

GENERAL AGREEMENT ON TARIFFS AND TRADE

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GREEK PREFERENTIAL TARIFF QUOTAS TO THE USSR

Request by Greece for a Waiver under Article XXV:5

The following communication, dated 18 June 1970, has been received from the permanent delegation of Greece.

The question of these preferential tariff quotas was examined by the Council at its meeting on 28 April 1970 (document C/M/62 of 14 May 1970).

1. On 31 December 1969, in connexion with the extension of the Long-Term Agreement between Greece and the USSR providing for delivery of goods during the period from 1 January 1970 to 31 December 1971, these two countries signed a Special Protocol designed to create the most favourable conditions for the normal operation of the said Agreement. Under the Special Protocol, and in accordance with the relevant provisions of the Agreement of Association between Greece and the European Economic Community, Greece granted a 50 per cent reduction in tariff duties to the Soviet Union, within the limits of annual tariff quotas and in respect of certain industrial products and capital goods. The products concerned are enumerated in a list appended to the Special Protocol, which was reproduced in document L/3387 (dated 23 April 1970).
2. The total value of the products in respect of which the tariff quotas have been granted is US\$4,252,000 each year, and the validity of the Special Protocol is for the years 1970 and 1971.
3. The objective of this measure is to ensure for the benefit of the two countries concerned the balanced operation of the Long-Term Clearing Agreement by establishing conditions conducive to expansion of Greek imports from the USSR of basic products, other than those which are the subject of tariff quotas. The fact that imports of these products are effected under the clearing machinery creates means of payment that can stimulate Greek exports to the Soviet Union, which is a State-trading country, of agricultural commodities which are in surplus and are of special export interest, (citrus fruits, tobacco, grapes, etc.).

The agricultural products concerned which have not found outlets in the markets of industrialized Western countries, continue to constitute a basic source of earnings for the Greek economy, despite the efforts made to industrialize the country which have not yet succeeded in modifying the economic structure, where agricultural production remains a predominant factor.

Furthermore, without adversely affecting the trading interests of contracting parties, the imports of industrial capital goods and essential raw materials involve no transfer of foreign exchange. Imports of these products are essential for the industrial development effort which has been undertaken in the context of the Greek five-year plan for economic development. This takes on particular importance in the light of the serious external balance-of-payments problems and the need to follow those problems closely and in an adequate manner, as required by the circumstances which induced the CONTRACTING PARTIES to allow Greece to maintain its import restrictions, under Article XVIII of the General Agreement.

4. Consequently the importance of the tariff quotas granted to the Soviet Union should be evaluated in the light of the considerations set forth above, which bring out the exceptional character of the situation of the Greek economy.

5. The Greek Government therefore requests the CONTRACTING PARTIES to authorize a waiver, under Article XXV:5, from the provisions of Article I:1 of the General Agreement.

This question will be included in the agenda for the next meeting of the Council.