



**2019/0196(NLE)**

10.1.2020

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## **DRAFT 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 Swiss Confederation in the context of negotiations under Article XXVIII of the GATT 1994 on the modification of Switzerland's WTO concessions with regard to seasoned meat  
(12482/2019 – C9-0194/2019 – 2019/0196(NLE))

Committee on International Trade

Rapporteur: Jörgen WARBORN

***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.)

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## 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 Swiss Confederation in the context of negotiations under Article XXVIII of the GATT 1994 on the modification of Switzerland's WTO concessions with regard to seasoned meat (12482/2019 – C9-0194/2019 – 2019/0196(NLE))**

**(Consent)**

*The European Parliament,*

- having regard to the draft Council decision (12482/2019),
  - having regard to the draft Agreement in the form of an Exchange of Letters between the European Union and the Swiss Confederation in the context of negotiations under Article XXVIII of the GATT 1994 on the modification of Switzerland's WTO concessions with regard to seasoned meat (12483/2019),
  - 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)(v) of the Treaty on the Functioning of the European Union (C9-0194/2019),
  - having regard to Rule 105(1) and (4) and Rule 114(7) of its Rules of Procedure,
  - having regard to the recommendation of the Committee on International Trade (A9-0000/2020),
1. Gives its consent to the 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 Swiss Confederation.

## EXPLANATORY STATEMENT

### EU/Switzerland relations

The importance of the relationship between the EU and the Switzerland is significant. EU is for Switzerland the main trading partner while Switzerland is the EU's third trading partner (after USA and China).

Switzerland's economic and trade relations with the EU are mainly governed through a series of bilateral agreements where Switzerland has agreed to take over certain aspects of EU legislation in exchange for accessing part of the EU's single market.

### Context of the agreement

Some years ago, Switzerland was confronted with strongly increasing imports of meat including “seasoned meat”<sup>1</sup>.

The process started at end of 2015 when the Swiss parliament adopted a motion for the reclassification of certain “seasoned meat” and thereby bringing about a substantial increase in the relevant tariffs. The measure entered into force on 1 July 2016. The EU was most affected by this measure and initially tried to solve this issue bilaterally. Eventually in 2017, the EU resorted to WTO action, challenging this measure as not WTO compatible.

In April 2018, Switzerland agreed that it had to compensate for the increase of tariff and launched an “Article XXVIII GATT” procedure. It thereby notified all WTO Members about its intention to negotiate under Article XXVIII GATT<sup>2</sup> in order to modify the tariff concessions in its schedule for the “meat not further prepared than seasoned”.

Article XXVIII of the GATT 1994 allows Members to modify or withdraw a concession included in their schedule following negotiation and agreement with those Members primarily concerned by the concession.

The EU is the main supplier and has therefore negotiating rights (principal supplier) according to the above Article. Following WTO rules, the EU presented to Switzerland a claim of interest as the Member having the principal supplying interest for the meat products concerned on 16 May 2018.

By the end of 2018, Council authorised the Commission to negotiate compensation. By way of compensation, Switzerland offered to increase its WTO tariff rate quota on beef by 1 200 tonnes. Notably, Switzerland committed to reserve specifically within this TRQ a sub-quota of 600 tonnes only for “seasoned beef”. A new tariff line is created for this purpose. Switzerland maintains also the previously lower duty for beef imported for the purposes of processing into dry meat. A draft agreement was initialled in July 2019. The Council adopted a Decision on signing the agreement on 24 October and the signature took place on 9 December 2019 in Brussels.

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<sup>1</sup> Are considered as “seasoned meats” uncooked meats whose seasoning is carried out in depth or on the entire surface of the product and is perceptible to the naked eye or clearly perceptible in taste.

<sup>2</sup> The General Agreement on Tariffs and Trade 1994

Through the exchange of letters both sides (the EU and Swiss Confederation) agreed on the amendments to be incorporated into the Swiss Schedule: new tariffs (including for dry beef meat) and the increased tariff quota from 22 500 tonnes (current) to 23 700 tonnes.

Recommendation of the Rapporteur

The rapporteur recommends giving consent to this agreement.