GENERAL AGREEMENT ON

RESTRICTED
L/6302
8 February 1988
Limited Distribution

TARIFFS AND TRADE

Original: Frglish

AGREEMENTS BETWEEN THE EUROPEAN COMMUNITIES ON THE ONE HAND AND AUSTRIA, FINLAND, ICELAND, NORWAY, SWEDEN AND SWITZERLAND ON THE OTHER HAND

Information Furnished by the Parties to the Agreements

- 1. The accession of Spain and Portugal to the European Communities on 1 January 1986 necessitated the negotiation of transitional measures and other adaptations to the agreements existing among the parties concerned and based on Article XXIV of the General Agreement.
- 2. These negotiations have led to the signature, on 14 July 1986, of the following agreements:
 - (i) Additional protocols to the Free Trade Agreements between the European Economic Community on the one part and Austria, Finland, Iceland, Norway, Sweden and Switzerland on the other part.
 - (ii) Additional protocols to the agreements between the Member States of the European Coal and Steel Community and the ECSC on the one part, and Austria, Finland, Norway and Sweden on the other part.
 - (iii) Additional protocols to the agreements between the Member States of the ECSC on the one part and Iceland and Switzerland on the other part.
 - (iv) Supplementary protocol to the additional agreement on the validity for the Principality of Liechtenstein of the agreement between the Member States of the European Coal and Steel Community and the Swiss Confederation.
 - (v) Exchanges of letters between the EEC and the EFTA countries, with the exception of Iceland, concerning agricultural and fisheries products.
 - (vi) Exchanges of letters between the EEC and the EFTA countries concerning products not covered in the above agreements.

3. The additional protocols generally provide, over a period of seven years, for the same transitional arrangements between the two new Member States of the Community and the EFTA countries as those established between those States and the Community of Ten, in particular as regards the dismantling of tariffs, tariff quotas and quantitative restrictions.

In the case of certain textile products originating in Portugal, it was agreed that a temporary system of administrative co-operation, accompanied by a consultation clause, would be established between the Community on the one part and Austria, Finland, Norway and Sweden on the other part. This system resembles that agreed between Portugal and the Community of Ten and is in accordance with the Act of Accession (Protocol 17) and the Free Trade Agreements between the EEC and the EFTA countries.

4. The exchanges of letters concerning agricultural products comprise adjustments to existing trade relations between the EEC and the EFTA countries other than Iceland.

These adjustments, which include a few new concessions, are as follows:

- On the EFTA countries' side:
 - (i) the extension to the Community of Twelve of the concessions enjoyed by the Community of Ten pursuant to the exchanges of letters with Austria, Norway, Sweden and Switzerland;
 - (ii) the extension to the Community of Twelve of the main tariff and non-tariff concessions previously enjoyed by Spain and Portugal under the bilateral agreements with the EFTA countries;
 - (iii) the opening by Norway of a tariff quota at a zero-rate of duty for sugar.
- On the EEC side:
 - (i) the two new EEC Member countries will apply vis-à-vis EFTA countries - for some products after a transitional period - the EEC regime as established in the agreements between the EEC and each EFTA country. This has, inter alia, necessitated the definition of transitional measures and the adaptation of the cheese agreements existing between the EEC and some EFTA countries.

(ii) for each individual EFTA country:

<u>Austria</u>: increase in the tariff quota for commercial cattle (+4,600 head); opening of a tariff quota for concentrated pear juice (2,000 hl).

Finland: granting of a quota with a reduced levy for unroasted malt (2,500 t).

Norway: opening of a tariff quota for certain oils of marine origin; an increase in the Community quota for cheese (120 t).

<u>Sweden</u>: granting of a tariff quota for frozen peas.

<u>Switzerland</u>: granting of a tariff quota for cherries, excluding Morello cherries (1,000 t); and the inclusion of Vacherin Mont d'Or cheese in the agreement between the European Economic Community and Switzerland on cheese.

- 5. The exchanges of letters concerning fisheries also comprise adjustments in relations between the EEC on the one hand and Norway and Sweden respectively on the other hand:
 - (i) As well as extending to the Community of Twelve the tariff concessions previously enjoyed by Norway in its trade with the Community of Ten, the Community grants Norway additional tariff concessions at zero-rate of duty within the limits of a quota or at reduced rates of duty for a number of products originating in Norway, provided the reference prices are observed;
 - (ii) Norway grants the Community tariff concessions at a zero-rate of duty for certain processed products originating in the Community, within the limits of a quota;
 - (iii) The Community grants Sweden tariff concessions at a zero-rate of duty or reduced rates of duty, in most cases within the limits of a quota, for a number of products originating in Sweden provided the reference prices are observed;
 - (iv) Sweden grants the Community tariff concessions at a zero-rate of duty for all frozen fillets and the processed products falling within Chapters 16.04 and 16.05, originating in the Community as well as some additional catch possibilities for cod and herring.

The Community also informs Switzerland that the suspension of duty on certain freshwater fish granted in 1972 will now apply to imports to the Community of Twelve of such products originating in Switzerland.

6. The exchanges of letters concerning non-agricultural and processed agricultural products not covered by the Free Trade Agreements provide, over a transitional period, for the step-by-step elimination between Spain and Portugal, on the one hand and the EFTA countries, on the other hand of the differences between the basic duties and those stipulated in the common customs tariff and the individual EFTA countries' tariffs respectively.

In a limited number of cases, differences in definitions between the Stockholm Convention, establishing EFTA, and the Free Trade Agreements lead to a progressive increase in tariffs applied to trade between Portugal and the EFTA countries on processed agricultural products, considered as industrial products under the Stockholm Convention.

The texts of the Additional Protocols and exchanges of letters are available in the Secretariat.

These Agreements have entered into force on 1 March 1986 in the form of autonomous measures, which were adopted by all parties concerned, pending the signature and entry into force of the Agreements proper.

¹Interested delegations are requested to contact Miss. S. Aspinall, Office 1023, Tel. 39-51-09.