



EUROPEAN PARLIAMENT

2009 - 2014

---

*Plenary sitting*

---

**A7-0276/2011**

15.7.2011

**\*\*\***

## **RECOMMENDATION**

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 Kingdom of Norway concerning additional trade preferences in agricultural products reached on the basis of Article 19 of the Agreement on the European Economic Area  
(14206/2010– C7-0101/2011 – 2010/0243(NLE))

Committee on International Trade

Rapporteur: Helmut Scholz

***Symbols for procedures***

- \* Consultation procedure
- \*\*\* Consent procedure
- \*\*\*I Ordinary legislative procedure (first reading)
- \*\*\*II Ordinary legislative procedure (second reading)
- \*\*\*III Ordinary legislative procedure (third reading)

(The type of procedure depends on the legal basis proposed by the draft act.)

## CONTENTS

	Page
DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION .....	5
EXPLANATORY STATEMENT .....	6
OPINION OF THE COMMITTEE ON AGRICULTURE AND RURAL DEVELOPMENT..	8
RESULT OF FINAL VOTE IN COMMITTEE.....	11



## **DRAFT EUROPEAN PARLIAMENT 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 Kingdom of Norway concerning additional trade preferences in agricultural products reached on the basis of Article 19 of the Agreement on the European Economic Area (14206/2010– C7-0101/2011 – 2010/0243(NLE))**

### **(Consent)**

*The European Parliament,*

- having regard to the draft Council decision (14206/2010),
  - having regard to the Agreement in the form of an Exchange of Letters between the European Union and the Kingdom of Norway concerning additional trade preferences in agricultural products reached on the basis of Article 19 of the Agreement on the European Economic Area (14372/2010),
  - having regard to the request for consent submitted by the Council in accordance with Article 207(4), first subparagraph and Article 218(6), second subparagraph, point (a), of the Treaty on the Functioning of the European Union (C7-0101/2011),
  - having regard to Rules 81 and 90(8) of its Rules of Procedure,
  - having regard to the recommendation of the Committee on International Trade and the opinion of Committee on Agriculture and Rural Development (A7-0276/2011),
1. Consents to conclusion of the agreement;
  2. Instructs its President to forward its position to the Council, the Commission and the governments and parliaments of the Member States and of the Kingdom of Norway.

## **EXPLANATORY STATEMENT**

As a member of the European Economic Area (EEA), Norway benefits from the internal market, but agriculture and fisheries are exempted from free circulation in the 1992 Agreement on the EEA. Instead, Article 19 provides for progressive liberalisation of agricultural production through reviews of the conditions of trade in agricultural products, carried out at two-yearly intervals and decide on a preferential, bilateral or multilateral, reciprocal and mutually beneficial basis on further steps in that direction reducing other types of barriers on trade in the agricultural area. .

The latest agreement between the Kingdom of Norway and the European Community based on Article 19 of the EEA Agreement came into force in July 2003. It comprised the arrangements for reciprocal trade in cheese and mutual concessions for a variety of agricultural products, including tariff quotas.

From March 2008 to January 2010, new negotiations were held and resulted in the present Draft Agreement, which contains the following provisions.

### **Concessions granted by Norway to the EU:**

Additional full liberalisation representing roughly some 20% of the EU exports to Norway, or €250 million. In total, some 60% (in terms of trade value) of agricultural trade between the Kingdom of Norway and the European Union will be completely free.

For more sensitive products such as meat, dairy, fruit, vegetable and ornamental plants, Norway will grant some tariff quotas or tariff reductions:

- New tariff quotas, in the meat sector (600 t for swine meat, 800 t for poultry and 900 t for bovine meat) on the condition that these quantities are transformed into WTO MFN quotas when a future WTO agreement is implemented; small quotas are offered in some speciality meat products;
- Additional tariff quotas concerning cheese (2700 t) cereals (durum wheat 5000 tons, maize 10000 tons, rye 1000 tons), fruits and vegetables (strawberries 300 tons, potatoes 3000 tons, lettuce 400 tons), meat products (sausages 200 tons, ham 200 tons, bacon crisp 100 tons) and juices (apple 1000 tons, bilberry 200 tons, blackcurrant 150 tons). The trade value is estimated at around €50 million. The cheese quota of 2700 tons will be added to the existing quotas of 4500 tons, which will result in a total cheese quota of 7200 tons corresponding to existing EU-Norway trade, and representing around 8-10% of the current Norwegian cheese market. Conditions as regards the type of cheese are lifted.
- Tariff reductions applying for some ornamental plants and flowers, namely begonias, roses, tulips and lilies. The trade concerned by these concessions is of €3.5 million.

### **Concessions granted by the EU to Norway:**

Full liberalisation on products on which Norway offers full liberalisation, and additional tariff quotas for cheese (3 200 t), fresh raspberries (400 t), potato chips (200 tons) and pet food (13 000 t).

The Agreement in question is taking into account the sensitiveness of certain products important for the agricultural production in both the EU as well as in Norway providing for the appropriate arrangements on tariff quotas or tariffs reductions; which have to play a role also for the mid-term and long-term perspective of agricultural production under the preconditions of deepened reforms of the CAP after 2013.

Whereas Norway enjoys a positive *total* trade balance with the EU, the *agricultural* trade balance is in favour of the EU. EU exports of agricultural products doubled between 2000 and 2007 to €1.6 billion.

The Agreement in question will have budgetary implications; the loss in customs revenues is estimated at appr. 4,96 Mio € (net amount after deduction of collection costs).

Your rapporteur recommends the Committee on International Trade to propose the European Parliament to give its consent to the agreement.

25.5.2011

## **OPINION OF THE COMMITTEE ON AGRICULTURE AND RURAL DEVELOPMENT**

for the Committee on International Trade

on the proposal for a Council decision on the conclusion of the Agreement in the form of an Exchange of Letters between the European Union and the Kingdom of Norway concerning additional trade preferences in agricultural products reached on the basis of Article 19 of the Agreement on the European Economic Area  
(14206/2010 – C7-0101/2011 – 2010/0243(NLE))

Rapporteur: Richard Ashworth

### **SHORT JUSTIFICATION**

The last agreement in the form of an exchange of letters between the European Union (then European Community) and the Kingdom of Norway, based on Article 19 of the EEA Agreement, came into force in July 2003. It comprised the arrangements for reciprocal trade in cheese and mutual concessions for a variety of agricultural products, including tariff quotas. Article 19 of the Agreement on the European Economic Area (EEA) provides for progressive liberalisation of agricultural trade between Contracting Parties. To that end, Parties should carry out, at two-yearly intervals, reviews of the conditions of trade in agricultural products and decide, within the framework of that agreement, on a preferential, bilateral or multilateral, reciprocal and mutually beneficial basis, on further reduction of any type of barriers to trade in the agricultural sector.

The present proposal, providing for further liberalisation of agricultural trade, is the result of bilateral trade negotiations in agriculture conducted from March 2008 to January 2010. The new preferences will consist in additional full liberalisation for some sensitive products, thus providing that some 60% of agricultural trade between the Kingdom of Norway and the European Union should be completely free. For more sensitive products such as meat, dairy, fruit, vegetable and ornamental plants, tariff quotas or tariff reductions have been agreed upon. Specific provisions are foreseen as regards the management of tariff rate quotas for cheese. Budgetary implication: The loss of customs revenues is estimated at approximately 4.96 M€ (net amount after deduction of collection costs).

On the basis of the above mentioned, the Committee on Agriculture and Rural Development

considers that the agreement in question, to be concluded on the basis of the proposed Council decision, is in line with the efforts to achieve a progressive liberalisation of agricultural trade between the European Union and the Kingdom of Norway. It notes, further, that the agreement has taken due account of the above-mentioned sensitive products, providing for the appropriate arrangements on tariff quotas or tariff reductions.

\*\*\*\*\*

The Committee on Agriculture and Rural Development calls on the Committee on International Trade, as the committee responsible, to propose that Parliament give its consent.

## RESULT OF FINAL VOTE IN COMMITTEE

<b>Date adopted</b>	24.5.2011
<b>Result of final vote</b>	+: 35 -: 1 0: 2
<b>Members present for the final vote</b>	John Stuart Agnew, Richard Ashworth, Liam Aylward, José Bové, Luis Manuel Capoulas Santos, Vasilica Viorica Dăncilă, Michel Dantin, Paolo De Castro, Albert Deß, Herbert Dorfmann, Hynek Fajmon, Lorenzo Fontana, Béla Glattfelder, Martin Häusling, Esther Herranz García, Peter Jahr, Elisabeth Jeggle, Jarosław Kalinowski, Elisabeth Köstinger, Agnès Le Brun, George Lyon, Mairead McGuinness, Krisztina Morvai, Mariya Nedelcheva, James Nicholson, Rareş-Lucian Niculescu, Wojciech Michał Olejniczak, Georgios Papastamkos, Marit Paulsen, Britta Reimers, Alfreds Rubiks, Giancarlo Scottà, Czesław Adam Siekierski, Sergio Paolo Francesco Silvestris, Csaba Sándor Tabajdi, Marc Tarabella
<b>Substitute(s) present for the final vote</b>	Luís Paulo Alves, Salvatore Caronna, Esther de Lange
<b>Substitute(s) under Rule 187(2) present for the final vote</b>	Pablo Zalba Bidegain

## RESULT OF FINAL VOTE IN COMMITTEE

<b>Date adopted</b>	13.7.2011
<b>Result of final vote</b>	+: 24 -: 1 0: 1
<b>Members present for the final vote</b>	William (The Earl of) Dartmouth, Laima Liucija Andrikienė, Kader Arif, David Campbell Bannerman, Daniel Caspary, Marielle De Sarnez, Christofer Fjellner, Metin Kazak, David Martin, Vital Moreira, Paul Murphy, Cristiana Muscardini, Franck Proust, Godelieve Quisthoudt-Rowohl, Niccolò Rinaldi, Helmut Scholz, Peter Šťastný, Keith Taylor, Paweł Zalewski
<b>Substitute(s) present for the final vote</b>	Josefa Andrés Barea, George Sabin Cutaş, Norbert Glante, Syed Kamall, Elisabeth Köstinger
<b>Substitute(s) under Rule 187(2) present for the final vote</b>	Rosa Estaràs Ferragut, Vicky Ford