

# COMMISSION OF THE EUROPEAN COMMUNITIES

COM(81) 309 final  
Brussels, 18 June 1981

## REPORT

on the negotiations with Sweden under Article XXVIII of  
the GATT on the modification of its concessions for certain  
processed fruit and vegetables

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## RECOMMENDATION FOR A COUNCIL DECISION

on the conclusion of the Agreement between the European Economic  
Community and Sweden concerning certain processed fruit and  
vegetable products negotiated under Article XXVIII of the GATT

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(submitted to the Council by the Commission)



Explanatory memorandum

A satisfactory Agreement has been drawn up in the negotiations between Sweden and the Community under Article XXVIII of the GATT.

Under this Agreement, the Community authorizes Sweden to modify certain tariff concessions bound under GATT by that country in respect of processed fruit and vegetables (Chapter 20 of the BN). In exchange, Sweden has accorded the Community certain new concessions on products generally falling within this category.

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Conclusion of an Agreement following the negotiations with Sweden  
under Article XXVIII of the GATT

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(Communication from the Commission to the Council)

The Commission hereby presents to the Council :

- (i) a report on the outcome of the negotiations entered into with Sweden under Article XXVIII of the GATT concerning the modification by Sweden of tariff concessions on certain products classified as processed fruit and vegetables (Chapter 20 of the BN) (Annex I) ;
- (ii) a draft Agreement and Annexes thereto negotiated between Sweden and the Community under Article XXVIII of the GATT (Annex III).

On 10 February the Article 113 Committee, meeting in Geneva, delivered a favourable opinion on the outcome of the abovementioned negotiations.

The Commission recommends that the Council approve the Agreement and Annexes thereto initialled with Sweden (Annex III).

It accordingly presents a draft Decision concluding the Agreement (Annex II).

## REPORT

on the negotiations with Sweden under Article XXVIII of the GATT  
on the modification of its concessions for certain processed fruit  
and vegetables

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1. Sweden has modified certain headings in Chapter 20 of its Customs Tariff (processed fruit and vegetables) by converting certain specific duties into ad valorem duties.
2. On 12 May 1980 the Swedish Government informed the Contracting Parties to GATT of its intention to modify, in accordance with Article XXVIII (5) of the General Agreement, certain concessions contained in Schedule XXX - Sweden in respect of certain processed fruit and vegetable products.
3. In this communication, Sweden declared itself willing to start negotiations or consultations in accordance with Article XXVIII of the GATT. On 20 May 1980 the European Community asserted its rights and its intention of entering into negotiations with Sweden, and the latter declared itself willing to conduct negotiations or consultations with the European Community.
4. Since the beginning of June 1980, a number of consultations and negotiations have taken place with the Swedish authorities. The members of the Article 113 Committee took part in these talks or were kept regularly informed by the Commission.
5. During these negotiations, the Community endeavoured to obtain from Sweden lower customs duties than those initially proposed for the products it was intending to rebind and also significant compensation under Article XXVIII of the GATT following the modification of the concessions contained in Schedule XXX - Sweden. The Community also endeavoured to secure Sweden's agreement that, if it were to consider

modifying the new unbound 8 % duty for heading 20.02.200 (white beans in tomato sauce), it would undertake bilaterally to inform the Community of its intention and possibly enter into consultations in order to find a way of maintaining the present level of trade in that product.

6. The question of compensation in the negotiations under Article XXVIII of the GATT. The major problem during these negotiations was the difficulty of finding compensation of any benefit to the Member States of the Community which had suffered injury as a result of the modification of Sweden's concessions. After some months' negotiations, Sweden finally presented an offer of compensation which was quantitatively and qualitatively acceptable to the Community.

The comparative table of claims by the EEC and offers of compensation made by Sweden is as follows: (see details in Annex)

	<u>Volume of trade</u> (av. 1977-78-79) (Skr '000 000)
<u>EEC's initial claim</u>	- 56.6
<u>EEC's actual claim</u>	- 34.6
(following deduction of headings where rebinding is offered at an equal or lower duty)	
<u>Sweden's compensation</u>	
List of compensation presented by Sweden	+ 46.1
- Accepted by the Community	34.8
- Where there is an indirect benefit	11.3
<u>Supplementary requests by the EEC</u>	+ 11.8
07 02 009 Onions	5.9
19 02 100 Malt extract	2.7
22 07 205 Other fermented beverages	3.2
Headings unbound and rebound at a lower rate	+ 10.2
Balance	+ 33.5

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7. Stabilization of unbound customs duty

An agreement was reached - and recorded in the minutes - on a bilateral undertaking by Sweden vis-à-vis the Community concerning the stabilization of customs duties not bound under GATT for white beans in tomato sauce (baked beans) falling within heading 20 02 200 of the Swedish customs tariff.

8. In these circumstances and on this basis, the Article 113 Committee delivered at its meeting in Geneva on 10 February 1981 a favourable opinion on the conclusion of the negotiations.

9. The texts setting out the results of the negotiations were initialled on 16 February 1981.

RECOMMENDATION FOR A COUNCIL DECISION

on the conclusion of the Agreement between the European Economic Community and Sweden concerning certain processed fruit and vegetable products negotiated under Article XXVIII of the GATT

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 113 thereof,

Having regard to the recommendation from the Commission,

Whereas Sweden, invoking Article XXVIII of the General Agreement on Tariffs and Trade (GATT), has notified its intention of unbinding the tariff concession for certain processed fruit and vegetable products of which the European Economic Community is the principal supplier ;

Whereas the Commission has conducted negotiations with Sweden under Article XXVIII of the GATT; whereas it has reached an Agreement with Sweden; whereas the Agreement has been found to be satisfactory,

HAS DECIDED AS FOLLOWS :

Article 1

The Agreement between the European Economic Community and Sweden concerning certain processed fruit and vegetable products negotiated under Article XXVIII of the GATT is hereby approved on behalf of the Community.

The text of the Agreement is attached to this Decision.



**Article 2**

The President of the Council is hereby authorized to designate the person empowered to sign the Agreement for the purpose of binding the Community.

Done at Brussels,

For the Council  
The President

Geneva, February 10, 1981

P R O C E S - V E R B A L

1. The Delegations of Sweden and the Commission of the European Communities have concluded their negotiations under Article XXVIII of the GATT for the modification of concessions in schedule XXX-SWEDEN relating to certain preparations of vegetables, fruit or other parts of plants with the following agreement:

The concessions included in schedule XXX-SWEDEN as set out in part A of annex I, shall be replaced by

- (a) the concessions to be bound in the GATT as set out in part B of annex I.
- (b) the autonomous concession, granted by Sweden to the European Economic Community as set out in the draft letter attached (annex II).

The provisions contained in this paragraph shall enter into force on the same date.

2. In connection with this negotiation, Sweden agrees to inform the EEC if it is envisaged that Sweden will for the item ex 20.02.200 (white beans in tomato sauce) increase the duty-rate above the level of 8%.

The parties agree, upon request, to enter into consultation if difficulties arise for this item and shall endeavour to seek appropriate solutions, aiming at maintaining the present level of trade in this product.

These consultations shall be held in the framework and in accordance with article 15 of the Agreement between Sweden and the EEC of July 21, 1972.

3. The parties agree to submit the agreement for approval by their authorities.

Geneva, February 10, 1981

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On behalf of the  
Delegation of Sweden

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On behalf of the  
Delegation of the  
Commission of the  
European Communities

RESULTS OF NEGOTIATIONS BETWEEN  
SWEDEN AND THE EUROPEAN COMMUNITIES  
UNDER  
ARTICLE XXVIII FOR THE MODIFICATION OF  
CONCESSIONS IN SCHEDULE XXX - SWEDEN

C H A N G E S I N S C H E D U L E X X X - S W E D E N  
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NOTE: THE CONCESSIONS LISTED IN PART "A" SHALL  
BE REPLACED BY THOSE LISTED IN PART "B". ANY  
ITEM LISTED IN ANNEX "B" CONFERS UPON THE  
EUROPEAN COMMUNITIES INITIAL NEGOTIATING RIGHTS.

Part A

SCHEDULE XXX - SWEDEN

Tariff Item Number	Description of Products	Rate of Duty
<u>Chapter 20</u>		
<u>Preparations of vegetables, fruit or other parts of plants</u>		
ex 20.01	..... Other vegetables than olives and capers	Kr 20 per 100 kgs 1)
ex 20.02	..... Mushrooms and truffles: In airtight containers for retail sale Other Other (except tomato pulp and tomato purée, tomatoes in airtight containers for retail sale, olives, asparagus, potato products, capers, red peppers and green peppers)	Kr 65 per 100 kgs with free- dom to change to 13% 1) Kr 65 per 100 kgs 1) Kr 20 per 100 kgs 1)
20.04	..... Candied fruit-peel Other	Kr 40 per 100 kgs 1) Kr 30 per 100 kgs with freedom to change to 20% 1)
ex 20.05	..... Jams and marmalades of orange, lemon- grapefruit, pineapple, apricot, goose- berry, peach and plum Purée and mould of chestnuts	Kr 40 per 100 kgs 1) Kr 60 per 100 kgs 1)

\*) The duty shall be calculated on the weight of the goods including such packings in which the goods are usually sold by retail.

SCHEDULE XXX - SWEDEN

Tariff Item Number	Description of Products	Rate of Duty
ex 20.07	..... Not containing added sugar: Of fruit other than citrus fruit, passion fruit, mango, guava and pineapple	
	In containers of a gross weight exceeding 3 kilogrammes	Kr 10 per 100 kgs
	In other containers	Kr 12.50 per 100 kgs 1)
	Of vegetables:	
	In containers of a gross weight exceeding 3 kilogrammes	Kr 10 per 100 kgs
	In other containers	Kr 10 per 100 kgs 1)
	Containing added sugar:	
	In casks:	
	Of citrus fruit; of apples, cherries, black and redcurrants, gooseberries, pears, raspberries, strawberries or whortleberries	Kr 34 per 100 kgs
	In other containers:	
	Of citrus fruit	Kr 34 per 100 kgs 1)
	Of apples, cherries, black and red currants, gooseberries, pears, raspberries, strawberries or whortleberries	Kr 40 per 100 kgs

1) The duty shall be calculated on the weight of the goods including such packings in which the goods are usually sold by retail.

Part B

SCHEDULE XXX-SWEDEN

<u>Tariff Item Number</u>	<u>Description of products</u>	<u>Concession Rate of Duty</u>
07.02	....	
006	Broccoli	Free
ex 009	Onions and shallots	16 %
08.10	....	
902	Raspberries	Free
13.03	....	
200	Pectic substances, pectinates and pectates	Free
15.07	....	
502	Linseed oil, bleached	Free
19.02	....	
100	Malt extract	Free
20.01	....	
	Cucumbers:	
ex 151	Gherkins, whole, minimum 85 pieces per kilogramme dried weight	5 %
ex 151	Other	10 %, min. Kr 30 <sup>1)</sup> per 100 kgs
152	Red beets	10 %
153	Olives and capers	Free
ex 159	Red cabbages; artichokes	7 %
ex 159	Other vegetables than cucumbers, red beets, olives and capers	11 %
250	Fruit	Free
20.02	....	
ex 100	Peas (excluding products of peas falling within heading No. 07.05)	10 %
ex 200	Beans (excluding products of beans falling within heading No. 07.05)	8 %
300	Mushrooms and truffles:	
	Champignons	15 %
	Other mushrooms	5 %
	Truffles	Free

1) The minimum rates may be adjusted in relation to the development of the production costs for these products in Sweden. However, this adjustment should not in any case exceed the development of the level of the cost-of-living index in Sweden during the same period.

<u>Tariff Number</u>	<u>Item</u>	<u>Description of products</u>	<u>Concession Rate of Duty</u>
	401	Tomatoes	Free
	901	Olives	Free
	906	Capers and sweet peppers	Free
ex	909	Sliced onions, fried; sauerkraut	5 %
ex	909	Other vegetables than peas, beans, mushrooms, truffles, tomatoes, tomato pulp, tomato purée, asparagus, olives, products based on potatoes, capers and sweet peppers	11 %
20.03		....	
	902	Raspberries	Free <sup>1)</sup>
20.04	000	....	Free <sup>1)</sup>
20.05		....	
	100	Of citrus fruit	5 % <sup>1)</sup>
		Of berries:	
ex	300	of blackcurrants and strawberries	7 % <sup>1)</sup>
ex	300	of other berries	5 % <sup>1)</sup>
	909	Other (than of citrus fruit, berries and apples)	5 % <sup>1)</sup>
20.06		....	
	300	Citrus fruit	Free
	400	Pears	Free
	500	Apricots	Free
	600	Peaches	Free
	809	Other fruit	Free
20.07		....	
	302,	Orange juice, not containing	Free
	303	added sugar	
	308	Orange juice, containing added sugar	Free <sup>1)</sup>

1) Sweden reserves the right to charge, over and above the rate shown, a variable component in order to take into account the differences in the cost of the added sugar incorporated in the goods.



<u>Tariff Item Number</u>	<u>Description of products</u>	<u>Concession Rate of Duty</u>
402, 403	Grapefruit juice, not containing added sugar	Free
408	Grapefruit juice, containing added sugar	Free <sup>1)</sup>
502, 503	Other citrus-fruit juices, not containing added sugar	Free
508	Other citrus-fruit juice, containing added sugar	Free <sup>1)</sup>
702, 703	Tomato juice, not containing added sugar	Free
ex 802, ex 803, ex 805	Other fruit juices (than of citrus-fruit, passion fruit, mango, guava and pineapple): of blackcurrants and strawberries; fruit juice mixtures containing juice of blackcurrants and strawberries  of apples, pears, cherries and plums; other fruit juice mixtures  other	10 % <sup>1)</sup>  5 % <sup>1)</sup>  Free <sup>1)</sup>
ex 806 ex 807	Other vegetable juices: not containing added sugar	3 %
22.07.	....	
205	Other fermented beverages, other than sparkling, of an alcoholic strength exceeding 15 % by volume, in containers of 10 litres and less	Kr 40 per 100 litres
22.09	....	
	Genever and gin:	
510	In containers of 10 litres or less	Kr 40 per 100 litres
590	In other containers	Kr 15 per 100 litres of an alcoholic strength of 50 % at + 15° C

1) Sweden reserves the right to charge, over and above the rate shown, a variable component in order to take into account the differences in the cost of the added sugar incorporated in the goods.

Mr. Director General,

I have the honour to inform you that, with reference to the Agreement between the European Economic Community and Sweden of July 21, 1972, and in particular Article 15 thereof whereby the contracting parties declared their readiness to foster, so far as their agricultural policies allow, the harmonious development of trade in agricultural products, Sweden shall grant to the Community, on a unilateral basis and with effect from 1 July 1981, the following tariff concession

<u>Swedish Customs Tariff Item Number</u>	<u>Description of products</u>	<u>Concession rate of duty</u>
ex 20.02 300	Champignons	13%

Should an increase in the imports into Sweden from the Community cause serious difficulties for the Swedish production, Sweden reserves its right, after consultation with the Community, to re-establish the duty at the bound level in GATT of 15%.

This concession is additional to those included in the letter of July 21, 1972, from the Head of the Swedish Delegation, Ambassador S. Åström to the Head of the Delegation of the Community, Mr. E.P. Wellenstein.

Accept, Mr. Director General, the assurance of my highest consideration.