

AGREEMENT IN THE FORM OF AN EXCHANGE OF LETTERS BETWEEN THE EUROPEAN COMMUNITY AND THE REPUBLIC OF SOUTH AFRICA ON TRADE IN WINE

Paarl, 20 December 2001

A. Letter from the European Community

Sir,

I refer to the Agreement between the European Community and the Republic of South Africa on trade in wine signed on 20 December 2001 and to the Agreement on Trade, Development and Cooperation between the European Community and its Member States, of the one part, and the Republic of South Africa, of the other part, the latter hereinafter being referred to as "the TDC Agreement".

In accordance with the understanding reached "ad referendum" on 25 July 2001, concluding the negotiations for the Wine and Spirits Agreements, the TDC Agreement shall be amended as follows:

1. The last section of list 6 of Annex IV to the TDC Agreement shall read as follows:

"

Wine of fresh grapes, including fortified wines	
2204 21 79 ⁽¹¹⁾ ⁽¹³⁾	}Global wine 35,3 million l; duty free; agf 3%
2204 21 80 ⁽¹¹⁾ ⁽¹³⁾	
2204 21 83 ⁽¹¹⁾ ⁽¹³⁾	
2204 21 84 ⁽¹¹⁾ ⁽¹³⁾	

⁽¹³⁾ For each of the years 2002 to 2011 a set volume of 6,72 million litres will be added to the basic annual wine quota. The annual growth factor will apply from 2003 to the basic quota of 35,3 million litres only."

2. The wording of point 5 of the attachment to our Exchange of Letters of 11 October 1999 in relation to the Wines and Spirits Agreement (Annex X to the TDC Agreement) shall be replaced with the following:

"From the entry into force of the Agreement, the European Community will provide a duty free quota for bottled wines of 33,6 million litres. This amount will be adjusted by 5% to a total of 35,3 million litres from 1 January 2002. However, in order to compensate for the fact that the quota was not opened in 2000 and 2001, the corresponding amount of 67,2 million litres will be added to the quota over a period of ten years, raising the total annual volume to 42,02 million litres for the years 2002 to 2011."

3. This Agreement in the form of an Exchange of Letters shall enter into force on 1 January 2002.

I should be obliged if you would acknowledge receipt of this letter and confirm that this letter and your reply constitute an Agreement between the Republic of South Africa and the Community.

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

On behalf of
the European Community

Paarl, 20 December 2001

B. Letter from the Government of the Republic of South Africa

Sir,

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

"I refer to the Agreement between the European Community and the Republic of South Africa on trade in wine signed on 20 December 2001 and to the Agreement on Trade, Development and Cooperation between the European Community and its Member States, of the one part, and the Republic of South Africa, of the other part, the latter hereinafter being referred to as "the TDC Agreement".

In accordance with the understanding reached "ad referendum" on 25 July 2001, concluding the negotiations for the Wine and Spirits Agreements, the TDC Agreement shall be amended as follows:

1. The last section of list 6 of Annex IV to the TDC Agreement shall read as follows:

"

Wine of fresh grapes, including fortified wines	
2204 21 79 ⁽¹¹⁾ ⁽¹³⁾	}Global wine 35,3 million l; duty free; agf 3%
2204 21 80 ⁽¹¹⁾ ⁽¹³⁾	
2204 21 83 ⁽¹¹⁾ ⁽¹³⁾	
2204 21 84 ⁽¹¹⁾ ⁽¹³⁾	

⁽¹³⁾ For each of the years 2002 to 2011 a set volume of 6,72 million litres will be added to the basic annual wine quota. The annual growth factor will apply from 2003 to the basic quota of 35,3 million litres only."

2. The wording of point 5 of the attachment to our Exchange of Letters of 11 October 1999 in relation to the Wines and Spirits Agreement (Annex X to the TDC Agreement) shall be replaced with the following:

"From the entry into force of the Agreement, the European Community will provide a duty free quota for bottled wines of 33,6 million litres. This amount will be adjusted by 5% to a total of 35,3 million litres from 1 January 2002. However, in order to compensate for the fact that the quota was not opened in 2000 and 2001, the corresponding amount of 67,2 million litres will be added to the quota over a period of ten years, raising the total annual volume to 42,02 million litres for the years 2002 to 2011."

3. This Agreement in the form of an Exchange of Letters shall enter into force on 1 January 2002."

I have the honour to confirm the agreement of my Government with the foregoing.

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

For the Government of
the Republic of South Africa