

GENERAL AGREEMENT ON TARIFFS AND TRADE

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CUSTOMS TARIFF OF ROMANIA

Questions and Replies

The contracting parties were invited (document L/4037) to submit to the secretariat any questions they might wish to put to the Romanian Government concerning the Romanian customs tariff (document L/3989) and the matters mentioned in the explanatory Memorandum on the rôle of the tariff (document L/4037).

In response to that invitation a number of questions were received and transmitted to the Romanian Government. The questions and replies are set forth below.

Question 1

(a) What is the average incidence of the tariff rates introduced by the new Romanian customs tariff? This information should, as far as possible, be given for each of the different sectors of the customs tariff.

(b) What was the amount of customs revenue collected in the first six months of 1974?

Reply

During the first six months of 1974, the average incidence of the tariff rates introduced by the Romanian import customs tariff was 10.3 per cent.

In the same period the total amount of customs revenue collected was 4,600 million lei.

Question 2

Does Romania grant tariff preferences to developing countries?

Reply

Romania, which is itself a developing country, attaches particular importance to intensifying and diversifying its economic relations with other developing countries. The activities launched in recent years and the conclusion of numerous agreements and conventions concerning trade and economic, technical, and scientific co-operation have all contributed to ensuring a favourable basis for sustained development of economic exchanges with these countries.

Romania's trade with other developing countries constitutes the most dynamic flow in Romania's foreign trade. The extension of new forms of industrial co-operation with other developing countries is consistent with mutual interests in respect of growth of industry, agriculture and other economic sectors, and with acceleration of the economic and social progress of each country in furtherance of the elimination of under-development.

Romania does not grant any tariff preferences to other developing countries but does not exclude the possibility of participating, in the future, in various forms of multilateral collaboration of a preferential nature between developing countries, in accordance with the provisions of the General Agreement.

Question 3

(a) With foreign trade in the products considered most important by the Romanian Government controlled in detail by sub-plans accompanying the national economic plan, what scope is there for customs duties to exert influence on levels of imports of such products?

(b) What other measures, e.g. direct orders to importing foreign trade units from central authorities, interest rates for hard-currency loans to importing foreign trade units that vary according to the priority assigned to the import, are used to ensure that imports are consistent with planning priorities, and how do these devices interact with customs duties in affecting imports of particular commodities?

(c) Would customs duties be likely to have a greater impact on imports assigned a lower priority in economic plans, whose importation is subject to decision by the industrial centrals and foreign trade units that must pay the duties?

(d) What is the exact meaning of the second sentence of paragraph 6:5 in document L/4037?

Reply

In accordance with Law No. 8/1972 on the planned economic and social development of Romania, the Plan is formulated on the premise of basic economic units, producing enterprises and industrial central authorities.

At this stage of formulation of the Plan by the basic economic units, the customs duties provided in the tariff represent elements that are taken into consideration in the analysis when a choice has to be made between foreign or domestic sources of supply; the duties define the competitive conditions

between domestic and imported products, thus contributing to orient the structure of domestic production and to determine import needs. In this way, the Plan reflects the determination and utilization of domestic potential, taking into account market trends and technical progress, sources of supply, sales possibilities for production and the need to achieve optimum economic efficiency. This is the meaning of paragraph 6:5 of the Memorandum.

The individual plans of producing enterprises and industrial central authorities constitute the basis for the plans established by Ministries and other central bodies. As specified, moreover, in the Memorandum submitted with a view to Romania's accession to GATT (document L/3101/Rev.1), the plans thus formulated are correlated and incorporated in the single plan, which is a synthesis of real production and export capacity as well as of real demand for imported goods.

The central authorities do not place direct orders for commercial transactions coming within the activities of industrial, agricultural, transport and other enterprises. The activities of these enterprises are based exclusively on economic criteria and their mutual relations are contractual with a view to implementing the plans formulated in the way described above.

As regards the application of the customs tariff, the impact of duties depends on the level at which they are established, without taking account of the priority granted to one or other product. In implementing the Plan the Government may, in accordance with the Customs Tariff Law (Article 4), intervene in certain situations to ensure normal supply of imported goods and compliance with the priorities established under the Plan, by suspending temporarily, whether partially or totally, the application of customs duties to imports of certain goods. The conditions governing recourse to such measures and the modalities for their application are described in the reply to questions 14 (a) and (b).

As regards the reference to possible use of non-tariff measures (for example, differentiated interest rates for credits granted to importing enterprises, or other regulations of a financial nature), we wish to emphasize that there is no special treatment for the various import categories.

Question 4

(a) It is stated in Article 6 of the Decision sanctioning and implementing the import customs tariff of Romania, No. 1.395/23.10.1973 (International Customs Bulletin for Romania, page 5) that: "Consumer goods imported on the basis of direct commodity exchanges ... are not liable to customs duties under the customs tariff". Should one infer that in the context of so-called compensation transactions, consumer goods are exempt from import duties?

(b) Can such goods likewise be imported into Romania duty free, for example in cases where they are used to pay for consumer goods or raw materials of Romanian origin?

Reply

Consumer goods imported on the basis of direct commodity exchanges, including cases where such exchanges represent payment for consumer goods or raw materials of Romanian origin, are subject to the general foreign trade régime and therefore to the customs duties provided under the tariff.

The provisions of Article 6 of Decision No. 1395 of the Council of Ministers, dated 23 October 1973, concerning the approval and application of the import customs tariff of the Socialist Republic of Romania, refer to direct exchanges of goods between the Romanian trade organizations and their foreign partners, in accordance with a long-standing practice of carrying out such exchanges through the intermediary of shops, restaurants, exhibitions and other forms of promotional activity, on a basis of reciprocity. Such exchanges generally concern products of a specifically national character and account for a negligible share of Romania's imports.

Question 5

Is the customs tariff likewise applicable to so-called private imports?

Reply

The customs tariff is applicable to imports by foreign trade enterprises and by economic units authorized to engage in import activities. It does not apply to private imports since these represent goods for personal use, procured or received from abroad, and which cannot be traded in the domestic market. They are subject to a specific system of taxation, as in other GATT Member countries.

Question 6

(a) What are the precise legal provisions referred to by Article 75 of Law No. 19 on prices, specifying the basic criteria for converting into lei the foreign prices of imported products?

(b) Does the customs valuation coefficient of lei 20 for US\$1 apply also to goods for which the "general rule" (see paragraph 6:5) is not applied? If not, what valuation coefficients do apply to such goods?

(c) Is the rate applied for determining the customs value identical to the official commercial rate, or is it a special rate? Which is the body responsible for establishing it, and on the basis of which criteria?

Reply

In pursuance of Article 75 of Law No. 19 concerning the régime in respect of prices and tariffs, the legal provisions specifying the basic criteria for converting into lei the foreign prices of imported products are laid down in Article 3 of Decision No. 1395 of the Council of Ministers, published in Official Gazette of the Socialist Republic of Romania No. 179-180 of 17 November 1973.

The customs value of imported goods, to which is added the amount of the duties, is determined for all categories of goods by converting into lei the free-at-Romanian-frontier import price by application of a customs valuation coefficient of lei 20 for US\$1. This coefficient was established by Instruction No. 76 of the Ministry of Foreign Trade and International Economic Co-operation and the Ministry of Finance, dated 3 December 1973, and has been communicated to the International Monetary Fund.

The customs valuation coefficient corresponds to the actual average cost in lei of the purchase of foreign exchange for foreign commercial transactions.

Question 7

(a) What is the precise significance of the criteria set forth in Article 72 of Law No. 19 for determining domestic prices also according to "the nature of products, their importance, the self-sufficiency ratio, and the level of prices in the country"?

(b) Does the statement in the last sentence of the paragraph mean that the duties in Romania will have a direct influence on the domestic Romanian price of an imported product? (Cf. paragraph 5:3)

(c) What is the precise meaning of the phrase "a better relationship between import prices and domestic prices of imported products"? (Cf. paragraph 4)

(d) According to paragraph 5, second and third sub-paragraphs, the customs legislation is designed in particular "to ensure ... a better relationship between import prices and domestic prices of imported products" and to "rationalize imports". In general, how can the customs legislation contribute to attainment of these objectives?

(e) What is the complete list (with tariff heading numbers if possible) of products the price of which depends directly of the foreign price?

(f) Does the text of this paragraph mean that, for goods to which the "general rule" is not applied, the effect of customs duties on consumer prices is less than on the products mentioned in paragraph 6:6, that is on more than 50 per cent of 1972 imports?

(g) What is, for instance, the rôle of the customs tariff, taking into account the fact that price formation is not purely a matter for the trade enterprises but seems to be influenced by other considerations, in particular "social" considerations. Would the method used hitherto for the formation of domestic prices for consumer goods be modified by the introduction of a customs tariff? On the basis of what new criteria will it operate in future?

Reply

The criteria set forth in Article 72 of Law No. 19 for determining domestic prices of imported products are applied in the new context resulting from introduction of the customs tariff.

What is characteristic of the changes made in the domestic price formation system for imported products is that the procedure regulating differences between domestic and foreign prices (the functioning of this mechanism was explained in the replies set forth in document L/3211 on the occasion of Romania's accession to GATT) has been replaced by the customs tariff which, through its influence on domestic prices and the profits of enterprises, regulates the conditions of competitiveness between domestic and imported products and ensures a better relationship between the foreign prices and domestic prices of imported products, as explained below.

The domestic prices of imported complex installations, machines, tools, assemblies, sub-assemblies and spares are formed directly on the basis of the foreign prices converted into lei (see also the replies to Questions 6(a), (b) and (c)), to which the amount of the customs duties is added. The same procedure is followed in the case of imported restricted and luxury consumer goods. Clearly, in these cases the customs duties have a direct incidence on the domestic selling price of the imported product. This is the meaning of the last sentence of paragraph 4 of the Memorandum ("... prices and tariffs must reflect the social costs of production, thus allowing the producing units to make comparisons between the prices of various domestic products and those of like imported products"), and also of the statements in paragraph 5:2 of the same document ("The customs legislation is designed to ensure broader use of economic and financial instruments in foreign trade activities and a better relationship between import prices and domestic prices of import products ...").

As regards consumer goods other than those in the category mentioned in the preceding paragraph, the customs duties have a direct and permanent influence on profits of the importing trade enterprises. When import prices increase, with a consequent increase in the amount of the duties, the profits of the importing enterprises are adversely affected; it may then be necessary to raise domestic prices in order to ensure that the activities of the enterprises are profitable. If, on the other hand, as a result of a decline in foreign prices and/or customs duties, substantial profits accrue to the trade enterprise, then it is possible to reduce retail prices and thereby encourage imports of foreign products.

Through this mechanism, the domestic prices of imported products can be adjusted in time so that they follow the evolution of foreign prices. Even when the duties have no immediate impact on the retail price of current consumer goods, they have a direct and permanent impact on the profits of the importing enterprise, thus exercising a direct influence on imports.

One can conclude, therefore, that the customs duties influence the prices of current consumer goods and that consequently, from the aspect of the incidence of the customs tariff, there are no fundamental differences, the only individual features being in respect of the modalities for influencing domestic prices.

The reason for the differentiated treatment applied to current consumer goods is the need to ensure stable domestic retail prices in order to prevent wide and frequent fluctuations in foreign prices from being reflected in domestic prices, and also to offset the effects that they might have on monetary stability and on the purchasing power of the population. This is the meaning of the references in paragraph 6:8 of the Memorandum to the fact that account is taken of social criteria in determining domestic prices for consumer goods (see question No. 7(g)).

The domestic prices of imported raw materials are established by correlation with the prices of products obtained from domestic sources. Thus on the basis of the prices resulting from the addition of the customs value and the incidence of the customs duties (see replies to questions 6(a), (b) and (c)), economic analyses can be made in order to determine the proportionate development of domestic production. Romania consistently endeavours to promote a policy of intensive utilization of its natural resources; at the same time, the sustained rate of economic growth calls for a substantial increase in raw material imports.

The incidence of customs duties on these products is slight; furthermore, having regard to the particular situation in the world market for raw materials, the customs duties were temporarily suspended as from April 1974. One can state, therefore, that access of imported products in this category to the Romanian market is not, and will not in future be, impeded by the tariff rate or by the level of domestic prices.

Taking into account all the elements mentioned, it seems clear that, regardless whether the relationship between domestic and foreign prices is established directly or indirectly, the Romanian customs tariff influences the volume and composition of imports, allowing access to the domestic market for foreign products in accordance with the principles and objectives of GATT.

Question 8

Does the phrase "to give importers a direct interest etc. ..." mean that the establishment of duties as a cost factor would encourage the Romanian importers to emphasize price aspects more than hitherto in commercial negotiations with Western suppliers? Can the statement - in view of the possibility of utilizing other instruments, e.g. in the monetary field - be interpreted as indicating a preference for purchases of products "of like quality" in other socialist countries from which imports seem to be duty free? In other words, what new element does the customs tariff constitute in this connexion?

Reply

The application of the customs tariff in Romania encourages importers to pay still greater attention to the price aspect in their trade negotiations with all suppliers, since the customs duties are a component of the domestic price of imported goods (see replies to questions 7(a) to 7(g)) and give importers a direct interest.

Where goods are "of like quality", Romanian importers prefer the foreign suppliers offering the products concerned at the most advantageous prices.

As regards the influence of other factors in the choice of suppliers, where there is "like quality" and "like price", factors corresponding to current practices in the world market are taken into consideration, e.g. payment and credit terms, delivery dates etc.

Question 9

(a) What is the precise meaning of the last sentence of paragraph 5:3, with particular reference to the statement that the legislation is not intended to increase the degree of protection of the national economy or to reduce imports?

(b) If the import commitment is eliminated, what assurances can the Romanian Government offer that its treatment of imports from the contracting parties will not become more restrictive?

(c) If the import commitment is replaced by reductions in the new customs duties and agreed bindings does the Romanian Government anticipate that its imports from the contracting parties will continue to increase at the same rate as in the past? How could this be ensured?

Reply

Customs legislation is designed to rationalize imports in the sense that having regard to the incidence of the duty rates provided in the tariff on domestic prices and the profits of enterprises, the import decision bears on products which it would be economically inefficient to manufacture in the country and the composition of imports is thus affected.

The duty rates were determined in such a way that the incidence of the customs tariff does not exceed that of the price differences existing in Romania's foreign trade before the introduction of the import tariff (see also the replies to questions 7(a) to 7(g)). This is the meaning of the last sentence of paragraph 5:3 of the Memorandum.

We believe that replacement of the provisions set forth in Schedule LXIX (Annex B to the Protocol for the Accession of Romania to GATT) by tariff concessions constitutes a basis conducive to increased imports from contracting parties.

As regards any assurances that the Romanian Government can offer that its treatment of imports from contracting parties will not become more restrictive, we believe that there would be no need for any assurances additional to those offered by other contracting parties in accordance with the provisions of the General Agreement.

In order to ensure continuing high rates of economic growth - which would enable Romania to progress from its present situation as a developing country - it is objectively necessary to import increased quantities of machinery, tools, installations, raw materials and other products needed by the economy. In this context it is significant to note that in the first six months of 1974 Romania's total imports were 52.9 per cent above the level for the corresponding period of 1973, while imports from GATT member countries increased by 55.6 per cent.

According to forecasts in the draft five-year plan to cover the period 1976-80, Romania's imports will increase by 60-70 per cent, in terms of constant 1973 prices, over the level reached during the current five-year plan (1971-1975).

Nevertheless, import growth also depends on the elimination of discriminatory quantitative restrictions still maintained by some contracting parties on their imports from Romania, and on facilities that might be extended to Romania, as a developing country, within the framework of GATT.

Question 10

Would the provisions of the GATT be strictly observed in the implementation of the possible tariff increases referred to in this paragraph?

Reply

In the event that recourse was had to this provision of the customs tariff law in relations with GATT member countries, Romania would observe the provisions of the General Agreement.

Question 11

In Article 1, fourth paragraph of the Romanian Customs Law, what is the exact meaning of the terms "international agreements and protocols without the levying of customs taxes"? Is this solely a matter of the formation of free-trade areas or customs unions?

Reply

These terms refer to agreements and protocols concerning the movement of goods without application of customs duties, in accordance with the provisions of Article XXIV of the General Agreement.

Question 12

(a) The Romanian customs tariff will in principle be applied to all imports. It is stated that "Romania has not concluded any agreements or protocols of the kind mentioned in Article 1, fourth paragraph". How is, in this connexion, the CMEA Agreement and the Romanian bilateral trade agreements with the socialist countries to be looked upon? Does this mean that the duties applied on goods imported from CMEA member countries will be identical to those charged on like products imported from countries enjoying the most-favoured-nation clause, in particular GATT member countries?

(b) If so, are the duties charged on goods imported from CMEA member countries refunded to the importing foreign trade enterprises?

(c) Are customs duties levied on products originating in the USSR, China, Hungary and Czechoslovakia? Are any other charges levied on these products?

(d) If there are exceptions for imports from CMEA countries, which provisions of the General Agreement permit them?

Reply

The Romanian tariff system is applicable to imports from all countries. The duties charged on goods imported from socialist countries are identical to those charged on imports from other countries enjoying most-favoured-nation treatment. The duties are not refunded to import enterprises.

Question 13

If the tariff system is applied to CMEA trade, what proportions of the imports from CMEA and from non-CMEA countries enter duty free because no duty is assessed against the items under the tariff schedule? What proportions of the imports from CMEA and from non-CMEA countries enter duty free because the duty is suspended? What are the average rates of duty actually applied to imports from CMEA and from non-CMEA countries?

Reply

In the first six months of 1974, out of total imports not subject to customs duties or admitted duty free, approximately 40 per cent came from CMEA member countries and 60 per cent from non-CMEA countries. The difference in these relative shares is attributable to the substantial proportion of duty exemptions granted in respect of imports of raw materials (petroleum, coal, iron ore, cotton) which are largely imported from non-CMEA countries.

For the same period, the average incidence of customs duties charged on dutiable imports was approximately 38 per cent for those from CMEA countries and 36 per cent for imports originating in non-CMEA countries.

The average incidence of duties actually applied is determined by the volume and, above all, the composition of imports from various countries, and variations in these factors can result in changes from one period to another.

Question 14

(a) Article 4 of the law introducing the Romanian customs tariff provides for the establishment of quotas as well as for the temporary exemption or reduction of customs duties. What are the conditions for the establishment of a duty-free quota? What are the rules for the application of the duty-free quota system and temporary duty exemptions?

(b) Were any such measures taken in the first six months of 1974 and if so, for which products? Are any such measures of general application, or do they concern only products imported from certain countries? In the affirmative, what was the total value of imports under such measures in the first six months of 1974?

Reply

Duty-free quotas and temporary reductions of customs duties are applied as exceptional measures in situations where the incidence of duties together with that of particular economic phenomena are seriously affecting possibilities for purchasing certain products that are essential for economic development. Thus, in April 1974, having regard to the particular situation obtaining in the world market for raw materials, the Romanian Government decided to suspend until the end of the year customs duties on imports of these products. The products concerned by the exemptions include metalliferous ores and metals, mineral fuels, chemical products, fertilizers, timber and textile materials.

Question 15

Under what conditions will customs duties be remitted? For example, for imports under economic co-operation arrangements?

Reply

Romania's customs tariff legislation does not contain any provisions concerning remission of customs duties.

Question 16

It is normal for socialist countries to base import contracts on f.o.b. prices. How is the customs value determined when the product is delivered f.o.b. export country and both transport and insurance costs are debited in non-convertible currency?

Reply

In such a situation transport costs incurred in non-convertible currency are exchanged into convertible currency at the official prevailing rate. The value obtained is then added, together with any insurance costs, to the f.o.b. price in order to determine the free-at-Romanian-frontier import price, which, when expressed in lei, constitutes the customs value.

Question 17

Will Romania also use the Brussels Tariff Nomenclature as the basis for foreign trade statistics?

Reply

Yes. Consideration is being given to the possibility of also using the Brussels Tariff Nomenclature for foreign trade statistics.

Question 18

What are the ad valorem equivalents for any specific rates of duty contained in the Romanian customs tariff?

Reply

Having regard to the fact that duty rates in ad valorem terms allow better comparability and accordingly are most frequently used at international level, all the duties in the Romanian customs tariff are based on the ad valorem criterion.

Question 19

What is the exact meaning of the phrase "... customs tariff ensures ..." etc.? What is meant by "import price"? Is this term synonymous with "customs value"? (Cf. paragraph 5:8.)

Reply

For the first part of the question, see the replies to questions 7 (a) to 7 (g). As regards the import price, this is the price expressed in foreign exchange that is paid by the import enterprise to the foreign supplier. Depending on the terms of the import contract, it may also include or exclude, as the case may be, the transport and insurance costs incurred abroad.

The customs value represents the import price as determined for delivery free-at-Romanian-frontier, converted into lei by application of the customs valuation coefficient.

The customs value is therefore the free-at-Romanian-frontier import price expressed in lei.

Question 20

What are the real cost components in the calculation of cost prices (in particular, what method is used for calculating amortization of the land tax and the tax on productive assets and capital charges)? How are costs apportioned at the level of enterprises?

Reply

In Romania the cost price structure comprises the usual components, such as: raw materials; fuel, energy, water; wages and contributions on wages; amortization of fixed assets; assimilation costs for new techniques; interest and other costs, etc.

Under Law No. 19/1971 concerning the régime in respect of prices and tariffs, the cost price structure also includes, in relation with the specific element of each sector, the land tax and the tax on productive assets. These taxes are calculated in relation with the area, position and fertility of land and with the value of the productive assets available to the enterprises concerned. They are designed to promote optimum utilization of land and of productive assets, respectively.

At the level of enterprises, production costs are apportioned in accordance with the customary procedure: direct costs (purchase of raw materials, wages of production personnel, etc.) are directly apportioned to the product unit in relation with actual consumption, the number of hours actually worked, etc.; indirect costs (energy, water, wages of administrative personnel, interest and other costs, etc.) are distributed proportionately to the direct costs and processing costs.

Question 21

Would it be possible to obtain a document containing an up-to-date and detailed description of price formation and more particularly the relationship between domestic and foreign prices, as well as the methods of calculation used for evaluating the profitability of foreign trade operations.

Reply

The methodology of price formation and the relationship between domestic and foreign prices are described in Law No. 19/1971 concerning the régime in respect of prices and tariffs, published in the Official Gazette of the Socialist Republic of Romania, Part I, No. 154 of 16 December 1971 and also in the customs legislation (Law No. 12/1973 on the Import Customs Tariff of Romania, Decision No. 1395/73 of the Council of Ministers concerning the approval and application of the Import Customs Tariff of Romania, and Instruction No. 76/1973 establishing the customs valuation coefficient). Additional explanations may be found in the replies to questions 7(a) to 7(g).

The method used for evaluating the profitability of foreign trade operations is based on the principle of economic management - to recover costs and make a profit. In accordance with this principle, the enterprises determine the profit obtained from the export of products by making a direct estimate in foreign prices of the cost price components.

In order to evaluate the efficiency of import trade, account is taken of a series of economic criteria, applied in relation with the specific nature of the various commodity categories. For example, a comparison is made between the

necessary outlay needed to produce a given item in Romania, and the total cost of purchasing it abroad (free-at-Romanian-frontier import price, expressed in lei, plus customs duties) and an identification is made of the economic impact resulting from processing of the raw materials imported with a view to their distribution in the domestic or foreign market.

For the purpose of evaluating the profitability of foreign trade operations, more complex calculations are also made, such as:

- "cost in lei of the foreign exchange unit" obtained from export operations;
- "net foreign exchange inflow", calculated by subtracting from the foreign price, the foreign exchange value of imported or exportable material incorporated in the finished product, and by relating this difference to the foreign price;
- in certain economic sectors specific indicators are used, such as "foreign exchange receipts per hectare" for calculating the efficiency of vegetable exports;
- "domestic value in lei of the quantity of products that can be imported with one foreign exchange unit".

Question 22

Is it planned that classification of some products in the definitive tariff will be on the basis of end-use? If so, could the Romanian Government provide a detailed definition of the term "for production purposes" now used in their tariff?

Reply

The term "for production purposes" as used in the Romanian Customs Tariff refers to imported goods intended for investment or for use in production, for the manufacture of finished products.

The definitive customs tariff also provides for classification of some products according to the criterion of end-use.

Question 23

In addition, this paragraph mentions internal taxes. Are these applied in a uniform and non-discriminatory manner or only on imported products?

Reply

Internal taxes are applied in a uniform and non-discriminatory manner on both imported and domestic products in accordance with the provisions of Article III of the General Agreement.

Question 24

What relationship exists, in the view of the Romanian authorities, between the obligations incorporated in the Protocol of Accession of Romania and the Romanian customs tariff at present in force? Is it envisaged to adapt, eventually, the obligations accepted by Romania in its Protocol of Accession to this new instrument of trade policy?

Reply

Under the provisions of Annex B, paragraph 2 of the Protocol for the Accession of Romania to GATT, Romania may modify at any time, in the event that it decides to apply a customs tariff, the provisions set forth in Schedule LXIX (Annex B to the Protocol for the Accession of Romania to GATT), following negotiation and agreement with the CONTRACTING PARTIES.

As stated in the Memorandum, Romania envisages negotiation, on the basis of the definitive customs tariff, with a view to replacing the existing provisions of the above-mentioned Schedule by bindings and reductions of customs duties, which would be agreed taking into consideration the level of Romania's development.

Question 25

Will the Romanian Government consult with the contracting parties on significant changes in the level of protection on particular products before definitive application of the tariff after 1 January 1975?

Reply

No significant changes are expected in the level of protection in the definitive customs tariff which would make it necessary to consult with the contracting parties before 1 January 1975.

Question 26

Does the Romanian Government intend to provide the contracting parties with detailed information on the customs treatment of imports during 1974 in order that the other GATT members can assess the trade value of reductions and bindings of duties offered as replacement for the existing commitment in their GATT schedule? For example, will comparable data on consumer goods imports entering under either goods-exchange agreements or under the normal duty rate that is applicable be made available?

Reply

In accordance with the provisions of Article X of the General Agreement, Romania will continue to publish regulations concerning the customs treatment of imports, and likewise statistical data concerning Romania's trade with other countries.

In this connexion we can report that all the legal provisions and regulations concerning the introduction and application of the Import Customs Tariff of Romania have been published, and that this year a statistical foreign trade year-book has likewise been published, containing detailed statistics in respect of the volume, dynamism, composition and geographical distribution of imports and exports.