

GENERAL AGREEMENT ON
TARIFFS AND TRADE

RESTRICTED

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EUROPEAN ECONOMIC COMMUNITY

Association of Greece

Under the procedures agreed upon by the CONTRACTING PARTIES at their nineteenth session (SR.19/11), contracting parties were invited to send to the Executive Secretary the questions they wished to put to the signatories to the Agreement associating Greece with the European Economic Community concerning the provisions of the Agreement and its implementation. From the communications received the following consolidated list of questions has been prepared and has been transmitted to the Governments concerned.

GENERAL QUESTIONS

Question 1

Why is the Association Agreement based on Article 238 rather than on Article 237 of the Rome Treaty? Is it the objective of the Association Agreement to pave the way for future membership of Greece in the EEC? How will the association of Greece with EEC, after the lapse of the transitional period envisaged in the Association Agreement differ from membership in EEC?

Question 2

The Association Agreement, as provided for in Articles 6, 14 and 20, aims at establishing a customs union, but it contains many important exceptions (as specified in Articles 15, 18, 20, 26 and 69) as to the length of the transitional period, the system of tariff reduction, Greek tariff alignment with EEC common tariff, the treatment of ECSC products, etc. In view of these exceptions, is the Agreement consistent with the provisions of Article XXIV of GATT? Does not such a loose association lead to the creation of a new preferential area rather than a customs union in accordance with GATT definitions?

FREE MOVEMENT OF GOODS

Article 8

Question 3

Would it be possible to give some examples of goods which may be subject to an export levy and examples of the levies which may be fixed?

Question 4

Are the provisions of this Article to apply beyond the transition period?

Article 10

Question 5

What is meant by "disparities"? How can they result from the application of restrictions permitted under the Agreement?

Question 6

What is to be understood by threatened diversions of trade and "economic difficulties"? Would it be possible to give some examples? Will a reduction in the existing volume of trade, or of the existing share in trade of any third country be considered as a diversion of trade?

Question 7

Is there any limit to the number and value of goods which may be listed under paragraph 4?

ELIMINATION OF CUSTOMS DUTIES AS BETWEEN
THE CONTRACTING PARTIES

Article 15

Question 8

This Article provides for a transitional period of twenty-two years for the establishment of a customs union between Greece and the EEC for a specified range of commodities. What were the criteria used in setting twenty-two years as the transition period?

Question 9

What criteria have been used in selecting goods for inclusion in Annex I to the Agreement?

Question 10

What is the value of Annex I items with respect to imports into Greece from the EEC and other countries?

Article 17:3

Question 11

If a fiscal duty is replaced by a domestic tax, will it be removed from imports from third countries?

Question 12

Can the domestic tax be larger than the duty it replaces?

Article 18

Question 13

What is meant by the phrases "new activities", "new processing industry" and "special form of production" in paragraph 1?

Question 14

If action pursuant to this Article results in the increase of a rate which was previously bound to a third country in the GATT, will Greece or the EEC meet the requirements of Article XXVIII of the GATT to negotiate compensatory concessions in the Common Tariff? If not, how will compensation be effected?

Question 15

If duties are raised above the current Greek tariff levels, will the same rates apply to contracting parties of the GATT as apply to the EEC?

Question 16

Provision is made in paragraph 3 for Greece to advise the Association Council of tariff increases introduced under this Article. Can it be assumed that similar notification of modification or withdrawal of concessions by Greece will be advised to contracting parties?

Question 17

Is there any limit on the time to which the Association Council may, pursuant to the authority of paragraph 5, extend the option given Greece under paragraph 1?

Question 18

Is there any limit on the percentage of Greek imports which may be affected by duty increases authorized by the Association Council pursuant to the authority of paragraph 5(b)?

Question 19

Assuming that the quotas permitted under paragraph 5(c) are applied against other contracting parties to the GATT, would they be applied in a manner which is non-discriminatory as between them and the EEC? How would they be reconciled with Article XI of the GATT?

ADOPTION BY GREECE OF THE COMMON CUSTOMS TARIFF

Article 20

Question 20

When will Greece adopt the nomenclature of the EEC's Common Tariff?

Question 21

Will the association of Greece with EEC affect the common tariff of EEC referred to in Article 19 of the Rome Treaty?

Question 22

Information is desired as to the "duties actually applied" by Greece as from the entry into force of the Agreement compared with the basic duties applied on 1 January 1957 referred to in Article 14. Which duties will form the basis on which the examination of the Greek Agreement, according to GATT Article XXIV:5(a), will take place?

Question 23

When will renegotiations under Article XXIV:6 take place in respect of such Greek tariff concessions as can no longer be applied to GATT countries outside the Common Market because of the customs union? Who will act as negotiator at such renegotiations? How is compensation envisaged?

Question 24

For a certain number of products Greece will be entitled "to defer until the end of the transitional period the reductions of its customs duties vis-à-vis third countries". What is meant by "a certain number of products" and on what basis are these to be selected?

Question 25

Greece will be permitted to maintain for a certain number of products on expiry of the transitional period rates of duty to third countries at a level higher than the Common Tariff. How are "a certain number of products" to be selected? What kind of products will be thus treated? Will they include any product in which there was no trade in 1958?

Question 26

On what grounds can higher rates applicable to third countries be justified? Is this provision not inconsistent with Article XXIV:8(a)(ii) of GATT? Is Greece limited as to the height of the duties above the Common Tariff which it is allowed to maintain toward third countries? Is there any limitation on the length of time that such duties may be maintained?

Question 27

What is the intent of prohibiting, except with the consent of the Association Council, the acceleration of the internal reduction of duties on Annex I items?

Question 28

In view of the provisions of Article 20 (and having in mind the provisions of paragraphs 4 and 5(a) of GATT Article XXIV), may not the duties for third countries, imposed at the institution of the Agreement or in the course of alignment, be on the whole higher than the general incidence of the duties applicable in the constituent territories prior to the formation of the Association?

Article 21

Question 29

This Article provides for the maintenance of bilateral trading arrangements between Greece and third countries and permits Greece to grant tariff quotas at a reduced rate of duty or duty free to such bilateral trading partners. How can this Article be reconciled with Greece's obligations under provisions of the General Agreement? Will Greece assure the CONTRACTING PARTIES that its action will be consistent with the General Agreement, Article I thereof in particular?

Question 30

Would the tariff quotas mentioned in this Article be open to all GATT contracting parties, or would they discriminate in favour of the country with which Greece has the bilateral trade agreement?

Question 31

In which cases will it be considered that the operation of bilateral trade agreements is "substantially affected" by operation of the provisions of the Association Agreement? Is Greece entitled to decide on its own that such a situation has arisen? Does the requirement of the prior consent of the Association Council apply to ascertaining whether such a situation exists or only to the separate tariff quotas, their scope and the rate of duty reduction? If the operation of an agreement is affected as a whole, will Greece be entitled to accord, by way of tariff quotas, the same duty reductions as are accorded to countries members of EEC with respect to the entire scope of the agreement? Is Greece entitled to accord tariff quotas only after its trade (based on the trade agreements) has been substantially affected or when there is a threat of trade diversion such as envisaged in Article 10?

Question 32

Are the bilateral trade agreements those in force at the time the Agreement of Association was signed or do they include those made subsequently?

ELIMINATION OF QUANTITATIVE RESTRICTIONS AS BETWEEN THE
CONTRACTING PARTIES

Article 23

Question 33

What is the meaning of "consolidated" within the context of this Article?

Question 34

Does Greece intend to liberalize quantitative restrictions toward other GATT contracting parties as it liberalizes toward the EEC?

Question 35

What assurance is there that quantitative restrictions retained or reintroduced consistently with the provisions of Article 23 will not prevent the formation of a customs union as defined in paragraph 8(a)(i) of Article XXIV of the GATT?

Question 36

Are the "global quotas" mentioned in paragraph 4 to be open to all GATT contracting parties?

Article 26

Question 37

Since the quotas mentioned in paragraph 2 presumably will not be open to all GATT contracting parties, what steps will be taken to ensure Greek compliance with the provisions of Article XIII:2(d) of the GATT?

Question 38

Will the abolition of quotas pursuant to paragraph 7 be extended to all GATT contracting parties?

Question 39

Does paragraph 8 refer to imports from EEC sources only or all sources?

Article 27

Question 40

What particular obstacles to trade does this Article refer to?

Article 31

Question 41

How will the operation of monopolies in their trade with third countries be adjusted to take into account the actions required under this Article?

Question 42

Is it the effect of the last sentence of paragraph 4 that treatment of products of member States will be different from the treatment accorded to third countries after a decision of the Association Council? How?

Question 43

What are the "existing international agreements" referred to in paragraph 5?

Question 44

Does paragraph 6 leave State monopolies free to discriminate in operations affecting the international trade of parties to the Association Agreement in agricultural products listed in Annex II? What would be the effect of the exemption accorded in this paragraph?

Articles 23-31

Question 45

Although no reference is made, in these Articles, to Greek commercial policy measures applied to third countries, will such measures vis-à-vis third countries be adjusted to EEC common commercial policy within twenty-two years' transitional period? If so, in the light of the provisions of paragraphs 4 and 5(a) of GATT Article XXIV, will common commercial regulations of the Association in relations with third countries, or at the institution of the Association or in the course of the adjustment, not on the whole be more restrictive than the general incidence of the commercial regulations applicable in the constituent territories prior to the formation of the Association?

AGRICULTURE

Articles 35-37

Question 46

Does the first paragraph of Article 35, together with Articles 36 and 37, mean that Greece must declare its readiness to harmonize its policies before the application of the rules for eliminating customs duties, etc., will apply to agricultural products (a) listed in Annex II, (b) listed in Annex III, (c) not listed? What would be the situation by the end of the transition period specified in Article 15?

Question 47

What percentage of agricultural trade between Greece and the member States of the Community is exempted from the obligation not to introduce new quantitative restrictions and equivalent measures by the qualification contained in the concluding portion of paragraph 2(b) of Article 37?

Article 40Question 48

What situations are envisaged by the clause "that trade is not developing harmoniously"?

Question 49

Is there any limit on the Association Council's power to "decide on the action to be taken"?

Question 50

Would it be possible to give an example of such a development and of the corresponding action envisaged?

Question 51

Is there any limit to the Association Council's power to revise the list in Annex III?

Article 41Question 52

Would suspension of imports permitted by paragraph 1 be applied to imports from other contracting parties to the GATT?

Question 53

Does "their price" in paragraph 1 include customs duties?

Question 54

Could the system of minimum prices and the suspension of imports below such prices be explained in greater detail?

Question 55

Are there any limits to the extent to which application of this Article would permit Greece and the Community respectively to continue protecting their domestic agriculture against imports from the other. What assurances are there that this provision will not frustrate the intent of Article XXIV of the GATT?

Article 43

Question 56

What products now form the object of marketing arrangements or are subject to domestic regulations of equivalent effect in the Member States of the Community and in Greece?

Question 57

Is there any limit to the number of products and the volume of trade which could be subjected to import or export charges pursuant to the provisions of this Article?

PROVISIONS CONCERNING COMPETITION, FISCAL REGULATIONS AND THE
APPROXIMATION OF LAWS

Article 53

Question 58

Is the effect of this Article any different from that resulting from the obligations already existing between Greece and the EEC under paragraph 2 of Article III of the GATT?

Article 56

Question 59

How are "dumping practices" in the sense of paragraph 1 defined?

ECONOMIC POLICY

Article 59

Question 60

Will measures adopted to implement this Article affect the compliance of the parties to the Association Agreement with their other international obligations in regard to exchange rate policy?

Article 60

Question 61

Does the provision that "safeguarding action" should cause "the least possible disturbance in the functioning of the Association" mean that the measures taken might involve preferential treatment for trade between the parties to this Agreement?

Article 61

Question 62

Is it envisaged that the liberalization measures described in this Article would apply equally to all IMF members?

Article 62

Question 63

In what ways is it contemplated that member States of the Community would facilitate the investment in Greece of capital from the countries of the Community?

Article 63

Question 64

Are the provisions of this Article intended to require liberalization of exchange restrictions going beyond the liberalization which may be undertaken with respect to capital movements from third countries?

Article 64

Question 65

If there is disagreement concerning the actions to be taken under paragraph 1, how will it be resolved:

- (a) During the transitional period?
- (b) After the transitional period?

Question 66

To what degree will the co-ordination of trade policies pursuant to Chapter 3, Title II of the Rome Treaty, or under any other provisions of the Treaty, bear upon Greece? Will Greece be entitled, under the Association Agreement, to enter independently and on its own behalf into trade agreements and arrangements without prior co-ordination with members of EEC? What will be the difference in this respect between the situation during and after the transitional period?

GENERAL AND FINANCIAL PROVISIONS

Article 69

Question 67

Is a special agreement with the Coal and Steel Community envisaged?

Question 68

What percentage of trade between Greece and the member States of the Community is excluded from the operation of the provisions of the Association Agreement by virtue of this Article?

PROTOCOL 1 - PUBLIC CONTRACTS

Question 69

Does this Protocol envisage that with respect to public contracts suppliers in member countries and in third countries will be accorded different treatment?

PROTOCOL 4 - GERMAN DOMESTIC TRADE

Question 70

With reference to paragraph 3, what kind of "difficulties" are envisaged? What kind of "measures" do the parties to the Agreement contemplate taking for the settlement of such difficulties?

PROTOCOL 5 - GOODS ORIGINATING IN OR COMING FROM NON-MEMBER COUNTRIES

Question 71

Can any precision be given as to the "certain goods" and "certain countries" to which this Protocol refers?

PROTOCOL 8 - TARIFF QUOTAS

Question 72

This Protocol provides that the tariff quotas shall be restricted to 10 per cent of the value of Greek imports from third countries in the last year for which statistics are available. Is it intended to ensure that the size of such quotas will correspond to the value of Greek imports from third countries in the last year before the association of Greece with EEC? Or is it intended to reduce gradually the scope of tariff quotas? Does this system not represent a setting aside of commercial considerations? Does it not deprive trade of possibilities and does it not introduce an element of uncertainty which could deter Greek importers from developing trade? Will this system not lead to the restriction of mutually advantageous trade and to the reduction of import opportunities from Greece?

PROTOCOL 10 - MODIFICATIONS IN THE COMMON CUSTOMS TARIFF

Question 73

Does paragraph 4 mean that imports from Greece will be included in the total amount which may benefit from tariff quotas?

PROTOCOL 11 - PRELIMINARY DEPOSITS

Question 74

Is it intended that Greece shall reduce and abolish the system of prior import deposits on a non-discriminatory basis? Is it envisaged that Greece shall eliminate the requirements more rapidly than required by Articles 14 and 15 of the Association Agreement, should Greece's economic situation warrant it, as suggested in Article 16?

PROTOCOL 13 - EXPORTS OF AGRICULTURAL PRODUCTS TO GREECE

Question 75

What percentage of trade between Greece and the Member States of the Community consists of the commodities included in the schedule annexed to this Protocol?

PROTOCOL 14 - GREEK EXPORTS OF WINE

Question 76

How do the provisions for maintenance of import duties within the Community and the Association on wine and must conform with the provisions of Article XXIV of the GATT?

PROTOCOL 15 - IMPORTS OF TOBACCO

Question 77

Under this Protocol EEC countries which have tobacco monopolies undertake to maintain their imports of Greek raw tobacco at a minimum level based on an average of their 1957-59 imports. Is it considered that these guaranteed marketing arrangements are compatible with the GATT and, if so, under which provisions?

Question 78

What is the difference, if any, between the "date of implementation" mentioned in paragraph 1 and the "date of entry into force" mentioned in paragraph 2?

Question 79

What target date is contemplated for the replacement of the national tobacco agencies by a common tobacco agency?

Question 80

What commitments have the Six made to Greece regarding the structure or policy of any common tobacco agency which may be set up?

Question 81

For the purpose of calculating imports of tobacco from Greece into the Six, is it proposed that this calculation be done each year on the basis of imports of the previous calendar year?

Question 82

Will the "equivalent increase" be related to purchases by the four non-monopoly countries in the aggregate and apply to the whole purchase of a monopoly, including purchases which may be destined for use in the production of tobacco manufactures for sale in non-monopoly member countries.

Question 83

What will happen to the "equivalent increase" obligations if, after a period, the imports of unmanufactured local tobacco to non-monopoly member countries falls below the 1957-59 level or below any increased level already established under paragraph 5.

Question 84

How are the provisions of paragraphs 4-6 to be reconciled with those of paragraph 1, Article XVII of the GATT?

Question 85

Is it open to GATT members to seek by negotiation either -

- (i) reductions in the purchase commitments undertaken to Greece, or
- (ii) undertakings by the monopolies, of comparable commitments to purchase from other suppliers?

If so, would the consent of the Association Council be necessary for the conclusion of such negotiations?

PROTOCOL 16 - COMMON AGRICULTURAL POLICY FOR TOBACCO

Question 86

Does paragraph 4, including the reference to "increase", mean that if Greece is unable to participate in a common agricultural policy for tobacco, the Community is nevertheless to accord a preference to Greek tobacco?

PROTOCOL 18 - EXPORTS OF CERTAIN AGRICULTURAL PRODUCTS FROM GREECE

Question 87

What type of "necessary action" does the Community contemplate if exports from Greece to the Community exceed the quantities laid down in paragraph 2? Will such action be taken against Greece alone or against all third country suppliers?

FINAL ACT

ANNEX II - DECLARATIONS OF INTERPRETATION

Declaration No. 5

Question 88

Will countries which join EEC in the future be covered automatically by this definition of "Contracting Parties"?

