

GENERAL AGREEMENT ON
TARIFFS AND TRADE

RESTRICTED

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EUROPEAN ECONOMIC COMMUNITY - ASSOCIATION WITH
CERTAIN NON-EUROPEAN COUNTRIES AND TERRITORIES

Communication from the European Economic Community

The following communication, dated 27 May 1974, has been received from the Permanent Delegation of the Commission of the European Communities.

I have the honour to enclose herewith, for communication to the CONTRACTING PARTIES, an information note on the evolution of the situation within the framework of the Association between the Communities and certain non-European countries and territories.

ASSOCIATION BETWEEN THE EUROPEAN ECONOMIC COMMUNITY
AND THE OVERSEAS COUNTRIES AND TERRITORIES

Communication by the European Economic Community for
the Information of the CONTRACTING PARTIES to GATT

As already recalled on a number of occasions, the Association between the six-member Community and the overseas countries and territories which, whether as autonomous countries or as dependent territories, had particular constitutional links with certain member States, is founded on the establishment of one free-trade area.

The Decision of the Council of the European Communities of 29 September 1970, defining for a five-year period the modalities governing that Association, is fundamentally the same as the 1964 Decision; these two Decisions have already been examined at the appropriate time by the CONTRACTING PARTIES. The only differences concerned adjustments needed to take account of the implementation of the common agricultural policy, or provisions designed to bring certain clauses into line with those set out in the Yaoundé II Convention.

As the Community has recalled on several occasions, those changes were made with a view to avoiding differences in describing what were, in substance, similar instruments.

The tariff dismantlement of the Community vis-à-vis the associated non-European countries and territories has been completed and since 1 January 1970 it is no longer relevant to speak of a plan and schedule to that end.

The Community does not apply any customs duties or other restrictive regulations of commerce on products imported from the countries and territories concerned, except in the case of two products - sugar and rice - which do not receive full intra-Community treatment. The safeguard clauses have not been invoked.

In the overseas territories, neither customs duties nor quantitative restrictions are applied any more on goods imported from the EEC.

The overseas countries apply duty-free treatment. The question of the presentation of Surinam's tariff was raised during the examination of the EEC/OCT Association by the Working Party in 1971, and at that time the Community pointed out that a reading of the explanatory notes would afford a reply to the questions that certain delegations had posed. Indeed, for essentially practical reasons, the tariff comprises only two columns, the one entitled "EEC duties", representing a charge of purely fiscal character applied on products originating in the EEC and in third countries alike, and the other "general duties", applicable to third countries, which is arrived at by adding up the revenue duty and the customs duty as such, which is of a protective character. It must be recognized nevertheless that a three-column presentation of the tariff, which would read as follows for heading 49.06 for example:

Revenue duty

26.1%

Protective duty
Third countries - EEC

5%

0

would be much clearer though less easy to administer for customs officials.

As regards quantitative restrictions, Surinam maintains a quota system on some thirty products which represent only a very small percentage of its imports from the EEC.

In order to allow the authorities to follow the development of certain imports, the Netherlands Antilles introduced a system of licensing in 1972 which cannot, having regard to the aim pursued, be considered restrictive.

It can therefore be said, in conclusion, that even taking into consideration these measures, free trade has been achieved for substantially all the trade between the parties.

As regards the question as a whole, it should be noted that the formation of the free-trade area between the EEC and the OCT has been definitively achieved. It is only for the financial and technical co-operation aspects of relations between the EEC and the OCT that new modalities will have to be defined at regular intervals by decisions that mention only as a matter of form the free-trade aspects in the context of this definitive Association.

For this reason, the Community considers that it should no longer be necessary in future to carry out the biennial review within GATT.

The following table shows the development of trade between the Community and the overseas countries and territories in the four most recent years for which statistics are available:

(U.A. '000)

IMPORTS BY THE SIX-MEMBER EEC				
Origin	Year			
	1969	1970	1971	1972
Afars and Issas	108	238	666	759
Comoro Archipelago	1,959	2,621	2,235	2,437
St. Pierre and Miquelon	211	935	337	432
Netherlands Antilles	22,786	23,750	30,346	25,325
Surinam	50,775	56,596	59,030	52,590
French Polynesia	5,003	5,488	2,985	3,264
New Caledonia	55,342	92,253	90,731	116,087
Total	136,184	190,739	186,330	203,958

(U.A. '000)

EXPORTS BY THE SIX-COUNTRY EEC				
Origin	Year			
	1969	1970	1971	1972
Afars and Issas	16,474	12,167	13,067	15,481
Comoro Archipelago	4,271	4,302	4,073	4,478
St. Pierre and Miquelon	3,407	2,774	3,489	3,783
Netherlands Antilles	60,073	118,063	76,770	73,090
Surinam	24,619	27,347	29,288	31,648
French Polynesia	34,860	40,318	37,299	43,022
New Caledonia	79,112	131,901	112,124	107,279
Total	222,816	336,872	276,110	279,035

SURINAM QUOTAS - LIST OF PRODUCTS

<u>EEC quotas</u>	<u>Value in Sur. f.</u>
Shrimps and crabs	1,500
Vegetables (except potatoes)	1,500
Manioc, arrowroot etc.	1,500
Fruit: lemons, bananas, coconut	1,500
Coffee	p.m.
Chinese sausages (vatgong)	1,500
Sugar	1,500
Vermicelli and macaroni	1,500
Preserved fruit	1,500
Coffee extracts	1,500
Peanut butter	1,500
Firewood	p.m.
Timber in the rough	p.m.
Lumber	1,500
Joinery articles	p.m.
Other wooden articles	1,500

Quotas - EEC and third countries

	<u>EEC</u>		<u>Third countries</u>
Poultry meat	130,000		130,000
Milk powder		p.m.	
Apples, pears, grapes	50,000		50,000
Coffee		p.m.	
Groundnuts		p.m.	
Preserved shrimp and crabs		p.m.	
Tomato purée	80,000		80,000
Preserved vegetables	125,000		125,000
Jams, jellies and marmalades	40,000		40,000
Fruit juice	15,000		15,000
Decaffeinated coffee extract	4,000		1,000
Matches	750		750
Wood		p.m.	
Ladies' skirts and blouses	96,000		24,000
Men's and children's footwear with outer soles and uppers of rubber	160,500		40,500
Chairs and other metal furniture (for domestic use)	48,000		12,000