COUNCIL DECISION (EU) 2019/1709

of 7 October 2019

establishing the position to be taken on behalf of the European Union within the General Council of the World Trade Organization on the adoption of a decision to extend a WTO waiver permitting developing country Members to provide preferential tariff treatment to products of least developed countries

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular the first subparagraph of Article 207(4), in conjunction with Article 218(9) thereof,

Having regard to the proposal from the European Commission,

Whereas:

(1) The Marrakesh Agreement establishing the World Trade Organization ('WTO Agreement') entered into force on 1 January 1995.

(2) Paragraph 2 of Article II of the WTO Agreement provides that the agreements and associated legal instruments included in Annexes 1, 2 and 3 to the WTO Agreement ('Multilateral Trade Agreements') are integral parts of the WTO Agreement and are binding on all Members.

(3) Pursuant to paragraph 3 of Article IX of the WTO Agreement, in exceptional circumstances, the Ministerial Conference may decide to waive an obligation imposed on a Member by the WTO Agreement or any of the Multilateral Trade Agreements.

(4) Paragraphs 3 and 4 of Article IX of the WTO Agreement set out the procedures for the granting of waivers concerning the Multilateral Trade Agreements in Annex 1A, 1B or 1C to the WTO Agreement and their annexes.

(5) Pursuant to paragraph 1 of Article IV of the WTO Agreement, the Ministerial Conference has the authority to take decisions on all matters under any of the Multilateral Trade Agreements.

(6) Pursuant to paragraph 2 of Article IV of the WTO Agreement, in the intervals between meetings of the Ministerial Conference of the World Trade Organization ('WTO'), the General Council of the WTO conducts its functions. Pursuant to paragraph 1 of Article IX of the WTO Agreement, the WTO usually takes the decisions by consensus.

(7) On 15 June 1999, WTO Members granted a waiver of obligations under paragraph 1 of Article I of the General Agreement on Tariffs and Trade 1994 ('GATT 1994') to the extent necessary to allow developing country Members to provide preferential tariff treatment to products of least developed countries, designated as such by the United Nations, without being required to extend the same tariff rates to like products of any other Member until 30 June 2009. On 27 May 2009, WTO Members extended the waiver from 1 July 2009 to 30 June 2019.

(8) Pursuant to paragraphs 3 and 4 of Article IX of the WTO Agreement, Chile, China, India, Thailand and Turkey ('co-sponsors') submitted a request for the General Council to take a decision to extend the existing WTO waiver to permit developing country Members to provide preferential tariff treatment to products of least developed countries from 1 July 2019 to 30 June 2029.

(9) The co-sponsors justify the request with the particular vulnerability of the least developed countries and the special structural difficulties they face in the global economy, as well as the importance of improving their effective participation in the multilateral trading system by granting them meaningful market access to support the diversification of their production and export base.

(10) The extension of the waiver would not negatively affect either the economy of the Union or the Union's trade relations with the beneficiaries of the waiver. Moreover, the Union provides duty free and quota-free market access to least developed countries under the Everything But Arms scheme and is supportive of other WTO Members also providing trade preferences for least developed countries.

(11) It is appropriate to establish the position to be taken on the European Union's behalf in the General Council of the WTO to support the co-sponsors' request to extend the waiver to permit developing country Members to provide preferential tariff treatment to products of least developed countries to 30 June 2029, in accordance with Article 218(9) TFEU, as the extension of the waiver will be binding on Members of the WTO,

HAS ADOPTED THIS DECISION:

Article 1

The position to be taken on behalf of the European Union in the General Council of the World Trade Organization shall be to support the extension of a WTO waiver permitting developing country Members to provide preferential tariff treatment to products of least developed countries from 1 July 2019 to 30 June 2029.

Article 2

This Decision enters into force on the day of its adoption.

Done at Luxembourg, 7 October 2019.

For the Council
The President
A.-M. HENRIKSSON