

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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AGREEMENT BETWEEN FINLAND AND THE GERMAN DEMOCRATIC REPUBLIC

Interim Report by the Working Party

1. The Working Party met on 8 and 9 February 1977 under the chairmanship of Mr. K.J. Tan (Singapore), with the following terms of reference:

"To examine, in the light of the relevant provisions of the General Agreement, the provisions of the Agreement between Finland and the German Democratic Republic signed on 4 March 1975, and to report to the Council." (L/4258)

2. The Working Party had available the text of the Agreement (circulated with L/4211) as well as replies by Finland to questions asked by contracting parties (L/4334).

3. Several members of the Working Party regretted the absence of one of the parties to the Agreement, which in their view made it difficult for the Working Party to obtain authoritative answers to some of the questions pertaining to that country's foreign trade régime.

4. In the Working Party's examination thus far, attention was given to the issue of the compatibility of the Agreement with Article XXIV of the General Agreement, taking into account, inter alia, the fact that the German Democratic Republic is a centrally-planned economy State-trading country which does not maintain, among other measures, a customs tariff.

5. In particular, the Working Party addressed itself to a number of specific issues, such as:

- (a) trade coverage under the Agreement
- (b) the means provided by the German Democratic Republic's economic system, which have a bearing on the access of Finnish goods to that country's market, in accordance with Article 9 of the Agreement
- (c) foreign exchange rate matters
- (d) quantitative restrictions and in particular, how the Plan or other measures can determine the products imported or exported in terms of quantity, origin and destination
- (e) safeguard measures under the Agreement
- (f) export measures including export pricing mechanisms.

6. In the absence of detailed trade statistics and precise information, especially on points 5(b) and (d), concerning one of the parties to the Agreement, it was agreed that the Working Party would meet again within the coming eighteen months, at a date to be set by the Chairman in consultation with members of the Working Party. The delegation of Finland agreed to provide in the meantime relevant statistics and information for the next meeting.

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