

# GENERAL AGREEMENT ON

## TARIFFS AND TRADE

L/6792

14 December 1990

Limited Distribution

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### EUROPEAN COMMUNITIES - TRANSITIONAL MEASURES TO TAKE ACCOUNT OF THE EXTERNAL ECONOMIC IMPACT OF GERMAN UNIFICATION

Decision of 13 December 1990

Taking note of the request of the European Communities<sup>1</sup> (EC) for a waiver from its obligations under paragraph 1 of Article I of the General Agreement with respect to the establishment of temporary duty-free treatment and the derogation from certain standards and norms for imports of eligible products into part of the European Economic Community from beneficiary Central and Eastern European countries and the Union of Soviet Socialist Republics (USSR) from 3 October 1990, as provided for in the Regulations and Decisions of the Commission of the European Communities of 27 September 1990 (O.J.E.C. L 267 of 29/9/1990) and later Council Regulations, Directives and Decisions, in accordance with the program of measures to be taken in connection with German unity;

Considering that granting temporary preferential treatment to the above-mentioned countries by the European Communities is necessary to take account both of the legal obligations of the former German Democratic Republic (GDR) vis-à-vis these trading partners and of the legitimate expectations with respect to traditional trade flows between the former German Democratic Republic and these countries;

Considering that the duty-free treatment and the derogation from certain norms and standards for goods from the above-mentioned countries imported into the territory of the former GDR is designed to facilitate the adjustment of trade and economic development in the territory of the former GDR and of these traditional trading partners to the new situation created by German unity and not to raise barriers or to create difficulties for the trade of other contracting parties;

Considering that the limitation of the duty-free treatment of goods from the above-mentioned countries imported into the territory of the former GDR to those goods which had been traditionally traded under the so-called annual trade protocols (Warenprotokolle) between these countries makes highly unlikely diversion of the EC's imports of products eligible for such duty-free treatment originating in contracting parties which are not beneficiaries.

Considering that the duty-free treatment provided for in the EC measures to be taken in connection with German unity shall not constitute an impediment either to the reduction or elimination of tariffs and other restrictions on a most-favoured-nation basis nor to the maintenance, operation and improvement of the application of the Generalized System of Preferences by the EC;

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<sup>1</sup>L/6759.

Noting, furthermore, the assurances given by the European Communities that it will, upon request, promptly enter into consultations with any interested contracting party on matters falling under the provisions of the General Agreement and related to the application of this Decision;

Having regard to the Guiding Principles to be followed in considering applications for waivers adopted on 1 November 1956;

The CONTRACTING PARTIES, acting pursuant to the provisions of paragraph 5 of Article XXV of the General Agreement,

Decide that:

1. Subject to the terms and conditions set out hereunder, the provisions of paragraph 1 of Article I of the General Agreement shall be waived as from 3 October 1990 and until 31 December 1992 to the extent necessary to permit the European Communities to grant duty-free treatment and derogations from certain norms and standards to certain imports from Bulgaria, Czechoslovakia, Hungary, Poland, Romania, the USSR and Yugoslavia within the limits of the maximum quantities and values foreseen in agreements between the former German Democratic Republic and the above-mentioned countries, without the European Communities being obliged to extend the same duty-free treatment or derogations from norms and standards to like products of any other contracting party.
2. Such duty-free treatment shall be designed not to raise barriers or create undue difficulties for the trade of other contracting parties.
3. The European Communities shall promptly notify the CONTRACTING PARTIES of any changes in the legislation covered by this waiver.
4. The European Communities will, upon request, promptly enter into consultations with any interested contracting party with respect to any difficulty or matter that may arise as a result of the duty-free treatment and derogations from certain norms and standards for certain imports from the countries mentioned under 1) above and covered by this waiver. The purpose of these consultations will be to arrive at a mutually satisfactory resolution of the matter.

In the event the parties cannot reach an agreement during the consultations the matter may be referred by either party to the CONTRACTING PARTIES, which will examine it promptly and will formulate any recommendations that they judge appropriate.

5. This waiver is valid until 31 December 1992. The European Communities will submit a report on the use that has been made of this waiver in December 1991.
6. This waiver shall not preclude the right of affected contracting parties to have recourse to Articles XXII and XXIII of the General Agreement.