



18 May 2018

(18-2981)

Page: 1/2

Committee on Agriculture

Original: English

**EUROPEAN UNION SUBMISSION TO COMMITTEE ON AGRICULTURE ON THE PROCESS
FOR THE REVIEW OF THE OPERATION OF THE BALI DECISION
ON TARIFF RATE QUOTA ADMINISTRATION¹**

COMMUNICATION FROM THE EUROPEAN UNION

The following submission, dated 16 May 2018, is being circulated at the request of the delegation of the European Union.

1.1. Following the Committee on Agriculture's meeting of February 2018 where the process for the Review was adopted, the European Union would like to make the following comments and suggestions on issues related to the Review of the Bali Decision on Tariff Rate Quota (TRQ) Administration.

1.2. In its document G/AG/W/169 of 10 October 2017 on the monitoring and review of Members' obligations established under the Bali Decision on TRQ administration, the WTO Secretariat presented the list of Members with TRQ commitments and with the related fill rates. Some Members have not notified fill rates especially those with outstanding notifications. The European Union expects these Members to fulfil their obligations rapidly, including by notifying fill rates, so contributing to a comprehensive review of the Bali Decision.

1.3. The paper also takes stock of Members' questions raised in the Committee's meetings since the Bali Ministerial on TRQ fill rates. While the paper shows Members' continuing interest in raising questions, it also points out that so far no Member has invoked the specific "underfill" mechanism set out in Annex A to the Bali Decision. This did not change in the February 2018 Committee meeting.

1.4. This could indicate that Members are content with each other's TRQ management methods or that Members having real concerns prefer other means to address them. One serious weakness of the "underfill" mechanism is that it does not apply to all Members² and not all Members have the same obligations³, therefore greatly diminishing its potential effectiveness. Hence, the EU considers that making the Bali underfill mechanism applicable to all Members is important.

1.5. The stated objective of the review is "*to promote a continuing process of improvement in the utilisation of tariff rate quotas*"⁴. The EU considers that this objective must not be confused with Market Access negotiations that are conducted in another forum. Therefore, the scope of the Review needs to be limited to the management of TRQs.

1.6. On the issue of harmonisation of notifications, the EU notes that Members have different approaches when it comes to notifying fill rates for TRQs that are not opened because better market access conditions are granted elsewhere, e.g. through an applied duty less than the bound in-quota duty. Also, when additional TRQ volumes are opened autonomously, some Members

¹ Document G/AG/W/171 of 9 February 2018.

² See Annex B of the Understanding On Tariff Rate Quota Administration Provisions Agricultural Products (WT/MIN(13)/39).

³ Excerpt from §4 of Annex A of the Understanding: "*Developing country Members may choose an alternative tariff quota administration method or maintain the current method in place*".

⁴ Excerpt from §13 of the Understanding.

notify a 100% fill rate whilst others indicating a fill rate above 100%. This is purely technical in its essence and per se does not impede the review of Members commitments. However, from a point of view of facilitating comparison between notifications, the EU would welcome guidelines aimed at harmonising notifications.

1.7. The Understanding makes a clear link between the Agreement on Agriculture and the Agreement on Import Licensing Procedures, thus questioning whether any potential synergy on notifications under the two Agreements is possible. The EU would be willing to look further at any such potential synergy. One key element is that redundant or double notifications under both Agreements could be avoided.
