

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

L/938

24 November 1958

Limited Distribution

Original: English

CONTRACTING PARTIES
Thirteenth Session

PLANS FOR NORDIC ECONOMIC CO-OPERATION

Joint Statement by the Delegations of Denmark, Finland, Norway and Sweden to the Thirteenth Session of the CONTRACTING PARTIES

The CONTRACTING PARTIES have previously been informed about the studies which over the last four years have been pursued on the possibilities of widening the scope of economic co-operation among the Nordic countries, Denmark, Finland, Norway and Sweden, in particular by the creation of a customs union. Since these studies are now largely terminated, the four countries wish to inform the CONTRACTING PARTIES of the present status of the plans.

In July 1957 a committee of officials from the four countries presented a detailed plan for a Nordic Market covering 80 per cent of total inter-Nordic trade. The committee was instructed to study on a non-committal basis the remaining commodity groups against the background of the negotiations for a European Free-Trade Area, and in September this year a supplementary report was presented. This report deals with the inclusion in the Nordic Market of the remaining 20 per cent of inter-Nordic trade with the exception of agricultural commodities for which a proposal is still being prepared.

The plan presented by the committee of officials includes a common Nordic customs tariff. This common tariff is based on the present rates of duty in the four countries, and its general incidence is slightly lower than the average incidence of the four separate tariffs. As the Nordic countries on the whole are low tariff countries the rates of duty in the planned customs union are low or moderate.

The common tariff shall in principle be applied by the four countries from the date when the Nordic Market comes into being. Simultaneously, customs duties and quantitative restrictions will be abolished in inter-Nordic trade. For a limited number of commodities transitional arrangements are foreseen in respect of certain of the four countries, providing for a period of five, or exceptionally ten years, during which the common external tariff shall gradually be introduced, or internal tariffs and quota restrictions abolished. The inclusion in the plan of specific transitional arrangements of this type obviates the need for a general transitional period, or for derogation clauses of a more general nature.

The plans for a Nordic Market further include proposals for a Nordic Investment Bank, for practical co-operation in various fields of industrial production in the four countries and for joint technical and scientific research.

In view of the present status of the negotiations for the creation of a European Free Trade Area - in which Denmark, Norway and Sweden have taken part - no political decision has as yet been taken by any of the four countries on the adoption of the plans for a Nordic Market. It is, however, emphasized that the creation of a Nordic customs union would contribute substantially to the economic development of the four countries and thereby strengthen their ability to promote international trade in accordance with the objectives of GATT.

Since this joint declaration was drawn up, the Sixth Session of the Nordic Council has been held in Oslo from 11 - 15 November 1958. At this Session the Council, which is a consultative body only, composed of members of the Parliaments of the four Nordic countries, has passed the following resolution:

The Nordic Council recommends to the Governments of Denmark, Finland, Norway and Sweden that they, on the basis of the reports submitted and in contact with the Council, enter into negotiations with regard to the arrangements for a Nordic economic co-operation and with a view to placing the matter before the Parliaments when the conditions permit a decision to be taken.