

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

L/5561

19 October 1983

Limited Distribution

Original: English

EUROPEAN FREE TRADE ASSOCIATION AND FINLAND-EFTA ASSOCIATION

Information Furnished by Member States

1. This biennial report covers the period from 1 July 1981 to 30 June 1983.¹ More detailed information can be found in the twenty-second Annual Report¹ of the European Free Trade Association (1981-1982), as well as in the publication "EFTA Trade 1981".¹

European Free Trade Association

2. EFTA's main schedule for tariff and quota dismantlement had been carried out by the end of 1966. Only one member State still maintains customs tariffs upon imports of certain products from the other EFTA countries (see paragraph 9).

3. The measures which the Portuguese Government introduced in November 1977 in order to reduce a growing balance-of-payments deficit remained in force throughout the period under review. The import surcharge of 10 per cent levied on a wide range of products was increased to 30 per cent in February 1983, whereas the surcharge of 60 per cent on certain products remained unchanged. The global import quotas for some consumer goods and for unassembled (CKD) cars for assembly in Portugal are still in force. The measures have been carefully examined in EFTA and are being kept under review.

4. As from 1 January 1982, Iceland was authorized by the Council to reintroduce a temporary import deposit scheme for furniture. The scheme was abolished at the end of 1982. In February 1982, the Council authorized Iceland to extend the temporary levy on imports of sugar confectionery, chocolate and biscuits. The levies were eliminated on 28 February 1983. Both authorizations were given under Article 20 of the Convention ("Difficulties in particular sectors").

5. The rules of origin applied in EFTA (Annex B to the Convention) - which are identical to those applied by each member State and Finland under their Free Trade Agreements with the European Community - have been amended by Decisions of the Council. These Decisions have been related to amendments to Lists A and B to Annex B of the Convention, the introduction

¹Copies of these publications are being distributed to all contracting parties.

of alternative percentage rules for certain products in CCCN Chapters 84-92, and a revised definition of the unit of account and increased value limits.¹

6. With regard to the removal of non-tariff barriers to trade, EFTA has continued to give priority to this work as an essential complement to the removal of tariffs. Already in 1980, it was established that there existed no major discrepancies between the requirements under the agreements on non-tariff measures reached in the Tokyo Round and the corresponding EFTA rules and practices. It has subsequently been concluded that there is no need at present to amend EFTA rules and practices on account of the new GATT Agreements.

7. The internal procedure for the advance notification of new or amended technical regulations of significance for intra-EFTA trade (the "INST" procedure) has functioned satisfactorily and has continued to be applied in parallel to the notification procedure in the GATT TBT Agreement.

8. The seven schemes in force for the reciprocal recognition of tests and inspections carried out in respect of pressure vessels, ships' equipment, gas appliances, agricultural machines and tractors, lifting appliances, heating equipment using liquid fuel and that of the evaluation reports on pharmaceutical products have in the majority of cases functioned satisfactorily. Both the Convention for the mutual recognition of inspections in respect of the manufacture of pharmaceutical products and the Convention on the control and marking of articles of precious metals have been operating successfully. It should be noted that all these schemes and Conventions have been concluded outside the framework of the EFTA Convention. They are open for participation by other countries and most of them already include a number of countries which are not members of EFTA. The pharmaceutical Convention has, thus, fourteen member countries.

9. In July 1982, sub-paragraph (a) of paragraph 6 ter of Annex G to the Convention ("Special arrangements for Portugal in regard to import duties and quantitative export restrictions") was amended by a Decision of the Council.² During the latter half of 1982 the Council authorized Portugal to

- apply duties at a maximum of 20 per cent ad valorem on some products in accordance with paragraph 6 ter of Annex G to the Convention (as amended);

¹Decisions EFTA/DC 8/81, EFTA/DC 11/81, EFTA/DC 1/83, EFTA/DC 2/83, EFTA/DC 3/83 are being sent to each contracting party.

²Decision EFTA/DC 7/82 is being sent to each contracting party.

- modify the time-tables for reduction and elimination of the duties on some products in accordance with paragraph 6 bis of Annex G to the Convention;
- introduce or increase duties at a maximum of 20 per cent ad valorem on the products of certain infant industries in accordance with paragraphs 6 and 6 bis of Annex G to the Convention.

10. All authorizations for Portugal to apply duties under Annex G to the Convention lapse on 31 December 1984.

11. In conformity with Articles 22 and 23 of the Convention, Austria and Switzerland concluded a bilateral agricultural agreement¹ on 18 November 1981. The Agreement entered into force on 1 March 1982. In pursuance of Articles 22 and 27 of the Convention, Switzerland and Iceland have concluded a bilateral agreement¹ on trade in agricultural, fish and other marine products on 26 November 1981.

Finland-EFTA Association

12. Finland has participated fully in all activities to which reference is made in the preceding paragraphs.

13. All the Decisions of the Council referred to in this report have effect also in relations between the member States of EFTA and Finland by virtue of corresponding Decisions adopted by the Finland-EFTA Joint Council.

EFTA-Spain Agreement

14. The first biennial report on the Agreement between the EFTA countries and Spain contained in document L/5465 was noted by the GATT Council on 20 April 1983.

¹Copies are being distributed to all contracting parties.