

# COMMISSION OF THE EUROPEAN COMMUNITIES

COM(75) 316 final

Brussels, 26 June 1975

CONCLUSION OF A RENEGOTIATION AGREEMENT WITH NORWAY  
UNDER ARTICLE XXVIII (1) OF THE  
GENERAL AGREEMENT ON TARIFFS AND TRADE

---

CONCLUSION OF A RENEGOTIATION AGREEMENT WITH INDIA  
UNDER ARTICLE XXVIII OF THE  
GENERAL AGREEMENT ON TARIFFS AND TRADE

---

(Commission Communications to the Council)

COM(75) 316 final

CONCLUSION OF A RENEGOTIATION AGREEMENT WITH NORWAY  
UNDER ARTICLE XXVIII (1) OF THE GENERAL AGREEMENT  
ON TARIFFS AND TRADE

---

**CONCLUSION OF A RENEGOTIATION AGREEMENT WITH NORWAY UNDER  
ARTICLE XXVIII (1) OF THE GENERAL AGREEMENT ON TARIFFS AND TRADE**

---

(Commission Communication to the Council)

The Commission hereby presents to the Council:

1. A report on the results of the renegotiations which it conducted with Norway under Article XXVIII (1) of the General Agreement on Tariffs and Trade, concerning the withdrawal of concessions granted to the Community (Annex I);
2. A draft list of the compensatory concessions granted by Norway under Article XXVIII of the General Agreement (Annex II).

The Article 113 Committee has delivered a favourable opinion on the results of these negotiations.

The Commission recommends that the Council conclude the renegotiation agreement under Article XXVIII (1) with Norway.

To this end it presents the draft decision set out in Annex III.

Report on the results of the renegotiations

1. In a communication of 25 September 1969 (Secret/196 of 13 October 1969) the Norwegian Government notified the Contracting Parties of its intention to modify or withdraw two concessions in Part I of List XIV annexed to the General Agreement. These concessions concerned tariff headings No. 10.06 ex B (rice husked and polished) and No. 21.06 A 3 (other natural yeasts).
2. The Community exercised negotiating rights in respect of heading No. 10.06 B because Benelux was a direct beneficiary, and in respect of heading No. 21.06 A 3 because the Community was the principal supplier of active yeasts other than bakers', the latter concession having been granted during the Kennedy Round.
3. Despite the efforts of both parties in the negotiations, it was not possible to determine precisely how much trade in rice would be affected by the increase in the rate of duty from 0.20/kg to 0.60/kg because the available statistics did not allow a distinction to be made between the varieties of rice which would be subject to the increased rate and those which would continue to qualify for the bound rate. The volume of trade covered by active yeasts other than bakers' amounted to \$13.300 during the three-year reference period.
4. As regards compensating adjustment, the Norwegian Government initially offered to reduce the rate of duty for heading No. 21.02 A (extracts, essences or concentrates of coffee) from 0.50/kg to 0.25/kg. At its meeting of 3 July, 1970 the Article 113 Committee supported the Commission's position, which was to request the Norwegian authorities to reduce the rate still further to 0.20/kg.

5. The Community's request was accepted, and on 3 March 1972 the Article 113 Committee delivered a favourable opinion on the conclusion of the renegotiations on the basis of this improved offer of compensation.
6. Because of the difficulties encountered by the Norwegian authorities in their negotiations with the United States, however, the Commission agreed to postpone temporarily the initialling of the Renegotiation Agreement with the Community.
7. The Renegotiation Agreement reproduced in Annex II was initialled on 17 June, 1974. It should be pointed out that in this Agreement the withdrawal of concessions was restricted to husked and polished rice for human consumption and that the heading covering other natural yeasts was re-bound at the rate of 30 %.
8. The Commission accordingly proposes that the renegotiations with the Norwegian Government be concluded.

RESULTS OF NEGOTIATIONS WITH THE EUROPEAN  
COMMUNITIES UNDER ARTICLE XXVIII FOR THE  
MODIFICATION OR WITHDRAWAL OF CONCESSIONS  
IN THE SCHEDULE OF NORWAY (XIV)

CHANGES IN SCHEDULE XIV - NORWAY

CONCESSIONS TO BE WITHDRAWN

Tariff Item Number	Description of Products	Rates of Duty bound in existing Schedule
10.06	Husked and polished rice for human consumption	0,20 kr/kg

CONCESSIONS TO BE MODIFIED

Tariff Item Number	Description of Products	Rates of Duty bound in existing Schedule	Rates of Duty to be bound
21.06 A 5	Other natural yeasts	0,40 kr/kg	30 %

NEW CONCESSIONS ON ITEMS IN EXISTING SCHEDULES

Tariff Item Number	Description of Products	Rates of Duty bound in existing Schedule	Rates of Duty to be bound
21.02 A	Extracts, essences or concentrates of coffee	0,50 kr/kg	0,20 kr/kg

17th June 1974

The Director-General,  
GATT,  
Geneva.

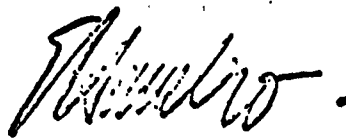
NEGOTIATIONS RELATING TO SCHEDULE XIV-NORWAY.

The Delegations of the Commission of the European Communities and Norway have concluded their negotiations under Article XXVIII for the modification or withdrawal of concessions provided for in Schedule XIV as set out in the report attached.



---

For the Delegation of  
the Commission of the  
European Communities



---

For the Delegation  
of Norway

ANNEX III

## RECOMMENDATION COUNCIL DECISION

concluding an Agreement between the European Economic Community and Norway negotiated under Article XXVIII (1) of the General Agreement on Tariffs and Trade.

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 Council Decision of 25 May 1970 authorising the Commission, to enter into negotiations or consultations with third countries which are Contracting Parties to GATT in specific circumstances;

Having regard to the recommendation of the Commission;

Whereas, in accordance with the provisions of Article XXVIII (1) of the General Agreement on Tariffs and Trade, the Norwegian Government gave notice of its desire to withdraw concessions granted to the European Economic Community whereas this withdrawal gave rise to negotiations for compensation;

Whereas the concessions offered by Norway to offset the concessions withdrawn are satisfactory,

HAS DECIDED AS FOLLOWS:

Article 1

The attached Agreement negotiated with Norway under Article XXVIII (1) of the General Agreement on Tariffs and Trade is hereby concluded on behalf of the European Economic Community.

Article 2

The conclusion of this Agreement shall be notified to the Contracting Parties to the General Agreement on Tariffs and Trade.

Done at Brussels,

For the Council  
The President





CONCLUSION OF A RENEGOTIATION AGREEMENT WITH INDIA  
UNDER ARTICLE XXVIII OF THE GENERAL AGREEMENT ON TARIFFS AND TRADE

---

(Commission Communication to the Council)

The Commission hereby presents to the Council:

1. A report on the results of the renegotiations it has conducted with India under Article XXVIII of the General Agreement on Tariffs and Trade with withdrawal of concessions concerning the Community (Annex I);
2. A draft Schedule setting out the compensatory concessions granted by India under Article XXVIII of the General Agreement (Annex II).

The Article 113 Committee has delivered a favourable opinion on the results of these negotiations.

The Commission recommends that the Council conclude the renegotiation agreement with India under Article XXVIII.

To this end it presents the draft decision set out in Annex III.

ANNEX IReport on the results of the renegotiations

1. By their decision dated 16 March 1973 the Contracting Parties granted the Indian Government a waiver from Article II (1) of the General Agreement to enable it to apply rates of duty higher than the bound rates for a number of tariff headings without waiting for the results of the renegotiations.
2. On 28 June 1973 the Indian authorities notified the Contracting Parties that on 1 March 1973 they had brought into force increased rates for 42 bound headings in their Schedule of Concessions XII.
3. The direct harm to the Community caused by this unbinding measure amounted to Rs 46 612 000 and resulted in duty increases of 5 to 15 points for more than 50 % of this volume of trade. The indirect harm was estimated at Rs 35 146 000.
4. In order to offset this damage, the Commission presented the Indian authorities with a list of requests concerning a number of tariff headings for which a reduction of approximately 30 % in the existing duties was requested. The Indian negotiators initially stated that they were not able to accept these requests and gave various reasons such as protection of the national industry, harmonisation of existing duties, non-essential nature of the products in question and low volume of trade involved. In their turn they made an offer of a 20 point reduction for three headings covering a trade volume of Rs 10 490 000, i.e. 22 % in trade value of the direct harm suffered by the Community.
5. The Commission felt that this offer was distinctly inadequate and therefore invited the Indian authorities to reconsider their initial position and to make, preferably on the basis of the Community's list of requests, a reasonable offer comprising a

number of duty reductions and a number of bindings at the level of existing duties. At the same time the Commission emphasized that it fully appreciated India's economic difficulties and would take them into account when assessing the new offer. The Community had, however, to ensure that a more flexible attitude than that adopted by other developed Contracting Parties would not be likely to harm its own interests.

6. After re-examining at length the list of the Community's initial requests, the Indian Government submitted to the Commission a revised offer including some of the headings of interest to the Community. This offer comprised the three headings previously offered by India and five headings which were in the list of the Community's requests. The volume of trade covered by this offer corresponded to the amount of direct harm suffered by the Community (direct harm: Rs 46 612 000; offer: Rs. 47 624 000). In qualitative terms this offer involved four 20 point duty reductions and four bindings at the level of existing duties. The Indian authorities have thus made a considerable effort to meet the Community's desires.
7. The Indian authorities also pointed out that the Community would obtain adequate indirect benefit from the results of the renegotiations with the other Contracting Parties concerned.
8. In view of these considerations the Commission considered that the offer of compensation was satisfactory and proposed to conclude the renegotiations with the Indian Government on this basis.
9. At its meeting of 20 November 1974 the Article 113 Committee delivered an opinion in agreement with the Commission proposal.
10. The document recording the results of the renegotiations was initialled on 21 November 1974.

Pursuant to the terms of the waiver of 16th March, 1973, and having regard to the tariff commitments withdrawn from Schedule XII (India) as set out in document No. L/3874/Add. 1, the delegations of the Commission of the European Communities and of India have concluded negotiations under Article XXVIII of GATT, the results of which are set out in the Annex.

For the delegation of India

For the delegation of  
the Commission of the  
European Communities

21st November 1974

ANNEX

<u>Indian Customs Tariff item no.</u>	Description of product	<u>Rate of duty to be bound</u>
ex 71 (a)	Interchangeable tools for metal working hand tools	40 %
ex 73/ex 77	Machines and appliances for testing mechanically the hardness, strength, compressibility, elasticity and the like proportion of industrial materials (for example, metals, wood, textiles, paper or plastics) Parts of such machines and appliances (RITC 86195)	40 %
ex 73/ex 77	Instruments and apparatus for physical or chemical analysis; Instruments and apparatus for measuring or checking viscosity, porosity, expansion, surface tension or the like; Instruments and apparatus for measuring or checking quantities of heat, light or sound (excluding exposure motors); Microtomes Parts of such instruments and apparatus (RITC 86198)	40 %
ex 72 (3)	Refractory bricks of special shape or quality for use as component parts in industrial furnaces.	40 %
ex 72 (b)/ ex 72 (3)	Turbo alternators and parts thereof	40 %
ex 72 (c)/ ex 73/77	Industrial and laboratory furnaces and ovens, electric or non-electric.	40 %
ex 72 (c)/ ex 72 (3)	Convertors, ladles, ingot moulds and casting machines of a kind used in metallurgy and in metal roundries; parts thereof	40 %
ex 73	Electrical measuring, checking, analysing or automatically controlling instruments and apparatus	60 %

---

Annex IIIRECOMMENDATION FOR A COUNCIL DECISION

on the conclusion of an Agreement between the European Economic Community and India negotiated under Article XXVIII of the General Agreement on Tariffs and Trade

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 Council Decision of 25 May 1970 authorising the Commission to conduct negotiations or held consultations in specific circumstances with third countries which are Contracting Parties to the GATT;

Having regard to the Recommendation from the Commission;

Whereas, in accordance with Article XXVIII of the General Agreement on Tariffs and Trade, the Government of India has notified its wish to withdraw concessions concerning the European Economic Community; whereas that withdrawal has been the subject of negotiations on compensation; Whereas the concessions offered by India in compensation for those withdrawn are satisfactory,

HAS DECIDED AS FOLLOWS:

Article 1

The Agreement negotiated with India under Article XXVIII of the General Agreement on Tariffs and Trade is hereby concluded on behalf of the European Economic Community; the text of the Agreement is annexed to this Decision.

Article 2

The Contracting Parties to the General Agreement on Tariffs and Trade shall be notified of the conclusion of this Agreement.

Done at Brussels,

For the Council

The President