

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

L/4034  
28 May 1974

Limited Distribution

Original: French/  
Spanish

## AGREEMENT BETWEEN THE EUROPEAN ECONOMIC COMMUNITY AND SPAIN

The following communication has been received from the parties to the Agreement.

### Covering Note Concerning the Communication Addressed by the Parties to the Agreement to the CONTRACTING PARTIES to GATT

1. At a meeting of the Council on 29 September 1970, the representatives of the<sup>1</sup> European Community and of Spain informed the CONTRACTING PARTIES of the Agreement concluded by them on 29 June 1970 (C/M/64). The Council then decided to set up a Working Party to examine the Agreement in the light of the relevant provisions of the General Agreement. The Working Party met on 15 July and 14 September 1971 and presented its report to the Council (L/3579 of 22 September 1971).

2. On 29 January 1973 a Protocol was signed at Brussels, establishing certain provisions regarding the Agreement between the EEC and Spain by reason of the accession of new member States to the Community. The Protocol contains no additional provisions in relation to the existing Agreement, but in its objectives provides for the negotiation of a new agreement within the framework of the global approach of the Community with the countries in the Mediterranean basin.

The objective of the new agreement would be to further the elimination of obstacles to substantially all the trade between the Community and Spain. The negotiations on this subject were initiated on 16 July 1973 and are expected to be continued shortly.

3. Pending the conclusion of these negotiations, the parties to the Agreement have thought it useful to communicate to the CONTRACTING PARTIES a report on the development of the situation within the framework of the Agreement under reference.

---

<sup>1</sup>The text of the Agreement, which entered into force on 1 October 1970, is contained in document L/3427 and Corr.1. The questions addressed to the parties to the Agreement, as well as the replies thereto, are contained in L/3533, and Corr.1 and 2.

IMPLEMENTATION OF THE AGREEMENT BETWEEN THE  
EUROPEAN COMMUNITY AND SPAIN

Communication Addressed by the Parties to the Agreement to  
the CONTRACTING PARTIES to GATT

1. The achievement of the progressive elimination of obstacles with respect to substantially all the trade between the Community and Spain has proceeded in accordance with the provisions of the Agreement since its entry into force on 1 October 1970.
2. For import into the Community, substantially all industrial products originating in Spain are admitted without quantitative restrictions since the entry into force of the Agreement. In respect of practically all its imports of industrial imports from Spain, since 1 January 1973 the Community applies a 60 per cent tariff reduction, as compared with 30 per cent on the date of entry into force of the Agreement and 50 per cent as from 1 January 1972.

Upon import into the Community, most of the Spanish agricultural products listed in Annex I to the Agreement enjoy a tariff reduction which, according to the product, varies between a 25 per cent reduction and duty-free treatment.

3. Spain, for its part, applies customs duty reductions of 10 to 30 per cent since 1 January 1974, in respect of imports originating in the Community.

For products subject to quantitative restrictions, since 1 October 1970 Spain has opened quotas vis-à-vis the Community. The overall amount of these is increased by 13 per cent each year, and each quota by not less than 7 per cent in relation to the preceding year.

For certain agricultural products listed in Annex II to the Agreement, Spain grants to the Community tariff reductions of 10 to 30 per cent; for certain other products it has undertaken to purchase in the Community, on normal market terms, part of its total annual imports.

4. An analysis of the statistical elements set forth in the annexed table and concerning the evolution of Spain's external trade in recent years shows that in the period of implementation of the Agreement (1972 in relation to 1970) Spain's aggregate trade with the Community has increased by 37.4 per cent, as against 36.4 per cent with the rest of the world.

ANNEX

EVOLUTION OF SPAIN'S EXTERNAL TRADE

(million pesetas)

	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>% increase</u> <u>1970/1972</u>
TOTAL	499,387	553,060	682,681	36.7
EEC	169,689	189,977	233,128	37.4
Rest of world	329,698	363,083	449,553	36.4