

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(78) 379 final
Brussels, 31 July 1978

Recommendation for a

COUNCIL DECISION

concerning the conclusion of the Agreement between the European Economic Community and Finland negotiated under Article XXVIII of the GATT in respect of the bound products in Chapters 1 to 22 of the Finnish Customs Tariff

(submitted to the Council by the Commission)

COM(78) 379 final

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EXPLANATORY MEMORANDUM

Finland has undertaken a procedure under GATT to modify the binding of products of Chapters 1 to 22. This modification consists in changing specific duties into ad valorem duties. Some of the products concerned are included in Protocol No 2 to the EEC/FINLAND Agreement.

Negotiations have commenced between Finland and the Community on the basis of Article XXVIII (4) of GATT and the results of these negotiations are given in the report attached. Attached to this report are a draft recommendation for a Council Decision on the results of the negotiations (Annex I) and a draft exchange of letters to enable the Community to reserve rights equivalent to those which it holds under GATT for products included in Protocol No 2 which are bound and the binding of which is at present being modified (Annex II).

REPORT

on the outcome of the negotiations with Finland concerning the changes in the Finnish agricultural levy system and in the Finnish tariff for products in Chapters 1 to 22.

(Negotiation on the basis of Article XXVIII (4) of the GATT).

1. In its letter of 22 November 1977 the Finnish Mission to the European Communities informed the Commission of the change made by the Finnish authorities in the system of import charges for products in Chapters 1 to 22. The main purpose of this is, on the one hand, to change the system of internal charges into a system of agricultural levies in order to offset the differences between the domestic and external prices for basic agricultural products and, on the other hand, to change the specific duties of the present Finnish tariff into ad valorem duties. Many of these products are bound under GATT and the renegotiation procedure under Article XXVIII (4) has been instituted. Finland's request for negotiations and its proposals for changing the bound specific duties into ad valorem duties were the subject of documents GATT Secret/237 of 21 July 1977 and GATT Secret/237 Add. 1 of 25 July 1977.

2. Since July 1977, a series of negotiations and consultations have been held in Brussels and Geneva and the Article 113 Committee and the Council's Ad Hoc Working Party of EFTA have been kept regularly informed of the results.

Since many of the products concerned are included in Protocol No 2 to the EEC-Finland Agreement of 5 October 1973, the main aim of the negotiations and consultations was to maintain unchanged the conditions

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governing the present arrangements for imports into Finland of Community products included in Protocol No 2. In this respect, the Finnish authorities were able to give every assurance that the present arrangements would not be affected by the new Finnish measures and that there would be no discrimination against products originating in the Community in favour of similar Finnish products.

Furthermore, with regard to Protocol No 2 products which are bound, the Finnish authorities agreed to an exchange of letters enabling the Commission to preserve, at bilateral level, rights equivalent to the rights it has in respect of those products under Article XXVIII of the GATT (Annex I)

3. Lastly, Finland stated that it was prepared to hold negotiations or consultations with the Community, which is the main supplier of a large number of products, in accordance with the provisions of Article XXVIII of the GATT, with a view to changing the bound specific customs duties into ad valorem customs duties. These negotiations took place in March and April 1978 and resulted in a draft agreement on the ad valorem rate for products which are bound by Finland but not included in Protocol No 2 and for which the Community is the main supplier. These rates are shown in the List attached to the draft agreement (Annex I).
 4. The Article 113 Committee delivered a favourable opinion on the draft agreement on amended rates for bound products and on the draft exchange of letters concerning the bound products included in Protocol No 2 to the EEC-Finland Agreement.
 5. The documents embodying the results of the negotiations were initialled in Geneva on 29 June 1978.
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ANNEX I

RECOMMENDATION FOR A COUNCIL DECISION

concerning the conclusion of the Agreement between the European Economic Community and Finland negotiated under Article XXVIII of the GATT in respect of the bound products in Chapters 1 to 22 of the Finnish Customs Tariff.

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 113 thereof,

Having regard to the recommendation from the Commission,

Whereas, having recourse to Article XXVIII of the General Agreement on Tariff and Trade (GATT), Finland communicated its intention to change the tariff concessions for products for which the European Economic Community is the main supplier ;

Whereas the Commission opened negotiations with Finland under Article XXVIII of the GATT; whereas it has reached an agreement with that country, which is considered satisfactory,

HAS DECIDED AS FOLLOWS :

Article 1

The Agreement between the European Economic Community and Finland negotiated under Article XXVIII of the GATT concerning the bound products in Chapters 1 to 22 of the Finnish Customs Tariff is hereby approved on behalf of the Community.

The text of the Agreement is annexed to this Decision.

Article 2

The President of the Council is hereby authorized to designate the person empowered to sign the Agreement in order to bind the Community.

Article 3

The outcome of the negotiations shall be communicated to the Contracting Parties to the General Agreement on Tariffs and Trade.

Done at Brussels,

For the Council

The President

AGREEMENT

between the European Economic Community and Finland negotiated under Article XXVIII of the GATT concerning the bound products in Chapters 1 to 22 of the Finnish Customs Tariff

GENERAL AGREEMENT ON TARIFFS AND TRADE

Negotiations concerning List XXIV - Finland

The delegation of the European Communities and the Finnish delegation have decided, in accordance with the outcome of the negotiations opened under Article XXVIII of the General Agreement, that the concessions set out in the attached list are to be changed as shown therein.

For the delegation
of the European Communities

For the Finnish delegation

Geneva, 1978

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Outcome of the negotiations with the European Economic Community opened under Article XXVIII of the GATT with a view to changing the concessions contained in list XXIV - FINLAND.

The previous concessions set out in table I hereafter are modified and replaced by the concessions contained in table II of the present agreement.

TABLE I
CONCESSIONS CONTAINED IN LIST XXIV - FINLAND
as of 30th June 1967

Tariff Item Number	Description of goods	Rate of modified bound duty
03.01	Fish, fresh (live or dead), chilled or frozen :	
B.	other fish :	
II.	flatfish and Gadidae	1 kg 0,09
III.	clupidae :	
a.	sprats, whole, cleaned or in pieces	1 kg 0,09
04.06	Natural honey	p. 1 kg 1,89
06.03	Cut flowers and flower buds of a kind suitable for bouquets or for ornamental purposes, fresh, dried, dyed, bleached, impregnated or otherwise prepared :	
I.	fresh :	
a.	gladiolus :	
1.	Customs clearance taking place from 1st November to 31st March	p. 1 kg 19,65
II.	other	p. 1 kg 3,93

07.01	Vegetables, fresh or chilled :	
III.	onion	
a.	garlic	1 kg 0,34
IV.	cabbages :	
a.	cauliflowers and Brussels sprouts:	
2.	Customs clearance taking place from 1st November to 31st May :	
	- cauliflowers	1 kg 0,39
07.01 X b	- endive, Customs clearance taking place from 1st July to 31st January	1 kg 0,65
	- endive, Customs clearance taking place from 1st February to 31st March	1 kg 0,65
	- other salad vegetables, Customs clearance taking place during February	1 kg 0,78
XI.	sweet capsicum :	
a.	Customs clearance taking place from 1st November to 30th June	1 kg 0,39
XIII.	other vegetables :	
a.	Customs clearance taking place from 1st March to 30th June :	
	- olives and capers	1 kg 0,39
b.	Customs clearance taking place from 1st July to the last day of February:	
	- olives and capers	1 kg 0,39
07.02	Vegetables (whether or not cooked), preserved by freezing :	
	- tomatoes	1 kg 0,90
07.03	Vegetables provisionally preserved in brine, in sulphur water or in other preservative solutions, but not specially prepared for immediate consumption	p. 1 kg 0,39

07.05	Dried leguminous vegetables, shelled, whether or not skinned or split :	
I.	of a kind used for human consumption :	
b.	other :	
	- lentils	p. 1 kg 0,32
	- other, excluding peas and beans	p. 1 kg 0,13
08.02	Citrus fruit, fresh or dried :	
IV.	other :	
	- lemons	p. 1 kg 0,07
08.07 I.	Stone fruit, fresh, other than apricots, peaches and plums; cleared through customs from 1.1 to 31.5 (101, 901)	p. 1 kg 0,58
08.09	Other fruit, fresh	
I.	melons :	
a.	water melons	1 kg 0,26
08.10	Fruit (whether or not cooked), preserved by freezing, not containing added sugar :	
	- dates	p. 1 kg 0,26
	- oranges :	
	-- Customs clearance taking place from 1st July to 31st December	40 %
	-- Customs clearance taking place from 1st January to 30th June	30 %
	- lemons	p. 1 kg 0,17
	- apples :	
	-- apple pulp	15 %
	-- other, Customs clearance taking place from 10th December to 30th June	15 %
	- pears	10 %
08.12	Fruit, dried, other than that falling within heading N°. 08.01, 08.02, 08.03, 08.04 or 08.05 :	
IV.	other (excluding blueberries)	p. 1 kg 0,58

09.01	Coffee, whether or not roasted or freed of caffeine; coffee husks and skins; coffee substitutes containing coffee in any proportion :	
C.	coffee substitutes containing coffee	p. 1 kg 2,42
D.	coffee husks and skins	1 kg 1,11
11.04	Flours of the fruits falling within any heading in Chapter 8	p. 1 kg 0,28
12.08	Locust beans, fresh or dried, whether or not kibbled or ground, but not further prepared; fruit kernels and other vegetable products of a kind used primarily for human food, not falling within any other heading :	
I.	apricot, peach and plum stones and kernels	1 kg 0,39
15.07	Fixed vegetable oils, fluid or solid, crude, refined or purified :	
B.	linseed oil, unfit as such for human consumption :	
II.	bleached	1 kg 0,07
17.02	Other sugars; sugar syrups; artificial honey (whether or not mixed with natural honey); caramel ;	
I.	artificial honey	p. 1 kg 1,54
17.05	Flavoured or coloured sugars, syrups and molasses, but not including fruit juices containing added sugar in any proportion :	
	- vanilla sugar and vanilline sugar	p. 1 kg 15,47
20.01	Vegetables and fruit, prepared or preserved by vinegar or acetic acid, with or without sugar, whether or not containing salt, spices or mustard :	
I.	vegetables :	
g.	other (excluding cucumbers in airtight containers) :	
	- other than tomatoes in airtight containers	p. 1 kg 0,54

20.02	Vegetables prepared or preserved otherwise than by vinegar or acetic acid :	
II.	mushrooms	p. 1 kg 2,17.
VI.	capers	p. 1 kg 1,82
20.04	Fruit, fruit-peel and parts of plants, preserved by sugar (drained, glacé or crystallised)	p. 1 kg 1,31
20.05	Jams, fruit jellies, marmalades, fruit purée and fruit pastes, being cooked preparations, whether or not containing added sugar :	
I.	of berries :	
	- jams and marmalades	p. 1 kg 1,27
II.	of fruit :	
a.	jams and similar preparations :	
	- jams, jellies and marmalades, of other fruit than apricots	p. 1 kg 1,27
20.06	Fruit otherwise prepared or preserved, whether or not containing added sugar or spirit :	
VI.	other :	
	- other than all kinds of purées	p. 1 kg 0,39
20.07	Fruit juices (including grape must) and vegetable juices, whether or not containing added sugar, but unfermented and not containing spirit :	
V.	other vegetable juices	p. 1 kg 0,26
21.03	Mustard flour and prepared mustard	p. 1 kg 0,68
21.06	Natural yeasts (active or inactive) ; prepared baking-powders	
A.	active yeast :	
I.	dry yeast	p. 1 kg 0,31
II.	other active yeast	p. 1 kg 0,13

22.02	Lemonade, flavoured spa waters and flavoured aerated waters, and other non-alcoholic beverages, not including fruit and vegetable juices falling within heading N° 20.07	1 litre 0,35
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Explanatory note: "p" before the concession rate of duty indicates that, upon customs clearance, the retail packaging is to be included in the dutiable weight.

TABLE II

MODIFICATIONS MADE TO LIST XXIV - FINLAND
arising out of the Agreement with the Community

Tariff Item Number	Description of goods	Rate of modified bound duty
03.01 B.II	Flat fish and gadidae, fresh, chilled or frozen, other than filleted (410, 420)	1 %
ex 03.01 B. III.b.	Sprats, whole, cleaned or in pieces, fresh, chilled or frozen, other than filleted (302)	2,5 %
04.06	Natural honey	33 %
06.03 A.I.a	Gladioli, fresh, cleared through customs from 1.11 to 31.3 (011)	20 % min. duty 15 MK/kg
06.03 B.	Cut flowers and flower buds of a kind suitable for bouquets or for ornamental purposes, dried, dyed, bleached, impregnated or otherwise prepared (090)	6 %
07.01 C.I.	Garlic fresh or chilled (301)	5 %
ex 07.01. D.I.b	Cauliflowers cleared through customs from 1.11 to 31.5 (429)	12 %
ex 07.01 K.II.	Endives cleared through customs from 1.7 to 31.3 (ex 859)	10 %
ex 07.01 K.II.	Other salad vegetables cleared through customs during Feb. (ex 859)	10 %
07.01 L. I.	Sweet capsicum ("Capsicum grossum"), cleared through customs from 1.11 to 30.6 (904)	5 %
ex 07.01 N.I.	Olives and capers cleared through customs from 1.3 to 30.6 (ex 906)	5 %

ex 07.01 N.II.	Olives and capers cleared through customs from 1.7 to 29.2 (ex 909)	5 %
07.02 B.I.	Tomatoes preserved by freezing (005)	10 %
07.03 V	Vegetables provisionally preserved in brine, in sulphur water or in other preservative solutions, but not specially prepared for immediate consumption (010, 020, 090)	6 %
07.05 A.IV	Dried leguminous vegetables, other than peas and beans, shelled whether or not skinned or split, of a kind suitable for human consumption (080)	5 %
08.02 D.	Lemons fresh or dried (300)	4 %
08.07 A.III.	Stone fruit, fresh, other than apricots, peaches and plums; cleared through customs from 1.1 to 31.5 (101, 901)	5 %
08.09 A.I.	Water melons fresh (101)	17 %
ex 08.10 B.	Fruit (whether or not cooked) preserved by freezing, not containing added sugar :	7,5 %
	other than strawberries, raspberries, gooseberries, lingon-berries, blueberries, and red-, black or white currants	
	- dates	7,5 %
	- oranges	7,5 %
	1.7 - 31.12	7,5 %
	1.1 - 30.6	7,5 %
	- lemons	7,5 %
	- apples:	
	apple pulp	7,5 %
	other, 10.12 - 30.6	7,5 %
	- pears	7,5 %
08.12 D.	Other (excluding blueberries)(909)	8%
09.01 C.	Coffee substitutes containing coffee (300)	16 %

09.01 D.	Coffee husks and skins	11 %
ex 11.04	Flours of the fruits falling within any heading in chapter 8	1 %
ex 12.08 B	Apricot, peach & plum stones and kernels (200)	2 %
ex 15.07 B.	Linseed oil, unfit, as imported, for human consumption, bleached (502)	2 %
ex 17.01 A.	- vanilla sugar & vanilline sugar (ex 17.05.000)	50 % min. duty 3,15 MK/kg
17.02 A.	Artificial honey (800)	7 %
20.01 A.IV.	Pickels prepared or preserved by vinegar or acetic acid (155)	30 %
20.01 A.V.	Vegetables other than tomatoes in airtight containers and cucumbers, prepared or preserved by vinegar or acetic acid (157, 158, 159, 195, 198)	10 %
20.02 B.	Mushrooms prepared or preserved otherwise than by vinegar or acetic acid	25 %
20.02 G.	Capers prepared or preserved otherwise than by vinegar or acetic acid (902)	15 %
20.04	Fruit, fruit-peel and parts of plants, preserved by sugar (000)	18 %
ex 20.05 A.	Jams and marmalades of berries (300)	20 %
	Jams, jellies & marmalades of other fruit than apricots (ex 101, 901)	20 %
ex 20.06 G.	Other fruits otherwise prepared or preserved, other than all kinds of purees (709, 805, 808, 804, 809)	6 %
20.07 E.	Other vegetable juices (809)	6 %
21.03	Mustard flour and prepared mustard (100, 200)	7 %

21.06.A.I.	Pressed yeast (fresh baking yeast) (101)	8 %
21.06.A.II.	Dry yeast (102)	2 %
ex 22.02	Lemonade, flavoured spa waters and flavoured aerated waters, and other non-alcoholic beverages, not including fruit and vegetable juices falling within heading N° 20.07, not containing milk or milk fats and not containing sugar (099)	6 %

ANNEX II

Sir,

I have the honour to refer to the Memo which the Permanent Mission of Finland sent on 19 July 1977 to Mr LONG, Director-General of GATT, and to the request for negotiations on the basis of Article XXVIII (4) for the amendment of List XXIV - Finland, which is the subject of documents GATT Secret/237 of 21 July 1977 and GATT Secret/237 Add. 1 of 25 July 1977.

I should like to point out that, for certain products mentioned in the documents referred to above, the European Economic Community is the main supplier or initial negotiator. In accordance with the agreement reached following the negotiation of the concessions incorporated into the Geneva Protocol (1967) to the General Agreement, the main supplier is to be considered as the initial negotiator of the concession. On the basis of Article XXVIII of the General Agreement, the European Economic Community therefore has initial negotiator's rights as regards the binding by Finland of the customs duties on the products listed in the annex to this letter.

These products are also subject to the trade arrangements laid down by Protocol N° 2 to the EEC-Finland Agreement of 5 October 1973 and appear in Table II of Protocol N° 2. If the present conditions governing the trade arrangements for these bound products were to be changed to the detriment of the Community, the Finnish authorities would immediately enter into consultations

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with the Community for the purpose of granting the Community compensation commensurate with its rights under Article XXVIII of the GATT as at 1 January 1972.

I should be grateful if you would confirm the agreement of your Government with the content of this letter.

Please accept, , the assurance of my highest consideration.

ANNEX

Tariff Item Number	Description of Products	Concession Rate of Duty 1.1. 1972
18.06	Chocolate and other food preparations containing cocoa	p. 0,74 FM/kg
19.01	Malt extracts	p. 0,34 FM/kg
19.05	Prepared foods obtained by the swelling or roasting of cereals or cereal products (puffed rice, corn flakes and similar products)	p. 0,48 FM/kg
19.06	Communion wafers, empty cachets of a kind suitable for pharmaceutical use, sealing wafers, rice paper and similar products	p. 0,65 FM/kg
ex 19.07	Bread, ships' biscuits and other ordinary bakers' wares, not containing added sugar, honey, eggs, fats, cheese or fruit :	
II.	ships' biscuits, crumbs and rusks	p. 0,19 FM/kg
ex 19.08	Pastry, biscuits, cakes and other fine bakers' wares, whether or not containing cocoa in any proportion:	
I.	biscuits and wafers	p. 1,20 FM/kg
II.	rusks, cakes and Danish pastry	p. 1,27 FM/kg
21.04	Sauces; mixed condiments and mixed seasonings :	
A.	preparations of tomatoes	p. 0,58 FM/kg
B.	other	p. 1,08 FM/kg
ex 21.05	Soups and broths, in liquid, solid or powder form; homogenized composite food preparations :	
A.	soups and broths, in liquid, solid or powder form	p. 1,08 FM/kg

ex 21.07	Food preparations not elsewhere specified or included :	
B.	ice cream :	
II.	other (not containing fat)	p. 2,72 FM/kg
C.	ice cream powders and table cream powders and similar preparations :	
	- containing, as basic constituents, 20 per cent or more by weight of fats, milk or eggs	p. 0,74 FM/kg
	- other	p. 2,72 FM/kg
E.	fat emulsions and similar products of a kind used for the manufacture of bakers' wares :	
II.	containing less than 10 per cent by weight of fats	p. 2,72 FM/kg
G.	other (excluding sweet fat, coffee pastes, ravioli, macaroni, spaghetti and similar cooked preparations) :	
	(mixtures of chemicals and food-stuffs, to be mixed in food preparations as ingredients or as to improve a given property)	
II.	other :	
	- products for use as raw materials in food processing industries :	
	-- containing, as basic constituents, 20 per cent or more by weight of fats, milk or eggs	p. 1,63 FM/kg
	-- other	p. 2,72 FM/Kg
	- other	p. 2,72 FM/kg
ex 22.02	lemonade, flavoured spa waters and flavoured aerated waters, and other non-alcoholic beverages, not including fruit and vegetable juices falling within heading n° 20.07 :	
	- products containing milk or milk fats	0,35 FM/litre
	- other :	
	-- containing sugar (sucrose or invert sugar)	0,35 FM/litre

Explanatory note: "P" before the concession rate of duty indicates that, upon customs clearance, the retail packaging is to be included in the dutiable weight.

LETTER N° 2

Sir,

I have the honour to acknowledge receipt of your letter, which reads as follows :

"I have the honour to refer to the Memo which the Permanent Mission of Finland

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I should be grateful if you would confirm the agreement of your Government with the content of this letter."

I have the honour to confirm that my Government is in agreement with the contents of your letter.

Please accept, , the assurance of my highest consideration.

