

## AGREEMENT

**in the form of an Exchange of Letters between the European Union and New Zealand pursuant to Article XXIV:6 and Article XXVIII of the General Agreement on Tariffs and Trade (GATT) 1994 relating to the modification of concessions in the schedules of the Republic of Bulgaria and Romania in the course of their accession to the European Union**

### *A. Letter from the Union*

Done at Brussels, 28 April 2011.

Sir,

Following negotiations under Article XXIV:6 and Article XXVIII of the General Agreement on Tariffs and Trade (GATT) 1994 relating to the modification of the Schedules of the Republic of Bulgaria and Romania in the course of their accession to the European Union, I have the honour to propose the following:

1. The European Union shall incorporate in its schedule, for the customs territory of the EU 27, the concessions contained in the schedule of the EU-25 with the following modifications:

Add 400 tonnes (carcase weight) to the allocation for New Zealand under the EU tariff rate quota 'meat of sheep or goats, fresh, chilled or frozen', maintaining the present in-quota rate of 0 %;

Create an *erga omnes* allocation of 200 tonnes (carcase weight) under the EU tariff rate quota 'meat of sheep or goats, fresh, chilled or frozen', maintaining the present in-quota rate of 0 %;

Adjust the EU tariff rate quota 'live sheep, other than pure-bred breeding animals', with an in-quota rate 10 %, by removing the allocations of 1 010 tonnes (Romania) and 4 255 tonnes (Bulgaria);

Adjust the EU tariff rate quota 'meat of sheep or goats, fresh, chilled or frozen', with an in-quota rate 0 %, by removing the allocations of 75 tonnes (Romania) and 1 250 tonnes (Bulgaria);

Change the definition of the EU tariff rate quota of 1 300 tonnes 'high quality beef' in the EU WTO schedule to: 'High quality meat of bovine animals fresh, chilled or frozen. Supplying country New Zealand. Qualification for the quota is subject to conditions laid down in the relevant EU provisions'.

2. The European Union shall also replace the definition of high quality beef in the European Union regulations implementing this quota by the following: 'Selected beef cuts derived from exclusively pasture grazed steers or heifers, the carcasses of which have a dressed weight of not more than 370 kilograms. The carcasses shall be classified as A, L, P, T or F, be trimmed to a fat depth of P or lower and have a muscling classification of 1 or 2 according to the carcase classification system administered by the New Zealand Meat Board'.

3. New Zealand accepts the European Union's approach to netting-out of tariff rate quotas as a way of adjusting the GATT obligations of the EU-25 and those of the Republic of Bulgaria and Romania following the recent enlargement of the European Union.

4. Consultations may be held at any time with regard to any of the above matters at the request of either Party.

I should be obliged if you would confirm that your Government is in agreement with the content of this letter. Should this be the case, this letter and your confirmation shall together constitute an Agreement in the form of an Exchange of Letters between the European Union and New Zealand (the 'Agreement').

The European Union and New Zealand shall notify to each other the completion of their internal procedures for the entry into force of the Agreement. The Agreement shall enter into force 14 days after the date of receipt of the latest notification.

Please accept, Sir, the assurance of my highest consideration.

*For the European Union*



*B. Letter from New Zealand*

Done at Brussels, 28 April 2011.

Sir,

I have the honour to acknowledge receipt of your letter of today's date, which reads as follows:

'Following negotiations under Article XXIV:6 and Article XXVIII of the General Agreement on Tariffs and Trade (GATT) 1994 relating to the modification of the Schedules of the Republic of Bulgaria and Romania in the course of their accession to the European Union, I have the honour to propose the following:

1. The European Union shall incorporate in its schedule, for the customs territory of the EU 27, the concessions contained in the schedule of the EU-25 with the following modifications:

Add 400 tonnes (carcase weight) to the allocation for New Zealand under the EU tariff rate quota "meat of sheep or goats, fresh, chilled or frozen", maintaining the present in-quota rate of 0 %;

Create an *erga omnes* allocation of 200 tonnes (carcase weight) under the EU tariff rate quota "meat of sheep or goats, fresh, chilled or frozen", maintaining the present in-quota rate of 0 %;

Adjust the EU tariff rate quota "live sheep, other than pure-bred breeding animals", with an in-quota rate 10 %, by removing the allocations of 1 010 tonnes (Romania) and 4 255 tonnes (Bulgaria);

Adjust the EU tariff rate quota "meat of sheep or goats, fresh, chilled or frozen", with an in-quota rate 0 %, by removing the allocations of 75 tonnes (Romania) and 1 250 tonnes (Bulgaria);

Change the definition of the EU tariff rate quota of 1 300 tonnes "high quality beef" in the EU WTO schedule to: "High quality meat of bovine animals fresh, chilled or frozen. Supplying country New Zealand. Qualification for the quota is subject to conditions laid down in the relevant EU provisions".

2. The European Union shall also replace the definition of high quality beef in the European Union regulations implementing this quota by the following: "Selected beef cuts derived from exclusively pasture grazed steers or heifers, the carcasses of which have a dressed weight of not more than 370 kilograms. The carcasses shall be classified as A, L, P, T or F, be trimmed to a fat depth of P or lower and have a muscling classification of 1 or 2 according to the carcase classification system administered by the New Zealand Meat Board".
3. New Zealand accepts the European Union's approach to netting-out of tariff rate quotas as a way of adjusting the GATT obligations of the EU-25 and those of the Republic of Bulgaria and Romania following the recent enlargement of the European Union.

4. Consultations may be held at any time with regard to any of the above matters at the request of either Party.

I should be obliged if you would confirm that your Government is in agreement with the content of this letter. Should this be the case, this letter and your confirmation shall together constitute an Agreement in the form of an Exchange of Letters between the European Union and New Zealand (the "Agreement").

The European Union and New Zealand shall notify to each other the completion of their internal procedures for the entry into force of the Agreement. The Agreement shall enter into force 14 days after the date of receipt of the latest notification.'

I have the honour to express my Government's agreement with the above letter.

Please accept, Sir, the assurance of my highest consideration.

*For the Government of New Zealand*



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