COUNCIL DECISION

of 10 December 1979

concerning the conclusion of the Bilateral Agreements resulting from the 1973 to 1979 trade negotiations

(80/272/EEC)

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 the 1973 to 1979 trade negotiations resulted in the first instance in Multilateral Agreements which were approved on behalf of the Community by Decision 80/271/EEC; whereas, furthermore, some of the reciprocal concessions and undertakings negotiated by the Community and certain countries participating in the negotiations are embodied in special Bilateral Agreements;

Whereas the reciprocal concessions and undertakings contained in those Bilateral Agreements represent an acceptable result,

HAS DECIDED AS FOLLOWS:

Article 1

1. The following are hereby approved on behalf of the European Economic Community:

— agreement reached in Paris on 15 June 1979 between certain participants in the Agreement on Trade in Civil Aircraft (EEC, Canada, Japan, Sweden, United States) on reciprocal negotiating rights in case of withdrawal of tariff concessions;

— exchange of letters between the United States and the Community on possible extension of restrictive procurement practices in the USA and reserve by the European Community on its application of the Agreement on Government Procurement in this connection;

— Arrangement between the United States and the Community concerning cheeses;

— exchange of letters between the European Economic Community and the United States concerning the poultry sector;

— exchange of letters between the European Economic Community and the United States concerning rice;

— exchange of letters between the European Economic Community and the United States concerning the elimination of the Wine Gallon Assessment;

— exchange of letters between the European Economic Community and the United States concerning high-quality beef;

— exchange of letters between the European Economic Community and the United States concerning fresh, chilled and frozen beef;

— exchange of letters between the European Economic Community and Canada concerning quality wheat;

— Arrangement between Canada and the European Economic Community concerning cheese;

— memorandum of understanding (results of bilateral negotiations between the delegations of New Zealand and the European Communities to the multilateral trade negotiations) with the following annexes:

1. New Zealand supplementary tariff offer made in response to specific requests from the European Communities.

2. New Zealand import licensing offer made in response to specific requests from the European Communities.

3. Joint discipline arrangement between New Zealand and the Community concerning cheese.

4. Arrangement concerning beef between New Zealand and the Community;

— agreed record of conclusions reached in bilateral negotiations between the European Communities and Australia in the GATT multilateral trade negotiations, with the following annexes:

(1) See page 1 of this Official Journal.

1. Australian concessions to the Community:
   (a) tariff concessions,
   (b) attachment — 'Fancy Cheese' concession,
2. Arrangement between Australia and the Community concerning beef.
3. Arrangement between Australia and the Community concerning cheese.
4. Community tariff concessions.
5. Arrangement on buffalo meat.

— Arrangement concerning beef between the Argentine Republic and the Community;

— Arrangement concerning beef between the Eastern Republic of Uruguay and the Community and letter relating to that Arrangement;

— Arrangement concerning beef between the Hungarian People's Republic and the Community;

— Arrangement concerning beef between the Socialist Republic of Romania and the Community;

— Arrangement concerning beef between the Polish People's Republic and the Community.

2. The texts of the agreements referred to in this Article are annexed to this Decision.

Article 2

The President of the Council is hereby authorized to designate the person empowered to take such measures as are necessary to give effect to the undertakings entered into by the Community in the areas covered by the bilateral agreements listed in this Decision.

Done at Brussels, 10 December 1979.

For the Council

The President

T. HUSSEY

Agreement reached in Paris on 15 June 1979 between certain participants in the Agreement on trade in civil aircraft (EEC, Canada, Japan, Sweden, United States) on reciprocal negotiating rights in case of withdrawal of tariff concessions

The delegations of Canada, EEC, Japan, Sweden and the United States agreed that withdrawal of tariff concessions can upset the balance of rights and obligations under the Agreement on trade in civil aircraft. Each of these delegations is prepared to enter into consultations with each other in order to find means to restore the balance. Such measures may include provisions for compensatory adjustment.

Exchange of letters between the United States and the Community on possible extension of restrictive procurement practices in the USA and reserve by the European Community on its application of the Agreement on government procurement in this connection

Letter from Viscount Davignon to Ambassador Strauss

In conjunction with the Agreement on government procurement and with reference to the discussions held between our delegations in the context of the multilateral trade negotiations, I have the honour to declare the following:

1. It has been one of the major objectives of the European Communities to eliminate the Buy American Act.

2. The European Communities have also been very concerned to avoid any possible extension of the Buy American Act or other restrictions by Congress acting on its own initiative or on that of the US Administration. It had also been concerned to avoid any extension of Buy American type or other restrictions on procurement at state or local level.

3. Any such extension of trade restrictions on US procurement practices would have a serious impact on the ability and willingness of the European Communities to undertake, or bring to a successful conclusion, negotiations with a view to broadening and improving the agreement on government procurement on the basis of mutual reciprocity referred to in Part IX (6), of that Agreement. Such restrictions would also be detrimental to the operation of the agreement by the European Communities.

4. In so far as the objectives and concerns set out in paragraphs 1 and 2 have been met the European Communities will seek to avoid similar restrictions in its territory.

I would be grateful if you would acknowledge agreement to the above.

Letter from Ambassador Strauss to Viscount Davignon

This will acknowledge receipt of your July 17 note containing a 'Declaration of interpretation of Agreement on government procurement'.

We share the principal objective contained in your 'Declaration' with regard to expanding coverage and regret the Commission was unable to make a larger coverage offer, thus reducing the level of coverage to a lower common denominator than we sought. In conjunction with the terms of the agreement and discussions held between our delegations in the context of the multilateral trade negotiations, I offer the following comments concerning the intentions of the United States.

It has been the endeavor of the United States, from the outset of these procurement negotiations, to include within the scope of the Government Procurement Agreement, the maximum possible coverage.

The fundamental equation of the procurement negotiations is that those countries with visible discriminatory systems will eliminate such discrimination in return for the adoption of transparency by those countries maintaing more subtle forms of discrimination. For this reason, the United States is more than willing to include a maximum number of entities under the Agreement coverage and to employ as low a threshold as possible, but only in those instances where full provisions of the Agreement apply.

The United States will continue to seek and expand the coverage of this Agreement through subsequent negotiation. In this connection, the United States administration will seek to discourage any action that might prejudice the successful outcome of such negotiations. Furthermore we will take those steps necessary to encourage expansion of Agreement coverage and enlargement of membership to the Agreement.

The United States has consistently opposed measures to further increase discriminatory government procurement practices. We believe that the existence of the Government procurement Agreement will encourage opposition to possible future restrictive measures taken for the purposes of protecting domestic suppliers. We shall, as provided in the Government Procurement Agreement, maintain the position that for those purchases covered by the Agreement, foreign bids from suppliers in countries which are signatories to the Agreement must be handled on the same basis as domestic tenders.

My Government appreciates the concern expressed by the Commission with regard to the possible expansion of buy-national restrictions, and we share the concern of the Commission in regard to the possible detrimental effects of such action on achieving the objectives of the Government Procurement Agreement. We would hope that further expansion of this Agreement will alleviate these concerns. Without the Government Procurement Agreement, the situation would certainly prove to be considerably more disconcerting.

With respect to paragraph 3 of your 'Declaration', the United States will live up fully to the terms of the Government Procurement Agreement and expects no less from every other signatory to the Agreement. We also look forward to discussing the European Communities' efforts to avoid any extension of restrictions on government procurement below the central government level.

Our Congress has acted with great restraint in the face of the imbalance between our relatively open procurement market and those restricted markets of the European Communities. They have viewed the Agreement's commercial utility with some skepticism, particularly in light of the modest EC offer. Therefore, the Congress has proposed a series of reporting requirements to gain a clear picture of the operation of the Agreement. We are confident that these reports will reveal significant progress toward opening procurement markets and bolster our mutual endeavors for expanded coverage. If the signatory group is unable to move towards genuine openness and reciprocity of access to comparable markets, we can anticipate that the political pressures here will increase to strike the balance through restrictions in the US market.

We look forward to working together to our mutual benefit by increasing commercial opportunities in the government procurement area.

Content of Arrangement between the United States and the Community concerning cheeses

1. The US agrees that its import system will be adjusted so that:

— the cheeses which are listed in Annex 1 will not be subject to quotas;

— the other cheeses will be freely imported within the limits of fixed quotas.

2. The global volume of the quotas granted to the Community for cheeses subject to the quota system will amount to a minimum of 43 554 tonnes. The distribution of the quotas between the different varieties is that listed in Annex 2 to this Arrangement. The US commits itself to take all necessary measures so that the management of the quotas by the administration will be such as to permit their maximum utilization.

3. The Community agrees not to grant restitutions or permit other similar practices in a manner such as to result in the prices for cheeses of Community origin on the US wholesale market below the prices of like US domestic cheeses. Other suppliers of cheese under quota to the US will be subject to the same commitment.

4. The US agrees not to impose countervailing duties on cheese imported from the Community as long as the price condition on the American market, as stated in paragraph 3, is met.

If the American Government considers that the price conditions mentioned in the previous paragraph are no longer respected, it will inform the Community and agree to enter into consultations before undertaking any counteraction.

5. The Community accepts the commitment of the US with regard to the amount of the quotas, established by virtue of Section 22 and in conformity with the Waiver of 1955, without prejudice to its rights under the General Agreement.

ANNEX 1

1. In accordance with the Arrangement, the cheeses covered by the following tariff categories of the tariff schedules of the United States shall not be subject to quota.

   (a) Those provided for in items:

TSUS No	Description
117.0020	Stilton cheese, in original loaves, product of England
117.0520	Stilton cheese, other, product of England
117.1000	Bryndza cheese
117.3000	Gjetost cheese, made from goat's milk whey or from whey obtained from a mixture of goat's milk and not more than 20 % of cow's milk
117.3500	Gjetost cheese, other
ex 117.4060	Goya cheese, in original loaves
117.4500	Roquefort cheese, in original loaves, product of France
117.5000	Roquefort cheese, other, product of France
117.6060	Gammelost and Nokkelost cheeses
117.6500	Cheeses made from sheep's milk, in original loaves and suitable for grating
117.6700	Pecorino cheese, made from sheep's milk, in original loaves, not suitable for grating
117.7000	Other sheep's milk cheese
117.7575	Other goat's milk cheese valued not over 25 cents per pound
117.8575	Other goat's milk cheese valued over 25 cents per pound

   (b) Those provided for in an item to be created the wording of which shall be based on the following definition for soft ripened cow's milk cheeses:

   'Soft ripened cheese is cured or ripened by biological curing agents such as molds, yeasts, and other organisms which have formed a prominent crust on the surface of the cheese. The curing or ripening is conducted so that the cheese visibly cures or ripens from the surface toward the center. Fat content in the dry matter is not less than 50 %. Moisture content, calculated by weight of the non-fatty matter is not less than 65 %.

   The term 'soft ripened cheese' does not include cheeses with molds, yeasts and other organisms on the surface which also contain molds, blue or otherwise, distributed throughout the interior of the cheese.'

2. The following non-comprehensive list is given for illustrative purpose only. Administrative cooperation should be established at the technical level concerning any difficulty related to the classification of these cheeses:

   — Bibress

   — Brie

   — Camembert

   — Cambré

— Carré de l'Est
— Chaource
— Coulommiers
— Époisse
— Herve
— Limbourg
— Livarot
— Maroilles
— Munster — from France and Germany along both sides of the Rhine
— Pont-l'Évêque
— Reblochon
— St. Marcellin
— Taleggio

(Examples offered for sale under commercial names):

— Boursault
— Caprice des Dieux
— Ducs (Suprême des)
— Explorateur

ANNEX 2

Cheese quotas

TSUS No (Appendix)	Description	Annual import quota 1 January to 31 December (tonnes)
950.07	Blue mold (except Stilton produced in England) and cheese substitutes for cheese containing, or processed from, blue mold cheese	2 479
950.08	Cheddar cheese and cheese and substitutes for cheese containing, or processed from, Cheddar cheese	263
950.08 A	American-type cheese, including Colby, washed, cured, and granular cheese (but not including Cheddar) and cheese containing, or processed from, such American-type cheese	254
950.09 A	Edam and Gouda cheese	4 011
950.09 B	Cheese and substitutes for cheese containing, or processed from, Edam and Gouda cheese. Italian-type cheeses, made from cow's milk (Romani made from cow's milk, Reggiano, Parmesano, Provoloni, Provolette, and Sbrinz)	1 237
950.10	In original loaves	1 763
950.10 A	Not in original loaves and cheese and substitutes for cheese containing, or processed from, such Italian-type cheeses	47
	Swiss or Emmenthaler cheese with eye formation; Gruyere-process cheese; and cheese and substitutes for cheese containing, old processed from, such cheeses	
950.10 B	Swiss or Emmenthaler cheese with eye formation	6 000
950.10 C	Other than Swiss or Emmenthaler with eye formation (reported statistically as Gruyere-process)	3 500
950.10 D	Cheeses and substitutes for cheese provided for in items 117.75 and 117.85, part 4 C, schedule 1, of the tariff schedules of the United States (except cheese not containing cow's milk; cheese, except cottage cheese, containing 0·5 % or less by weight of butterfat, and articles within the scope of other import quotas provided for in this part)	20 000
950.10 E	Cheese, and substitutes for cheese, containing 0·5 % or less by weight of butterfat as provided for in items 117.75 and 117.85, part 4 C, schedule 1 (except articles within the scope of other import quotas provided for in this part)	4 000

Content of exchange of letters between the European Economic Community and the United States concerning the poultry sector

The United States and the European Economic Community have agreed as follows:

1. The Commission will take measures so that at the date of the coming into force of the concessions internal procedures will have been completed modifying the coefficients used in the calculation of the sluice-gate price and the levy for certain turkey parts on the basis of those applicable to whole turkeys, so that these will be fixed at the following levels for the positions:

02.02 B II e) 2 aa)	drumsticks:	0·75
02.02 B II e) 2 bb)	thighs:	1·35
02.02 B II d) 2	breasts:	1·60

These modifications are such that they would have entailed at the date of 1 December 1978, other things being equal, reductions of the threshold prices and levies, respectively of:

for the tariff line 02.02 B II e) 2 aa)	drumsticks:	17 %
02.02 B II e) 2 bb)	thighs:	13 %
02.02 B II d) 2	breasts:	3 %

2. The European Economic Community confirms the binding for uncooked seasoned turkey meat under the tariff position 16.02 B I A of the CXT. Uncooked seasoned poultrymeat other than turkey meat, now classified under the same tariff position, may be reclassified.

3. If exports of turkey meat from the United States to the European Economic Community exceed the average level realized in the course of the years 1977 and 1978, the United States and the European Economic Community will enter into consultation in order to examine the situation and, if needed, to find a solution to the problem thus created on the Community market for turkey.

Content of exchange of letters between the European Economic Community and the United States concerning rice

1. The European Economic Community agrees that at 1 September 1979 and 1 September 1980, internal procedures will be completed in the Community which will reduce, in two stages, the threshold price for long grain rice — which presently exceeds that for round grain rice by 20 units of account per tonne — to the level of the threshold price for round grain rice including the corresponding modifications of the external corrective amounts used in the calculation of the cif prices.

2. The European Economic Community agrees to retain the classification of parboiled rice in Chapter 10 of the CXT as provided for in Council Regulation (EEC) No 2800/78 of 27 November 1978. This classification will also be maintained in the future.

3. The European Economic Community agrees that these concessions will not be negated through any changes in the method used for calculating the European Economic Community threshold price and the import levies for rice.

Content of exchange of letters between the European Economic Community and the United States concerning the elimination of the 'wine gallon assessment'

The United States agrees to eliminate the wine gallon method of assessment used in the calculation of the customs duties and of the internal taxes on products imported under the following tariff numbers:

168.05	Aquavit
168.17	Bitters of all kinds containing spirits, fit for use as beverages
	Brandy:
	Pisco and singani:
	in containers each holding not over one gallon:
168.18	valued not over $ 9 per gallon
168.23	valued over $ 9 per gallon
	Other:
	in containers each holding not over one gallon:
168.28	valued over $ 9 per gallon
168.33	Cordials, liqueurs, kirschwasser, and ratafia
168.34	Ethyl alcohol for beverage purposes
168.35	Gin
168.45	Whiskey:
	Irish and Scotch
	Other spirits, and preparations in chief value of distilled spirits, fit for use as beverages or for beverage purposes:
168.55	Other

Content of exchange of letters between the European Economic Community and the United States concerning high quality beef

1. The European Economic Community agrees to establish a levy-free quota of 10 000 tonnes of high-quality beef with an a. v. tariff of 20 % to be bound in GATT. This beef shall be defined by either of the two following definitions and certified to by the exporting country:

   (i) Beef quarters, wholesale cuts, boneless primal and subprimal cuts or portioned steaks from carcasses possessing the following characteristics:

   (a) minimum external white fat covering over the ribeye muscle at the 12th rib of 0·4 to 0·9 inch;

   (b) carcass weight of 600 to 850 pounds;

   (c) minimum ribeye area at 12th rib — nine square inches;

   (d) maximum age — 30 months. Carcass must have no visible ossification of cartilage buttons over tips of spinous processes associated with the 1st through 11th thoracic vertebrae;

(e) minimum intermuscular fat intermingled in lean of longissimus (ribeye) muscle at the 12th rib as shown by photographic standard (equivalent to modest or fat content of lean of 6·0 minimum, wet tissue basis, for longissimus);

Note: this will not apply to other muscles of carcass;

(f) colour: lean must be a bright, cherry red colour at time of cutting of carcass;

(g) fresh chilled carcasses or cuts must be at a temperature (internal or ribeye muscle) of less than 4 °C when packed for shipment.

(ii) Carcasses or any cuts from cattle not over 30 months of age which have been fed for 100 days or more on a nutritionally balanced, high energy feed concentration ration containing no less than 70 % grain, and at least 20 pounds total feed per day.

It should be noted that US beef which is graded USDA choice or prime will automatically meet the definition of one of the above.

2. By 1983 the United States and the European Economic Community will consult about the possibility of further expanding trade in high-quality beef.

Content of exchange of letters between the European Economic Community and the United States concerning fresh, chilled and frozen beef

1. The United States agrees to operate its import system of fresh, chilled and frozen beef in such a manner as to allow access for 5 000 tonnes of EC beef from member countries free of foot and mouth disease. The European Economic Community will administer the amount. As regards countervailing duties, the United States will act in conformance with the relevant provisions of the subsidy countervail code.

2. By 1983, the United States and the European Economic Community will consult about the possibility of further expanding trade in fresh, chilled and frozen beef.

Content of exchange of letters between the European Economic Community and Canada concerning quality wheat

With reference to the talks that have taken place between the Delegations of Canada and the European Economic Community, I have the honour to confirm the following concerning quality wheat:

'Canada and the Commission of the European Communities agree to meet in 1982 with a view to examining the question of the disposition of the outstanding matters concerning Canada's exports of quality wheat to the EC arising out of the exchange of letters which resulted from the GATT Article XXIV § 6 negotiations of 1962 and 1975.'

Content of Agreement between Canada and the European Economic Community concerning cheese

I. *Community undertaking with respect to the importation of aged Canadian Cheddar*

1. The Community undertakes to establish a tariff quota for aged Cheddar, setting down specific conditions for the import of an annual total quantity of 2 750 tonnes reserved for Canada. The definition of the system, the specifications of the cheese eligible for it and the conditions of eligibility for the special system are set out in the Annex to this Arrangement. Canada undertakes that the Cheddar shipped to the Community will be accompanied by a certificate of authenticity issued by the Canadian Dairy Commission, certifying the nature and the origin of the product.

2. Canada undertakes to ensure that, for cheese exported to the Community under this Arrangement, the minimum prices specified in the Annex to this Arrangement will be respected at the cif stage. The Community for its part, undertakes that, to the extent necessary, the minimum prices will be adjusted to ensure that the annual total quantity allowed to be imported from Canada can be achieved, taking into account competitive supply and demand conditions on the cheese markets of the Member States of the Community. The Community will also ensure that the advantage thus granted to Canada is not compromised by other import measures.

3. In the event that Canadian prices are such as to cause serious difficulties on the cheese market of a Member State of the Community, consultations will be opened without delay with a view to taking the necessary measures.

4. It is understood that monetary compensatory amounts or any other similar monetary measure which could affect the marketing of aged Canadian Cheddar in the Community will not be applied so as to discriminate between third country suppliers.

5. This undertaking replaces the arrangement of 28 February 1975.

II. *Canadian undertaking with respect to imports*

1. Canada undertakes to open quotas for all cheeses for a global volume of not less than 45 million pounds per year. Within this volume of 45 million pounds, an unallocated reserve of one million pounds will be set aside for Cheddar; it is understood that the Community will be treated no less favourably than other Cheddar suppliers. The quota allocated to the European Economic Community will not, in any case, be less than 60 % of this volume of 45 million pounds, that is, 27 million pounds.

2. Canada undertakes to implement all the necessary measures to ensure that the administration of the quotas by the Canadian authorities will be such as to allow for their maximum utilization.

   Canada will ensure that the advantage thus granted to the Community is not compromised by other import measures.

3. The Community undertakes to ensure that the restitutions it grants will be such that the prices, ex-quay duty paid Canadian port, of cheeses from Community sources on the Canadian market do not undercut the prices, ex factory, of the same domestic cheeses or of similar cheeses made in Canada, inasmuch as Canada attempts to obtain a similar undertaking from other suppliers.

   The monitoring of prices on the Canadian market will be done on the basis of a common agreement between the Community and Canada and presupposes the introduction in Canada of an information system on ex factory prices.

   In the event that Community prices are such as to cause serious difficulties on the cheese markets in Canada, consultations will be opened without delay with a view to taking the necessary measures.

III. *Reciprocal undertakings*

1. The Community and Canada undertake to hold consultations on the implementation of this Arrangement on an annual basis and, if necessary, upon request of either party.

2. This Arrangement will be re-examined in 1982, in particular with respect to the possibility of increasing the quotas which have been fixed reciprocally and also with respect to their binding within the GATT.

ANNEX

Description of the EEC concession on aged Cheddar

CCT heading No	Description	Rate of duty Autonomous % or levy (L)
04.04	Cheese and curd:	
	E. Other:	
	I. Not grated or powdered, of a fat content, by weight, not exceeding 40 % and a water content, calculated by weight of the non-fatty matter:	
	b) Exceeding 47 % but not exceeding 72 %:	
	1. Cheddar:	
	(aa) Cheddar made from unpasteurized milk, of a minimum fat content of 50 % by weight, in the dry matter, matured for at least nine months (a):	
	(11) In standard whole sizes (b) and of a free-at-frontier value of not less than 170 u.a. (c) per 100 kg net weight	L (d)
	(22) Others of a net weight of:	
	(aaa) Not less than 500 g and of a free-at-frontier value of not less than 185 u.a. per 100 kg net weight	L (d)
	(bbb) Less than 500 g and of a free-at-frontier value of not less than 195 u.a. (c) per 100 kg net weight	L (d)

(a) Entry under this subheading is subject to conditions to be determined by the competent authorities.

(b) The expression 'standard whole sizes' in relation to subheading 04.04 E I b) 1 (aa) (11) shall be taken to apply to:
— rounds of a net weight of between 33 and 44 kg inclusive;
— cubic blocks or rounds of a net weight of not less than 10 kg.

(c) The minimum values shall be automatically adjusted to take account of changes in the factors determining the formation of Cheddar prices in the Community. This adjustment shall be by way of an increase or decrease equal to that of the Community threshold price for Cheddar.

(d) 10 u.a. per 100 kg net weight within a 2 750 tonnes annual tariff quota to be allocated by the competent authorities of the European Communities.

MEMORANDUM OF UNDERSTANDING

Results of bilateral negotiations between the Delegations of New Zealand and the European Communities to the multilateral trade negotiations

The Delegation of New Zealand and the Delegation of the European Communities agree that, subject to approval by their relevant authorities, they have completed bilateral negotiations in the context of the multilateral trade negotiations on the following basis:

(a) tariff offers, as tabled by both parties, to be included in Schedule XIII — New Zealand, and Schedule LXXII — European Communities;

(b) supplementary tariff offer by New Zealand in response to specific request from the European Communities (see Annex 1);

(c) supplementary offer by New Zealand on import licensing in response to specific requests from the European Communities (see Annex 2);

(d) an offer by the European Communities on cheese imports in response to specific requests from New Zealand (see Annex 3);

(e) an offer by the European Communities on beef (see Annex 4) in response to requests from New Zealand.

The Delegations note that the offers as set out above are subject to technical clarification, including any modifications resulting from the preparation of revised GATT schedules.

They also note that these offers and their acceptance are without prejudice to their GATT rights and obligations.

For the Delegation of the European Communities

For the Delegation of New Zealand

ANNEX 1

New Zealand supplementary tariff offer made in response to specific requests from the European Communities

I. New Zealand agrees to implement the offers set out below on 1 January 1980.

Tariff item	Description	Offer bound rate
17.04.001	Chewing gum	30 %
17.04.009	Other sugar confectionery	30 %
18.06.000	Chocolate etc.	30 %
19.03.001	Macaroni, spaghetti etc.; retail packs	30 %
19.03.009	Macaroni, spaghetti etc.; other packs	30 %
19.08.001	Biscuits	35 %
20.01.000	Fruit and vegetables; preserved by vinegar etc.	20 %
ex 20.02.051	Tomatoes; preserved, viz. whole or in pieces	10 %
20.03.000	Fruit, frozen	10 %
20.05.000	Jams; jellies, marmalades etc.	30 %
ex 20.07.021	Citrus juice, other than in bulk; with added sugar	30 %
ex 20.07.021	Tomato juice, other than in bulk; with added sugar	30 %
21.05.001	Soups and broths; of fish etc.	25 %
21.05.005	Soups and broths; other	25 %
ex 21.07.009	Spaghetti etc.; with other foods, cooked	30 %
22.05.001	Champagne	20 c/l
22.06.001	Vermouth	10 c/l

II. The following items which were the subject of requests by the European Communities were included in New Zealand's global tariff offer.

The maintenance of that offer on these items, and their implementation on 1 January 1980 is confirmed by New Zealand.

Tariff item	Description	Offer
ex 15.07.001	Vegetable oils in retail packs	Free
19.02.009	Food preparations	35 %
ex 19.07.009	Biscuits etc., not containing sugar, viz. other than ships' biscuits	35 %

Tariff item	Description	Offer
21.02.009	Coffee and chicory essences	35 %
21.03.011	Prepared mustard; retail packs	30 %
21.03.019	Prepared mustard; other packs	20 %
21.04.000	Sauces and condiments	30 %
35.07.001	Rennet, flavoured	20 %

III. In addition, for many items included in New Zealand's global tariff offer, the Community was the principal supplier in 1976/77. It is New Zealand's intention that these offers will be maintained and will be implemented with effect from 1 January 1980.

ANNEX 2

New Zealand import licensing offer made in response to specific requests from the European Communities

I. New Zealand agrees to implement the offers on import licensing, set out below, with effect from 1 January 1980.

A. *Exemption from import licensing*

New Zealand agrees to exempt the following items from import licensing:

22.03.003 22.03.007 22.03.008	Beer
22.05.001	Champagne
35.07.001	Rennet, flavoured

B. *Additional licensing provision for items in retail packs*

New Zealand agrees to provide additional licensing provision, to the extent of 10 % of bulk imports in 1977/78 (year ended June), for the following items:

ex 15.07.001 15.07.059	Vegetable oils in retail packs

C. *Additional licensing provision*

New Zealand agrees to provide additional licensing provision:

(a) in the case of basic items, by increasing the allocation above that provided for in the import licensing schedule and/or providing for some new entrants; or

(b) in the case of 'C' items, by:

(i) increasing the initial allocation provided for in the import licensing schedule, or

(ii) creating an initial basic allocation for the following items:

17.04.001	Chewing gum
17.04.009	Other sugar confectionery
18.05.000	Cocoa powder
18.06.000	Chocolate etc.
19.02.000	Food preps
19.03.001	Macaroni, spaghetti etc.; retail packs
19.03.009	Macaroni, spaghetti etc.; other packs
19.07.009	Biscuits etc., not containing sugar
19.08.001	Biscuits
20.01.000	Fruit and vegetables, preserved by vinegar etc.

20.02.041	Tomatoes, purée or concentrate
20.02.051	Tomatoes, preserved
20.03.000	Fruit, frozen
20.05.000	Jams, jellies, marmalades etc.
20.07.021 20.07.025 20.07.028	Fruit and vegetable juices, in other containers
21.02.009	Coffee and chicory essences
21.03.011	Prepared mustard, retail packs
21.03.019	Prepared mustard, other packs
21.04.000	Sauces and condiments
21.05.001	Soups and broths, of fish etc.
21.05.005	Soups and broths, other
ex 21.07.009	Spaghetti etc.; with other foods, cooked

ANNEX 3

Content of Joint Discipline Arrangement between New Zealand and the Community concerning cheese

I. *Undertaking by the Community on imports of Cheddar for direct consumption*

1. The Community undertakes to establish a tariff quota for Cheddar for direct consumption, as provided for under defined conditions of importation, for a global annual quantity of 9 000 tonnes of which 6 500 tonnes will be reserved for New Zealand.

   The details of this system, the specification of the cheese which may benefit from it, and the conditions under which this special regime will be operated are set out in Appendix I to this Arrangement.

2. New Zealand undertakes to take all the necessary measures so that the quantity of Cheddar for direct consumption, exported to the Community, does not exceed 6 500 tonnes per year and that sales of this quantity will be as regular as possible. It also undertakes that such Cheddar exported to the Community shall be accompanied by a certificate of authenticity, delivered by the New Zealand Dairy Board, guaranteeing the nature and origin of the product.

   New Zealand undertakes to ensure that for cheese exported to the Community as a result of this Arrangement, the minimum price will be respected at the cif stage.

   The Community, for its part, undertakes, as necessary, to adjust the minimum price so as to ensure that New Zealand's share of the global annual quantity admitted for importation can be effectively marketed each year as regularly as possible.

3. In the event that New Zealand's prices create serious difficulties in the cheese market of a Member State of the Community, consultations will take place, without delay, with a view to seeking a mutually satisfactory solution for remedying the situation.

II. *Undertaking by the Community on imports of other cheese for processing*

1. The Community undertakes to establish a tariff quota for other cheese for processing, as provided for under defined conditions of importation, for a global annual quantity of 3 500 tonnes, of which 3 000 tonnes will be reserved for New Zealand.

   The details of this system, the specification of the cheese which may benefit from it, and the conditions under which this special regime will be operated are set out in Appendix II to this Arrangement.

2. New Zealand undertakes to take all the necessary measures so that the quantity of other cheese for processing exported to the Community does not exceed 3 000 tonnes per year and that sales of this quantity will be as regular as possible. It also undertakes that such cheese exported to the Community shall be accompanied by a certificate of authenticity, delivered by the New Zealand Dairy Board, guaranteeing the nature and origin of the product.

New Zealand undertakes to ensure that for cheese exported to the Community as a result of this Arrangement the minimum price will be respected at the cif stage.

The Community, for its part, undertakes, as necessary, to adjust the minimum price so as to ensure that New Zealand's share of the global annual quantity admitted for importation can be effectively marketed each year as regularly as possible.

3. In the event that New Zealand's prices create serious difficulties in the cheese market of a Member State of the Community, consultations will take place, without delay, with a view to seeking a mutually satisfactory solution for remedying the situation.

III. *Administrative cooperation*

The Community and New Zealand undertake to establish administrative cooperation for the application of the present Arrangement, concerning in particular the exchange of information on prices and quantities exported, and all other relevant matters.

Appendix I

Text of concession on EEC Cheddar cheese

CCT heading No	Description	Rate of conventional duty
04.04	Cheese and curd: E. Other: I. Not grated or powdered, of a fat content, by weight, not exceeding 40 % and a water content, calculated by weight of the non-fatty matter: b) Exceeding 47 % but not exceeding 72 %: 1. Cheddar: (bb) Other: — Whole cheddar cheese (a) of a minimum fat content of 50 % by weight, in the dry matter, matured for at least three months and of a free-at-frontier value of not less than 165 u.a. (b) per 100 kg net weight (c)	L (d)

(a) The expression 'whole cheeses', as used in subheading 04.04 E I b) 1 (bb), shall be taken to apply to:
— whole cheeses of the conventional flat cylindrical shape of a net weight of not less than 33 kg but not more than 44 kg,
— cubic blocks of cheese of a net weight of not less than 10 kg.
(b) The value limits are automatically adjusted by reference to changes to the factors determining the formation of the price of Cheddar in the Community. This adjustment is made on the basis of an increase or a reduction equal to that of the threshold price of Cheddar in the Community.
(c) Entry under this subheading is subject to conditions to be determined by the competent authorities.
(d) 10 u. a. per 100 kg net weight within the limits of an annual tariff quota of 9 000 tonnes to be granted by the competent authorities of the European Communities.

Appendix II

Text of EEC concession on other cheeses destined for processing

CCT heading No	Description	Rate of conventional duty
04.04	Cheese and curd: E. Other: I. Not grated or powdered, of a fat content, by weight, not exceeding 40 % and a water content calculated by weight of the non-fatty matter: b) Exceeding 47 % but not exceeding 72 %: 1. Cheddar: (bb) Other: — Cheddar for processing (a), of a free-at-frontier value of not less than 145 u. a. (b) per 100 kg net weight (c) 5. Other: — For processing (a), of a free-at-frontier value of not less than 145 u. a. (b) per 100 kg net weight (c)	L (d)

(a) Checks on the utilization for this specific purpose are undertaken through the application of the Community provisions laid down in this matter.
(b) The value limits are automatically adjusted by reference to changes to the factors determining the formation of the price of Cheddar in the Community. This adjustment is made on the basis of an increase or a reduction equal to that of the threshold price of Cheddar in the Community.
(c) Entry under this subheading is subject to conditions to be determined by the competent authorities.
(d) 10 u. a. per 100 kg net weight within the limits of an annual tariff quota of 3 500 tonnes to be granted by the competent authorities of the European Communities.

ANNEX 4

Content of Arrangement concerning beef between New Zealand and the Community

I. *GATT annual tariff quota*

The Community undertakes to increase the global annual tariff quota (customs duty 20 % free of levy) for frozen beef (subheading 02.01 A II b) 1 to 4) from 38 500 tonnes (boneless) to 50 000 tonnes (boneless).

II. *Advance fixing of the levy*

The Community undertakes to adopt all the necessary measures to ensure that the levy on frozen beef (02.01 A II b)) may on request be fixed in advance.

For this purpose an advance-fixing certificate would be drawn up, having a period of validity of not more than 60 days and fixing the levy at the level in force on the day on which the certificate was applied for; issue of the certificate would be subject to a deposit of a security of 8 u. a. per 100 kg being made with the application.

III. *Suspension of the levy for meat intended for processing covered by the balance sheet*

The Community will endeavour to fix the suspension of the levy on imports of beef for processing, covered by the balance sheet, at the highest possible level.

In any case the suspension must be fixed at such a level that the levy on the products in question will not exceed 45 % of the full amount of the levy for frozen beef for processing or 0 % for frozen beef for canning.

IV. *Cooperation in preparing the estimate for imports*

There would be an exchange of letters between the Commission and New Zealand concerning the estimate for imports, the content of which is as follows:

'The cooperation could be made on the following basis:

1. The Services of the Commission would proceed to collect information supplied by the Member States on their respective needs for frozen beef destined for processing.

   On the basis of this information and on their own forecasts, they would establish a global estimation of Community needs in the different products concerned.

2. The third countries concerned will be informed of the estimates.

3. This would be followed as soon as possible by meetings between the Commission and the third countries concerned.

   The objectives of these meetings would be as follows:

   — to have an exchange of views with the participants on the whole situation of the beef market in the European Economic Community and in other third countries as well as the forecasts for production and consumption;

— proceed with analysis by both sides of the elements which would help to establish the estimation of Community needs for frozen beef for processing;

— exchange information with regard to export possibilities of participating countries.

4. Following these meetings, the Commission would formulate the draft balance sheet for transmission to the Council taking into account all the elements outlined during the discussions with third countries and which are possible to quantify on as realistic a basis as possible.

The draft balance sheet given to the Council will be accompanied by a document reflecting the basic points of view expressed by the participants about Community needs and their export possibilities relating to the same or similar products.

5. The balance sheet should be drawn up in such a way as to ensure the regular supply of the Community market and permit an increase in imports in proportion to the increase in Community consumption taking into account the foreseeable expansion of the market.

In the light of these considerations, it is expected that the annual level of imports of frozen beef for the processing industry under the balance sheet will show a tendency to increase over a period of several years, in relation to the increase in Community needs.'

Agreed record of conclusions reached in bilateral negotiations between the European Communities and Australia in the GATT multilateral trade negotiations

The attached record of the conclusions in bilateral negotiations between the European Communities and Australia has been reached *ad referendum*.

In addition there will be detailed discussion on a few Community industrial requests and clarification of the Australian position on the MTN codes.

It was noted that the Council of Ministers has accepted the terms of the exchange of letters in respect of the balance sheet on beef for processing.

CONFIRMED

F. O. GUNDELACH

Vice-President
EEC Commission

R. V. GARLAND

Minister for Special
Trade Representations
Australia

Canberra, A.C.T.
Australia
29 May 1979

ANNEX 1

Australian concessions to the Community

Australia undertakes to include in the list of concessions annexed to the GATT the bindings indicated hereunder:

Tariff No	Brief description	Offer
ex 03.03.000	Crustaceans and molluscs, fresh, chilled, etc., other than shrimps and prawns	Free
04.04.900	Other cheese and curd:	
	— Fancy cheeses (a)	Free
	— Edam and Gouda	\$A 0·096/kg for not less than 1 000 tonnes
	— Other varieties (excluding Cheddar, Fetta, Kasseri)	\$A 0·096/kg for not less than 2 500 tonnes

(a) Imports under this concession will be subject to conditions to be determined by the relevant Australian Government authorities. (See Appendix to this Annex.)

Tariff No	Brief description	Offer
07.02.900	Other frozen vegetables	$A 0·003 per kg
07.04.900	Other vegetables, dried, dehydrated, etc.	$A 0·42 per kg
07.05.200	Peas and beans, pricked, slit, etc.	$A 0·42 per kg
ex 16.02.900	Frozen cooked turkey roll; canned poultry	3 % + $A 0·032 per kg
ex 16.02.900	Balance — other prepared or preserved meat	7·5 % + $A 0·08 per kg
ex 16.05.900	Crustaceans prepared or preserved, not extracts, pastes, etc.	Free
17.04.900	Other sugar confectionery not containing cocoa	30 %
18.04.900	Cocoa butter	Free
18.06.000	Chocolate and other food preparations containing cocoa	30 %
19.05.000	Puffed rice, cornflakes, etc.	12 %
21.02.110	Extracts, essences, etc. of coffee	$A 0·66 per kg
21.07.991	Hop shoots, protein concentrates, etc.	30 %
29.39.000	Hormones and derivatives thereof, etc.	Free
29.44.900	Other antibiotics	Free
ex 30.05.000	Other pharmaceutical goods, excluding dental products	Free
32.12.100	Glazier's putty, etc., of polyester	20 %
32.12.900	Glazier's putty, etc., other	7·5 %
33.06.900	Perfume and cosmetics other than joss sticks and aqueous distillates	30 %
34.01.000	Soap	12 %
34.02.100	Organic surface active agents, etc. in small packs	Free
35.04.100	Protein isolates	6 %
35.04.900	Peptones and other protein substances	Free
ex 37.02.200	Photographic film, unexposed, in bulk rolls not perforated excluding spools and reels	6 %
38.11.400	Disinfectants, herbicides, stock washes, etc.	30 %
39.01.132	Silicone fluids	30 %
ex 39.01.139	Silicone rubber	30 %
39.01.500	Planar forms NSA of polyester coated with an adhesive	19 %
39.01.600	Profile shapes NSA of polyamides or of polyurethane	12 %
39.01.700	Planar forms, NSA of polyurethane	12 %
39.03.150	Goods of hydroxethylcellulose not being adhesives	22·5 %

Tariff No	Brief description	Offer
40.10.910	Conveyor or elevator belting other — not wholly of vulcanized rubber	26 %
48.01.990	Other paper and board in sheets or rolls NSA	30 % or $A 48·23
69.07.900	Other unglazed setts, flags and wall tiles	30 %
69.08.900	Other glazed setts, flags and wall tiles	30 %
71.12.900	Other jewellery	34 %
ex 73.23.000	Aerosol cans	30 %
84.06.100	Fuel injection equipment, other	5 %
84.06.500	Outboard engines not including parts	11 %
84.08.900	Other engines and motors (including aircraft engines, etc.)	Free
84.10.900	Other pumps for liquids	26 %
84.15.210	Parts for electrical refrigerators	30 %
84.15.900	Other refrigerators and refrigerating appliances	25 %
84.19.200	Electirc dishwashers	30 %
84.19.900	Other machinery for cleaning and drying bottles, etc.	21 %
84.22.420	Crawler mounted cranes	20 %
84.23.110	Tractor bases of the tracklaying or wheeled agricultural types	Free
84.23.190	Tractor bases, other	20 %
84.23.200	Road rollers, graders, scrapers etc.	(a) As per PI (b) 30 %
84.23.311	Loaders, backhoes, etc., up to 50 tonnes, self propelling ARC up to 270°	(a) As per PI (b) 30 % (c) 40 %
84.23.319	Other excavating, levelling and tamping machines, having a working weight of up to 50 tonnes	(a) As per PI (b) 30 %
ex 84.23.320	Other excavating, levelling and tamping machines excluding direct current mill-type motors	(a) As per PI (b) 30 % (c) 20 %
84.23.400	Wearing parts, etc., for boring, extracting, etc. machinery	19 %
84.23.910	Diamond drilling machines and parts	22·5 %
84.23.990	Other boring, extracting, etc. machinery	6 %

Tariff No	Brief description	Offer
ex 84.24.900	Other agricultural, etc. machinery *viz.* ploughs	15 %
84.25.900	Other harvesting and threshing machinery, etc.	15 %
84.26.000	Dairy machinery (including milking machines)	15 %
84.28.000	Other agricultural, horticultural etc. machinery	15 %
84.49.100	Chain saws other than pneumatic or hydraulic type	26 %
84.53.100	Cathode ray display terminals	24 %
84.53.900	Automatic data processing machines	(a) 25 % (b) 24 % (c) 6 %
84.61.200	Hydraulic control valves for use in agricultural tractors for operation of implements	Free
ex 85.01.190	a.c. generators over 500 kVA excluding parts	Free
85.15.900	Other radio telegraphic, etc. transmission apparatus	30 %
86.09.900	Parts for railway and tramway locomotives, rolling stock, etc.	30 %
87.01.200	Tractors of the track laying type	Free
87.01.310	Agricultural wheeled tractors, etc. PTO of 15 kW or more	Free to 40 %
87.01.900	Other tractors	20 %
87.06.300	Parts and accessories for tractors falling in 87.01.9, NSA	20 %
87.12.310	Bicycle frames	41 % or \$A 1·88 each plus 7 %
87.12.390	Other parts and accessories for cycles, NSA	6 %
90.17.100	Catheters, canulae, difibrillators, etc.	30 %
90.17.200	Specified medical and dental equipment (drills, incubators, etc.)	20 %
90.17.300	Opthalmic instruments and appliances	Free
ex 90.17.900	Other medical, etc. appliances (excluding hand pieces for dental equipment)	Free
90.25.100	Ultra violet absorbence monitors	15 %
90.25.900	Other instruments, etc. for physical or chemical analysis	Free
90.28.100	Distortion meters, cathode ray oscilloscopes, etc.	30 %

Tariff No	Brief description	Offer
90.28.200	Instruments, etc. for measuring or checking electrical quantities	25 %
90.28.300	Specified electrical measuring instruments (planimeters, etc.)	15 %
90.28.900	Other electrical measuring instruments	Free

The fact that these products are listed in this Agreement does not imply that the EEC is automatically considered to have initial negotiating rights for these concessions.

APPENDIX

Fancy cheese concession

The cheeses to benefit from the concession will be:

1. *Soft surface-ripened cheeses*

Soft surface-ripened cheese is cured or ripened by biological curing agents such as moulds, yeasts, and other organisms which have formed a prominent crust on the surface of the cheese. The curing or ripening is conducted so that the cheese visibly cures or ripens from the surface toward the centre. Fat content in the dry matter is not less than 50 %. Moisture content, calculated by weight of the non-fatty matter, is not less than 65 %.

The term 'soft surface-ripened cheese' does not include cheeses with moulds, yeasts and other organisms on the surface which also contain moulds, blue or otherwise, distributed throughout the interior of the cheese.

The following non-comprehensive list is given by the Community as illustrative of types of cheeses it considers fall under this definition. Administrative cooperation should be established at the technical level concerning any difficulty related to the classification of these cheeses:

— Bibress

— Brie

— Camembert

— Cambre

— Carré de l'Est

— Chaource

— Coulommiers

— Époisse

— Herve

— Limbourg

— Livarot

— Maroilles

— Munster — from France and Germany along both sides of the Rhine

— Pont-l'Évêque

— Taleggio

Examples offered for sale under commercial names:

— Boursault

— Caprice des Dieux

— Ducs (Supreme des)

— Explorateur

2. *Other*

Stilton cheese, in original loaves

Stilton cheese, other

Roquefort cheese, in original loaves

Roquefort cheese, other

Goats' milk cheeses (except Fetta and Kasseri)

ANNEX 2

Content of Arrangement between Australia and the Community concerning beef

1. *GATT levy-free quota*

(i) The Community undertakes to increase the annual global tariff quota (customs duty of 20 % without levy) for frozen beef (subheading 02.01 A II b) 1 to 4) from 38 500 tonnes to 50 000 tonnes (bone out basis). This will be included in the Community's schedule of concessions annexed to the GATT.

(ii) The Community recognizes the expectation of all exporting countries to be able to sell a reasonable share of the beef imported under the GATT levy-free quota on an acceptable commercial basis. If this expectation by Australia is not fulfilled and, taking account of Australia's importance as a beef exporter in world trade, the Community would be prepared to enter into consultations with Australia in order to ensure that such commercial sales are facilitated.

2. *Special quota for high quality cuts*

(i) The Community will open each year a tariff quota for the annual importation of 20 000 tonnes at 20 % duty *ad valorem* without levy for the following product:

ex 02.01 A II. Bovine meat, fresh chilled or frozen:
High quality bone-in and boneless cuts (a)

This quota will be included in the Community's schedule of concessions to be annexed to the GATT.

(ii) Of the above quota a quantity of 5 000 tonnes (bone out basis) fresh, chilled and/or frozen will be reserved for Australia.

(iii) Australia will take all measures necessary to ensure that beef exported to the Community under this high quality quota will be accompanied by documentation issued by the Australian Department of Primary Industry certifying the nature and origin of the product. The Australian Meat and Livestock Corporation will ensure that the quantity shipped under this arrangement does not exceed 5 000 tonnes (bone out basis) per year.

(iv) Australian meat admitted under this tariff item would be selected cuts of fresh, chilled or frozen beef derived from bovine animals which do not have more than four permanent incisor teeth, the carcasses of which have a dressed weight of not more than 327 kg (720 lb) a compact appearance with a good eye of meat of light and uniform colour and adequate but not excessive fat cover. The meat shall be certified 'High quality beef (EEC)'.

3. *Levy prefixation*

(i) In view of the length of the shipment time from Australia to Europe and in order to place Australia in a situation not less favourable than other supplying countries, the

(a) Entry under this subheading is subject to conditions to be determined by the competent authorities.

Community, on demand and within the framework of the common organization of the markets in the bovine meat sector, will take all necessary measures to ensure that the levy applicable to the products defined hereunder is fixed in advance.

(ii) To this end, the Community will issue on demand a certificate of prefixation, the validity of which will be for a period of 60 days, which will fix the levy at the level operating on the day on which the certificate is requested. Issuance of the certificate will be dependent upon the lodgement of a security deposit equal to 8 u.a. per 100 kilograms net.

Product definition

02.01. Edible meat and offals of animals covered under heading Nos 01.01 to 01.04 including fresh, chilled, or frozen:

A. Meat:

II. Of the bovine species:

b) Frozen

4. *Suspension of the levy on beef destined for the processing industry*

(i) The Community shall endeavour to fix the suspension of the levy applicable to the importation of beef for the processing industry under the annually estimated balance sheet at the highest possible level.

(ii) This suspension shall be fixed such that the levy applicable to imports intended for the manufacture of preserved food containing only beef and jelly shall be nil and the levy applicable to imports intended for the processing industry for manufacture of other products shall be a maximum of 45 % of the total levy.

5. *Cooperation in establishing the level of balance sheet imports*

The Commission and Australia will exchange letters concerning the estimation annually of balance sheet imports, the texts of which are contained in the Appendix to this Arrangement.

Appendix

Dear Mr Garland,

Further to our discussions regarding cooperation in establishing the level of EEC imports under the balance sheet of beef for processing, I am writing to confirm the arrangements which are to be applied by the Community.

The services of the Commission will collect information supplied by the Member States on their respective needs for frozen beef destined for processing. On the basis of this information and on their own forecasts, they will estimate total Community needs for the different products concerned.

Australia will be informed of the estimates and be provided by the end of October each year with the basis for such estimates with full details of production and consumption in each member country.

This will be followed as soon as possible by meetings between the Commission and the third countries concerned.

The objective of these meetings will be as follows:

— to have an exchange of views with the participants on the whole situation of the beef market in the European Economic Community and in third countries as well as the forecasts of production and consumption;

— to proceed with an analysis by both sides of the elements which would help to establish the estimates of Community needs for frozen beef for processing;

— to exchange information concerning export possibilities of participating countries.

Following these meetings, the Commission will formulate the draft balance sheet for transmission to the Council taking into account all the elements outlined during the discussions with third countries and which are possible to quantify on as realistic a basis as possible.

The draft balance sheet given to the Council will be accompanied by a document reflecting the basic points of view expressed by the participants about Community needs and their export possibilities.

The balance sheet will be drawn up in such a way as to ensure the regular supply of the Community market and permit an increase in imports in proportion to the increase in Community consumption, taking into account the foreseeable expansion of the market.

In the light of these considerations, it is expected that the annual level of imports of frozen beef for the processing industry under the balance sheet will increase, year by year, in proportion to the increase in Community consumption, over the current level of imports.

I should be glad of your confirmation of the foregoing.

(Complimentary close)

F. O. GUNDELACH

Vice-President

EEC Commission

Letter to Mr Gundelach

I refer to your letter of .... setting out details of the arrangements to be applied by the Community for the annual estimation of imports under the balance sheet of beef for processing. I can confirm that those arrangements accord with my own understanding of our discussions.

In this context, I wish also to confirm my earlier advice to you that it is Australia's expectation that the balance sheet for beef for processing established each year by the Council of Ministers will be fixed at a level rising progressively above 60 000 tonnes and that the adoption of a lower figure would not correspond to expectations that Australia would reasonably hold about future levels of imports into the Community and consequently Australia would reserve its right to consider this as affecting the overall balance of concessions concluded between Australia and the Community in the context of the MTN.

(Complimentary close).

R. V. GARLAND

Letter to Mr Garland

I acknowledge your letter of .... on the subject of Community imports under the balance sheet of beef for processing. The views which you expressed have been duly noted.

(Complimentary close)

F. O. GUNDELACH

ANNEX 3

Content of Arrangement between Australia and the Community concerning cheese

I. *Community undertaking to import Cheddar for direct consumption*

1. The Community undertakes to open a reduced levy quota for Cheddar for direct consumption to enable a total quantity of 9 000 tonnes to be imported under specific conditions. This quota will be included in the Community's schedule of concessions annexed to the GATT.

2. Of the above quota a quantity of 2 500 tonnes will be reserved for Australia. The definition of the arrangements applying to the imports of this cheese, the details of the cheese covered by them and the conditions for the granting of these special arrangements are contained in Appendix I to this Arrangement.

3. Australia undertakes to adopt all such measures as are necessary to ensure that the quantities of Cheddar for direct consumption exported to the Community under this Arrangement do not exceed 2 500 tonnes per annum. In addition, Australia undertakes that exports of such Cheddar to the Community are accompanied by documentation issued by the Department of Primary Industry certifying the nature and origin of the product.

4. Australia undertakes to ensure that the minimum price for cheese exported to the Community under this Arrangement is observed at the cif stage. The Community for its part undertakes that, in consultation with Australia, the minimum price will be adjusted as necessary to ensure that Australia's total annual import quota can be filled in the most regular way possible.

5. Should prices applied by Australia be such as to cause serious difficulties in the cheese market of a Member State of the Community, Australia, in consultation with the Community, undertakes to implement what price measures might be necessary to relieve the situation in that market.

II. *Community undertaking to import other cheeses for processing*

1. The Community undertakes to open a reduced levy quota for other cheeses for processing to enable a total quantity of 3 500 tonnes to be imported under specific conditions. This quota will be included in the Community's schedule of concessions in the GATT.

2. Of the above quota a quantity of 500 tonnes will be reserved for Australia. The definition of these Arrangements, the details of the cheese covered by them and the conditions for the granting of these special arrangements are contained in Appendix II to this Arrangement.

3. Australia undertakes to adopt all such measures as are necessary to ensure that the quantities of cheese for processing exported to the Community under this Arrangement do not exceed 500 tonnes per annum. In addition, Australia undertakes that exports of such cheese to the Community are accompanied by documentation issued by the Department of Primary Industry certifying the nature and origin of the product.

4. Australia undertakes to ensure that the minimum price for cheese exported to the Community under this Arrangement is observed at the cif stage. The Community for its part undertakes that, in consultation with Australia, the minimum price will be adjusted as necessary to ensure that Australia's total annual import quota can be filled in the most regular way possible.

5. Should prices applied by Australia be such as to cause serious difficulties in the cheese market of a Member State of the Community, Australia, in consultation with the Community, undertakes to implement what price measures might be necessary to relieve the situation in that market.

Administrative cooperation

1. The Community and Australia undertake to establish administrative cooperation procedures for the purpose of applying this Arrangement, covering notably exchanges of information on prices and quantities exported and any other relevant matters.

2. With respect to provisions made under this Arrangement for consultations on specific aspects, it is understood by both Australia and the Community that these consultations will be entered into as soon as practicable with a view to reaching a prompt decision.

3. The Community undertakes that exports of cheese to Australia will be accompanied by documentation issued by the relevant Community authorities certifying the nature and origin of the product.

Appendix I

EEC concession on Cheddar

CCT heading No	Description	Rate of conventional duty
04.04	Cheese and curd: E. Other: I. Not grated or powdered, of a fat content, by weight, not exceeding 40 % and a water content, calculated by weight of the non-fatty matter: b) Exceeding 47 % but not exceeding 72 % : 1. Cheddar: (bb) Other: Whole cheddar cheeses (a) of a minimum fat content of 50 % by weight, in the dry matter, matured for at least three months and of a free-at-frontier value of not less than 165 u. a. (b) per 100 kg net weight (c)	(L) (d)

(a) The expression 'whole cheeses', as used in subheading 04.04 E *I* b) 1 (bb), shall be taken to apply to:
(i) whole cheeses of the conventional flat cylindrical shape of a net weight of not less than 33 kg but not more than 44 kg;
(ii) cubic blocks of cheese of a net weight of 10 kg or greater.
(b) The value limits are automatically adjusted in the light of changes in the factors determining the formation of the price of Cheddar in the Community. That adjustment will take place on the basis of an increase equal to that applying to the threshold price for Cheddar in the Community.
(c) Entry under this subheading is subject to conditions to be determined by the competent authorities.
(d) 10 u. a. per 100 kg net weight within the limit of an annual levy reduced quota of 9 000 tonnes to be granted by the competent authorities of the European Communities.

Appendix II

EEC concession on other cheese for processing

CCT heading No	Description	Rate of conventional duty
04.04	Cheese and curd: E. Other: I. Not grated or powdered, of a fat content, by weight, not exceeding 40 % and a water content, calculated by weight of the non-fatty matter: b) Exceeding 47 % but not exceeding 72 %: 1. Cheddar: (bb) Other: — Cheddar for processing (a), of a free-at-frontier value of not less than 145 u. a. (b) per 100 kg net weight (c) 5. Other: — For processing (a), of a free-at-frontier value of not less than 145 u. a. (b) per 100 kg net weight (c)	(L) (d)

(a) The checks on use for this particular end-use are carried out pursuant to the Community provisions governing this matter.
(b) The value limits are automatically adjusted in the light of the changes in the factors determining the formation of the price of Cheddar in the Community. That adjustment will take place on the basis of an increase or decrease equal to that applying to the threshold price for Cheddar in the Community.
(c) Entry under this subheading is subject to conditions to be determined by the competent authorities.
(d) 10 u. a. per 100 kg net weight within the limit of an annual levy reduced quota of 3 500 tonnes to be granted by the competent authorities of the European Communities.

ANNEX 4

Community tariff concessions

The European Communities' tariff concessions are those recorded in the draft list of concessions deposited with the GATT secretariat on 11 April 1979 which will be reproduced in the European Communities' schedule of multilateral trade negotiations concessions with full description and appropriate notes.

Implementation of these concessions will be made according to the relevant notes in the schedule.

ANNEX 5

Content of Arrangement on buffalo meat

1. The Community undertakes to establish an annual quota of 2 250 tonnes of frozen buffalo meat (bone-cut basis) under tariff subheading 02.01 A II b) 4 bb) 33 of the Common Customs Tariff (a) from 1 July 1979 or as soon as possible thereafter. Imports into the Community under this quota will be made without levy and at a customs duty of 20 % *ad valorem*. This will be included in the Community's schedule of concessions annexed to the GATT.

2. Australia will take all measures necessary to ensure that exports of buffalo meat in the Community under this arrangement will be accompanied by documentation issued by the Australian Department of Primary Industry certifying the nature and origin of the product. The Australian Meat and Livestock Corporation will ensure that the quantity shipped does not exceed 2 250 tonnes (bone-cut basis) per year.

3. The Community and Australia undertake to consult as necessary about all aspects of the application of this agreement. In particular, the Community undertakes to consult with Australia if it appears that buffalo meat availabilities seem likely to fall below this level, and in any event not later than 1 July 1984, for the purpose of reviewing to what extent the quota had been used and whether circumstances make it desirable to replace this arrangement by compensation of equivalent value in the beef sector.

(a) Imports under this subheading will be subject to conditions to be determined by the relevant authorities.

Content of Arrangement concerning beef between the Argentine Republic and the Community

I. *GATT annual tariff quota*

The Community undertakes to increase the overall annual tariff quota (rate of duty 20 % free of levy) for frozen beef (subheading 02.01 A II b) 1 to 4) from 38 500 tonnes (boneless) to 50 000 tonnes (boneless).

II. *Advance fixing of the levy*

(i) The Community undertakes to adopt all the necessary measures to ensure that the levy on frozen beef (02.01 A II b)) may be fixed in advance where this is requested.

For this purpose an advance-fixing certificate would be drawn up, having a period of validity of not more than 60 days and fixing the levy at the level in force on the day on which the certificate was applied for; issue of the certificate would be subject to a deposit of 8 u.a. per 100 kg being made with the application.

(ii) The Community confirms the undertaking it gave in the Trade Agreement with the Argentine Republic regarding the period of validity of the certificate for the advance fixing of the levy on fresh or chilled beef (02.01 A II a)).

III. *Suspension of the levy for meat intended for processing covered by the estimate*

The Community will endeavour to fix the suspension of the levy on imports of beef for processing, covered by the estimate, at the highest possible level.

In any case the suspension must be fixed at such a level that the levy on the products in question will not exceed 45 % of the full amount of the levy.

IV. *Cooperation in preparing the estimate for imports*

There would be an exchange of letters between the Commission and Argentina concerning the estimate for imports, the content of which is as follows:

'The cooperation could be made on the following basis:

1. The services of the Commission would proceed to collect information supplied by the Member States on their respective needs for frozen beef destined for processing.

On the basis of this information and on their own forecasts, they would establish a global estimation of Community needs in the different products concerned.

2. The Argentine Republic concerned will be informed of the estimates.

3. This would be followed as soon as possible by meetings between the Commission and the third countries concerned.

The objective of these meetings would be as follows:

— to have an exchange of views with the participants on the whole situation of the beef market in the Community and the forecasts for production and consumption,

— proceed with analysis by both sides of the elements which would help to establish the estimation of Community needs for frozen beef for processing,

— exchange information with regard to Argentina's export possibilities.

4. Following these meetings, the Commission would formulate the draft balance sheet for transmission to the Council taking into account all the elements outlined during the discussions with third countries and which are possible to quantify on as realistic a basis as possible.

The draft balance sheet given to the Council will be accompanied by a document reflecting the basic points of view expressed by the participants about Community needs and their export possibilities relating to the same or similar products.

5. The balance sheet should be drawn up in such a way as to ensure the regular supply of the Community market and permit an increase in imports in proportion to the increase in Community consumption taking into account the foreseeable expansion of the market.

In the light of these considerations, it is expected that the annual level of imports of frozen beef for the processing industry under the balance sheet will show a tendency to increase over a period of several years, in relation to the increase in Community needs.'

V. *Special arrangements for 'special cuts'*

(i) The Community will open each year an annual tariff quota at a rate of duty of 20 % free of levy for the following products:

ex 02.01 A II. Meat of bovine animals, fresh, chilled or frozen: 'high-quality bone-in and boneless cuts' (1) (2)

of which 5 000 tonnes (boneless) of chilled meat will be reserved for Argentina.

(ii) Argentina undertakes to adopt all necessary measures to ensure that meat falling within the above subheading shipped to the Community is accompanied by a certificate of authenticity issued by the relevant authorities of the Junta Nacional de Carnes guaranteeing the nature, source and origin of the product, and that the authorities will ensure that the quantities covered do not exceed 5 000 tonnes per year.

(1) Entry under this subheading is subject to conditions to be determined by the competent authorities.

(2) Argentine meat admitted under this subheading must meet the following specifications: 'Cortes de carne de animales bovinos de edad comprendida entre 22 y 24 meses con 2 dientes incisivos permanentes, alimentados exclusivamente en pasturas, cuyo peso a la faena no exceda de 460 kilos vivos, de calidad especiales o buenos denominados cortes vacunos especiales en cajas "special boxed beef" dichos cortes estan autorizados a llevar la marca "SC" (special cuts).'

Content of Arrangement concerning beef between the Eastern Republic of Uruguay and the Community

I. *GATT annual tariff quota*

The Community undertakes to increase the overall annual tariff quota (rate of duty 20 % free of levy) for frozen beef (subheading 02.01 A II b) 1 to 4) from 38 500 tonnes (boneless) to 50 000 tonnes (boneless).

II. *Advance fixing of the levy*

(i) The Community undertakes to adopt all the necessary measures to ensure that the levy on frozen beef (02.01 A II b)) may be fixed in advance where this is requested.

For this purpose an advance-fixing certificate would be drawn up, having a period of validity of not more than 60 days and fixing the levy at the level in force on the day on which the certificate was applied for; issue of the certificate would be subject to a deposit of 8 u.a. per 100 kg being made with the application.

(ii) The Community confirms the undertaking it gave in the Trade Agreement with Uruguay regarding the period of validity of the certificate for the advance fixing of the levy on fresh or chilled beef (02.01 A II a)).

III. *Suspension of the levy for meat intended for processing covered by the estimate*

The Community will endeavour to fix the suspension of the levy on imports of beef for processing, covered by the estimate, at the highest possible level.

In any case the suspension must be fixed at such a level that the levy on the products in question will not exceed 45 % of the full amount of the levy.

IV. *Cooperation in preparing the estimate for imports*

There would be an exchange of letters between the Commission and Uruguay concerning the estimate for imports, the content of which is as follows:

'The cooperation could be on the following basis:

1. The services of the Commission would proceed to collect information supplied by the Member States on their respective needs for frozen beef destined for processing.

   On the basis of this information and on their own forecasts, they would establish a global estimation of Community needs in the different products concerned.

2. Uruguay will be informed of the estimates.

3. This would be followed as soon as possible by meetings between the Commission and the third countries concerned.

   The objective of these meetings would be as follows:

   — to have an exchange of views with the participants on the whole situation of the beef market in the Community and the forecasts for production and consumption;

   — proceed with analysis by both sides of the elements which would help to establish the estimation of Community needs for frozen beef for processing;

   — exchange information with regard to Uruguay's export possibilities.

4. Following these meetings, the Commission would formulate the draft balance sheet for transmission to the Council taking into account all the elements outlined during the discussions with third countries and which are possible to quantify on as realistic a basis as possible.

   The draft balance sheet given to the Council will be accompanied by a document reflecting the basic points of view expressed by the participants about Community needs and their export possibilities relating to the same or similar products.

5. The balance sheet should be drawn up in such a way as to ensure the regular supply of the Community market and permit an increase in imports in proportion to the increase in Community consumption taking into account the foreseeable expansion of the market.

   In the light of these considerations, it is expected that the annual level of imports of frozen beef for the processing industry under the balance sheet will show a tendency to increase over a period of several years, in relation to the increase in Community needs.'

V. *Special arrangements for 'special cuts'*

(i) The Community will open each year an annual tariff quota at a rate of duty of 20 % free of levy for the following products:

ex 02.01 A II.	Meat of bovine animals, fresh, chilled or frozen: 'high-quality bone-in and boneless cuts' (1) (2)

of which 1 000 tonnes (boneless) of fresh, chilled and/or frozen meat will be reserved for Uruguay.

(ii) Uruguay undertakes to adopt all necessary measures to ensure that meat falling within the above subheading shipped to the Community is accompanied by a certificate of authenticity issued by the relevant authorities of the Instituto Nacional de Carnes (INAC) guaranteeing the nature, source and origin of the product, and that the authorities will ensure that the quantities covered do not exceed 1 000 tonnes per year.

(iii) The Community is prepared to envisage the possibility of Uruguay being able to export additional annual quantities of these special cuts if the overall quota referred to in paragraph (i) should not be fully used by other beneficiary countries.

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(1) Entry under this subheading is subject to conditions to be determined by the competent authorities.

(2) Uruguayan meat admitted under this subheading must meet the following specifications: 'Cortes de carne de animales bovinos con 2 dientes incisivos permanentes, alimentados exclusivamente en pasturas, cuyo peso a la faéna no exceda de 460 kilos vivos, de calidad especiales o buenos denominados cortes vacunos especiales en cajas "special boxed beef", dichos cortes estan autorizados a llevar la marca "SC" (special cuts).'

Brussels, 5 July 1979

Sir,

I have the honour to refer to the Arrangement concerning beef signed today by the European Community and Uruguay.

I wish to assure you that my Government undertakes to include in its list of GATT concessions the following products, which will be bound at the tariff levels given below:

Customs tariff	*Product*	*Overall rate*
22.09.02.04	Irish whiskey	71 %
22.09.02.13	Cognac	100 %
22.09.03.00	Liqueurs	100 %

Please accept, Sir, the expression of my highest consideration.

Gustavo MAGARIÑOS
Ambassador Extraordinary and Plenipotentiary

Content of Arrangement concerning beef between the Hungarian People's Republic and the Community

I. *GATT annual tariff quota*

The Community undertakes to increase, as from the entry into force of the concessions, the overall annual tariff quota (rate of duty 20 % free of levy) for frozen beef (subheading 02.01 A II b) 1 to 4) from 38 500 tonnes (boneless) to 50 000 tonnes (boneless).

II. *Cooperation in preparing the estimate for imports*

There will be an exchange of letters between the Head of the Delegation of the Commission of the European Communities and Hungary's Delegate to GATT concerning the estimate for imports of frozen beef for processing and animals for fattening, the content of which will be as follows:

'1. The services of the Commission will proceed to collect information supplied by the Member States on their respective needs for frozen beef destined for processing and animals for fattening.

On the basis of this information and on their own forecasts, they will establish a global estimation of Community needs in the different products concerned.

2. Hungary will be informed of the estimates relating to its trade interests.

3. This will be followed as soon as possible by meetings between the Commission of the European Communities and the representatives of Hungary.

The objective of these meetings will be as follows:

— to have an exchange of views with the participants on the whole situation of the beef market in the Community as well as the forecasts for production and consumption,

— proceed with analysis by both sides of the elements which would help to establish the estimation of Community needs for frozen beef for processing and live animals for fattening,

— exchange information with regard to Hungary's export possibilities.

4. Following these meetings, the Commission will formulate the draft estimate for transmission to the Council taking into account all the elements outlined during the discussions with third countries and which are possible to quantify on as realistic a basis as possible.

   The draft estimate given to the Council will be accompanied by a document reflecting the basic points of view expressed by the participants about Community needs and their export possibilities relating to the same or similar products.

5. The estimate should be drawn up in such a way as to ensure the regular supply of the Community market and permit an increase in imports in proportion to the increase in Community consumption taking into account the foreseeable expansion of the market.

   In the light of these considerations, it is expected that the annual level of imports of frozen beef for the processing industry and of animals for fattening under the estimate will show a tendency to increase over a period of several years, in relation to the increase in Community needs.'

III. *Suspension of the levy for products covered by the estimate*

The Community will endeavour to fix the suspension of the levy on imports of frozen beef for processing and on animals for fattening, covered by the estimate, at the highest possible level.

In any event, the suspension must be fixed at such a level that the levy applicable will not exceed 45 % of the full amount of the levy in the case of frozen beef for processing, 0 % in the case of frozen beef for preserving or 40 % in the case of animals for fattening.

IV. *Joint declaration concerning trade in live bovine animals for slaughter*

It is agreed that the Commission of the European Communities and the representatives of Hungary will hold consultations, at the request of either party, on Community import requirements as regards live animals for slaughter and fresh beef.

V. *Unilateral declaration*

In its reply regarding this Arrangement, Hungary will make the following declaration:

'Hungary expects that the Community will continue to examine the feasibility of extending the Arrangement concerning frozen beef for processing and animals for fattening to live animals for slaughter and fresh beef.'

Content of Arrangement concerning beef between the Socialist Republic of Romania and the Community

I. *GATT annual tariff quota*

(i) The Community undertakes to increase, as from the entry into force of the concessions, the overall annual tariff quota (rate of duty 20 % free of levy) for frozen beef (subheading 02.01 A II b) 1 to 4) from 38 500 tonnes (boneless) to 50 000 tonnes (boneless).

(ii) Allocation of the GATT quota among third supplier countries: the Community confirms that the overall annual tariff quota of 50 000 tonnes (boneless), which will be bound in GATT at the rate of 20 %, will be opened and used in accordance with the relevant GATT rules.

II. *Cooperation in preparing the balance sheet for imports*

There will be an exchange of letters between the Head of the Delegation of the Commission of the European Communities and Romania's Delegate to GATT concerning the estimate for imports of frozen beef for processing and animals for fattening, the content of which will be as follows:

'1. The services of the Commission will proceed to collect information supplied by the Member States on their respective needs for frozen beef destined for processing and animals for fattening.

On the basis of this information and on their own forecasts, they will establish a global estimation of Community needs in the different products concerned.

2. The Socialist Republic of Romania will be informed of the estimates.

3. This will be followed as soon as possible by meetings between the Commission of the European Communities and the representatives of Romania.

   The objective of these meetings will be as follows:

   — to have an exchange of views with the participants on the whole situation of the beef market in the Community as well as the forecasts for production and consumption,

   — proceed with analysis by both sides of the elements which would help to establish the estimation of Community needs for frozen beef for processing and live animals for fattening,

   — exchange information with regard to Romania's export possibilities.

4. Following these meetings, the Commission will formulate the draft estimate for transmission to the Council taking into account all the elements outlined during the discussions with third countries and which are possible to quantify on as realistic a basis as possible.

   The draft estimate given to the Council will be accompanied by a document reflecting the basic points of view expressed by the participants about Community needs and their export possibilities relating to the same or similar products.

5. The estimate should be drawn up in such a way as to ensure the regular supply of the Community market and permit an increase in imports in proportion to the increase in Community consumption taking into account the foreseeable expansion of the market.

   In the light of these considerations, it is expected that the annual level of imports of frozen beef for the processing industry and of animals for fattening under the estimate will show a tendency to increase over a period of several years, in relation to the increase in Community needs.'

III. *Advance fixing of the levy*

The Community undertakes to adopt all the necessary measures to ensure that the levy on frozen beef (02.01 A II b)) may be fixed in advance where this is requested.

For this purpose an advance-fixing certificate would be drawn up, having a period of validity of not more than 45 days and fixing the levy at the level in force on the day on which the certificate was applied for; issue of the certificate would be subject to a deposit of 8 u.a. per 100 kg being made with the application.

IV. *Suspension of the levy for products covered by the estimate*

The Community will endeavour to fix the suspension of the levy on imports of frozen beef intended for processing and on animals for fattening, covered by the estimate, at the highest possible level.

In any event, the suspension must be fixed at such a level that the levy applicable will not exceed 45 % of the full amount of the levy in the case of frozen beef for processing, 0 % in the case of frozen beef for preserving and 40 % in the case of animals for fattening.

V. *Joint declaration*

In so far as the matters referred to by this Arrangement are concerned, the Community undertakes to apply treatment to Romania which is no less favourable than the treatment it applies to other partners.

VI. *Unilateral declaration*

In its reply concerning this Arrangement, Romania will make the following declaration:

'The Socialist Republic of Romania expects that the estimate in respect of bovine animals for fattening drawn up by the Council each year will be fixed at a level at least equal to the 1979 level and that it will take fully into account in the future the trend of Community demand for this particular kind of livestock.'

Romania would also emphasize the advisability of raising the weight of animals for fattening covered by the estimate from that currently laid down under Community rules, and suggests that it be increased to 350 kg.

In addition, Romania repeats its request concerning the level of the levy that should be applied to imports and has asked that the Council of the Communities take its request into consideration.

Content of Arrangement concerning beef between the Polish People's Republic and the Community

I. *Cooperation in preparing the estimate for imports*

There will be an exchange of letters between the Head of the Delegation of the Commission of the European Communities and the Permanent Representative of the Polish People's Republic to GATT concerning the estimate for imports of animals for fattening, the content of which will be as follows:

'In the course of our talks in the framework of the multilateral trade negotiations we have agreed on the following:

1. The services of the Commission will proceed to collect information supplied by the Member States on their respective needs for frozen beef destined for processing and animals for fattening.

   On the basis of this information and on their own forecasts, they will establish a global estimation of Community needs in the different products concerned.

2. The Permanent Representative of the Polish People's Republic to GATT will be informed of the estimates.

3. This will be followed as soon as possible by meetings between the Head of the Delegation of the Commission of the European Communities and the Permanent Representative of the Polish People's Republic to GATT.

   The objective of these meetings will be as follows:

   — to have an exchange of views with the participants on the whole situation of the beef market in the Community as well as the forecasts for production and consumption,

   — proceed with analysis by both sides of the elements which would help to establish the estimation of Community needs for frozen beef for processing and live animals for fattening,

   — exchange information with regard to Poland's export possibilities.

4. Following these meetings, the Commission will formulate the draft estimate for transmission to the Council taking into account all the elements outlined during the discussions with third countries and which are possible to quantify on as realistic a basis as possible.

   The draft estimate given to the Council will be accompanied by a document reflecting the basic points of view expressed by the participants about Community needs and their export possibilities relating to the same or similar products.

5. The estimate should be drawn up in such a way as to ensure the regular supply of the Community market and permit an increase in imports in proportion to the increase in Community consumption taking into account the foreseeable expansion of the market.

   In the light of these considerations, it is expected that the annual level of imports of frozen beef for the processing industry and of animals for fattening under the estimate will show a tendency to increase over a period of several years, in relation to the increase in Community needs.'

II. *Suspension of the levy for products covered by the estimate*

The Community will endeavour to fix the suspension of the levy on imports of frozen beef for processing and on animals for fattening, covered by the estimate, at the highest possible level.

In any event, the suspension must be fixed at such a level that the levy applicable will not exceed 45 % of the full amount of the levy in the case of frozen beef for processing, 0 % in the case of frozen beef for preserving or 40 % in the case of animals for fattening.

III. *Joint declaration concerning trade in live bovine animals for slaughter*

It is agreed that the Head of the Delegation of the Commission of the European Communities and the Permanent Representative of the Polish People's Republic to GATT will hold consultations, at the request of either party, on Community import requirements as regards live animals for slaughter.

IV. *Unilateral declaration*

In his reply concerning this Arrangement, the Permanent Representative of the Polish People's Republic to GATT will make the following declaration:

'The Permanent Representative of the Polish People's Republic to GATT expects that the estimate in respect of bovine animals for fattening drawn up by the Council each year will be fixed at a level at least equal to the 1979 level and that it will take fully into account in the future the trend of Community demand for this particular kind of livestock.

He would also emphasize the advisability of raising the weight of animals for fattening covered by the estimate from that currently laid down under Community rules, and suggests that it be increased to 350 kg.

In addition, he repeats his request concerning the level of the levy that should be applied to imports and wishes the Council of the Communities to take his request into consideration.'