

GENERAL AGREEMENT ON TARIFFS AND TRADE

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AGREEMENTS BETWEEN THE EUROPEAN COMMUNITIES AND PORTUGAL

Information Furnished by the Parties to the Agreements

This report covers the period from 1 November 1975 until 30 September 1977.

The Free Trade Agreement between the EEC and Portugal which entered into force on 1 January 1973, and the Free Trade Agreement between member States of the ECSC and the ECSC, on the one hand, and Portugal, on the other hand, which entered into force on 1 January 1974, have functioned normally and have been applied in accordance with their provisions.

The objective of the Agreements is to eliminate progressively the obstacles to substantially all the trade between the parties, in accordance with the provisions of the GATT concerning the establishment of free-trade areas.

In the meantime, Portugal (which presented its request for accession to the European Communities, on 28 March 1977) concluded with the EEC, on 20 September 1976, an Additional Protocol to the 1972 Agreement and a Financial Protocol, both of which are not yet in force. On the same date, an Interim Agreement was concluded to modify and supplement certain provisions of the 1972 Agreement, and to enact in anticipation, i.e. as from 1 November 1976, commercial provisions appearing in the Additional Protocol. This Interim Agreement was examined on 22 and 24 June 1977, by a Working Party established by GATT, for such purpose (cf. GATT document L/4518).

The main results are as follows:

1. During the period covered by the report tariffs have been reduced in accordance with the provisions of the Agreements first to 20 per cent of their basic rate (on 1 January 1976) and finally to nil on 1 July 1977.

Meanwhile, the EEC had already eliminated on 1 July 1976, on a separate basis and in connexion with negotiations for the Additional Protocol and the Interim Agreement, customs duties applicable to the majority of industrial products of Portuguese origin.

This means that, as from those dates, duties on almost all industrial trade between Portugal and the EEC were removed in accordance with the established schedule.

2. The quantitative restrictions existing between Portugal and the EEC are being progressively abolished in accordance with the provisions of the Agreements. In 1977, Portugal has had to take, for balance-of-payments reasons, certain import restriction measures on an "erga omnes" basis (cf. GATT document L/4433 and addenda 1, 2, 2/Corr.1, 3 and 4).

3. Protocol No. 1 of the Agreement EEC/Portugal and ECSC/Portugal foresee slower than normal rhythms of tariff reduction for certain products, and Protocol No. 2 to the Agreement EEC/Portugal provides for tariff reductions on processed agricultural products. Both Protocols have been applied as foreseen.

4. The rules of origin in Protocol No. 3 of the Agreement EEC/Portugal which determine the eligibility of products for the tariff reduction under the Agreements have been applied as foreseen. In accordance with the provisions of this Protocol the rules have, in specific cases, been amended and supplemented in order to facilitate their implementation and application (see Annex).

5. Tariff treatment granted by EEC for Portuguese exports of certain agricultural products (which range between tariff reduction of 30 per cent and exemption of customs duties) has been applied in accordance with the provisions of Protocol No. 8 of the Agreement.

6. The two Joint Committees, established to administer and supervise the implementation of the Agreements and also to act as a forum for the information and consultation procedures foreseen in the Agreements, have taken a certain number of decisions which provide for a simplification of the procedures of administrative co-operation and documentation (see Annex).

7. Commercial incidence. Approximately 95 per cent of the imports of the Communities, from Portugal, are covered by the Agreements. On exports from the Communities to Portugal, this figure is 95 per cent.

Volume of commercial exchanges EC/Portugal in millions of EUR¹

- Imports to the EC from Portugal:

| | |
|-------|-----|
| 1975: | 803 |
| 1976: | 815 |

- Exports to Portugal from the EC:

| | |
|-------|-------|
| 1975: | 1,165 |
| 1976: | 1,449 |

¹ Source: EEC Statistical Office.

ANNEX

List of Decisions of the Joint Committees
Under the FTAs on Origin Matters

| Subject | Decision No. | Official Journal of the EC No. |
|---|--------------|-----------------------------------|
| EUR.1, postal consignments EUR.2, smaller packages of no commercial purpose | | L/338/75 |
| Drawback | 1/75 | L/338/75 |
| Tariff treatment of nuclear fuels | 1/76 | L/215/76 |
| Amendments lists A and B | 2/76 | L/328/76 |
| Drawback | 3/76 | L/328/76 |