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GENERAL AGREEMENT ON TARIFFS AND TRADE

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AGREEMENTS BETWEEN THE EUROPEAN COMMUNITIES AND ICELAND

Information furnished by the Parties to the Agreements

This report covers the period from 1 October 1977 until 30 September 1979.

The Free Trade Agreement between the EEC and Iceland, which entered into force on 1 April 1973 and the FTA between member States of the ECSC and the ECSC, on the one hand, and Iceland 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.

The main results are as follows:

1. Since 1 July 1977 almost all industrial products are traded free of duty between the parties to the Agreement. For the tariff treatment of other products, see paragraph 3 below.
2. On the date of entry into force of the Agreements no quantitative import restrictions regarding products covered by the Agreements, except those which Ireland is allowed to maintain in accordance with Protocol No. 5 to the Agreement EEC-Iceland and those which Iceland is allowed to maintain in accordance with Protocol No. 4 of the Agreement EEC-Iceland, existed between the parties nor were any such restrictions introduced during the period under review.
3. Protocol No. 1 to the Agreement EEC-Iceland foresees a slower than normal rhythm of tariff reduction for certain sensitive products, and Protocol No. 2 to the Agreement EEC-Iceland provides for tariff reductions on processed agricultural products. Both Protocols have been applied as foreseen.
4. The rules of origin in Protocol No. 3 to the Agreement EEC-Iceland 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. The Joint Committee, 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, has taken a certain number of decisions which provide for the simplification of the procedures of administrative co-operation and documentation.

6. Commercial incidence

Approximately 97 per cent of the imports of the Communities from Iceland are covered by the Agreements. On exports from the Communities to Iceland this figure is 85 per cent.

Volume of commercial exchanges EC/Iceland in millions of EUR¹

- Imports to the EC from Iceland:

1977:	150
1978:	173

- Exports to Iceland from the EC:

1977:	258
1978:	257

¹Source: EEC Statistical Office.

ANNEX

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

EEC-ICELAND

Subject	Decision No.	Official Journal of the EC No.
Supplementing and amending Protocol No. 3 and replacing certain Decisions of the Joint Committee (A consolidated text of Protocol No. 3 and amendments to Lists A and B as a consequence of the recommended amendments to the Customs Co-operation Council Nomenclature.)	1/77	L/346/77
Derogation from the provisions of List A for tariff heading No. Ex 38.19	2/77	L/346/77
Amended value limits for minor consignments, smaller packages of no commercial purpose and travellers' duty-free imports	1/78	L/376/78