

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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AGREEMENT BETWEEN THE EFTA COUNTRIES AND SPAIN

Information Furnished by the Parties to the Agreement

1. This report covers the period from 1 May 1980 to 31 December 1982.
2. The Agreement between the EFTA countries and Spain - including the bilateral agreements concluded in accordance with Article 9 concerning trade in agricultural products - which entered into force on 1 May 1980, has been applied in accordance with its provisions.
3. The objective of the Agreement is to reduce progressively and to eliminate the obstacles to substantially all the trade between the EFTA countries and Spain in accordance with the provisions of the GATT concerning the establishment of free-trade areas.
4. The main results of the Agreement are as follows:
 - (a) The first tariff reductions under the Agreement were made on 1 July 1980. As a result, the level of liberalization achieved so far by virtue of the Agreement generally corresponds to the level of liberalization under the 1970 Agreement between Spain and the EEC. In accordance with Annex I of the EFTA-Spain Agreement the EFTA countries, except for Portugal for which country there are special provisions (Annex P to the Agreement), have reduced their duties on almost all industrial products imported from Spain by 60 per cent. Spain has reduced its duties by 60 per cent on the imports of the products in List A of Annex II to the Agreement and by 25 per cent on products in Lists B and C. Furthermore, there have been sizeable tariff reductions on certain processed agricultural goods and on some food products.
 - (b) In accordance with Annex V to the Agreement, Spain has increased the import quotas by at least 10 per cent annually.
 - (c) In accordance with the special provisions concerning trade between Portugal and Spain set out in Annex P to the Agreement, Portugal has progressively reduced tariffs on imports of products originating in Spain. Total reductions range from

20 per cent to 60 per cent. Spanish reductions vis-à-vis Portugal amount to from 10 to 75 per cent. The products for which these tariff reductions have been made, together with the time schedule followed, are contained in lists included in the Agreement.

- (d) The rules of origin in Annex III to the Agreement which determine the eligibility of products for the tariff reduction under the Agreement have been applied as foreseen. In accordance with the provisions of this Annex the rules have, in specific cases, been amended and supplemented in order to facilitate their implementation and application.
- (e) The Joint Committee established to administer the Agreement and to supervise its implementation has met five times. During these meetings two annual reviews of the Agreement have been made and the Decisions taken are listed at Annex.
- (f) In 1982 the Joint Committee undertook the comprehensive examination foreseen in paragraph 2 of Article 3 of the Agreement, with a view to finding additional ways and means to achieve substantial progress in the further elimination of obstacles to trade. It was noted that for products on which tariff reductions have been agreed upon in the MTN, the EFTA countries applied the resulting lower rates as the basic duties for tariff reductions under the Agreement. Consequently, the real tariff reductions had been greater than denoted by the relevant provisions of the Agreement. As concerns the tariff reductions undertaken by Spain, the basic duties were the rate of duty actually applied to third States by Spain at any given time, e.g. either the autonomous rate of the Spanish customs tariff or, if lower, the rate prescribed by the rules of the GATT. Furthermore, it was recognized that the negotiations on the accession of Spain to the European Communities were at an advanced stage and, as the Free Trade Agreements between the EFTA countries and the Communities will become applicable also to trade with Spain, these negotiations had to be seen as constituting a step towards achieving the objective of the Agreement.
- (g) Commercial incidence: approximately 81 per cent of the imports of the EFTA countries from Spain are covered by the Agreement. On exports from the EFTA countries to Spain the figure is approximately 97 per cent.

VALUE OF COMMERCIAL EXCHANGE

(in million pesetas)

Imports to Spain

	<u>From the EFTA countries</u>	<u>From the world</u>
July 1980/June 1981	117,578	2,720,863
July 1981/June 1982	145,176	3,205,014

Exports from Spain

	<u>To the EFTA countries</u>	<u>To the world</u>
July 1980/June 1981	106,107	1,621,249
July 1981/June 1982	137,504	2,110,060

ANNEX

DECISIONS OF THE EFTA-SPAIN JOINT COMMITTEE¹

No. 1 of 1980 (14 May 1980)	Basic duties
No. 2 of 1980 (14 May 1980)	Commencement of the duty reductions
No. 3 of 1980 (14 May 1980)	Correction of technical errors in Annexes and Lists to the Agreement
No. 4 of 1980 (26 June 1980)	Basic duties on processed agricultural products
No. 5 of 1980 (26 June 1980)	Amendment of Articles 8 and 13 of Annex III to the Agreement
No. 6 of 1980 (26 June 1980)	Establishment of a working group on Annex P to the Agreement
No. 7 of 1980 (26 June 1980)	Establishment of a sub-committee on customs and trade matters
No. 8 of 1980 (26 June 1980)	Correction of technical errors in Annexes and Lists to the Agreement
No. 9 of 1980 (17 September 1980)	Amendment of Annex III to the Agreement
No. 1 of 1981 (28 May 1981)	Amendment of Annex III to the Agreement
No. 2 of 1981 (28 May 1981)	Amendment of Article 8 of and Appendix 8 to Annex III to the Agreement
No. 3 of 1981 (21 August 1981)	Amendments of Lists A and B of Annex III to the Agreement
No. 4 of 1981 (27 November 1981)	Amendment of Article 8 of Annex III to the Agreement

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¹Copies of the Decisions in English only are being sent to each contracting party.