COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 27.11.2003
COM(2003) 733 final

2003/0286 (ACC)

Proposal for a

COUNCIL DECISION

concerning the provisional application of the trade and trade related provisions of the Euro-Mediterranean Agreement establishing an Association between the European Communities and their Member States on the one part, and the Arab Republic of Egypt on the other part

(presented by the Commission)

EXPLANATORY MEMORANDUM

The Euro-Mediterranean Agreement establishing an Association between the European Communities and their Member States on the one part, and the Arab Republic of Egypt on the other part (the "Association Agreement") was signed on 25 June 2001. On 7 April 2003, the Egyptian People's Assembly ratified the Association Agreement. The European Parliament gave its assent on 29 November 2001 and Member States are currently in the process of ratification of the Association Agreement.

The Community and Egypt have undertaken to adopt procedures for the provisional application of the trade and trade related provisions of the Association Agreement, pending completion of the procedures required for its entry into force. The provisional application of the trade and trade related provisions of the Association Agreement will take place through an Agreement in the form of an exchange of letters.

The trade and trade related provisions provisionally applied will accordingly replace, where appropriate, the provisions of the Co-operation Agreement signed between the European Economic Community and the Arab Republic of Egypt on 18 January 1977 and the Agreement between the Member States of the European Coal and Steel Community and the Arab Republic of Egypt signed in Brussels on 18 January 1977.

The purpose of this proposal is to ask the Council to approve the Agreement in the form of an exchange of letters for the provisional application of the trade and trade related provisions of the Euro-Mediterranean Association Agreement between the EU and Egypt.

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THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 133 thereof, in conjunction with Article 300 (2), first sentence,

Having regard to the proposal from the Commission,

Whereas:

(1) Pending the entry into force of the Euro-Mediterranean Agreement establishing an Association between the European Communities and their Member States on the one part, and the Arab Republic of Egypt on the other part, signed on 25 June 2001, the Community and Egypt have undertaken to adopt procedures for the provisional application of its trade and trade related provisions,

(2) The trade and trade related provisions provisionally applied will replace the relevant provisions of the Co-operation Agreement signed between the European Economic Community and the Arab Republic of Egypt on 18 January 1977[1] and the Agreement between the Member States of the European Coal and Steel Community and the Arab Republic of Egypt signed in Brussels on 18 January 1977[2],

(3) The measures necessary for the implementation of this Decision should be adopted in accordance with Council Decision 1999/468/EC of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred on the Commission[3],

(4) The Agreement in the form of an exchange of letters should therefore be approved,

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1 OJ L 266, 27.9.1978, p.2.
2 OJ L 316, 12.12.1979, p.2.
3 OJ L 184, 17.7.1999, p.23.

HAS DECIDED AS FOLLOWS:

Article 1

The Agreement in the form of an exchange of letters which provides for the provisional application of the trade and trade related provisions of the Euro-Mediterranean Agreement establishing an Association between the European Communities and their Member States on the one part, and the Arab Republic of Egypt on the other part, is hereby approved on behalf of the Community.

The text of the Agreement in the form of an exchange of letters is attached to this Decision.

Article 2

The Commission shall adopt the necessary implementation measures for the Agreement, including Declarations, Annexes, Protocols and exchange of letters, in accordance with the procedure laid down in Article 3.

Article 3

1. The Commission shall be assisted by a Committee on horizontal questions concerning trade in processed agricultural products not listed in Annex I to the Treaty, established by Article 16 of Council Regulation (EC) No 3448/1993 of 6 December 1993 laying down the trade arrangements applicable to certain goods resulting from the processing of agricultural products[4], by the Management Committee for Sugar established by Article 42 of Council Regulation (EC) No 1260/2001 of 19 June 2001 on the common organisation of the market in sugar[5], modified by Commission Regulation (EC) No 680/2002 of 19 April 2002[6] or, where appropriate, by the committees established by the corresponding provisions of other regulations on the common organisation of markets or by the Customs Code Committee established by Article 248a of Regulation (EEC) No 2913/92 of 12 October 1992 establishing the Community Customs Code[7].

2. Where reference is made to this paragraph, Article 4 and 7 of Decision 1999/468/EC shall apply.

   The period laid down in Article 4(3) of Decision 1999/468/EC shall be set at one month.

3. The Committee shall adopt its rules of procedure.

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4 OJ L 318, 20.12.1993, p.18.
5 OJ L 178, 30.6.2001, p. 1.
6 OJ L 104, 20.4.2002, p. 26.
7 OJ L 302, 19.10.1992, p. 1, Regulation as last amended by Regulation (EC) No 2700/2000 (OJ L 311, 12.12.2000 p. 17).

Article 4

The President of the Council is hereby authorised to designate the person(s) empowered to sign this Agreement so as to bind the Community during the period of provisional application.

Article 5

This Decision shall be published in the *Official Journal of the European Union*.

Done at Brussels,

For the Council
The President

ANNEX

Agreement in the form of an exchange of letters concerning the provisional application of the trade and trade related provisions of the Euro-Mediterranean Agreement establishing an Association between the European Communities and their Member States on the one part, and the Arab Republic of Egypt on the other part

A. Letter from the European Community

[Brussels …. 2003]

Sir,

I have the honour to refer to the Euro-Mediterranean Agreement establishing an Association between the European Communities and their Member States on the one part, and the Arab Republic of Egypt on the other part, signed in Luxembourg on 25 June 2001 (the "Association Agreement").

Pending the entry into force of the above-mentioned Agreement, I have the honour to propose to you that the European Community and the Arab Republic of Egypt apply provisionally as from 1 January 2004, Articles 2, 6 to 28, 31, 33 to 37, 55, 82 to 84, 86 to 87, 90 and 91, the relevant Declarations[8], Annexes 1 to 6, Protocols 1 to 5 to the Agreement and the exchange of letters concerning fresh cut flowers and flowers and flower buds falling within subheading 0603 10 of the Common Customs Tariff.

The Co-operation Council set up under the Co-operation Agreement between the European Economic Community and the Arab Republic of Egypt signed on 18 January 1977 shall perform mutatis mutandis its duties until the Association Council and the Association Committee provided for in Title VIII of the Association Agreement are created. It shall establish its rules of procedures and may create if appropriate, any Committees and sub-Committees to which it may delegate in full or in part, any of its powers.

During the provisional application of the above-mentioned Articles, and where appropriate, reference to the "Association Council" and to "the Association Committee" shall be construed as reference to the Co-operation Council and the Committees established by it.

As regards provisions covered by this Agreement and the subsequent application of the Association Agreement, it is agreed that the date of entry into force of the Association Agreement shall be the date of entry into force of this Agreement.

For the first year of application, the volumes of tariff quotas shall be calculated as a pro rata of the basic volumes, taking into account the part of the period elapsed before the date of entry into force of this Agreement. As regards certain products listed in Protocol 1 to the Agreement, the following arrangements will apply: for products falling under CN code 0703 20 00, 0709 90 39, 0709 90 60, 0711 20 90, 0712 9019, 0714 20 90, 1006, 1212 91, 1212 99 20, 1703, 2302, the concession granted should also apply to specific duties. These

[8] Joint Declarations on Articles 14, 18, 34, 37 and Annex 6, and the Joint Declaration on the protection of data; Declarations by the European Community on Articles 11, 19, 21, 34.

arrangements will remain in application upon the entry into force of the Association Agreement.

The provisions provisionally applied shall replace Articles 8 to 36, 43 to 46, 48 to 51 of the Co-operation Agreement between the European Economic Community and the Arab Republic of Egypt signed on 18 January 1977, including Annexes A, B, C, D, Protocol n°2, and the relevant joint declarations, declarations and exchanges of letters; and the Agreement between the Member States of the European Coal and Steel Community and the Arab Republic of Egypt signed in Brussels on 18 January 1977.

If the above is acceptable, this letter and your letter confirming its approval shall together constitute an Agreement between the European Community and the Arab Republic of Egypt.

Please accept, Sir, the assurance of our highest consideration,

On behalf of the European Community

B. Letter from Egypt

[Brussels, … 2003]

Sir,

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

[EC letter]

I am able to confirm that the Arab Republic of Egypt is in agreement with the content of your letter.

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

On behalf of the Arab Republic of Egypt