

GENERAL AGREEMENT ON
TARIFFS AND TRADE

RESTRICTED

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AGREEMENTS BETWEEN THE EUROPEAN COMMUNITIES AND NORWAY

Questions and Replies

Addendum

Reply Concerning the Supplementary Questions

III. Import and export duties

Question

1. Will not the fact that the tariff disparities mentioned in Article 24.2 may give rise to the compensatory charges provided for in Article 27.3(b) inhibit parties from reducing tariffs on a most-favoured-nation basis and will this not reduce the freedom of action of either of the parties in making an offer to lower or eliminate tariffs on certain products in the course of the upcoming multilateral trade negotiations?

Reply

1. No. In the event that tariffs are lowered during the negotiations, the effects on the disparities mentioned will be positive.

V. Agriculture

Question

2. Do the conditions of Article 9 and Protocol 2 imply that any improvement in terms of access for agricultural products into Norway would probably result in an increase in variable levies or customs duties upon import into the European Economic Community from Norway of agricultural products? Would this not discourage the further liberalization on a most-favoured-nation basis by Norway in the agricultural sector?

Reply

2. No.

VII. Other questions

Question

3. Would it be correct to assume that the public aids referred to in Article 23.1(III) as being incompatible with the proper functioning of the Agreement include those measures prohibited under Article 13 of the EFTA Convention as listed in Annex C

to that document? If so, does this prohibition apply to exports to all contracting parties and to exports of the products listed in Protocol 2? If not, does this prohibition still apply to trade between Norway and other EFTA countries?

Reply

3. The provisions of this Agreement are autonomous and do not depend on the EFTA Convention.

Question

4. (a) In the event that one of the parties to the Agreement is faced with sectoral or regional difficulties (Article 26 of the Agreement) and is obliged to invoke Article 27 of the Agreement, what assurance is there for third countries that the safeguard measures provided under that Article and likewise action to which the affected party may have recourse under Article XIX of the General Agreement, will not oblige third parties to share in the cost of this deterioration, to the extent that they are not responsible for it?

Reply

4. (a) No measure taken under Article 27 of the Agreement could apply to third countries unless the provisions of Article XIX are observed.

Question

- (b) Would measures introduced to offset difficulties arising as a result of the elimination of barriers to trade, under this Agreement be applied to imports from third countries?

Reply

- (b) In principle, Article 27 concerns bilateral measures.

Question

5. Since the highly complex criteria for rules of origin make it difficult to see in advance what the impact will be on third country trade, what provision has been made for third country representations in the periodic reviews of the rules of origin?

Reply

5. The Agreement does not provide for any periodic reviews of the rules of origin. In the event that it becomes necessary to re-examine certain rules, the parties to the Agreement will be prepared to take account of any impact on third country trade.

Question

6. If it is determined that the rules of origin will result in prejudicial effects to the trade interests of third countries, will there be provision for (A) modifications in these rules or (B) changes in the product lists A, B and C annexed to Protocol 3.

Reply

6. No modifications are envisaged at the present time. If the prejudicial effects mentioned develop, the problem will be examined by the parties to the Agreement which can together decide what action should be taken.

Question

7. Regarding Protocol No. 3, could Norway be explicit as to what specific provisions of the new rules of origin will make it more difficult for Norwegian firms to use raw materials and components procured outside Western Europe (particularly in chemicals and mechanical engineering, textiles, copper and automotive products industries) and why?

Reply

7. The question of the percentages of raw materials and semi-manufactures imported from third countries by the parties to the Agreement was taken into consideration when the rules of origin were established. The new rules of origin must be considered as a whole. Any comparison between the rules of origin system established by the Agreement and the rules of origin under the system previously in force within EFTA would not, from a technical point of view, yield much information nor would it be relevant in the present situation, partly because of the continuing diversification and changes in the production processes of various industries, and partly because of the different circumstances in which the two systems operate.

Question

8. Would Norway please provide a comparison of how the original EFTA rules of origin and the rules in this Agreement would apply in, by way of example, BTN Chapters 56, 61, 74, 84 and 87?

Reply

8. See reply to Question No. 7.