

RESTRICTED

L/3916
14 September 1973

Limited Distribution

GENERAL AGREEMENT ON TARIFFS AND TRADE

Original: English/
French

EUROPEAN FREE TRADE ASSOCIATION AND THE FINLAND-EFTA ASSOCIATION

Information Furnished by Member States

Introduction

1. At its meetings on 7 March and 25 October 1972 the GATT Council agreed on a timetable by which the contracting parties members of a regional agreement would be invited to submit a biennial report on developments under the agreement concerned. In accordance with this decision of the GATT Council a report on the European Free Trade Association and the Finland-EFTA Association is submitted.
2. In April 1971 the member States of EFTA presented to GATT their report on the progress made in implementing the Stockholm Convention.¹ A brief outline of developments from that date to May 1973 is given below. More detailed information can be found in the Twelfth and Thirteenth Annual Reports² of the European Free Trade Association, covering the periods from 1 July 1971 to 30 June 1972 and from 1 July 1972 to 30 June 1973 respectively, as well as in the publications "EFTA Trade 1970"² and "EFTA Trade 1971"², published in March 1972 and January 1973.

European Free Trade Association

3. On 31 December 1972 Denmark and the United Kingdom withdrew from the European Free Trade Association. As a result paragraph 5 of Article 32 of the Convention, as far as it relates to decisions and recommendations which are to be made by the majority vote was amended and the relevant Council Decision is attached at Annex I.³
4. EFTA's main schedule of tariff and quota dismantling was completed by the end of 1966. Only two member States are now still in a transitional period. According to

¹L/3519

²Copies of these publications will be distributed shortly.

³Two copies of these Annexes are being distributed to each contracting party.

the time-table for the reduction of the remaining Portuguese tariffs agreed by the Councils in December 1969, Portuguese import duties on EFTA goods will be eliminated by 1 January 1980. According to the time-table agreed when Iceland joined EFTA, Icelandic import duties on EFTA goods will also be eliminated by 1 January 1980.

5. The activity of the Association during 1972 and during the first months of 1973 was to a large extent centred on the adaptation of the EFTA rules to the new European trading situation created by the conclusion of Free Trade Agreements between EFTA countries and the European Communities. Furthermore, work has been pursued on eliminating non-tariff barriers to trade (see paragraph 9 below).

6. Article 4 of and Annex B to the EFTA Convention, containing the rules of origin, were amended with effect from 1 April 1973. The relevant Council Decision is attached at Annex II.¹

7. As a consequence of this change in the EFTA Convention, Article 7 of the Convention, dealing with drawback, was also amended. The relevant Council Decision is attached at Annex III.¹

8. Rules on trade in processed agricultural products were introduced into Article 21 of and Annex D to the EFTA Convention with effect from 1 April 1973. The relevant Council Decision is attached at Annex IV.¹

9. Progress in eliminating technical barriers to trade was achieved by the introduction of three new agreements. A scheme for the reciprocal recognition of tests and inspections carried out on gas appliances² entered into force on 1 August 1972 between the bodies approving gas appliances in the countries then Members of EFTA and Finland and a scheme for the reciprocal recognition of certain tests carried out on agricultural machines and tractors² entered into force on 1 September 1972. A Convention on the control and marking of articles of precious metals² was signed on 11 November 1972. These agreements are initiated by the EFTA countries and are inspired by the EFTA free trade spirit. It should, however, be noted that strictly speaking they are concluded outside the framework of the EFTA Convention, include countries which are not members of EFTA and are open for participation by other countries.

Finland-EFTA Association

10. Finland has participated fully in all activities to which reference is made in the preceding paragraphs.

¹Two copies of these Annexes are being distributed to each contracting party.

²Copies of these instruments will be distributed shortly.