

BACKGROUND: in the context of its accession to the WTO, Russia has committed to gradually reduce or eliminate its current export duties. The commitments regarding export duty rates have been included in Russia's Schedule of Concessions and Commitments on Goods, which will be annexed to Russia's WTO accession Protocol.

However, this Schedule only covers products (mainly raw materials) for which export duties are currently applied by Russia, and it is Russia's understanding that any raw materials not included on the Schedule are not subject to any export duty restrictions.

Therefore, in order to reduce the risk of new export duties being applied on other raw materials in future, the EU has negotiated a bilateral agreement, in the form of an exchange of letters, which requires the Russian Federation to make its best efforts not to introduce or increase export duties for a list of raw materials that are included in an Annex to the letters. In addition, the Russian Federation commits to consult the European Commission advance and take its views into account should such export duties were considered.

In accordance with Council Decision 2012/108/EU, the Agreement in the form of an Exchange of Letters between the European Union and Russia relating to the introduction or increase of export duties on raw materials, was signed on 16 December 2011, subject to its conclusion.

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

CONTENT: under this Decision, the Agreement in the form of an Exchange of Letters between the European Union and the Russian Federation relating to the introduction or increase of export duties on raw materials is hereby approved on behalf of the Union.

Raw materials concerned: the list of raw materials set out in the Annex to the Exchange of Letters covers those raw materials which are not listed in the above-mentioned Schedule of Concessions and Commitments on Goods, and for which Russia has more than 10% of global production or exports, or for which the EU has major import interest either existing or potential, or for which there is a risk of tension in global supplies.

It should be noted that the agreement does not require the EU to undertake any commitments.

Provisional application and implementation: in order to ensure the above-mentioned commitments of the Russian Federation regarding new export duties on raw materials apply from the date of the accession of the Russian Federation to the WTO, the Agreement and the Protocol should be applied provisionally from the date of such accession.

ENTRY INTO FORCE: 24.07.2012.