

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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GENERALIZED SYSTEM OF PREFERENCES

Notification by the European Communities

Addendum

In a communication dated 22 May 1986, the delegation of the Commission of the European Communities has provided the following information on the EEC GSP scheme for 1986.

The 1986 EEC scheme of generalised tariff preferences entered into force for the enlarged Community on 1 January 1986. While the basic elements of the scheme remain unchanged, it has been adjusted to take account of enlargement, as well as to permit a greater degree of differentiation between beneficiaries.

In the case of sensitive industrial products, greater differentiation will henceforth be applied to countries which have reached a high level of competitiveness (50% reduction in the volume of the quotas for which the Commission had proposed exclusion); the preferential amounts have been updated and also increased by 9.5% in order to take account of the accession of Spain and Portugal, who will begin applying the Community GSP on 1 March 1986. The quota share for these two countries was fixed at 5.5% and 1.5% respectively, the shares of the other Member States being adjusted accordingly. The number of products is almost identical (131 compared with 132 in 1985), but some changes have been made to the composition of the list as also to the administrative arrangements for certain products (in all 116 quotas concerning 13 countries, compared with 120 in 1985 for 17 countries, with elimination of quotas concerning India, Mexico, Pakistan, and Uruguay).

The reference base in respect of non-sensitive products has been increased by a flat 15%.

The procedures for the administration and reintroduction of customs duties are maintained in accordance with the provisions in force in 1985.

The preferential amounts in respect of ECSC products are unchanged, but the quota scale is amended to take account of the two new Member States.

In the agricultural sector, five preferential margins have been improved and eight products added to the list. The quota for cocoa butter has been terminated and the quotas for soluble coffee, tinned pineapple and Virginia tobacco increased as a result of the Community's enlargement, with appropriate adjustments to the Member States, while the preferential duty remains unchanged. In addition, the ceiling for other non-manufactured tobacco (2'550 tonnes in 1985) has been changed to a quota of 14'000 tonnes because of enlargement. The least-developed countries will also benefit from preferences on an additional product.

In the case of textiles, the ceilings for MFA products are boosted by the final part of the increase approved in 1983 and are also increased by 1.42% to take account of accession; moreover, Argentina, Chile, and Costa-Rica, which have given the necessary undertakings (in the absence of a bilateral agreement with the Community), are included in the scheme. For other textile products subject to restriction, the increase in the ceilings due to enlargement is 3.19%.