

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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CONTRACTING PARTIES  
Twenty-Second Session

EUROPEAN FREE TRADE ASSOCIATION AND THE ASSOCIATION  
OF EFTA AND FINLAND

Information Furnished by Member States

European Free Trade Association

1. The EFTA countries have undertaken to provide, as the Association develops, additional information in accordance with Article XXIV:7(a) of the General Agreement.
2. In March 1964, at the twenty-first session of the CONTRACTING PARTIES the member States of EFTA submitted their third report on the progress made in implementing the Stockholm Convention. A brief outline of the development since the last session is given below. More detailed information is given in the Fourth Annual Report of the European Free Trade Association for the period 1 July 1963 to 30 June 1964, and the booklet entitled "EFTA Trade".<sup>1</sup>
3. As in previous years, the EFTA countries have worked together to contribute to a harmonious expansion of world trade and to the creation of a large and outward-looking European market. As regards the first, EFTA countries have actively participated in the Kennedy Round negotiations where their identity of purpose and harmony of outlook on the main issues have enabled them to reinforce the efforts to attain the full objectives of these trade negotiations. In the same spirit, the EFTA countries participated in the United Nations Conference on Trade and Development. As regards the second, the EFTA countries have found that the best way to further their common objectives for the present is to continue to strengthen the co-operation among themselves.
4. At the end of October, the British Government facing a considerable deficit in the United Kingdom's balance of payments introduced a 15 per cent surcharge on manufactured goods imported from all sources including EFTA. The EFTA Council gave immediate consideration to it. At the ministerial meeting which was held on 22 February 1965 in Geneva, the United Kingdom announced that they had decided to reduce the import surcharge to 10 per cent as from midnight on 26 April 1965; this reduction would apply to all goods submitted originally to the surcharge.
5. It was decided at the ministerial meeting in November to set up an Economic Committee under Article 30 of the Convention to keep the economic situation and policies of all EFTA countries under regular review in the future.

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<sup>1</sup>Copies will be distributed to delegations.

6. 1964 saw substantial progress by the European Free Trade Association towards the realization of a single market, free from barriers to trade among its seven member countries and its associate Finland. On 31 December 1964, import duties on industrial goods traded between EFTA countries were reduced to 30 per cent of the basic duties. According to the timetable already agreed, another 10 per cent reduction will take place on 31 December 1965 and a final elimination of tariffs will take place at the end of 1966.

7. On 1 July 1964 the fifth general relaxation of remaining quantitative restrictions in the industrial sector was made. Member States have also abolished restrictions completely on a number of items during the last year. Only a limited number of commodities are still subject to import restrictions.

8. In the agricultural sector, the objective of the Association is to facilitate an expansion of trade which will provide reasonable reciprocity to member States whose economies are largely dependent on exports of those products. EFTA's first Annual Review of Agricultural Trade was carried out in 1964. It noted that intra-EFTA trade in agricultural products since 1960 had expanded in line with trade in manufactures and had risen from \$481 million to \$586 million in four years. Not all EFTA countries had, however, gained equally from this expansion and there were both general and particular problems to be faced if the expansion was to continue. These problems exist both inside and outside EFTA. The Agricultural Review Committee is expected to resume its studies of these problems early in 1965.

9. A new bilateral agreement, forming an integral part of the Free Trade Area arrangements of the EFTA Convention under Article 23, was concluded between Sweden and Portugal on 18 November 1963. The text of this agricultural agreement, which entered into force in 1964, is annexed.

10. On 1 July 1964 certain items were deleted from the list of agricultural goods (Annex D of the Convention). These items now come within the scope of the rules for the free trade area. A list of the goods is annexed.

11. Similarly, as from 30 September 1964, the position whale-meat extract ex BN 16.03 was deleted from the list of fish products (Annex E of the Convention).

#### The EFTA-Finland Association

12. As regards the EFTA-Finland Agreement, the following progress can be reported. The Joint Council, which is responsible for dealing with all matters concerning the supervision of the Association Agreement, has taken the necessary decisions to extend to Finland the arrangements which EFTA countries have made among themselves

13. Finland's tariffs on industrial goods of EFTA origin were reduced to 40 per cent of the basic rates on 1 May 1964. This brought Finland into line with the reductions undertaken by EFTA members. In the case of Finland, elimination of the remaining tariffs will take place in four steps of 10 per cent on 1 March 1965,

31 December 1965, 31 December 1966 and 31 December 1967. For the products covered by Annex I of the Association Agreement, tariffs were reduced to 60 per cent on 1 May 1964. Further reductions of 10 per cent each will take place on 1 March 1965, on 31 December 1965, and on 31 December of each succeeding year, leading to final abolition on 31 December 1969.

14. On 1 January 1965 Finland made a further relaxation of its remaining quantitative restrictions by expanding its global quotas in the industrial sector.

ANNEX I

Agricultural Agreement between Portugal and Sweden

The Swedish Government and the Portuguese Government

Having regard to the provisions of Article 23 of the Convention of 4 January 1960, establishing the European Free Trade Association (EFTA).

Taking into consideration the mandate adopted by Ministers at the fifth meeting of the Council of the European Free Trade Association on 19 February 1963, according to which bilateral negotiations between member States are envisaged in order to facilitate the expansion of intra-EFTA trade in agricultural goods

Have agreed as follows:

I

Notwithstanding the provisions of Article 21, the Swedish Government shall apply the rules of Article 3 of the Convention to the following agricultural goods, provided that they may be accepted as eligible for Area tariff treatment in accordance with Article 4 of the Convention:

<u>Number in the Swedish tariff</u>	<u>Description</u>
22.05	Wine of fresh grapes; grape must with fermentation arrested by the addition of alcohol:
100	Sparkling
	Not sparkling
	Containing in alcohol not over 14 per cent by volume:
210	In vessels containing not more than 10 litres
290	In other vessels
	Containing in alcohol over 14 per cent by volume:
310	In vessels containing not more than 10 litres
390	In other vessels

ANNEX I. (cont'd)

II

This Agreement shall be ratified by the two Governments and shall enter into force thirty days after the exchange of instruments of ratification.

In witness whereof the undersigned, being duly authorized thereto by their respective Governments, have signed the present Agreement.

DONE at Geneva in duplicate this eighteenth day of November, nineteen hundred and sixty-three.

For the Portuguese Government:

Ruy Guerra  
Ambassador

For the Swedish Government:

Nils Montan  
Ambassador

ANNEX II

A. List of Items Deleted in 1964 from Annex D  
of the Stockholm Convention

- ex 05.04 Edible guts, bladders and stomachs, whole and pieces thereof,  
of bovine animals, other than sausage casings
- ex 08.09 Honeydew melons and ogen melons
- ex 12.03 Seeds of coniferous species

B. Item Deleted in 1964 from Annex E of the  
Stockholm Convention

- ex 16.03 Whale-meat extracts