

COUNCIL OF THE EUROPEAN COMMUNITIES
GENERAL SECRETARIAT

PRESS RELEASE

433

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The Agreement in the form of an Exchange of Letters between the European Economic Community and the Principality of Andorra was today signed, subject to approval, by:

for the Community,

- Mrs Maire GEOGHEGAN-QUINN, Irish Minister of State for European Affairs, President-in-Office of the Council of the European Communities;
- Mr Abel MATUTES, Member of the Commission of the European Communities;

for the Principality of Andorra,

- Mr Francesc BADIA and Mr Jean-Pierre COURTOIS, Viguiers of the Principality of Andorra;
- Mr Oscar RIBAS i REIG, Head of Government of the Principality of Andorra

The Agreement follows negotiations conducted by the Commission with a delegation from Andorra on the basis of Council directives, and is in response to a declaration annexed to the Act of Accession of Spain to the Communities which provides for arrangements to be drawn up to govern trade relations between the Communities and Andorra and to replace the national arrangements at present in force.

The Agreement provides in particular, where industrial products are concerned, for the establishment of a customs union between the Principality of Andorra and the Community. The customs union will involve the elimination from 1991 of customs duties and taxes having equivalent effect as well as quantitative restrictions in trade between the Parties, and the adoption by Andorra of the import procedures applied by the Community with regard to third countries, and the arrangements necessary for their operation.

Concerning agriculture, the Community will allow duty-free importation of products originating in Andorra. A specific solution has been found for manufactured tobacco.

In addition, to take account of the specific character of the Andorran economy (for which the tourist trade is essential), and of the particular situation of Andorra in relation to the frontier Member States, the Agreement includes provisions concerning the duty-free concessions allowed to travellers.

Community customs offices will be authorized to put products originating in third countries into free circulation on behalf of the Principality of Andorra, and payments received on this account will be transferred to the Andorran Treasury after deduction of administration costs.

A Joint Committee will have responsibility for the administration of the Agreement and for its proper implementation.