ANNEX

Draft DECISION No …/2017 OF THE EU-SWITZERLAND JOINT COMMITTEE

of … 2017

amending Tables II, III and IV(b) of Protocol No 2 to the Agreement between the European Economic Community and the Swiss Confederation of 22 July 1972 as regards the provisions applicable to processed agricultural products

THE JOINT COMMITTEE,

Having regard to the Agreement between the European Economic Community and the Swiss Confederation signed in Brussels on 22 July 1972[[1]](#footnote-1) hereinafter referred to as ‘the Agreement’, as amended by the Agreement between the European Community and the Swiss Confederation amending the Agreement as regards the provisions applicable to processed agricultural products[[2]](#footnote-2) signed in Luxembourg on 26 October 2004, and its Protocol No 2, and in particular Article 7 of that Protocol,

*Recalling* that the revised Protocol No 2 was concluded with the objective to improve reciprocal market access for processed agricultural products,

*Referring* to the concerns which were raised by the EU at the 61st meeting of the Joint Committee on 3 December 2015,

*Considering* it expedientto proceed to a technical adjustment for the setting of basic amounts listed in Table IV(b) of Protocol No 2 by increasing the rebate applied to the reference price differences to fix the basic amounts from 15 to 18,5 percent,

*Considering* that this technical adjustment brings a solution to the EU's concerns regarding the preservation of the relative preferential margins of the Contracting Parties as set out in article 5(3) of Protocol No 2 and is in line with the overall objective of the Agreement to harmoniously develop trade between the Contracting Parties,

*Noting* that the Contracting Parties intend to continue abiding by their respective obligations under Protocol No 2, notably to implement the review clause set out in paragraphs (2) and (3) of Article 5 at least once per year, in line with the objectives of the Protocol.

Whereas:

(1) Tables I and II of Protocol No 2 to the Agreement list the products to which that Protocol applies. All products of heading HS 2202.90 fall within the scope of Protocol No 2, except fruit juice or vegetable juice diluted with water or aerated. Diverging interpretations on the definition of fruit juice or vegetable juice diluted with water or aerated have resulted in an inconsistent classification practice.

(2) The description of the products of heading HS 2202.90 excluded from the scope of the protocol should therefore be clarified in Table II.

(3) For the implementation of Protocol No 2 to the Agreement, domestic reference prices have been fixed for the Contracting Parties.

(4) Actual prices have changed on the domestic markets of the Contracting Parties as regards raw materials for which price compensation measures are applied.

(5) It is therefore necessary to update the reference prices and amounts listed in Tables III and IV, point (b) of Protocol No 2 accordingly,

HAS ADOPTED THIS DECISION:

Article 1

Protocol No 2 to the Agreement is amended as follows:

(a) Table II is amended as set out in Annex I to this Decision;

(b) Table III is replaced by the text set out in Annex II to this Decision;

(c) In Table IV, point (b) is replaced by the text set out in Annex III to this Decision.

Article 2

This Decision shall enter into force on 1 March 2017 and shall apply from that date.

This decision shall be published in the Official Journal of the European Union on 1 March 2017.

Done at xx, … 2017,

 For the Joint Committee

 The Chairman

**ANNEX I**

In Table II, the entry for HS heading No 2202 is replaced by the entry below:

|  |  |
| --- | --- |
| ‘HS Heading No | Description of products |
| 2202 | Waters, including mineral waters and aerated waters, containing added sugar or other sweetening matter or flavoured, and other non-alcoholic beverages, not including fruit or vegetable juices of heading No 2009: |
| .10 | - Waters, including mineral waters and aerated waters, containing added sugar or other sweetening matter or flavoured |
| .91 | - Non-alcoholic beer |
| .99 | - Other: |
| ex .99 | - - Other than vegetable or fruit juices of headings No 2002 and No 2009 and mixtures thereof, aerated or diluted with water or aqueous extracts of tea, herbs, coffee or maté, and other than containing milk components of headings No 0401 and No 0402’ |

**ANNEX II**‘TABLE III

**EU and Swiss domestic reference prices**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Agricultural raw material | Swiss domestic reference priceCHF per 100 kg net | EU domestic reference priceCHF per 100 kg net | Article 4(1)Applied on Swiss side Difference Swiss / EU reference priceCHF per 100 kg net | Article 3(3)Applied on EU side Difference Swiss / EU reference priceEUR per 100 kg net |
| Common wheat | 52,10 | 18,37 | 33,75 | 0,00 |
| Durum wheat  | - | - | 1,20 | 0,00 |
| Rye | 42,75 | 16,35 | 26,40 | 0,00 |
| Barley | - | - | - | - |
| Maize | - | - | - | - |
| Common wheat flour | 90,40 | 40,20 | 50,20 | 0,00 |
| Whole-milk powder | 585,00 | 261,37 | 323,65 | 0,00 |
| Skimmed-milk powder | 396,20 | 195,08 | 201,10 | 0,00 |
| Butter | 1.010,90 | 368,10 | 642,80 | 0,00 |
| White sugar | - | - | - | - |
| Eggs | - | - | 38,00 | 0,00 |
| Fresh potatoes | 43,25 | 17,66 | 25,60 | 0,00 |
| Vegetable fat | - | - | 170,00 | 0,00’ |

**ANNEX III**TABLE IV

‘(b) The basic amounts for agricultural raw materials taken into account for the calculation of the agricultural components:

|  |  |  |
| --- | --- | --- |
| Agricultural raw material | Applied basic amount on the Swiss side Art 3(2) | Applied basic amount on the EU side Art 4(2) |
| CHF per 100 kg net | EUR per 100 kg net |
| Common wheat | 27,20 | 0,00 |
| Durum wheat | 1,00 | 0,00 |
| Rye | 20,95 | 0,00 |
| Barley | - | - |
| Maize | - | - |
| Common wheat flour | 40,90 | 0,00 |
| Whole-milk powder | 262,65 | 0,00 |
| Skimmed-milk powder | 163,90 | 0,00 |
| Butter  | 523,90 | 0,00 |
| White sugar | - | - |
| Eggs | 30,95 | 0,00 |
| Fresh potatoes | 19,90 | 0,00 |
| Vegetable fat | 138,55 | 0,00’ |

1. OJ L 300, 31.12.1972, p. 189. [↑](#footnote-ref-1)
2. OJ L 23, 26.1.2005, p. 19. [↑](#footnote-ref-2)