



12 December 2016

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General Council

**EUROPEAN UNION REQUEST FOR AN EXTENSION OF THE WAIVER
FOR THE APPLICATION OF AUTONOMOUS PREFERENTIAL
TREATMENT TO THE WESTERN BALKANS**

DECISION OF 7 DECEMBER 2016¹

The General Council,

Having regard to paragraphs 1 and 3 of Article IX of the WTO Agreement, the Guiding Principles to be followed in considering applications for waivers adopted on 1 November 1956, and the Understanding in respect of Obligations under the General Agreement on Tariffs and Trade 1994 (the "GATT 1994");

Taking into account the Decision of the General Council of 8 December 2000² by which WTO Members granted the European Communities a waiver of obligations under paragraph 1 Article I of the GATT 1994 for the period through 31 December 2006, the Decision of the General Council of 28 July 2006³, extending this waiver until 31 December 2011 and the Decision of the General Council of 5 December 2011⁴, extending this waiver until 31 December 2016;

Noting that the existing waiver is due to expire on 31 December 2016;

Taking note of the request of the European Union, pursuant to paragraph 3 of Article IX of the WTO Agreement, for an extension of the waiver from its obligations under paragraph 1 of Article I and Article XIII of the GATT 1994 to the extent necessary to permit the European Union to afford preferential treatment to eligible products originating in the Western Balkans, without being required to extend the same preferential treatment to like products of any other WTO Member;

Considering the persistent difficult economic situation in the region and the efforts being made by WTO Members to foster economic transition and development in the Western Balkans;

Considering that the preferential treatment to eligible products the European Union affords to these countries is intended to promote economic development in a manner consistent with the objectives of the GATT 1994 and not to create barriers for the trade of other WTO Members;

Noting that, in light of the foregoing, the exceptional circumstances justifying the extension of the waiver from paragraph 1 of Article I and from Article XIII of the GATT 1994 exist;

Decides as follows:

1. Subject to the conditions set out in this Decision, the provisions of paragraph 1 of Article I and of Article XIII of the GATT 1994 shall be waived until 31 December 2021 to the extent necessary to permit the European Union to afford preferential treatment to eligible products originating in the Western Balkans (Albania, Bosnia and Herzegovina, the former Yugoslav Republic of Macedonia, Kosovo⁵, Montenegro and Serbia) without being required to extend the same preferential treatment to like products of any other WTO Member.

¹ Adopted in accordance with the Procedures on WTO Decision-Making under Articles IX and XII of the WTO Agreement agreed by the General Council (WT/L/93).

² WT/L/380.

³ WT/L/654.

⁴ WT/L/836.

⁵ Under United Nations Security Council Resolution 1244/99.

2. Such preferential treatment shall not raise new barriers for the trade of other Members.
 3. The European Union shall consult promptly with any Member on the operation of its preferential or duty-free concessions in respect of the beneficiaries listed in paragraph 1 of this Decision, or on any other matter arising in respect of this Decision. Where a Member considers that its benefits under the GATT 1994 are or may be impaired unduly as a result of measures put in place by the European Union and covered by this Decision, the European Union shall examine the possibility of a satisfactory adjustment of the matter.
 4. This Decision does not affect Members' rights as set out in the Understanding in respect of Waivers of Obligations under the GATT 1994.
 5. The European Union shall report annually to the General Council on the preferences afforded to products from the beneficiaries listed in paragraph 1, including the extent to which such preferences is different from the European Union's MFN and GSP concessions, with a view to facilitating the annual review provided for in paragraph 4 of Article IX of the WTO Agreement.
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