

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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AGREEMENT BETWEEN FINLAND AND CZECHOSLOVAKIA

Information Furnished by the Parties to the Agreement

This report covers the period since the entry into force of the Agreement until 31 March 1978.

The Free Trade Agreement between Finland and Czechoslovakia entered into force on 1 January 1975.

The objective of the Agreement is to eliminate progressively the obstacles to substantially all the trade between the parties, in accordance with the provisions of the General Agreement on Tariffs and Trade concerning the establishment of free-trade areas.

The Agreement has functioned normally and has been applied in accordance with its provisions.

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 Agreement to zero in case of products falling within Chapters 1 to 24 of the Nomenclature of the Customs Co-operation Council according to the provisions in Protocol No. 1, and in the case of products falling within Chapters 25 to 99 of the Nomenclature of the Customs Co-operation Council, except certain products of Protocol No. 2.
2. Protocol No. 2 of the Agreement provides slower than normal rhythm of tariff reductions for certain products. The Protocol has been applied as foreseen.
3. Upon entry into force of the Agreement Finland has abolished all quantitative restrictions except those allowed in Protocol No. 4. On the date of entry into force of the Agreement no quantitative import restrictions regarding products covered by the Agreement existed in Czechoslovakia, nor were any such restrictions introduced during the period under review.

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4. The rules of origin in Protocol No. 3 of the Agreement which determine the eligibility of products for the tariff reduction under the Agreement have been applied as foreseen.

5. A Joint Commission has been established to administer and supervise the implementation of the Agreement and also to act as forum for the information and consultation procedures foreseen in the Agreement.

The Joint Commission has held four sessions: from 28 January to 30 January 1975 in Prague, from 12 March to 18 March 1976 in Helsinki, from 21 March to 24 March 1977 in Prague and from 13 March to 17 March 1978 in Helsinki.

6. Commercial incidence:

Approximately 100 per cent of the imports of Czechoslovakia from Finland and approximately 98 per cent of the imports of Finland from Czechoslovakia in 1977 were covered by the Agreement.

Imports by Finland from Czechoslovakia in Millions of US dollars

	<u>Information furnished by Finland</u> <u>(c.i.f.)</u>		<u>Information furnished by Czechoslovakia</u> <u>(free frontiers of the supplying</u> <u>country)</u>	
1974	23.0 of which agriculture	0.2 per cent	22.1 of which agriculture	0.13 per cent
1975	31.2 "	0.0 per cent	32.0 "	0.18 per cent
1976	35.1 "	0.2 per cent	30.7 "	0.12 per cent
1977	33.5 "	0.16 per cent	29.8 "	0.08 per cent

Imports by Czechoslovakia from Finland in Millions of US dollars

1974	26.5 of which agriculture	0.10 per cent
1975	31.1 "	0.12 per cent
1976	37.9 "	3.19 per cent
1977	32.5 "	0.72 per cent

Index of Czechoslovak imports from Finland in the first quarter of 1978 in comparison to the first quarter of 1977: 148. Index of Czechoslovak exports to Finland in the first quarter of 1978 in comparison to the first quarter of 1977: 100.