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PROPOSAL

From:	Secretary-General of the European Commission, signed by Mr Jordi AYET PUIGARNAU, Director
date of receipt:	11 July 2017
To:	Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of the European Union
No. Cion doc.:	COM(2017) 374 final
Subject:	Proposal for a COUNCIL DECISION on the position to be adopted, on behalf of the European Union, in the EU-Turkey Association Council as regards amending Protocol 2 to Decision No 1/98 of the EC-Turkey Association Council on the trade regime for agricultural products

Delegations will find attached document COM(2017) 374 final.

Encl.: COM(2017) 374 final



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Proposal for a

COUNCIL DECISION

on the position to be adopted, on behalf of the European Union, in the EU-Turkey Association Council as regards amending Protocol 2 to Decision No 1/98 of the EC-Turkey Association Council on the trade regime for agricultural products

EXPLANATORY MEMORANDUM

The EU - Turkey bilateral trade relations for agricultural and fishery products are governed by the Agreement creating an association between the European Economic Community and Turkey of 12 September 1963 ('Agreement'), and in particular by EC-Turkey Association Council Decision No 1/98 of 25 February 1998 on the trade regime for agricultural products. Under this Association Council Decision, the Union has been granted certain concessions in the form of tariff quotas for bovine meat. The two quotas for bovine meat currently consist of a 5.000 tons quota of frozen bovine meat and a 14.100 tons quota of frozen bovine meat.

Since the entry into force of the Association Council Decision No 1/98 exports of EU bovine meat and live animals have been fluctuating and were for long periods of time banned by Turkey. In order to facilitate the full use of the quotas and to attain a regular trade flow in these products, Turkey has proposed to extend the coverage of two quotas for bovine meat to fresh and chilled bovine meat.

Such an amendment is in the interest of the Union as it would broaden product coverage of the existing concessions, better respond to market demand in Turkey and ensure better utilization of the quotas and thereby regular trade flows. Furthermore, fresh and chilled bovine meat tends to attain a higher price on the market. The wider long term objective of this amendment is to ensure that trade under the quotas flows regularly and without restrictions.

1. CONTEXT OF THE PROPOSAL

- **Reasons for and objectives of the proposal**

The proposal will broaden the scope of bovine meat products eligible to be exported to Turkey under the two quotas with a view to facilitate exports of bovine meat to Turkey.

- **Consistency with existing policy provisions in the policy area**

The proposal is consistent with Union trade policy to increase opportunities to trade with third countries.

- **Consistency with other Union policies**

The proposal is consistent with the Union's policy to promote trade between Member States and third countries and with the principle that the European Union should encourage the development of trade, including through the progressive abolition of restrictions on international trade. The proposal seeks to improve and facilitate trade in bovine meat products between the Union and Turkey.

2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY

- **Legal basis**

The legal basis for the Council Decision is the first subparagraph of Article 207(4) in conjunction with Article 218(9) of the Treaty on the Functioning of the European Union and Article 35 of the Additional Protocol to the Agreement establishing an Association between the European Economic Community and Turkey.

- **Subsidiarity**

The common commercial policy is listed among the areas of exclusive competence of the Union in Article 3 of the Treaty on the Functioning of the European Union (TFEU). This initiative concerns the implementation of an existing trade agreement.

- **Proportionality**

All reasonable policy options were considered and the proposal is considered the most suitable to reach the stated objective.

- **Choice of the instrument**

Decision by the EU-Turkey Association Council amending Protocol 2 to Decision No 1/98 of the EC-Turkey Association Council on the trade regime for agricultural products.

3. RESULTS OF EX-POST EVALUATIONS, STAKEHOLDER CONSULTATIONS AND IMPACT ASSESSMENTS

- **Ex-post evaluations/fitness checks of existing legislation**

Not applicable

- **Stakeholder consultations**

The Commission has informally consulted with stakeholders and Member States which have been supportive of the proposal to broaden the coverage of products under the existing quotas.

- **Collection and use of expertise**

The Commission has been in contact with stakeholders who provided their views on the market situation in Turkey.

- **Impact assessment**

An impact assessment has not been carried because the proposal is foreseen to help increase and improve trade with Turkey in bovine meat products and thereby take advantage of existing bilateral trade preferences. The proposal does not affect imports into the Union and nor does it confer any new trade concessions to third countries.

- **Regulatory fitness and simplification**

The proposal by broadening the product coverage could help small and medium sized enterprises to export bovine meat products to Turkey. A wider variety of products will be eligible under the quotas thereby facilitating full use of the quotas and increasing exports.

- **Fundamental rights**

The proposal does not affect fundamental rights.

4. BUDGETARY IMPLICATIONS

The proposal will not have any implications for the Union budget.

5. OTHER ELEMENTS

- **Implementation plans and monitoring, evaluation and reporting arrangements**

The Commission will monitor trade flows to evaluate whether the proposal has ensured a better utilisation of the existing quotas and to ensure that exports of bovine meat to Turkey are not impeded.

- **Explanatory documents (for directives)**

Not applicable.

- **Detailed explanation of the specific provisions of the proposal**

Not applicable.

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THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular the first subparagraph of Article 207(4) in conjunction with Article 218(9) thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) The Agreement establishing an Association between the European Economic Community and Turkey¹ aims to promote the continuous and balanced strengthening of trade and economic relations between the Union and Turkey and establishes an Association Council to ensure the implementation and the progressive development of the Association.
- (2) Decision No 1/98 of the EC-Turkey Association Council² establishes the trade regime for agricultural products. Protocol 2 to that Decision contains details of the preferential regime applicable to the importation into Turkey of agricultural products originating in the Union, including a preferential regime for importation of frozen bovine meat.
- (3) The Union and Turkey have held consultations and agreed to amend the preferential regime applicable to the importation into Turkey of bovine meat originating in the Union, to extend the scope of the existing tariff quota, set out in the Annex to Protocol 2 to Decision No 1/98, to fresh and chilled bovine meat.
- (4) Under Article 35 of the Additional Protocol to the Agreement establishing an Association between the European Economic Community and Turkey³, the scope of the preferential treatment granted to each other by the Union and Turkey may be amended by a Decision of the Association Council.

¹ Agreement establishing an Association between the European Economic Community and Turkey signed at Ankara on 12 September 1963 (OJ 217, 29.12.1964, p. 3687).

² Decision No 1/98 of the EC-Turkey Association Council of 25 February 1998 on the trade regime for agricultural products (98/223/EC) (OJ L 86, 20.3.1998, p. 1).

³ Additional Protocol and Financial Protocol signed on 23 November 1970, annexed to the Agreement establishing the Association between the European Economic Community and Turkey and on measures to be taken for their entry into force (OJ L 293, 29.12.1972, p. 3).

- (5) The position of the Union in the EU-Turkey Association Council should therefore be based on the draft Decision attached to this Decision.
- (6) As the Decision of the Association Council will amend the agreement it is appropriate to publish it in the *Official Journal of the European Union* after its adoption.
- (7) In the Association Council, the Union is to be represented by the Commission in accordance with Article 17(1) of the Treaty on European Union,

HAS ADOPTED THIS DECISION:

Article 1

The position to be taken by the European Union in the EU-Turkey Association Council as regards the amendment to Protocol 2 to Decision No 1/98 of the EC-Turkey Association Council on the trade regime for agricultural products shall be based on the draft decision of the EU-Turkey Association Council attached to this Decision.

Article 2

After its adoption, the Decision of the Association Council shall be published in the *Official Journal of the European Union*.

Article 3

This Decision is addressed to the Commission.

Done at Brussels,

*For the Council
The President*