

GENERAL AGREEMENT ON TARIFFS AND TRADE

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UNITED KINGDOM/IRELAND FREE TRADE AREA AGREEMENT

Second Annual Report

1. This report is submitted in accordance with undertakings by the Governments of the United Kingdom and Ireland to report regularly to the CONTRACTING PARTIES on the development of the Free Trade Area. The First Annual Report (document L/2904) was considered at the twenty-fourth session on 16 November 1967 when the CONTRACTING PARTIES took note of the information submitted.
2. The Protocol for the Accession of Ireland to the GATT was signed on behalf of the Government of Ireland on 22 November 1967 and Ireland's accession became effective on 22 December 1967.
3. The establishment of the Free Trade Area has progressed in accordance with the terms of the Agreement. On 1 July 1968 Ireland made the third annual 10 per cent reduction in the general run of protective duties applicable to goods of United Kingdom origin, other than those which are not in the free trade sector (Annex A to the Agreement). A first reduction was made also in the effective level of the protective duties on a number of United Kingdom goods which are or were subject to quota restriction (paragraph 3(b) of Article I and Annex B to the Agreement refer).
4. On 1 July 1968 also, the United Kingdom eliminated protective elements in her fiscal charges applicable to Irish goods and Ireland made a third 10 per cent reduction in protective elements in certain of her fiscal charges in accordance with the provisions of paragraph 3 of Article IV of the Agreement. In accordance with undertakings given in the Working Party which examined the Free Trade Area Agreement in March/April 1966 both Governments have notified to the CONTRACTING PARTIES their lists of fiscal charges and the action being taken to eliminate protective elements. The report by the United Kingdom was circulated in document L/3056 dated 26 August 1968 and that by Ireland in document L/2988 dated 12 March 1968 and L/2988/Corr.1 dated 17 April 1968.
5. The elimination of protective elements in the United Kingdom's fiscal charges applicable to Irish goods necessitated some amendment of the origin rules which manufactured goods imported into the United Kingdom from Ireland must satisfy in order to qualify as goods of that country. Some further small amendments to the origin rules prescribed by the Free Trade Area Agreement for the importation of goods into the United Kingdom from Ireland were necessitated by changes in certain United Kingdom tariff headings consequent upon the Kennedy Round of tariff negotiations.

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6. Elimination of the Irish quantitative restrictions on goods in the free trade sector which remained in operation after 1 July 1966 is proceeding in accordance with arrangements agreed under Article VI of the Agreement; the elimination is being effected on a global basis, applying both to British and non-British goods.

7. It was mentioned in the First Annual Report that the quantitative import restriction on motor tyres of United Kingdom origin, which had been withdrawn on 1 July 1966, had been reimposed for the period 1 July 1967 to 31 December 1967. It has since been agreed between the two Governments that the restriction will continue in operation until 31 December 1968.

8. Arrangements to safeguard the motor vehicle assembly industry in Ireland have been made by the Irish Government in agreement with British manufacturers and Irish assemblers of motor vehicles, with the approval of the British Government. The arrangements involve a minor departure from the provisions of the Free Trade Area Agreement in that assembled motor vehicles may, in general, be imported only by importers - assemblers who undertake to maintain their scale of assembly. Assembled vehicles of British origin so imported will be admitted at specially reduced rates of duty. Corresponding arrangements have been made in the case of vehicles of non-Area origin subject, in the case of private motor cars, to a duty preference being maintained for vehicles of Area origin. To facilitate these marketing arrangements channels of trade are regulated by registration.