

26 September 2017

H.E. Julian Braithwaite
Permanent Representative of the United Kingdom
Permanent Mission of the United Kingdom to the United Nations Office and other International
Organizations at Geneva
Avenue Louis Casaf 58
1216 Genève

H.E. Marc Vanheukelen
Permanent Representative of the European Union
Permanent Mission of the European Union to the WTO
Rue du Grand-Pré 66
1202 Genève

Dear Ambassador Braithwaite
Dear Ambassador Vanheukelen

We are writing to you in the context of ongoing discussions about Brexit, and the possible implications for market access arrangements under the framework of the World Trade Organization (WTO). Recognizing that the United Kingdom is a signatory to the Marrakech Agreement and a Member of the WTO, we support the United Kingdom's interest in establishing its own WTO schedules so as to provide a seamless transition upon its exit from the European Union.

We are aware of media reports suggesting the possibility of a bilateral agreement between the United Kingdom and the European Union 27 countries about splitting Tariff Rate Quotas (TRQs) based on historical averages. We would like to record that such an outcome would not be consistent with the principle of leaving other World Trade Organization Members no worse off, nor fully honour the existing TRQ access commitments. Thus, we cannot accept such an agreement.

These TRQs were achieved through a delicate balance of concessions and entitlements that is fundamental to the global trade architecture today. As countries which are holders of Country-Allocated Tariff Rate Quotas into the European Union market, and users of the Most Favoured Nation Tariff Rate Quotas, as well as holders of initial negotiating rights, and principal and substantial interests in several concessions, we attach a particular importance to the stability and continuity of those rights.

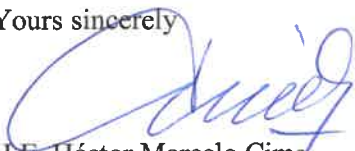
While some of us have additional concerns about other trade related aspects of Brexit, it is our shared expectation that all countries which are currently Member States of the European Union, including the United Kingdom, will fully honour their TRQ commitments. The obligation to honour the full value of those commitments binds both the European Union as an entity and the individual Member States within the Union.

We expect that the United Kingdom and the European Union will act to ensure that countries entitled to those access rights will be left no worse off than they are at present, in terms of both the quantity and quality of access. We welcome, therefore, the public commitment the United Kingdom has made to the important principle of ensuring no trading partner is worse off as a result of Brexit and look forward to seeing this translate into an outcome that fully honours the current WTO access arrangements to which the United Kingdom is party.

The modification of these TRQ access arrangements cannot credibly be achieved through a technical rectification. None of these arrangements should be modified without our agreement. In this context, we expect a high degree of transparency through the sharing of relevant information and data. In the case of substantial changes affecting the balance of concessions, the whole membership of the organization may take an interest. A bilateral understanding between the United Kingdom and the remaining 27 Member States would not be sufficient in this regard, nor would a technical rectification be acceptable.

We stand willing to engage constructively and creatively to help the United Kingdom establish its WTO goods schedule, but this needs to be on the basis of a full and proper dialogue with TRQ holding Members.

Yours sincerely



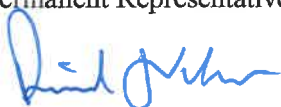
H.E. Héctor Marcelo Cima
Permanent Representative of Argentina to the International Organisations in Geneva



H.E. Evandro Didonet
Permanent Representative of Brazil to the WTO



H.E. Stephen de Boer
Permanent Representative of Canada to the WTO



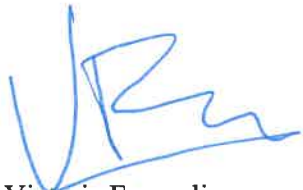
H.E. David Walker
Permanent Representative of New Zealand to the WTO



H.E. Ms. Sunanta Kangvalkulij
Permanent Representative of Thailand to the WTO



Christopher Wilson
Chargé d'Affaires, United States Mission to the WTO



Victoria Francolino
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