

GENERAL AGREEMENT ON
TARIFFS AND TRADE

RESTRICTED

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ACCESSION OF GREECE TO THE EUROPEAN COMMUNITIES

Questions and Replies

The contracting parties were invited (document C/M/135 and GATT/AIR/1593) to communicate to the secretariat any questions they might wish to put concerning the Agreement regarding the Accession of Greece to the European Communities.¹ In response to this request, a number of questions were received and were transmitted to the parties to the Agreement. The following replies to these questions have been received.

¹Copies of the text of the instruments regarding the Accession were sent to each contracting party with document L/4845.

ANNEX 1

Questions and Replies

I. GENERAL CONSIDERATIONS

Questions 1-11

1. In view of the transitional arrangements for the adjustment of tariffs and the abolition of other barriers to trade, would the parties to the Treaty confirm that it is to be regarded, for the purposes of the examination under Article XXIV, as an interim agreement leading to the formation of a customs union?
2. In view of, inter alia, the provision for phased adjustments of the tariff schedule of Greece contained in the Treaty of Accession, would the parties to the Treaty agree that it is to be regarded, for the purposes of the examination under Article XXIV, as an interim agreement leading to the formation of a customs union?
3. Do the parties to the Treaty consider that the Treaty meets the requirements of Article XXIV in that duties and other regulations of commerce in respect of trade with non-member countries will be on the whole not higher or more restrictive than the general incidence of these duties and regulations applicable prior to the formation of the expanded union?
4. If the answer to question 3 is in the affirmative, would the parties to the Treaty supply the basic information which led them to that conclusion?
5. Please provide an assessment of the effect on non-members' trade due to enlargement of the present European Communities (EC) to include Greece.
6. Do the parties to the Treaty consider that the arrangements set out therein will lead to the formation of a customs union where the duties and other regulations of commerce in respect of trade with contracting parties not parties to the union shall not on the whole be higher or more restrictive than the general incidence of the duties and regulations of commerce applicable prior to the formation of the union?
7. If the answer to the preceding question is in the affirmative would the parties to the Treaty supply the basic information which led them to that conclusion?
8. How do the EC assess the effect of the enlargement on the trade of member States of the EC as well as of non-member States?

9. The examination of the provisions of the Treaty on Accession and related documents is to be conducted on the assumption that all the provisions of the Treaty and related documents as they stand now are to be fully implemented. There are, however, certain provisions which remain to be formulated in the process of future negotiations.

In view of the above, besides the notification procedure under Article XXIV:7(c) of GATT would it not be appropriate to conduct a general re-examination of the implementation of these provisions in due course?

10. Do the parties to the Treaty consider that the trade of third parties with Greece will be adversely affected by the implementation of the provisions of the Treaty?

11. If the answer to the preceding question is in the negative, would the parties to the Treaty supply the basic information which led them to that conclusion?

Reply to questions 1-11

Because of the close relationship between questions 1 to 11 the parties offer the following collective answer.

The Treaty of Accession, by which Greece becomes a member of the European Communities, defines in the Act attached to the Treaty the conditions of accession of Greece and the adjustments to the Treaties establishing the Communities which her Accession entails.

Since accession means, among other things, extending a customs union to include a new member, provisions to that effect are contained in the Act concerning the conditions of accession. The Treaty as such, therefore establishes a customs union and contains necessary and adequate provisions to that effect. It cannot, either by its legal nature or by its effects, be considered "an interim agreement" within the meaning of Article XXIV:5(c) of the General Agreement, but as a definitive agreement laying down transitional measures.

The parties to the Treaty consider that the enlargement of the customs union will be in conformity with Article XXIV:5(a) in that the duties and other regulations of commerce in respect of trade with non-member countries will not on the whole be higher or more restrictive than the general incidence of the duties and regulations of commerce applicable in the constituent territories prior to the formation of the enlarged customs union. It should be noted in this context that under the Act of Accession, Greece will progressively align its external tariff (average rate approximately 18 per cent) on the Common Customs Tariff which currently has an average rate of approximately 4 per cent as regards industrial items. The Common

Customs Tariff is, in addition, subject to the further reductions resulting from the multilateral trade negotiations concluded in 1979. As regards quantitative restrictions, Greece will on the date of accession be liberalizing its import régime for 200 products.

The Community notes, with regard to Article XXIV:4, that experience since the implementation of the Treaty of Rome confirms the beneficial effects of a closer integration of economies, especially on the development and expansion of trade not only between the participant countries but also between them and third countries. Experience following accession of the United Kingdom, Denmark and Ireland in 1973 has provided further confirmation of such beneficial effects. The Community refers to the opinion which it gave to the CONTRACTING PARTIES in 1973, that enlargement must result in reinforcing the direction and strength of the tendency towards a general expansion of trade.

In so far as certain provisions remain to be formulated these must be adopted in strict conformity with the Act of Accession. They cannot legally derogate from that Act which constitutes a definitive agreement between the Community and Greece to establish a customs union. The parties do not therefore accept that any such provisions should be subject to a special examination under the terms of Article XXIV.

Question 12

Hungary, on the basis of the rights and obligations stemming from the General Agreement, in particular, Article XXIV:4 and 5(a) thereof, reserves her right to enter into negotiations with Greece, if the conditions of the Accession of Greece to the EC make that necessary.

Reply 12

The rights and interests of third countries in relation to Greece's accession to the Communities will be covered by the examination of the Treaty under Article XXIV. The parties to the Treaty have no further comment on this point which is not in the form of a question.

II. IMPORT DUTIES AND OTHER REGULATIONS OF COMMERCE

Question 13

If the working party concludes that, inconsistently with Article XXIV:5(a), either the duties to be imposed by the enlarged EC are higher than the general incidence of duties prior to enlargement or other regulations of commerce more restrictive, would the parties be prepared to reduce the level of the Common Customs Tariff and/or make other regulations of commerce less restrictive in conformity with Article XXIV:5(a)?

Reply 13

The parties to the Treaty fully recognize the validity of the provisions of Article XXIV:5(a) and will act in conformity with them.

Question 14

Article 24 of the Act concerning the Conditions of Accession provides that the basic duty to be applied both in removing internal duties and in aligning with the Common Customs Tariff of the EC or the unified tariff of the European Coal and Steel Community is to be the duty "actually applied on 1 July 1980". When will each party of the enlarged EC submit its list of those duties actually applied which deviate from the legal (concessional or statutory) rates shown in the officially published tariff?

Reply 14

The parties to the Treaty consider, as far as tariffs are concerned, that the bound or legal duties in their respective official customs tariffs constitute a relevant and significant basis with regard to the provisions of Article XXIV. The provisions defined in Article 24 of the Act concerning the Conditions of Accession, for the abolition of internal duties and approximation to the Common Customs Tariff, are provisions of an internal nature whose object is to establish the practical details whereby the parties will ensure the fulfilment of their obligations within the meaning of the Accession Treaty, for the attainment of the customs union.

Question 15

Describe in concrete terms the "necessary measures for the maintenance of Community preference" as provided for in Article 26 in the event of amendment or suspension of the Common Customs Tariff duties or the application of Article 34 by Greece.

Reply 15

If the situation provided for in Article 26 should arise, it is for the Council to decide, on a proposal from the Commission, on the measures to be taken in order to maintain Community preference. Such measures will have

to be defined in terms of specific cases: no prior definition can be given of them, and there is nothing to dictate what form they may take in any specific case. Nevertheless, to give a concrete example, it can be supposed that internal speeding-up of tariff dismantling might furnish a solution calculated to ensure maintenance of Community preference.

Question 16

Article 27 permits the EC and Greece to suspend in whole or in part the levying of duties on products imported from each other.

- (a) What procedure is contemplated for informing third countries of what is in effect advance implementation of internal tariff cuts?
- (b) Are there any current plans for advance implementation of internal tariff cuts?

Reply 16

- (a) The Community will continue to follow the information policy vis-à-vis the Contracting Parties which it had followed in the past.
- (b) At the moment there is no plan for advance reductions in duties, having regard to the time-table established for the elimination of duties between the members of the customs union.

Question 17

Can the parties furnish details regarding the charges having equivalent effect to customs duties on imports, referred to in Articles 28 and 29 including the commodities involved as well as the current levels of the charges? Is the abolition of these charges also applicable to third country trade? If not, when will these charges be harmonized among the member States?

Reply 17

Article 29 of the Act concerning the Conditions of Accession, and Article 13 of the Treaty of Rome, define an obligation of a general nature, that is, the abolition of charges with an equivalent effect to customs duties on imports between member States. The charges referred to in these provisions include any pecuniary burden imposed, at the time of or because of importation and which because it applies to the imported product and not a similar domestic product, has, by changing the cost price the same restrictive effect on the free circulation of goods as a customs duty.

The obligations deriving from Articles 28 and 29 directly affect the legal relationship between parties to the Treaty and persons bound by the law concerned without it being necessary to state the products to which such taxes apply or the level of taxes currently in force.

The provisions of Articles 28 and 29 govern only relations between parties to the customs union. They are purely internal obligations of the Community and have no external scope.

The question of tax harmonization is a logical part of the establishment of an economic union.

Question 18

What are the "customs duties on exports" in Article 30? Is the abolition of these charges also applicable to third country trade? If not, how and when will these charges be harmonized?

Reply 18

The obligations laid down in Article 30 of the Treaty of Accession produce direct effects only in the legal relations between the parties to the Treaty and do not, therefore, apply to the relations of either party with third countries.

(Customs duties on exports are however applicable vis-à-vis third countries on a number of products, such as waste glass, raw hides and skins, waste and scrap of iron or other metals, wool and hair.)

Question 19

Article 33 provides for the alignment of tariffs of different natures (specific to ad valorem and vice versa), without the conversion of specific rates to their ad valorem equivalents. Do the parties intend to provide ad valorem equivalents and if so what base period will be used for computation? If not, how do the parties intend to show that none of these duties are being increased?

Reply 19

In cases where alignment of the candidate State's tariffs with the Common Customs Tariff is to be made from or to specific duties, the parties to the Treaty have not considered it worthwhile to calculate ad valorem equivalents in order to proceed with this operation in application of the time-table laid down in Article 33(1). The formula adopted in such cases is as follows:

- (a) When a specific duty is to be aligned on an ad valorem duty, the rate of alignment provided for at each stage of the time-table is applied in parallel, and has:
1. the effect of reducing the amount of the specific duty destined to disappear;
 2. the corresponding effect of raising the ad valorem duty, held to be 0 per cent to start with.
- (b) When an ad valorem duty is to be aligned on a specific duty the same formula is applied in reverse:
1. the ad valorem duty is progressively lowered towards 0 per cent;
 2. a specific duty is progressively applied, starting from 0.

Question 20

The actual customs duties on a number of goods imported into Greece are lower than those of the Common Customs Tariff of the EC. What measures do the EC and Greece intend to take in the light of Article XXIV:6?

Reply 20

The provisions of Article XXIV:6 relate to the situation regarding duties bound within the meaning of the provisions of Article II. The parties to the Treaty will conform to the provisions of Article XXIV.

Question 21

Do the EC intend to grant a free access to their market for the goods which are fully liberalized when imported into Greece but which at present are not liberalized when imported into the actual member countries of the EC?

Reply 21

This question will be answered in the context of the development and progress of the formulation of the common policy of the enlarged European Economic Communities on quantitative restrictions on imports.

Question 22

Describe in concrete terms the "measures having equivalent effect" as provided for in Article 35 of the Act concerning the conditions of accession of Greece and the adjustments to the Treaties, and specify those commodities to which these measures are applied.

Reply 22

Article 35 of the Act of Accession refers to obligations between the parties. The parties are however willing to furnish a list of measures abolished under this provision at a later date.

Question 23

Article 27 of the Treaty says that Greece may suspend in whole or in part the levying of duties on products imported from the EC and shall inform the member States and the Commission of its action. Would the Hellenic Republic confirm that in such an eventuality it would also inform the GATT?

Reply 23

See answer to question 16.

Question 24

Article 34 of the Treaty says that Greece may, in bringing its tariff into line with the Common External Tariff and the European Coal and Steel Community unified tariff, alter its customs duties more rapidly than provided for in the Treaty and shall inform the member States and the Commission of its action. Would Greece confirm that in such an eventuality it would also inform the GATT?

Reply 24

Greece, in case of acceleration of its alignment on the Common Customs Tariff and the European Coal and Steel Community unified tariff, will inform the GATT in accordance with its obligations under the General Agreement.

III. EXISTING TRADE AND OTHER REGULATIONS

Question 25

For the following measures, information is requested as to the effects of the enlargement of the present EC as well as on Greece. (With regard to those measures for which a common trade regulation of the present EC is to be adopted by Greece it is requested to give concrete explanation as to how the provisions of the existing trade regulations will be changed, so that a change in the incidence can be judged objectively.) If the enlargement will not immediately affect the measures, give the "plan and schedule" of the harmonization of these measures in the ten member States:

- (a) Subsidies on exports and imports (including restitutions)
- (b) State trading
- (c) Rules of origin
- (d) Technical regulations for safety and sanitary purposes.

Reply 25

By virtue of Article 2 of the Act of Accession the acts adopted by the institutions of the Communities will be binding on Greece from the date of accession, including those relating to the subjects listed at (a), (b), (c) and (d) above. Answers on each of those specific points are as follows:

- (a) The rules of the Community's common commercial policy will be binding on Greece from the date of accession.
- (b) Article 40 of the Act concerning the conditions of accession defines the reciprocal obligations of the present member States and the Hellenic Republic regarding the progressive adjustment of State monopolies of a commercial character within the meaning of Article 37(1) of the EEC Treaty. This adjustment must be completed by 31 December 1985.

Further information will be provided in due course.

Article 40 of the Act of Accession also provides for the outright abolition with effect from 1 January 1981 of all exclusive export rights and certain exclusive rights on imports.

- (c) Community rules of origin will be applicable by Greece from the date of accession.
- (d) The technical rules on safety and hygiene currently in force in the Community will be applicable in the Hellenic Republic from the date of accession.

Question 26

Article 2 provides that from the date of accession, the provisions of the original treaties and the acts adopted by the institutions of the EC shall be binding on the new member State. When will the new member State cease to rebate social security and payroll?

Reply 26

This matter is under study and will be considered within the context of the application by Greece of the appropriate Community legislation.

Question 27

How will the import charges on goods imported from third countries be affected by the adoption of the value-added tax system by Greece?

Reply 27

In accordance with the provisions of the Accession Treaty, Greece is bound to apply the VAT system by 1 January 1984. However, the system envisaged will have no discriminatory effects against imports from third countries.

Question 28

Is it anticipated that the extension of EC rules of origin to third country goods imported by Greece will have a trade restricting or distorting effect?

Reply 28

It is not expected that the application by Greece of the rules of origin of the EEC will have a trade restricting or distorting effect. Community rules of origin are part of the technical means of giving effect on a neutral basis to the wider objectives of the common commercial policy and should not be examined in isolation from these objectives. In this connexion see also the answers to questions 5 and 8 above.

Question 29

Will the current import approval system of Greece be discontinued after its accession? If not, will it be applied on an m.f.n. basis (including member States)?

Question 30

Will the controls on commercial invoices maintained by Greece be discontinued after accession to the EC?

Question 31

Will the pre-import cash deposit system maintained by Greece be applied on an m.f.n. basis (including member States)?

Reply 29-31

The current import approvals system in force in Greece vis-à-vis third countries as well as the system of verification of the authenticity of payments will be modified after accession.

Nevertheless, verification of the authenticity of payments for imports will be necessary to avoid any possible breach in exchange control rules. Pre-import deposits will be progressively abolished for both member States of the Community and third countries (Articles 38 and 116 of the Treaty).

Question 32

Will the import approval system known as "Procedure "E"" be applicable in the same manner to the EC and other Contracting Parties after accession?

Reply 32

The Procedure "E" import approval system will be maintained after accession vis-à-vis member States of the Community, as well as Contracting Parties. It should be noted that this procedure relates to exchange control.

Question 33

In the opinion of the EC and Greece, is the "toute licence accordée" system compatible with Article XIII of the GATT?

Reply 33

In the opinion of the Community the "toutes licences accordées" system does not fall within the provisions of Article XIII of the GATT. In effect this system is not for the purpose of establishing import prohibitions or restrictions, but is intended to provide surveillance of imports of the products concerned.

Question 34

Will the "toute licence accordée" system remain in place for member States and third parties following the accession of Greece?

Reply 34

The "toutes licences accordées" system will not be maintained between the present Community and Greece after her accession. With regard to third countries Greece will from accession apply the rules governing surveillance measures in Regulations (EEC) No. 925/79 and 926/79 of the Council of the European Communities, which are in full conformity with the provisions of the General Agreement.

IV. QUANTITATIVE RESTRICTIONS

Question 35

The products subject to quantitative restrictions when imported by Greece from the EC as outlined in Article 35 are also subject to restrictions when imported from third countries (Article 115). In addition, six more products are subject to restrictions when imported

from third countries only (also Article 115). How do the parties justify the discriminatory application of these quantitative restrictions? Why were not six additional products in Article 115 also included in the application of Article 35?

Reply 35

The Community does not consider that the maintenance of the six quantitative restrictions towards certain third countries during a five-year transitional period raises problems with regard to the provisions of Article XXIV. At present the Greek economy is highly protected in terms of quantitative restrictions and measures of equivalent effect. On the date of accession Greece will be liberalizing some 200 products towards both the Community and third countries, which are at present subject to quantitative restrictions. For many of these products no imports are allowed into Greece at all from third countries (although under the terms of the EEC - Greece Association Agreement, a quota is always opened for the Community). The transitional quantitative restrictions on six products, which are particularly sensitive towards third countries, must be balanced against this significant liberalization.

Question 36

Article 36, paragraph 4 of the Treaty states that, where the EC Commission records by a decision that imports into Greece of a product listed in Annex III have for two consecutive years been less than 90 per cent of that quota, Greece shall liberalize imports of that product from the present member States. How would these imports be liberalized and would the relaxation of these global quotas be done on an MFN basis?

Reply 36

Article 36 of the Act of Accession applies to restrictions between Greece and the Community as presently constituted. However, Article 115(1) deals with this question in relations between Greece and third countries and contains similar provisions to Article 36, subject to the rule that Greece cannot treat third countries more favourably than she treats the member States of the Community. Thus imports will be liberalized on an MFN basis, subject to the above-mentioned rule.

Question 37

Article 36, paragraph 5 of the Treaty states that quotas for certain fertilizers shall be accessible to all importers in Greece and products imported under these quotas may not be made subject in Greece to exclusive marketing rights. Would Greece confirm that this liberalization measure would apply to these certain fertilizers regardless of their country of origin?

Reply 37

The importation of fertilizers will follow the transitional rules for which the Act of Accession provides, and in particular the quota arrangements by group of countries, depending on the origin of the goods.

Question 38

Greece has not made any notification in connexion with paragraph 4(c) of Hungary's Protocol of Accession to the GATT; consequently, Greece does not belong to the Contracting Parties falling under the provision of paragraph 4(a) of the said Protocol of Hungary. Hungary, therefore, considers that the accession of Greece to the EC does and will not result in the application of any prohibitions or restrictions, not consistent with Article XIII of the General Agreement on imports from Hungary. Hungary requests confirmation by Greece to this effect.

Reply 38

Greece will conform after accession to the provisions of Regulation (EEC) No. 925/79 on common rules for imports from State-trading countries.

V. AGREEMENTS OF THE EUROPEAN COMMUNITIES WITH THIRD COUNTRIES

Question 39

Article 118 provides that, from the date of accession, Greece will apply the provisions of the agreements with Algeria, Austria, Cyprus, Egypt, Finland, Iceland, Israel, Jordan, Lebanon, Malta, Morocco, Norway, Portugal, Spain, Sweden, Switzerland, Syria, Tunisia and Turkey. It provides for the negotiation of Protocols with the contracting third countries and notes that the transitional measures and adjustments are not yet determined.

- (a) What transitional measures and adjustments are foreseen?
- (b) What is the time-frame contemplated for the signing of the Protocols?
- (c) At what stage will they be submitted for GATT consideration?

Reply 39

- (a) In general terms, the transitional measures will be designed to ensure the progressive application by Greece of certain provisions of the Community's agreements with the third countries concerned. The contents of the protocols to be drawn up in this connexion are dependent on negotiations between the Community and each of the co-contracting third countries. These negotiations are in progress or are being prepared.

- (b) The Protocols need to be concluded in sufficient time to ensure their entry into force on the date of Greek Accession on 1 January 1981.
- (c) The Protocols negotiated will be notified to GATT, in accordance with practice followed in the matter, after signature.

Question 40

Do the parties agree that adjustments to the agreements referred to in Article 118 (1) which will be the subject of Protocols in accordance with Article 118 (1) could have a bearing on their consistency or otherwise with the General Agreement? Would they agree that the agreements in question should be re-examined by the Contracting Parties?

Reply 40

The Protocols relating to the transitional and adaptational measures for the agreements concerned will be notified to the Contracting Parties in conformity with Article XXIV. The Community will participate, according to the usual procedures, in the examination of these Protocols within the framework of GATT.

VI. COMMODITIES

Question 41

Article 60 authorizes immediate alignment of price levels for agricultural commodities for which the price levels between the present EC and Greece are minimal. Which product prices will be immediately aligned?

Reply 41

In accordance with the procedure laid down in the Act of Accession, the Community must fix the Greek price level for each product as a basis on which the alignment of prices can be carried out in the interim period.

At the present time these prices have not been fixed and it is therefore not possible to provide a list of products which will be immediately aligned.

Question 42

In the case of acceding country, will the EC modify the Common Agricultural Policy system of granting export refunds or production incentives for certain products which are in surplus in the EC to prevent further surpluses or disruption of trade by other Contracting Parties in these products?

Reply 42

The Community will not modify its system of export refund in the case of the applicant country and will continue to administer its refund system in conformity with the relevant GATT rules. No production incentive is provided for products in which the Commission currently has a surplus. It should be noted that three products, raisins, dried figs and cotton will be able to benefit from a production aid equivalent to that existing in Greece at present.

Question 43

When another Contracting Party has a position as a major supplier of a commodity or has a large part of its trade accounted for by sales of a particular commodity to the present EC or to Greece, and if the tariffs and regulations of commerce for that commodity become more restrictive after enlargement, how does the EC intend to compensate the other Contracting Party for its trade losses?

Reply 43

The Community is ready to negotiate with its partners who so request on the basis of the provisions of Article XXIV:6.

Question 44

What method does the EC propose be used in the calculation of tariffs, duties and charges which contain a variable component to determine the increase or decrease in the incidence of duties for the relevant commodities?

Reply 44

The Act of Accession is subject to examination in accordance with the provisions of Article XXIV:5 and 6. In that context the methods used will be those traditionally employed in the GATT on which, in addition, the Community and its partners based their work at the time of the last enlargement.

Question 45

Provide any assessment of changes in production, imports and exports in agricultural products in Greece which is expected to result from the accession of Greece.

Reply 45

Adoption by Greece of Community rules will not, in the conditions known at present or laid down, result in a significant variation in the agricultural production potential of that country. In fact the receipts of

producers in Greece, taking into account prices and domestic aids, are close to the Community level for the greater part of vegetable and animal production. In certain cases, they are even greater than those in the Community, as for example, in the case of common wheat and barley cultivated in mountainous regions (16 per cent and 25 per cent of total production respectively) and for all types of rice (excluding round grain rice).

They are, on the other hand, lower than Community prices for durum wheat, olive oil, red wine, the majority of fresh and processed fruit and vegetables. For these products, the Act of Accession provides for a gradual alignment based on a sufficiently long period (5 to 7 years) so as to avoid any risk of stimulating a significant increase in production. For tobacco, it is not possible to make comparisons, to the extent that varieties produced in Greece, although of the same type (Sun Cured and Burley), are used in manufacture in totally different ways, with prices, on the international market, which are considerably higher. Generally speaking, the possibilities for increase in Greek production should not be over-estimated, particularly in the light of prevalent geographic conditions in that country.

As regards trade in agricultural products, it should be noted that Greece has been in association with the Community since 1962 and that the association treaty provides for duty-free admission for the main part of Greek exports (about 90 per cent). The Community takes the view that the structure and volume of trade in agricultural products will not be subject to important modification.

Question 46

Will Greece be permitted to maintain government controls on the domestic marketing of edible vegetable oils?

Reply 46

Greece may apply until 31 December 1983 and in accordance with detailed rules to be defined the system of import control of oil seeds and vegetable oils and fats that is applied on 1 January 1979.

Question 47

Does the EC intend to subject imports of raisins to a system of surety deposits and import certificates?

Reply 47

The Council has not yet fixed the implementing rules for the production and system for products coming under Regulation 516/77. It is therefore not possible at this stage to state whether the system finally adopted for raisins will make provision for an import guarantee or import certificates.

Question 48

On what products, for which no common organization of the market now exists in the EC, will Greece be permitted to maintain quantitative restrictions on imports?

Reply 48

In accordance with Article 65(2) of the Act of Accession, Greece will be able to maintain quantitative restrictions on imports for products which, on the date of accession, are not part of a national market organization. This provision is however applicable only until the introduction of a common organization of markets at Community level and at the latest until 31 December 1985. The Community has still not decided, at the present time, which products meet these conditions.

Question 49

Please provide the latest respective levels of price supports, or the producer prices which will determine the support levels in Greece and the EC for all products which are under a common organization of the market.

Reply 49

The table in Annex 2 gives indicative production prices in Greece and in the EEC in 1978.

Question 50

Will tariff preferences on citrus products currently administered by the EC for Morocco, Tunisia, Israel, etc., be maintained after Greek accession?

Reply 50

The Community does not intend, after the accession of Greece to reduce the tariff preferences on citrus products granted to Morocco, Tunisia, Israel, etc ...

Question 51

Will the EC curtail the amount of production incentives granted to certain agricultural products in Greece which are already in surplus in Greece and/or the present EC?

Reply 51

The Community has set up market organization systems for agricultural products in accordance with the provisions of Articles 39 to 43 of the Treaty of Rome. The Accession Treaty with Greece does not provide for any modification of the regulations as a result of accession.

Question 52

Since Greece usually has a large surplus of fresh peaches, will the EC limit the amount of processing subsidies granted to Greek peach processing?

Reply 52

On accession to the Community, Greece will benefit, subject to certain transitional measures, from the system of production aid for peaches in syrup under Regulation (EEC) No. 1152/78. The grant of these aids is not currently limited; however Article 3 bis, paragraph 5 of that Regulation provides for the possibility of limiting the granting of aid to a fixed quantity if the Community production potential for peaches in syrup should give cause for a serious imbalance between production and the outlet possibilities.

Question 53

What is the nature and level of the domestic support régimes for dried vine fruit, canned fruit, beef and veal and sheepmeats in Greece?

Reply 53

The support régime currently applied in Greece for raisins includes the following features:

- application of a guaranteed price for the producer;
- possibility of purchase by the State of products at the intervention price;
- assumption by the State of storage costs;
- sale of products out of intervention to the producer's profit (i.e. where the price of a product sold out of intervention is higher than the buying-in price the extra receipts are passed on to producers as a supplement, where the price ex-intervention is lower than the buying-in price the difference is made up by the State).

As regards peaches and apricots in syrup and tomato concentrate a production subsidy is paid. For other canned fruit, an export subsidy equal to 20 per cent of the f.o.b. value is paid.

For beef and veal and sheep meat Greece operates the following support measures:

- no subsidy is paid;

- importation of beef and veal has been free of restrictions since August 1979 (except List A) and the only control is on import prices;
- a levy is imposed on fresh beef and veal in such a way that prices of the imported product are at the same level as the maximum price fixed for the wholesale trade in the indigenous fresh product on the central Athens market (OKLA);
- for fresh veal the production prices are fixed but there are no guidance or intervention prices (for calves and adult animals prices are free);
- importation of sheep meat and ovine animals for slaughter has been prohibited since 1974;
- prices of indigenous sheep meat are made freely.

Question 54

What will be the nature and level of the support régimes for these products that will apply when Greece joins the EC?

Reply 54

It is planned to include raisins in Regulation 516/77 and thus establish in this context, at the appropriate time, a system of production support. Canned fruit, bovine meat and veal will be subject exclusively to the existing common organization for these two sectors (Regulations 516/77 and 805/68).

As regards sheep meat, it should be noted that there is still no common organization in this sector and that, as pointed out in the reply to question 48, the Community has taken up a position on the content of the régime applied in Greece and the relationship with Article 65(2) of the Act of Accession.

Question 55

Article 61(3)(b) refers to export refunds in regard to trade in agricultural products between Greece and third countries. Could the parties to treaty confirm that the export refunds referred to will not operate as export subsidies?

Reply 55

The régime provided for at Article 61(3)(b) regarding export refunds on the exportation of agricultural products from Greece to third countries in no way modifies the existing Community régime.

Question 56

Will the accession of Greece to the EC have an impact on the unmanufactured tobacco exports from the ACP associates, and if so to what extent? How would the EC's Common Agricultural Policy apply in this instance?

Reply 56

The accession of Greece will have no impact on exports of unmanufactured tobacco from the ACP countries to the Community, if only because all Greek tobacco already entered the Community free of customs duty. In addition, it should be noted that Greek production is 85 per cent tobacco of an oriental type which is not produced by ACP countries, and 15 per cent Burley, which has a different use and is produced only marginally in a few ACP countries.

VII. OTHER QUESTIONS

Question 57

Do the EC intend to make any special provision in respect of their bilateral voluntary export restraint arrangements, in particular on steel, in order to take account of the enlargement of the EC through the accession of Greece?

Reply 57

It will be a matter for the parties to consider whether any adjustment to the bilateral measures on steel is required. As regards the Community's agreements under the Multi-Fibre Arrangement it is intended to make adjustments to take account of the accession of Greece.

Question 58

As the EC Commission has, on behalf of all the member States, signed the Agreement on Government Procurement, at what date would the Government of Greece be required to conform to the provisions of the Agreement? What provision is being made for the negotiation of an appropriate list of Greek Government entities whose purchases will be subject to the provisions of the Agreement?

Reply 58

Greece is bound from 1 January 1981 by Article 4 of the Act of Accession to the general principle of accepting all the international agreements entered into by the Community. Special arrangements may be needed to enable Greece to accept the Agreement on Government Procurement in particular.

Question 59

When will the Agreement on Import Licensing Procedures apply to Greece?

Reply 59

The Agreement on Import Licensing Procedures will apply to Greece from 1 January 1981 in accordance with Article 4 of the Act of Accession.

Additional Questions

Question 1

Article 115 of the Act concerning the accession of the Hellenic Republic to the European Communities differentiates, as regards the import régime, between market-economy and State-economy third countries. What measures do the parties to the Treaty contemplate taking to observe the provisions of the General Agreement and in particular those of Article I?

Reply 1

See the reply to question 38. The provisions of Article 115 of the Act concerning the accession of Greece are consistent with the General Agreement.

Question 2

Will the clearing agreements which Greece has concluded with certain countries be maintained during the transitional period?

Reply 2

Existing clearing agreements will be eliminated prior to the accession of Greece.

ANNEX 2INDICATIVE TABLE OF PRICE LEVELS FOR THE
PRINCIPAL PRODUCTS (EXCLUDING AIDS) RECOR-
DED IN GREECE AND THE COMMUNITY IN 1978Units of Account/Ton
except where otherwise
stated

Products	Price recorded		Difference (3 - 2)	Definition of Greek prices col.2	Definition of E.E.C. prices
	in Greece	in E.E.C.			
Soft wheat	127.95	136.96	+ 9.01	Price guaranteed to producers in 1978	Reference price 78/79
Hard wheat	180.21	203.01	+ 22.80	" " "	Intervention pr ce 78/79
Barley	122.54	121.57	- 0.97	" " "	" " 78/
Maize	126.14	121.57	- 4.57	" " "	" " "
Common wheat worked as :					" " "
• wheat flour	108.12	136.96	+ 28.84	Industry supply price for 1978	Reference price 1978/79
• cereal groats and cereal meal	108.12	136.96	+ 28.84	Industry supply price for 1978	
Durum wheat worked as :				Industry supply price for 1978	Intervention pr ce 1978/79
• cereal groats and • cereal meal	153.18	203.01	+ 49.83	" " "	
Round grain rice	171.20	174.98	+ 3.78	Price guaranteed to producers in 1978	Intervention pr ce 1978/79
Medium rice	216.25	182.98	- 33.27	Price guaranteed to producers in 1978	Intervention pr ce 1978/79
Long grain rice	234.27	190.98	- 43.29	Price guaranteed to producers in 1978	Intervention pr ce 1978/79
Blue Belle rice	252.29	204.98	- 47.31	Price guaranteed to producers in 1978	Intervention pr ce 1978/79
Bovine meat	909.0	1.106.1	+197.1	Market price, 1977	Intervention pr ce 1977/78
Pigmeat	1.158.3	1.202.0	43.7	Market price, 1977	Base price, 1977 78