

 <p>Council of the European Union General Secretariat</p>	
Trade Policy Committee	
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Note concerning a possible exchange of tariff offers in the negotiations between the European Union and Mercosur

Supported by the delegations from Austria, France, Greece, Hungary, Ireland, Lithuania, Luxembourg, Poland, Romania.

The announcement of a possible exchange of offers between UE and Mercosur would need to be extremely carefully prepared in the context of agriculture crisis in Europe. In this context, it is important for the EU to demonstrate that it takes into account the interests of its farmers and defends effectively the European agriculture, in particular the most sensitive sectors, as meat, fruits and vegetables.

Therefore, it would be necessary for the member states to receive from the Commission an impact assessment of this negotiation as well as an analysis taking into account all the concessions which have been already offered in the ongoing negotiations.

For this negotiation to be conclusive, in accordance with the level of ambition of the EU, it is necessary to proceed stage by stage, each party taking commitments at each stage, and both tacking stock of the outcomes before moving on to the next stage. As a matter of fact, this has been the practice in all recent negotiations with third partners, in particular regarding exchange of tariff offers.

The first step must be dedicated to the identification of sensitive products and non-sensitive tariff lines to be liberalized in the medium to long term. The treatment of sensitive products and corresponding tariff lines is usually discussed at a later stage. Any kind of treatment for these sensitive lines, such as tariff reductions, tariff quotas, or an exclusion from liberalization, must be considered according to the level of sensitivity of each sector, taking into account the progress and outcomes of the negotiations. Each step helps ensuring a satisfactory balance between the offers of both parties.

Having in mind the difficulties encountered in these negotiations, and in light of the high economic and political sensitivities involved, potentially impacted by others on-going bilateral negotiations, an exchange of offers that would offer TRQs on sensitive products from the outset would be counterproductive and would deprive the EU of negotiation margins.

For these reasons, Austria, France, Greece, Hungary, Ireland, Lithuania, Luxembourg, Poland, Romania consider that any exchange of tariff offers must not contain any submission on the treatment of sensitive tariff lines, especially TRQs volume proposal.