

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

L/3328/Add.4

2 June 1970

Limited Distribution

Original: English

ACCESSION OF ICELAND TO THE CONVENTION ESTABLISHING THE EUROPEAN FREE TRADE ASSOCIATION

Addendum

The secretariat has received the following communication from the Deputy Secretary-General of the European Free Trade Association.

At the meeting on 19 May of the Working Party on the accession of Iceland to EFTA and FINEFTA, the Chairman suggested that the examination include the participation of Iceland in the arrangements agreed late in 1969 concerning exports of frozen fish fillets to the United Kingdom.

In order to facilitate any discussion of this matter, the members of the Working Party would probably like to have details of these arrangements, the substance of which is attached hereto.

RECORD OF UNDERSTANDING ON EXPORTS OF FROZEN FISH FILLETS
TO THE UNITED KINGDOM AFTER 1 JANUARY 1970

1. The Governments of Denmark, Norway, Sweden and the United Kingdom agree that the present Understanding should be applied to Nordic exports of frozen fish fillets to the United Kingdom market after 1 January 1970.

The Government of Iceland will upon accession to the EFTA Convention become a party to this Understanding.

2. This Understanding will have effect for a period of three years from 1 January 1970 and will, failing objection, be renewed for successive three-year periods.

3. The common aim is to improve conditions on the United Kingdom market by achieving over-all price stability at a satisfactory level in the interests of all parties.

The United Kingdom Government accept that frozen fish fillets will continue to be excluded from Annex E of the EFTA Convention and be imported duty free subject to the establishment and maintenance of the minimum price scheme provided for in this Understanding.

4. The Nordic Governments will from 1 January 1970 enforce the observance, on sales of fillets from their respective countries to the United Kingdom, of the minimum prices provided for under this Understanding. Non-observance of the minimum prices shall be subject to sanctions under national legislation.

5. The minimum prices will be established in the following three stages:

- (a) the introduction on 1 January 1970 of initial prices;
- (b) an increase on 1 January 1971 of the initial prices to intermediate prices;
- (c) an increase not later than at the end of 1971 of the intermediate prices to target prices.

The fillet varieties included in the scheme from the outset and the initial prices agreed upon, are set out in the Annex to this Understanding. Intermediate and target prices also are set out for catering blocks of cod, skin on. For other varieties of fillets in the Annex, the parties will consider at the annual reviews what the corresponding prices should be. Further varieties may be included in this scheme by agreement.

The parties agree to increase the initial prices for cod to the intermediate prices and the intermediate prices to the target prices at the dates set out above unless there is evidence that the minimum price scheme is disrupting the market situation to the detriment of Nordic exporters. The parties shall on

request by any of them consider whether any such evidence is sufficient to warrant any postponement of the increase of the prices.

6. The parties will annually review the operation of this Understanding, having regard particularly to the development of prices and to the volume and composition of supplies on the United Kingdom market.

In reviewing minimum prices one of the factors to be taken into account would be any significant changes in the general price level in the United Kingdom.

The United Kingdom Government will regularly transmit to the other Governments such relevant information as can be made available about the development of first-hand prices for fish and prices for frozen fish fillets on the United Kingdom market and about the production and sales of British-made frozen fish fillets as well as about the imports of frozen fish fillets from third countries to the United Kingdom market.

The Nordic Governments will regularly transmit to the United Kingdom Government such corresponding information as can be made available about fillet exports to the United Kingdom with particular reference to the varieties in the Annex.

7. Consultations shall take place promptly at any time at the request of any party if in the opinion of that party, the scheme is not operating satisfactorily and remedial measures should be taken.

In particular, any government may, having regard to all relevant circumstances at the time and particularly the state of the market, call for early consultations:

- (a) if imports from the Nordic countries appear to cause disruption of the market situation to the detriment of United Kingdom producers;
- (b) if imports of frozen fish fillets from non-EFTA sources appear to cause disruption of the market situation to the detriment of Nordic exporters;
- (c) if the United Kingdom production develops in a manner which appears to disrupt the maintenance of normal EFTA trade;
- (d) if there is reason to believe that the minimum price scheme is being undermined by non-observance of the prices stipulated.

The purpose of such consultations shall be to reach agreement on measures to counteract the market disruption.

If in 1971 or 1972 the rate of imports of fillets from the Nordic countries exceeds 33,000 tons a year and the situation described in (a) above exists the United Kingdom Government reserve their right to call for consultations.

In the case referred to in (b) above the United Kingdom Government will use their best endeavours to secure the co-operation of the countries concerned or to take other remedial action.

8. If consultations under the foregoing paragraphs do not lead to agreement, any party may suspend its participation in the arrangement and may, if it so desires, upon three months' notice withdraw from the Understanding which will then cease to apply to it.

In the event that a party to the Understanding suspends its participation in or withdraws from the arrangement all parties have the right to consider themselves released from the parallel commitments they have undertaken.

In case of suspension of, withdrawal from or termination of the Understanding the United Kingdom Government reserve their right to reimpose wholly or in part the 10 per cent duty on frozen fish fillets until an alternative régime is agreed.

9. If the present Understanding ceases to exist the parties will request the EFTA Council to initiate new negotiations on the subject of imports of frozen fish fillets into the United Kingdom.

10. This Understanding will be reviewed in the event of the entry of any of the parties into the European Economic Community.

Oslo, 24 October 1969

ANNEX

(All prices are in shillings
and pence per stone)

Initial minimum prices for cod from 1 January 1970

- | | | |
|-------|---|------|
| 1.1 | Fillets, skinless and boneless, frozen in blocks (industrial blocks) | 28/- |
| 1.2 | Fillets, trimmed, including pinbones, in cartons of not less than 5 lb., interleaved, not containing individually wrapped units of lesser weight: | |
| 1.2.1 | skin on | 25/- |
| 1.2.2 | skinless | 27/- |
| 1.3 | Fillets, clean cut, including pinbones, in cartons of not less than 5 lb., each containing individually wrapped units of lesser weight: | |
| 1.3.1 | skin on | 26/- |
| 1.3.2 | skinless | 28/- |
| 1.4 | Fillets, trimmed, including pinbones, in 7 lb. units not in cartons, bulk-packed, not interleaved, and wrapped in parchment or waxed paper: | |
| 1.4.1 | skin on | 24/- |
| 1.4.2 | skinless | 26/- |
| 1.5 | Fillets, not trimmed (except for blood spots), skin on, including pinbones, ungraded, scrambled pack, not interleaved, packed in open cardboard trays, weight unspecified but not less than 24 lb.: | |
| (a) | for up to 800 tons in a calendar year | 22/- |
| (b) | for any quantity in excess of 800 tons | 24/- |
| 1.6 | All packs of less than 5 lb. | 31/- |
| 1.7 | Packs not specified above: | |
| 1.7.1 | fillets with skin and pinbones | 25/- |
| 1.7.2 | fillets without skin, with pinbones | 27/- |
| 1.7.3 | fillets without skin and pinbones | 28/- |

Intermediate and target prices for cod as specified at 1.2.1 above

Fillets, skin on, trimmed, including pinbones, in cartons of not less than 5 lb., interleaved, not containing individually wrapped units of lesser weight:

intermediate price	27/-
target price	28/6

Initial minimum prices for haddock from 1 January 1970

- 2.1 Fillets, skinless and boneless, frozen in blocks (industrial blocks) 33/-
- 2.2 Fillets, trimmed, including pinbones, in cartons of not less than 5 lb., interleaved, not containing individually wrapped units of lesser weight:
- | | |
|----------------|------|
| 2.2.1 skin on | 28/6 |
| 2.2.2 skinless | 30/6 |
- 2.3 Fillets, clean cut, including pinbones, in cartons of not less than 5 lb., each containing individually wrapped units of lesser weight:
- | | |
|----------------|------|
| 2.3.1 skin on | 29/- |
| 2.3.2 skinless | 31/- |
- 2.4 All packs of less than 5 lb. 35/6
- 2.5 Packs not specified above:
- | | |
|---|------|
| 2.5.1 fillets with skin and pinbones | 28/6 |
| 2.5.2 fillets without skin, with pinbones | 30/6 |
| 2.5.3 fillets without skin and pinbones | 33/- |

Initial minimum prices for plaice from 1 January 1970

- 3.1 Catering block of fillets, ungraded, eight to twelve pieces per lb., cross cut, layer separated, packed in cartons of not less than 7 lb.:
- | | |
|-------------------------|------|
| 3.1.1 skin on | 36/- |
| 3.1.2 dark side skinned | 39/- |
- 3.2 Graded catering block of cross cut fillets, layer separated, packed in cartons of not less than 7 lb., graded with 1 oz. tolerance:
- | | |
|--|------|
| 3.2.1 skin on, $2\frac{1}{2}$ - $4\frac{1}{2}$ oz. | 38/- |
| 3.2.2 skin on, above $4\frac{1}{2}$ oz. | 40/- |
| 3.2.3 dark side skinned, $2\frac{1}{2}$ - $4\frac{1}{2}$ oz. | 41/- |
| 3.2.4 dark side skinned, above $4\frac{1}{2}$ oz. | 43/- |
- 3.3 Graded individually frozen cross cut fillets, unglazed, packed in film in cartons, graded with 1 oz. tolerance:
- | | |
|--|------|
| 3.3.1 skin on, $2\frac{1}{2}$ - $4\frac{1}{2}$ oz. | 40/- |
| 3.3.2 skin on, above $4\frac{1}{2}$ oz. | 42/- |
| 3.3.3 dark side skinned, $2\frac{1}{2}$ - $4\frac{1}{2}$ oz. | 43/- |
| 3.3.4 dark side skinned, above $4\frac{1}{2}$ oz. | 45/- |

3.4 Graded individually frozen quarter cut fillets, unglazed, packed in film in cartons, graded with 1 oz. tolerance:

3.4.1	skin on, above 2½ oz.	43/-
3.4.2	dark side skinned, above 2½ oz.	46/-

3.5 Small size fillets, ungraded eight to twelve pieces per lb., skin on, packed with film in minimum 12 oz. cartons:

3.5.1	normal pack in block	38/-
3.5.2	interleaved pack	39/6

3.6 Packs not specified above:

3.6.1	fillets, dark side skinned	43/-
3.6.2	fillets, skin on	40/-

General provisions

1. The minimum prices are fixed in shillings per stone c.i.f. any British port, and will be converted into national currencies in accordance with the official parity rate of exchange registered with the International Monetary Fund.

2. Payment must be made within thirty days of the date of delivery. No agent's commission, quantity discount or other deduction may be made from the minimum prices.

3. The seller shall inform the responsible national authority if, as a result of any claim in respect of any transaction, there is a departure from the terms previously approved by that authority for the transaction.

London, 14 November 1969