

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

L/4038

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ASSOCIATION AGREEMENT BETWEEN THE EUROPEAN ECONOMIC COMMUNITY AND MALTA

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

COVERING NOTE CONCERNING THE COMMUNICATION ADDRESSED BY THE PARTIES TO THE AGREEMENT TO THE CONTRACTING PARTIES TO GATT

At a meeting of the Council on 21 April 1971, the representatives of the European Community and of Malta informed the CONTRACTING PARTIES of the Agreement¹ concluded by them on 5 December 1970 (C/M/68). 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 9 and 24 February 1972 and presented its report to the Council (L/3665 of 1 March 1972).

¹The text of the Agreement, which entered into force on 1 April 1971, is contained in document L/3512. The questions addressed to the parties to the Agreement, as well as the replies thereto, are contained in L/3639.

IMPLEMENTATION OF THE ASSOCIATION AGREEMENT BETWEEN
THE EUROPEAN ECONOMIC COMMUNITY AND MALTA

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 Malta has proceeded in accordance with the provisions of the Agreement since its entry into force on 1 April 1971.

2. In conformity with said Agreement, imports of industrial products originating in Malta are admitted into the Community without quantitative restrictions.

Since the entry into force of the Agreement, substantially all imports into the Community of industrial products from Malta enjoy a 70 per cent tariff reduction which should culminate into full exemption as from the beginning of the second stage.

3. Malta, for its part, applies tariff reductions of 25 per cent since 1 April 1974 (as against 15 per cent as of the date of the entry into force of the Agreement), in respect of imports originating in the Community, such reduction to reach 35 per cent as from the beginning of the fifth year.

4. An analysis of the statistical elements set forth in the annexed table, concerning the evolution of Malta's external trade in recent years shows that in the period of implementation of the Agreement (1972 in relation to 1970), Malta's imports from the Community as originally composed have increased by 27 per cent, while Malta's exports to the Community have increased by 122 per cent.

Evolution of Malta's External Trade

<u>MALTA</u>				Unit: M.£
<u>Imports</u>	1970	1971	1972	
EEC (Six)	19,576,193	20,452,412	24,808,067	
EFTA	31,093,599	27,094,966	24,303,316	
United States	2,547,848	3,033,477	3,817,810	
Rest of the World	13,903,179	14,796,027	14,281,193	
Total	67,120,819	65,376,882	67,210,386	
<u>Exports</u>				
EEC (Six)	4,198,907	4,919,562	9,321,878	
EFTA	6,374,679	8,164,698	10,639,911	
United States	695,530	1,210,372	1,067,243	
Rest of the World	4,795,882	4,520,839	4,693,430	
Total	16,064,998	18,815,471	25,722,462	

Source: Malta's national statistics.