

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 1981 until 30 September 1983.

The FTA 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 accession of Greece to the Community on 1 January 1981 necessitated the introduction of certain transitional provisions, which were included in Additional Protocols. An account of these arrangements is given in paragraphs 5, 6 and 7 below. The texts of the Additional Protocols are available in the secretariat.

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 January 1980 all industrial products are traded free of duty between the parties to the Agreement (with the exception of Icelandic fiscal duties). 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, with the exception of certain transitional arrangements for Greece.
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. The possibility of choice for alternative percentage rules has been opened for products of chapters 84-92 for an experimental period of three years.

5. Upon the accession of Greece to the European Communities on 1 January 1981 the Free Trade Agreements also apply to the relations between Greece and Iceland. In order to arrange for a smooth transition the Parties to the Arrangements have agreed to provide for a gradual introduction of some of the provisions of the Agreements. These transitional arrangements have as indicated above been included in Additional Protocols to the Agreements. They are limited to trade between Greece and Iceland and will be abolished over a period of five years.

6. According to the Additional Protocol to the Agreement EEC-Iceland, Greece has abolished customs duties for several industrial products since 1 January 1981 and will progressively reduce and eliminate remaining customs duties, and charges having effects equivalent to customs duties, on certain other industrial products. The reduction shall take place in six steps of which the first three were taken on 1 January 1981, 1 January 1982 and 1 January 1983; the elimination will be achieved by 1 January 1986.

Following the same time-table, Greece will progressively reduce customs duties, other than variable levies, on the processed agricultural products, listed in Protocol No. 2 of the FTA. Quantitative restrictions between Greece and Iceland have been abolished from 1 January 1981, with the exception of fourteen products for which Greece may maintain her restrictions during the transitional period. Iceland has not introduced any transitional measures on imports from Greece.

7. The requirements of cash payment and import deposit in force in Greece will be eliminated over a period of three years from 1 January 1981.

8. 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 and modification of the rules of origin of certain products and of the procedures of administrative co-operation and documentation.

9. Commercial incidence.

Approximately 83 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 91 per cent.

Volume of commercial exchanges EC/Iceland in millions of ECU¹

- Imports to the EC from Iceland:

1981	277
1982	266

- Exports to Iceland from the EC:

1981	417
1982	531

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.
Amending, in relation to heading No. 84.59, List A annexed to Protocol 3 concerning the definition of the concept of "originating products" and methods of administrative co-operation	1/82	L 382/82
Supplementing Annexes II and III to Protocol 3 concerning the definition of the concept of originating products and methods of administrative co-operation by the addition of alternative percentage rules for the products of Chapters 84 to 92 of the Customs Co-operation Council Nomenclature	2/82	L 385/82
Further amending Article 8 of Protocol 3 concerning the definition of the concept of "originating products" and methods of administrative co-operation	1/83	L 174/83