

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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## AGREEMENTS BETWEEN THE EUROPEAN COMMUNITIES AND ICELAND

### Information Furnished by the Parties to the Agreements

This report covers the period from the entry into force of the Agreements until 31 October 1975.

The Free Trade Agreement between the European Economic Community and Iceland entered into force on 1 April 1973, and the FTA between the member States of the ECSC and the ECSC and Iceland entered into force on 1 January 1974.

The objective of the Agreements is to eliminate progressively the obstacles to substantially all the trade between the parties, in accordance with the provisions of the General Agreement on Tariffs and Trade concerning the establishment of free-trade areas.

The main results are as follows:

1. On the part of the Community, the customs duties were reduced by 20 per cent on 1 April 1973; they were lowered to 60 per cent of the basic rate on 1 January 1974 and to 40 per cent of this rate on 1 January 1975. On the part of Iceland, the customs duties were reduced by 30 per cent on 1 April 1973, by 10 per cent on 1 January 1974 and by 10 per cent on 1 January 1975, and have thus been reduced to 50 per cent of the basic rate.
2. All the general provisions of the FTA's have been applied. The EEC, however, has not yet implemented the special tariff provisions in Protocol No. 6 applicable to imports into the Community of certain fish products from Iceland, since the reservation made by the Community in Article 2 of the said Protocol, linking the application of Protocol No. 6 to a satisfactory solution being found to the economic problems arising from the measures adopted by Iceland in the field of fishing rights, is still in force.
3. No quantitative restrictions except those which Iceland is allowed to maintain in accordance with Protocol No. 4 existed between the parties upon entry into force of the Agreements.

4. Protocol No. 1 of the Agreements EEC/Iceland and ECSC/Iceland foresees a slower than normal rhythm of tariff reduction for certain sensitive products, and Protocol No. 2 of the Agreement EEC/Iceland provides for certain tariff reductions on processed agricultural products. Both protocols have been applied as foreseen.
5. The rules of origin in Protocol No. 3 of the Agreement EEC/Iceland which determine the eligibility of products for the tariff reduction under the Agreements have been applied as foreseen. In accordance with the provisions of this Protocol the rules have, in specific cases, been amended and supplemented in order to facilitate their implementation and application (see Annex).
6. Two Joint Committees have been established to administer and supervise the implementation of the Agreements and also to act as a forum for the information and consultation procedures foreseen in the Agreements.

The Joint Committees have taken a certain number of decisions which provide for a simplification of the procedures of administrative co-operation and documentation (in particular the movement certificate) (see Annex).

7. Commercial incidence

Approximately 56 per cent of the imports of the Communities from Iceland and 71 per cent of the exports of the Communities to Iceland are covered by the Agreement.

Volume of commercial exchanges EC/Iceland in millions of EUR\*

- Imports to the EC from Iceland:

1972:	62
1973:	104
1974:	34

- Exports to Iceland from the EC:

1972:	109
1973:	124
1974:	182

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\* Source: EEC Statistical Office

ANNEX

List of Decisions of the Joint Committees  
Under the FTA's on Origin Matters

Subject	Decision No.	Official Journal of the EC No.
Administrative co-operation	3/73	L 324/73
Postal consignments EUR.2	4/73	L 324/73
Amendment annexes V and VI to Protocol No. 3	5/73	L 324/73
Article 25, first rev.	6/73	L 324/73
Goods en route 1 April 1973	7/73	L 324/73
Annotation A.W.1	8/73	L 324/73
Article 25, second rev.	9/73	L 347/73
Introduction EUR.1	10/73	L 365/73
Durum wheat (List A)	11/73	L 365/73
Spare parts	1/74	L 224/74
Approved exporter	2/74	L 224/74
Amendments Lists A and B	3/74	L 352/74
Suspension of the application of Article 23(1) of Protocol No. 3	4/74	L 355/74