

WORLD TRADE ORGANIZATION

RESTRICTED

WT/ACC/SPEC/HRV/6
27 August 1998

(98-3322)

**Working Party on the
Accession of Croatia**

Original: English

ACCESSION OF CROATIA

Elements of a draft report

INTRODUCTION

1. The Government of Croatia applied for accession to the General Agreement on Tariffs and Trade (GATT 1947) in September 1993. At its meeting on 27 October 1993, the GATT 1947 Council of Representatives established a Working Party to examine the application of the Government of Croatia to accede to the General Agreement under Article XXXIII of the General Agreement. Following the conclusion of the Uruguay Round, Croatia requested accession to the World Trade Organization (WTO) under Article XII of the Marrakesh Agreement establishing the World Trade Organization. Having regard to the decision adopted by the WTO General Council on 31 January 1995, the existing GATT 1947 Accession Working Party was transformed into a WTO Accession Working Party. The terms of reference and the membership of the Working Party are reproduced in document WT/ACC/HRV/8/Rev.3.

2. The Working Party met on 1 April 1996; 23-24 January 1997; 21 January 1998 and under the Chairmanship of Ms. A.-M. Plate (the Netherlands).

DOCUMENTATION PROVIDED

3. The Working Party had before it, to serve as a basis for its discussions, a Memorandum on the Foreign Trade Regime of Croatia (L/7466) and the questions submitted by Members on the foreign trade regime of Croatia, together with the replies thereto (WT/ACC/HRV/3 and Corr.1, WT/ACC/HRV/4 and Addenda 1 and 2, WT/ACC/HRV/7 and Add.1, WT/ACC/HRV/11 and Add.1, WT/ACC/HRV/27 and Addendum 1, WT/ACC/HRV/30, WT/ACC/HRV/39 and Addenda 1 and 2,), and other information provided by the Croatian authorities (WT/ACC/HRV/5 and Corr.1, WT/ACC/HRV/6 and Rev.1 and Corr.1, WT/ACC/HRV/9 and Corr.1, WT/ACC/HRV/12 and Corr.1, WT/ACC/HRV/13, WT/ACC/HRV/14, WT/ACC/HRV/15, WT/ACC/HRV/16 and Rev.1, WT/ACC/HRV/17,

WT/ACC/HRV/18, WT/ACC/HRV/19, WT/ACC/HRV/20, WT/ACC/HRV/21, WT/ACC/HRV/22, WT/ACC/HRV/23, WT/ACC/HRV/24, WT/ACC/HRV/25, WT/ACC/HRV/37 and Rev.1, WT/ACC/HRV/40, WT/ACC/HRV/43,), including the legislative texts and other documentation listed in Annex I.

INTRODUCTORY STATEMENTS

4. In his introductory statement, the representative of Croatia stressed that accession to the World Trade Organization was among the main priorities of his Government. Croatia was pursuing a program of thorough economic adjustment and reform, transforming its economy into one based fully on market principles. The efforts of the Government were underpinned by credits from the IMF, the World Bank and the European Bank for Reconstruction and Development. Croatia was strengthening institutional relations with the European Union and free-trade ties with countries in central and eastern Europe.

5. The near-term goals of his Government were to accelerate economic growth, privatization, public enterprise restructuring and the rehabilitation of banks; comprehensive reconstruction of war-torn areas; fight unemployment while maintaining low inflation and a stable exchange rate; and to continue to develop the legal and institutional framework. An internationally compatible market framework had been established with the enactment of the Company Law and the Law on Trade, for the most part adjusted in accordance with the principles of the GATT and resulting in substantial liberalization of foreign trade. Croatia had also introduced a new Customs Tariff, incorporating the 1996 amendments to the International Convention on the Harmonized Commodity Description and the Recommendation of the World Customs Organization Regarding Ozone Layer Depleters and the Draft Recommendation on Drugs. Some financial incentives and subsidies were provided to agriculture in accordance with the Law on Financial Incentives and Subsidies in Agriculture and Fisheries (and its amendments). The Government intended to maintain guaranteed prices for a small group of agricultural products, while a system of variable levies would be abolished. The representative of Croatia assured members of the Working Party that Croatia would take all necessary steps to continue to improve its legal and institutional framework, so that the accession process could be accomplished as soon as reasonably possible.

6. In their opening remarks many members of the Working Party welcomed the request from Croatia to accede to the WTO. Membership in the WTO would assist Croatia in its efforts to repair the damage of war and underpin its continuous and systematic transformation towards a market economy. Several members declared their interest in working constructively together with Croatia in establishing

its terms of accession and ensuring that the mandate of the Working Party be concluded in a timely manner.

7. The Working Party then proceeded to review the economic policies and foreign trade regime of Croatia and the possible terms of a Draft Protocol of Accession to the WTO. The views expressed by members of the Working Party are summarized below in paragraphs 8 to

ECONOMIC POLICIES

Monetary and Fiscal Policy

8. Some members of the Working Party requested information on taxation policies in Croatia, and confirmation that the tax system did not differentiate between foreign and domestic ownership. Noting certain problems regarding the collection of taxes, some members asked Croatia to elaborate on the informal sector of the economy and measures taken to reduce tax evasion.

9. The representative of Croatia provided an up-dated description of the internal taxation regime in July 1996 (document WT/ACC/HRV/20). The main elements of the tax system were the Law on Profit Tax, the Law on Income Tax and the Law on Value Added Tax, replacing the Law on the turnover tax of products and services on 1 January 1998. Revenues from the profit tax and the income tax were divided between the State, municipalities, townships and counties in fixed percentages in accordance with Article 45 of the Law on Financing Local Self-Government and Local Government. In addition, local self-government units and government units could also levy some local taxes in order to fill their budgets.

10. The representative of Croatia said that the size of the informal economy was unknown, but studies based on employment data suggested that the informal sector might add some 16 to 21 per cent to the official gross domestic product. Sectors with informal economic activity of some significance were trading, catering, construction, domestic appliance and car repair, commercial and residential property rental, business services and household personal services, while the processing industry and agriculture appeared to be less affected. Steps taken to contain the informal sector included the development of an effective tax system, lower taxes and improved labour relations within a stronger regulatory framework and more effective labour inspection. The financial police was also stepping up operations to enforce the tax laws.

Foreign Exchange and Payments

11. The representative of Croatia noted that the legal basis for Croatia's foreign exchange regime was the Law on the Foundations on the Foreign Exchange System, effective since 19 October 1993. The Law regulated the foreign exchange market, in which all purchase and sale of foreign exchange took place. Croatia had opted for a floating exchange rate for its national currency - the Kuna - to enable the economy to adjust to external shocks. The National Bank of Croatia was authorized to intervene in the foreign currency market to maintain a competitive exchange rate. Exchange rates were published daily by authorized banks and the National Bank of Croatia.

12. A member of the Working Party asked whether Croatia differentiated between exporters and other firms regarding the availability of foreign exchange or the rate of exchange and requested further information on Croatia's relationship with the IMF, in particular whether any reservations had been made under Article XIV (Transitional Arrangements). The representative of Croatia said that Croatia did not differentiate between exporters and other firms in currency exchange rates or in the availability of foreign exchange. Croatia had become member of the IMF in December 1992 following the model of partial succession. As a member of the IMF Croatia maintained no reservation under Article XIV. Croatia had accepted the obligations of Article VIII, Sections 2, 3 and 4 of the IMF Articles of Agreement with effect from 29 May 1995. Thus, Croatia did not maintain any restriction on payments and transfers for current international transactions.

13. A member of the Working Party inquired about the Law on Credit Relations with Foreign Countries. The representative of Croatia said that the Law regulated borrowing from international financial institutions and lending or borrowing arrangements with foreign partners by authorized banks, companies or other legal entities, and guarantees issued for the account of domestic and foreign entities. A copy of the Law was provided to the Working Party. Resident juridical persons, including commercial banks, were allowed to borrow abroad, but were required to register loans, including commercial credits, with the National Bank of Croatia. Resident legal or natural persons could only extend credits to non-residents from profits or credits obtained abroad. Natural persons could borrow from non-residents in domestic or foreign currency. On the issue of assets and liabilities of former Yugoslavia, the representative of Croatia said that negotiations were continuing. He added that Croatia had accepted calculations of the International Monetary Fund and had assumed 28.49 per cent of the non-allocated debt of former Yugoslavia.

Investment Regime

14. The representative of Croatia said that foreign investment was regulated under the Company Law, entering into force on 1 January 1995. The Law defined a foreign investor as any foreign national or legal person with a registered seat outside the Republic of Croatia. The new legal regime had nullified a number of restrictions on foreign investment maintained under previous legislation (the Law on Foreign Investments). No particular sector was closed to foreign investment. However, investments in the military industry and telecommunications were subject to a special procedure. According to the Law on Telecommunications, foreign investment in radio and television concessions was limited to 25 per cent of the capital of the concessionaire. Inward portfolio investment was not restricted, except for central bank short-term securities in the primary market

15. The representative of Croatia noted that foreign direct investment by non-residents could take the form of joint venture or full ownership. Registration with the commercial courts was required. National treatment applied to foreign investment in principle, on condition of reciprocity. Parliament was currently examining amendments to the Company Law which would abolish the condition of reciprocity, thus providing full national treatment in respect of establishment of commercial presence. These changes were expected to enter into force in early Autumn 1998.

16. The representative of Croatia said that Croatian residents were required to report investments abroad to the Ministry of Economy *ex post* for statistical purposes. Acquisition of real estate in Croatia by non-residents was granted on the basis of reciprocity. However, foreign exchange restrictions in practice prevented Croatian residents from purchasing real estate abroad.

State Ownership and Privatization

17. Some members of the Working Party asked Croatia to provide information on its privatization programme and outline future plans in this area, noting that the present Law on Privatization did not concern public enterprises, banks, insurance companies, cooperatives, marinas, hospitals and schools. Asked about the conditions for foreigners to participate in privatization tenders, the representative of Croatia said that the Company Law provided for national treatment of foreign investment, including participation in privatization.

18. The representative of Croatia said that privatization involved the transformation of former "socially-owned" enterprises into joint-stock or limited liability companies with defined ownership

structures. Following independence, ten large infrastructure and utilities companies had come under direct State ownership as "public enterprises" while the remaining socially-owned enterprises were to be privatized in a two-stage process. These enterprises submitted requests for commercialization to the Croatian Privatization Fund and could request "autonomous transformation", i.e. propose their own privatization plans, until 30 June 1992. First-stage privatization was organized by the Croatian Privatization Fund, seeking wide participation by employees and the population at large by offering preferential rights for share subscription at substantial discount, and payment by instalments. Shares in enterprises not privatized during the first stage were subsequently transferred to the Croatian Pension Funds (one third) and the Croatian Privatization Fund (two thirds). Under the responsibility of the latter, shareholdings had been reduced by various methods, including auctions at the Zagreb Stock Exchange, direct trade deals, tenders open to foreign investors, as well as free distribution of shares to war veterans, widows and their families. Shares in some specific enterprises had been earmarked to be sold against frozen foreign exchange deposits (FFED). Croatian citizens had participated actively in the privatization; some 600,000 small investors had acquired shares in a total of more than 2,500 enterprises. The Government also encouraged the establishment of Privatization Investment Funds (PIF's). These were specialized funds collecting vouchers and coupons in exchange for shares in companies put up for mass privatization. Contrary to other investment funds, the PIF's were not allowed to exchange shares against frozen foreign exchange deposits.

19. The second phase of the privatization process would be implemented through mass voucher privatization. This privatization would, in effect, be a distribution of shares not sold in the first phase of privatization. Vouchers would be distributed to individuals affected by the hostilities such as injured servicemen, war widows and their families, and other displaced persons and refugees. The shares to be represented by vouchers were at present held in the portfolio of the CPF; shares held by the State pension funds would not be included in the process. In total, more than 500 companies would have their shares sold through voucher privatization. The first round of vouchers were distributed in June 1998, and the process was expected to be concluded before the end of 1998, with the level of privatized companies reaching 75 to 80 per cent (excluding public companies). The representative of Croatia provided information on the privatization process in document WT/ACC/HRV/40.

20. The representative of Croatia added that the Law on Transformation and Privatization of Socially Owned Enterprises had also applied to agriculture. Former socially-owned farms which had not filed requests for "autonomous transformation" had been transferred to the Croatian Privatization Fund. These farms were currently organized as joint-stock or limited liability companies and managed by their respective Management Boards. Some 180 cooperative enterprises would also be privatized

under the Law on Farm Cooperatives. In some cases agricultural enterprises had been divided into smaller independent units. All agricultural trading and processing enterprises had been privatized. Croatia intended to privatize the entire food procurement and processing system.

21. Sectors not covered under the Law on Privatization could be privatized under other provisions. Shares in banks were sold by their founding institutions or, in case of financially troubled banks, with the assistance of the Agency for Bank Rehabilitation. The Law on Sea Ports provided for the privatization of port services and the award of concessions; the actual port was regulated by the port administration. Medical services and other activities within hospitals and clinics, but not the property or infrastructure, could be privatized in accordance with the Statute of Conditions for the Lease of Medical Facilities for Primary Medical Care and Hospitals. Public educational facilities would be privatized in the near future. The Law on Privatization included a provision on the privatization of public enterprises (Article 13, Paragraph 13). The Ministry of Privatization and Management of State Assets would draft proposals for decision by the Government. Privatization of the most significant companies required approval by Parliament, and privatization would be pursued individually for each company. Decisions had been taken to begin, in the foreseeable future, privatization of Croatian Railways (HZ), Hrvatske Sume (Croatian Forests), the Official Gazette, Croatian Petroleum Company (INA), Croatian Radio and Television Broadcasting (HRT), Croatian Electricity Company (HEP), Croatian Post And Telecommunications (HPT), the Coastal Shipping Company and Plovput (a lighthouse company).

22. The representative of Croatia said that Croatia had also drafted a Law on Compensation for Expropriated Assets. The law foresaw the restitution of assets either in kind, through shares reserved in the Croatian Privatization Fund or by payment from the Croatian Compensation Fund.

Pricing Policies

23. The representative of Croatia said that price controls had been liberalized in recent years. Existing controls were applied in accordance with the Law on Exceptional Measures of Price Control. Direct price controls could be prescribed to prevent negative effects of changes in some prices or to prevent monopoly pricing (Article 4). This provision underlined the exceptional character of direct price controls, which could only be implemented for a limited period of time and only if the negative effects could not be eliminated by other economic policy measures.

24. The Government could implement direct price controls either by fixing maximum prices; ordering price reductions to a certain level; or by requiring economic agents to report price changes in

advance. Government Regulations determined the goods and services subject to these measures. At present, the only direct price controls in force were obligatory prior reporting of price changes for milk for daily consumption; fertilizers; wheat flour; bread type 850; petroleum products; natural gas; electric energy; radio and television subscriptions; transportation of passengers and freight by local rail or maritime line traffic; standard letters and postcards; telephone impulse and telephone subscription; road, bridge and tunnel tolls; official forms; roundwood logs; cubic wood; and the services of loading and transportation of wood sortings. [The Government Decisions and Orders of the Ministry of Economy identifying the goods and services subject to advance notice of price changes were provided to the Working Party.] The Ministry of Economy could object to the new prices within 15 days from the date the prices were reported, and request a company to reconsider the proposed prices. The Law provided for penalties amounting to HRK 5,000-20,000 (US\$800-3,000) for companies changing prices against the objections of the Ministry, and the Government could order the prices lowered to the original level. A company objecting to such administrative action could institute proceedings and request compensation for the damage incurred. All regulations regarding price control measures were published in the "Official Gazette" of the Republic of Croatia.

25. Local administrative bodies were responsible for direct and indirect price controls of public utilities, i.e. central heating, water supply, sewage and other sanitary services, distribution of gas, public transport, etc. However, the Government could prescribe such measures to prevent market disturbance or monopoly behaviour if local administrative bodies did not take action.

Competition Policy

26. The representative of Croatia said that the Law on the Protection of Market Competition had been adopted by Parliament on 27 June 1995. Certain practices, including price fixing, market sharing and tying-in arrangements, were generally or specifically prohibited, but the rule of reason applied and group exemptions could be granted, for example for contracts related to specialization, exclusive or selective distribution, exclusive purchasing, franchising and research and development. The Law applied to all firms operating in Croatia regardless of the form of incorporation or ownership. An indicative list of State-owned or public enterprises which could qualify for exemption was found in an Annex to the Law on Public Purchasing. However, until now no entities or legal persons owned, managed or under the authority of the State had been specifically or explicitly exempted from the Law on the Protection of Market Competition. In response to specific questions on the regulation of export cartels, he confirmed that Article 4 (2) of the Law limited its scope to anti-competitive practices affecting the home market provided international agreements signed by Croatia did not stipulate

otherwise. Croatia had established a Competition Protection Agency to enforce legislation. Cases would be decided by its Council.

FRAMEWORK FOR MAKING AND ENFORCING POLICIES

27. The representative of Croatia said that the central Government was responsible for a number of functions including international relations, economic policy and customs matters. Each Ministry was responsible for proposing new or amended legislation within its area of competence. Following approval by the Government draft legislation would be forwarded to Parliament for adoption. Most international agreements were subject to ratification by Parliament. Croatia's Protocol of Accession to the WTO would be subject to such ratification.

28. The representative of Croatia said that Croatia had established a system of local self-government and administration based on the European Charter on Local Self-government. Within this system, Croatia was divided into 21 counties (including the City of Zagreb), subdivided into 421 municipalities, 50 townships and two special self-governing districts. The activities of local government units were financed in part from local dues and fees and income from own assets, in part from fixed percentage shares of revenue from the income tax, the profit tax, a tax on real estate transactions and a tax on gambling. Property taxes collected by the counties included taxes on motor vehicles and vessels, raised in fixed kuna amounts ranging from the equivalent of DM 30 to 200 [per year?] for cars, DM 20 to 100 for motorcycles, and DM 40 to 550 for vessels.

29. Some Members noted that local authorities could levy taxes on certain goods and services and asked what control the central government could exercise to ensure that the taxation practices of local authorities would be consistent with WTO obligations. The representative of Croatia replied that only the central authorities (the Government and Parliament) could propose and adopt legislation of any kind, including in the area of taxation. Thus, as local authorities could only collect taxes established by law, their practices would be in compliance with WTO obligations.

30. Decisions on concessional rights were subject to shared responsibility between central and local governments. Concessions were regulated by the Law on Concessions, unless special statutes provided otherwise, and could be granted for up to 99 years to a domestic or foreign person. Decisions on the granting of concessions were taken by the House of Representatives (Parliament) on the proposal of the Government, and upon the opinion of the local administrative body where the concession would be exploited. Parliament could delegate the authority to grant concessions to the Government. The

decision to grant a concession was required to be based on public bidding or soliciting of tenders to select the successful candidate. Following the decision to grant a concession by Parliament or the Government, the executive branch of the of the administrative body concluded a contract with the concessionaire, regulating the conditions under which a concession could be exploited or terminated. Special laws could provide different conditions, as an exemption to this general law, to obtain or exploit a concession. For example, local road concessions were granted by local authorities, and the Law on Sea Ports provided for concessions to be granted by the port authority.

POLICIES AFFECTING TRADE IN GOODS

Trading Rights

31. The representative of Croatia said that Croatia had applied temporarily the Law on Foreign Trade Operations of the former Yugoslavia since October 1991. The Law laid down a number of conditions regarding registration of companies, reporting requirements, restrictions on the right to engage in foreign trade, and rules for special trade operations. The Law on Foreign Trade Operations had been superseded by the Company Law, entering into force on 1 January 1995, and the Law on Trade, in effect since February 1996. The Company Law contained exhaustive and precise provisions concerning the establishment, incorporation and registration of stock corporations, limited liability companies, general or limited partnerships, and sole proprietorships. The restrictions or special conditions governing foreign trade operations under the former Law on Foreign Trade Operations had been abolished with the new Law on Trade and the Company Law; for example, companies engaging in foreign trade were no longer required to register separately with the Commercial Court, and companies were now free to re-export, import or invest abroad without approval of the Ministry of Economy.

32. The representative of Croatia added that although the former Law on Foreign Trade Operations had limited or conditioned the freedom of trade, foreign trade had never been subject to State monopoly. The State did not restrict the right of persons or entities to import or export under present legislation. The registration criteria to be met by domestic or foreign enterprises and individuals wishing to engage in foreign trade were set out in Article 4 of the Law on Trade, providing for free trade and equal market conditions.

33. Croatia maintained no registry of authorized importers of goods subject to licensing. In general, all companies incorporated for trade activities or activities using licensed goods were eligible to apply for import licences. First-time applicants were required to submit additional documentation such as the

registration with the Commercial Court. Importers of arms needed a prior licence to sell arms from the Ministry of Internal Affairs.

[Market Access Negotiations

34. In a communication dated 24 July 1995 (document WT/ACC/HRV/3/Add.1), Croatia announced its readiness to commence bilateral negotiations for its concessions under the GATT 1994. Croatia wished to commit itself to tariff ceilings on a selective product-by-product basis according to Article XXVIIIbis, paragraph 2(a) of the GATT 1994. Moreover, Croatia declared itself a "developing country" and as such entrusted WTO Members to take this into consideration when making their requests for concessions. The reasons for requesting developing country treatment were further explained in a separate submission (document WT/ACC/HRV/4, Appendix 1). An initial offer on market access for trade in industrial goods was submitted in April 1997, and an initial offer on trade in agriculture in May 1997. [Members were notified in documents WT/ACC/SPEC/HRV/3 dated 23 April 1997 and document WT/ACC/SPEC/HRV/2 of 14 May 1997. A revised offer on market access for trade in industrial products was submitted in March 1998 (document WT/ACC/SPEC/HRV/3/Rev.1). The offers are available on diskette in the Secretariat.]

A. Import Regulation

Customs Tariff

35. The representative of Croatia said that Croatia had been an active member of the World Customs Organization since gaining full membership on 1 July 1993. Croatia had joined the International Convention on the Harmonized Commodity Description and Coding System on 26 September 1994. The Customs Law, the Customs Tariff Law and the Law on Customs Administration constituted the legal framework for the customs regime of Croatia. The right of appeal against decisions of Customs was ensured in Articles 242 to 244 of the Customs Law, and its Articles 249 to 253 regulated the subsequent settlement of accounts, payment and refund of customs duties. The Customs Law had been applied with minor changes since 1991. Some amendments were in preparation to adjust to the WTO provisions on customs valuation and customs procedures to the Community Customs Code.

Ordinary Customs Duties

36. The representative of Croatia said that a new Customs Tariff Law, based on the 1996 version of the Harmonized System, had entered into force on 1 July 1996. The new customs tariff was provided to the Working Party in diskette form. He added that tariff rates were increased on some agricultural and food products, reflecting the abolition of import quotas. Compound rates (ad valorem and specific element) had been established for some agricultural products. Maximum levels for the specific elements and the corresponding seasons had been established for fresh fruit and vegetables; the upper limits were published in Annex A of the Customs Tariff. No further seasonal duties or charges were planned. Goods valued at less than US\$500 intended for household use and carried by natural persons entering Croatia were assessed a unified customs duty of 8 per cent.

Other Duties and Charges Levied on Imports but not on Domestic Production

37. The representative of Croatia said that all duties and charges other than ordinary customs duties had been abolished with the introduction of the new customs tariff on 1 July 1996, notably a 10 per cent charge on imports and a 1 per cent customs registration fee. Various agricultural and food products had been subject to import levies (a list was provided in document WT/ACC/HRV/7/Add.1).

Tariff Rate Quotas, Tariff Exemptions

38. The representative of Croatia said that exemptions from payment of customs duty could be granted in accordance with the provisions and procedures of the Customs Law. Article 18 of the Customs Law established regulations for goods not subject to customs payment such as goods in transit, international tender documents and other printed or recorded material related to culture, science, education, etc. Further exemptions were outlined in Articles 24 to 33 for items imported by foreign diplomatic and consular offices in Croatia in accordance with their needs and requirements for official purposes; articles for personal use when travelling abroad; goods received for free from abroad by legal or natural persons; goods destined for disaster relief and humanitarian purposes; and importation of industrial and other equipment related to foreign investment (Article 29). Exemptions could also be granted under Article 54 - imports on the basis of tariff quotas - and Article 59 (commitments under international agreements). He added that the tariff exemptions were non-discriminatory and of a general nature.

Fees and Charges for Services Rendered

39. The representative of Croatia said that Croatia charged a stamp tax at a flat rate of HRK 60 per customs declaration. In addition, a 1 per cent *ad valorem* fee had been levied on the basis of Article 35 of the Customs Law. The fee represented the cost of record-keeping at customs. The *ad valorem* customs registration fee had been abolished and incorporated into the new Customs Tariff Law on 1 July 1996.

40. In reply to a specific question on charges on imported cement, he noted that shipments were subject to certain administrative charges set in fixed amounts. A shipment of cement would be subject to a stamp tax (HRK 60) as well as a quality control tax (HRK 170) and an additional weight-based quality control charge for physical examination of the shipment. The quality control charges applied also to domestic products.

Application of Internal Taxes to Imports

41. The representative of Croatia said that certain products - coffee, non-alcoholic beverages, beer, alcohol, tobacco products, petroleum products and new imported cars - were subject to excise tax in accordance with the provisions of the Law on Special Taxes on Products. He acknowledged that excise taxes on beer, non-alcoholic and alcoholic beverages, tobacco and tobacco products had differentiated between imported and domestically-produced goods until January 1998. However, the majority of the excise taxes, except those on alcohol and tobacco products, had been brought into conformity with Article III of the GATT by June 1998. The products concerned and the respective tax rates [at end June 1998] are enumerated in Table 1.

Table 1: Excise Taxes in Croatia (rates on 30 June 1998)

Product description	Tax rate (in kuna)
Coffee, per kg:	
Non-roasted coffee	3.60
Roasted coffee	9.00
Coffee husks and skins	12.00
Coffee substitutes containing coffee	15.00
Non-alcoholic beverages, per hl:	
Domestic	40.00
Imported	40.00
Beer (alcoholic), per hl:	
Domestic	80.00
Imported	80.00

Product description	Tax rate (in kuna)
Beer (non-alcohol – max 0,5 per cent vol), per hl:	
Domestic	40.00
Imported	40.00
Alcohol and alcoholic beverages:	
Domestic, per litre absolute alcohol	30.00
Imported, " " "	60.00
Tobacco and tobacco products:	
Domestic tobacco, per 1,000 grams	28.00
Imported tobacco, " " "	56.00
Imported cigarettes, all kinds	8.50
Cigarettes sold in specialized warehouses and duty-free zones	7.50
Domestically-produced cigarettes containing at least 60 per cent domestic tobacco	
- soft pack	3.50
- hard pack	4.20
Cigarettes containing at least 60 per cent domestic tobacco produced in the Republic of Croatia on the basis of production licences	5.00
Domestic cigarettes containing more than 60 per cent domestic tobacco	5.00
Domestic cigarettes containing less than 60 per cent domestic tobacco	7.50
Cigars, domestic and imported, per piece	0.60
Cigarillos, domestic and imported, 20 pieces	4.00
Petroleum products (both domestic and imported):	
Petrol, types such as MB-98, MB-86	1.90
Petrol, types such as BMB-98, BMB-95, BMB-91	1.60
Diesel, such as D-i, D-2, D-3	1.40
Heating oil - extra light and special light	0.30
Automobiles:	
Power 55-75 kW	
- new	3,000.00
- used	2,000.00
Power 75-90 kW	
- new	7,000.00
- used	5,000.00
Power 90-110 kW	
- new	15,000.00
- used	11,000.00
Power more than 110kW	
- new	30,000.00
- used	22,000.00

42. He added that Croatia's excise tax legislation would be brought into full conformity with Article III of the GATT before the end of 1998, at the latest, establishing equal taxes for imported and domestically-produced goods. To this end, changes in the Law on Special Taxes on Products had passed the first reading in Parliament. A draft proposal to change the Law on special taxes on tobacco products had been adopted by the Government in June 1998 and would subsequently be submitted to Parliament.

43. The representative of Croatia said that goods and services had been subject to turnover tax pursuant to the provisions of the Law on the Turnover Tax of Products and Services until the end of

1997. The turnover tax had been replaced by value added tax, levied at a single rate of 22 per cent, with the entry into force of the Law on Value Added Tax on 1 January 1998. The Law on Value Added Tax provided full national treatment. Businesses, whose turnover did not exceed HRK 50,000 (in the previous year, after certain deductions), would be exempt from paying VAT.

44. Exempt from payment of VAT in domestic trade (Article 11) were house rents (residential); banks, saving banks, credit and saving institutions as well as insurance and reinsurance companies; medical services, dentist and similar services provided as private practice; medical services in health institutions; services and goods delivered by pre-school, elementary school, secondary and high school and similar institutions and social care institutions; and services provided and goods delivered by religious communities and institutions, and cultural and similar institutions. Real estate transactions, except new construction; company shares; land; and money and securities transactions and deliveries were exempt from the value added tax. Also exempt from VAT were certain imported goods and goods in transit, namely temporary imports of goods exempt from customs duty; imports of humanitarian aid, except petroleum and petroleum products, tobacco, tobacco products, alcohol and alcoholic beverages; imports of bullion by the Croatian National Bank; imports of foreign legal means of payment, securities and company shares; and transit of goods through the customs territory of the Republic of Croatia. All exported goods were exempt from value added tax.

Quantitative Import Restrictions, including Prohibitions, Quotas and Licensing Systems

45. The representative of Croatia said that the Law on Trade contained provisions in Articles 40 to 43 regarding the imposition of import quotas, including for the purpose of protecting infant industries. In view of Croatia's situation in the post-war period, and the level of economic development, the Croatian Government had considered itself entitled to recourse to GATT Article XVIII, but as the economic situation had improved the Government had decided not to invoke GATT Article XVIII, and the provisions of the Law on Trade would be changed accordingly. He added that the Government had adopted a Decree on 12 July 1996, abolishing all import quotas with immediate effect. The abolition completed a process, begun in 1994, of reducing the number of products subject to import quotas. Quantitative restrictions had been imposed on certain agricultural products, some foodstuffs, textile fibres, cement, iron and steel products, and machinery to facilitate the establishment of a market economy and assist areas damaged by war. Asked about a temporary limitation/ban on sugar imports, the representative of Croatia said that the import ban on sugar was lifted on 2 May 1998 (Official Gazette No. 60/1998).

46. The representative of Croatia provided information on import licensing procedures in document WT/ACC/HRV/25. The most recent decision on goods subject to import licences had been passed by the Government on 12 June 1996 in accordance with Article 46 of the Law on Trade (Table 2 - see Annex). The licensing system could not be abolished without legislative approval under Croatia's legal system. He added that import licences applied to the usual products allowed by Articles XX and XXI of the GATT 1994. In accordance with the Law on Trade, licences could be prescribed for the purpose of fulfilling international agreements, ensuring State security, the protection of human, animal and plant health and protection of the environment, maintenance of public morals, and to control trade in works of art and precious metals. Import licences were compulsory for tanks, war vessels, military arms, revolvers, pistols, guns, parts and equipment for arms, ammunition, swords and sabres, nuclear reactors, radioactive materials, isotopes, derivatives, hydrocarbons, mint postage stamps, gold, coins, iron tubes and bars, and tractors (more than five years of age). The licences were issued by the Ministry of Economy, which was also the licensing authority for imports of substances affecting the ozone layer (Montreal Convention). In addition, drugs and medical products, glands and other organs, vaccines, drugs, pharmaceutical goods, dialysis appliances, and narcotics were subject to licences issued by the Ministry of Health; imports of veterinary drugs and vaccines were licensed by the Ministry of Agriculture and Forestry; and the State Office for Standardization and Metrology issued import licences for certain scales and measuring instruments. The Ministry of Maritime Affairs, Transport and Telecommunications was the licensing authority for imports of telecommunications instruments and appliances such as transmitters, radars, radio remote controls and radio navigation equipment. Licences for imports of armaments and military equipment for the Croatian Army and Croatian Police were issued by the Ministry of Defence and the Ministry of Internal Affairs. The licensing regime applied equally to imports from all countries.

47. The purpose of the licensing regime was to monitor and control import and export of goods which for various reasons were classified as sensitive, and Croatia had no intention to limit the quantity and value of imports, except as provided for in international conventions such as the Montreal and Basel Conventions. He added that the import licences for iron tubes and bars were temporary surveillance licences, issued to gather trade data. Import licences for combine harvesters had been abolished in 1997. The Government would review the import situation for other products in 1998 and would consider abolition of the surveillance licences. Import licences for precious metals and coins were granted immediately upon request.

48. Licence applications were submitted to no more than one administrative body. The amount and type of information to be submitted was stipulated in the Decision on goods subject to import and export

licences. As the licences carried no limitation on the quantity or value of imports, applications could be submitted until the very moment of importation. The validity of a licence could be extended upon request of the licence holder. An administrative fee of HRK 125.00 was charged for each import licence. Licences were not transferable between importers. Applications could only be rejected if the importer did not fulfil the conditions stipulated in international conventions for specific goods or did not meet standard criteria for the transportation of certain goods. An importer denied an import licence could file an administrative lawsuit with the Administrative Court of the Republic of Croatia.

Other Restrictions

49. The representative of Croatia said that import quotas could be imposed to prevent balance-of-payments difficulties. Croatia would abide by GATT procedures and rules - resorting to Article XII of the GATT - should measures on imports prove necessary for balance-of-payments purposes.

Customs Valuation

50. The representative of Croatia provided information on the implementation and administration of the customs valuation agreement in document WT/ACC/HRV/19. Rules on customs valuation were laid down in Articles 36 to 48 of the Customs Law of the Republic of Croatia and implemented through the Statute on the Conditions and Method of Determining Tariff Bases (the Statute). Both regulations had been assumed from the former Yugoslavia (which had joined the GATT in 1973). Article 36 (1) of the Customs Law stipulated customs valuation based on transaction values.

51. A member stated that Croatia's legislation was not fully consistent with the Agreement on the Implementation of Article VII of the General Agreement on Tariffs and Trade 1994 (the Customs Valuation Agreement), in particular with respect to (i) Article 2 - the use of transaction value of identical merchandise when customs value could not be determined under the provisions of Article 1 of the Agreement; (ii) the prohibitions in the Agreement regarding the determination of customs value based on the acceptance of the higher of two alternative values or minimum customs values; and (iii) a system of reference prices established under Article 44 of the Customs Law. The representative of Croatia replied that the first point of apparent non-conformity with WTO rules was due to a translation error. He acknowledged that the Customs Act did not explicitly prohibit the acceptance of the higher of two alternative values, however, in practice the lowest value was chosen. The Customs Law would be amended to include all prohibitions contained in Article 7.2 of the Agreement, including a ban on minimum customs values. In his view, Article 44 of the Customs Law did not provide for a reference

price system. A valuation list had been intended for information purposes and to facilitate the work of Customs in its fight against fraud, however, no such list had been established.

52. On a further point of clarification he stated that according to Article 10 of the Customs Law, test values would only be used in transactions between related parties at the request of the importer, as provided for in Article 2.1(b) of the Customs Valuation Agreement and the corresponding Interpretative Note of the Customs Valuation Agreement. He therefore considered Croatian legislation to be in full conformity with the WTO. His authorities were not familiar with the 1984 Decision on the Treatment of Interest Charges in the Customs Value of Imported Goods. The Customs Law would be revised to include the operative Interpretative Notes to the Customs Valuation Agreement and to align its Article 36 (5) and 41 more closely with Article 8 of the Agreement.

53. Some members sought a commitment from Croatia to apply fully Article VII and the WTO Agreement on the Implementation of the Article VII, including the Interpretive Notes, from the time of its accession to the WTO. In their view, Croatia should accede to the WTO without recourse to any special and differential treatment provisions of Article 20 and Annex III of the Customs Valuation Agreement. Croatia was also asked to provide specific information on the procedures invoked to ensure full compliance with Article 13 of the Agreement on Customs Valuation pertaining to the ability of importers to withdraw good from customs even though the final valuation determination had not been made.

54. The representative of Croatia confirmed that Croatia would be implementing fully the WTO Agreement on the Implementation of Article VII of the GATT 1994 from the date of accession. Croatia would appreciate technical assistance from WTO members in changing its legislation related to customs valuation.

Other Customs Formalities

55. A member noted that Croatia was developing rules of origin to ensure conformity with the WTO Agreement on Rules of Origin and requested a description of the rules to be used for non-preferential and preferential trade. Croatia was also asked to describe how it would meet the obligations under the WTO Agreement on Rules of Origin for issuing binding assessments of origin, both for non-preferential and for preferential regimes, within 150 days of requests by exporters and importers, as provided under Article 2 (d) of the Agreement and Annex II, and outline the process of appeal against determinations of origin.

56. The representative of Croatia said that the basic principles of rules of origin were regulated under Articles 25 and 26 of the Law on Trade. New regulations on rules of origin were in preparation and would be adopted by the Government in 1998. The new regulations, taking into account achievements within the World Customs Organization on harmonization as well as the regulations and experience of WTO Members, would comply fully with the relevant WTO provisions. The rules of origin would be described and explained in detail in the new regulations, notably the criteria for determining "essential change". The last essential changes conferring origin according to the present regulation involved either a change of tariff heading in relation to the non-originating materials used in the production of finished products, or non-originating materials not exceeding 50 per cent of the total value of the finished product. Fulfilment of one or the other criterion was sufficient in conferring origin. A regulation including company headquarters location among the requirements in determining product origin was valid only in the context of preferential duty treatment, and had not been applied since 1993.

57. Goods submitted for customs clearance were at the disposal of the importer upon payment of customs duty. An importer could be allowed a five-day period to pay the duty provided a Customs Guarantee was submitted to the customs office. A member, referring to press reports indicating that a considerable quantity of goods had been arriving in Croatia without payment of customs duties through the border with the Bosnian Federation, stated that it was critical for the accession process that Croatia address the issue of uniform application of its customs regime vis-à-vis other countries. This member requested a report from Croatia on how it planned to implement strict customs enforcement at its borders prior to WTO accession. In reply, the representative of Croatia said that Croatia was improving its customs controls, installing the most modern computer equipment and facilities for discovering traffic in prohibited goods.

Anti-Dumping, Countervailing Duties, Safeguard Regimes

58. The representative of Croatia said that the new Law on Trade contained provisions on anti-dumping measures (Articles 48 and 49), countervailing duties (Article 50) and safeguard measures (Articles 38 and 39). Moreover, Article 40 of the Law on Trade authorized the Government to introduce import quotas *inter alia* as safeguard measures. Article 55 of the Customs Law, intended as a safeguard clause allowing the imposition of a 15 per cent special customs protection duty, had never been applied, and would be deleted in the new Customs Law. Croatia planned to introduce detailed regulations on anti-dumping, countervailing and safeguard measures in parallel with the accession process, but not

before the end of 1998. Once adopted by the Government, the regulations would be provided to the Working Party.

59. A member noted that Croatia's legislation in the anti-dumping area was not fully consistent with WTO requirements, notably regarding the determination of dumping. The representative of Croatia acknowledged that Article 48 of the Law on Trade was not compatible with Article 2 of the Agreement on the Implementation of Article VI of the General Agreement on Tariffs and Trade 1994 (the Anti-Dumping Agreement) with respect to the definition of the substantive criteria for assessing dumping. Article 48 would accordingly be revised to ensure WTO conformity. He added that Article 49 would also be amended to bring it into conformity with the "standing requirement" of Articles 4 and 5 of the Anti-dumping Agreement. He stressed that the anti-dumping provisions in the Law on Trade could not be applied in the absence of a special implementing regulation. This regulation, covering the anti-dumping procedure and the conditions for the application of the additional duty, would be in compliance with the Anti-Dumping Agreement.

60. Regarding the imposition of countervailing measures, a member noted that the Law on Trade did not provide for an injury requirement, nor did it appear to differentiate between so-called actionable and non-actionable subsidies within the meaning of Article 8 of the Agreement on Subsidies and Countervailing Measures. The representative of Croatia replied that an injury criterion and a provision relating to the treatment of non-actionable subsidies would be inserted in Article 50 of the Law on Trade.

B. Export Regulations

Customs Tariffs, Fees and Charges for Services Rendered, Application of Internal Taxes to Exports

61. The representative of Croatia said that Article 34(2) of the Customs Law authorized the Government to impose customs duties on certain products in extraordinary circumstances and for reasons of protection. A special export duty was levied temporarily on certain items in response to market disturbance and to protect resources which were not easily renewable. The Regulations concerning export duties were abolished by governmental decision in 1996.

Export Restrictions

62. The representative of Croatia said that the Law on Trade allowed the imposition of export quotas in exceptional cases for the purpose of protecting non-renewable natural resources. Products subject to export quotas in accordance with Government Decision of 12 July 1996 are enumerated in Table 3 (see Annex). The main products subject to export quotas were corn, crude oil, natural gas, wood, raw leather, glass, and newspaper waste. [Document WT/ACC/HRV/23 enumerates the respective quotas applicable in 1996.] Quotas were set for a maximum period of one year. By 1 November each year, the Government was obliged to pass a regulation stipulating the quantity allowed to be exported in the following year. The criteria and conditions applied in the allocation of the quotas - predominantly public tendering - were laid down by the Government. The invitation to tender was published in newspapers at least eight days prior to the auction. Minimum 10 per cent of the quota was set aside for new producers, the remaining 90 per cent were allocated on the basis of best offer. Quotas were allocated twice a year, in principle, and any domestic or foreign natural or legal person duly registered in the Republic of Croatia could apply for the quotas. Those not registered with the Commercial Court would need to apply for a quota through a registered exporter.

63. A member reminded Croatia that all quantitative restrictions not justified under specific WTO provisions had to be eliminated or otherwise brought into conformity with WTO rules upon accession. The representative of Croatia replied that the remaining export quotas would be abolished gradually in parallel with Croatia's accession to the WTO. Continuing the policy of bringing Croatia's trade policy measures into conformity with the principles of the GATT 1994, the Government had adopted decisions abolishing the export quotas for crude oil, gas, corn and semi-processed leather at the end of 1997 and in mid 1998. After accession Croatia would, if necessary, consider the use of other, WTO-consistent trade policy measures to ensure supplies of essential raw materials for the domestic market.

64. The representative of Croatia said that Croatia licensed exports of certain items (96 tariff positions) for statistical and monitoring purposes. The products concerned are listed in Table 4 (see Annex). The Ministry of Economic Affairs issued licences automatically within 14 days upon receipt of the application.

Export Subsidies

65. The representative of Croatia said export incentives had been allowed under the old Foreign Trade Operations Act, but no support had been provided for the export of goods. Croatia thus did not

apply any export subsidies. He added that the new Law on Trade contained no provisions on export subsidies. The Croatian Bank for Reconstruction and Development (HBOR) – a State-owned investment bank – would be established and an export financing and guarantee system come into operation in late 1998. The system would be based on the Berne Union and OECD consensus criteria. The bank was funded through the Government budget, bond issues and external sources (World Bank, EBRD, KfW, etc.).

66. Import duty was not charged on imports destined for the production of goods to be exported and which remained under customs control, provided such importation was reported in advance. Re-export transactions were also not subject to payment of duties, provided the imported goods would be declared in accordance with the principles of temporary admission, and the customs authorities were satisfied that the goods imported in this manner would leave Croatia. Exported goods and re-export transactions were also exempt from VAT.

C. Internal Policies Affecting Foreign Trade in Goods

Industrial Policy, including Subsidies

67. The representative of Croatia provided information on subsidy programmes in relation to Article 25 of the Agreement on Subsidies and Countervailing Measures (circulated in document WT/ACC/HRV/12). Croatia did not have a subsidy programme *per se*, but rather an industry rehabilitation and reorganization programme. The Government had assisted an area heavily devastated during the war by financing the payroll of seven enterprises located there and involved in the production of steel (Sisak Steel and TPK-EPO Zagreb), steel refining (Valjaonica Kumrovec), and textiles (Dalmatinca, Diokom, Pazinka and Velebit) at an accumulated cost of approximately US\$3.2 million by mid-1996. Croatian Railways had also been subsidized in the post-war period to the level of some US\$400 million by the end of 1996. The Government also subsidized sea transport of tourists by paying the difference between revenues and expenditure on popular tourist lines and connections (about US\$31 million in 1995 and US\$35 million in 1996).

68. Requesting specific information on subsidies to shipbuilding, a member stated that Croatia had generally not provided sufficiently detailed information on its subsidization policies, in particular with regard to policy objectives, levels of subsidization, effects, and the duration of such policies. In reply, the representative of Croatia said that the shipbuilding industry had not been subsidized since 1991 to date. A restructuring programme for shipyards was under way, but the form and scope of subsidization

had not yet been determined. Asked about plans to harmonize subsidies to fisheries and the canning industry to WTO requirements, he said that Croatia had provided data on subsidies which were in accordance with WTO rules. He confirmed that Croatia maintained no subsidies within the meaning of Article 3.1(b) of the Agreement on Subsidies and Countervailing Measures.

Technical Barriers to Trade, Sanitary and Phytosanitary Measures

Standards and Certification

69. The representative of Croatia said Croatian state bodies were members of international and European standardization organizations, including the ISO, IEC, ITU, EOQ, ETSI, CEN and CENELEC. A new Law on Standardization (Standardization Act) had entered into force on 10 July 1996. The application of Croatian standards was no longer obligatory as from 1 January 1997. The new Law expressly mandated new Croatian standards to be based on international (ISO, IEC) or regional/European standards, or where these did not exist, on the standards of developed countries. A large number of Croatian standards would be prepared by accepting international and European standards. A TBT enquiry point would be established in the State Office for Standardization and Metrology by 1 December 1998, at the latest. Draft standards were published in the State Office Journal, allowing at least 30 days for comments and remarks from the public. The State Office for Standardization and Metrology would inform the International Organization for Standardization (ISO) about the acceptance of the Code of Good Practice for Standardization by the end of July 1998.

70. A number of products were subject to quality control, based on 55 regulations on mandatory testing and certification. The rules on quality control applied equally to domestically-produced and imported goods. Border controls were carried out by market inspectors, who were officials of the State Inspection, in accordance with Article 6 of the Law on Import and Export Quality Control of Goods. Croatian goods were controlled during the production process and when leaving the factory. In addition, spot-checks took place at the retail level. The list of affected products had been reduced gradually to 29 items. The products concerned and the relevant regulations are listed in Table 5 (see Annex).

71. A list of legal persons authorized to perform mandatory product attestation was provided to the Working Party in document WT/ACC/HRV/22. Prior examination of expert institutions, as opposed to sensor (visual) inspection, was required for agricultural products, alcoholic beverages, oil derivatives and textiles. Following a sensor inspection, an inspector could issue certificates without preliminary tests for repeat shipments. Manufacturers' self-declarations were not accepted under the present system.

The fees associated with quality control were enumerated in the Decision on Amounts to be Paid for Covering the Costs of Quality Control of Products Upon Export and Import (Official Gazette No. 42/96), which was provided to the Working Party.

72. Croatia was asked to justify the mandatory quality inspections at the border, particularly on furniture and textiles, and a member reminded the representative of Croatia that Article 2.2 of the TBT Agreement stipulated that technical regulations should not be more trade-restrictive than necessary to fulfil a legitimate objective, and that international standards should be used where these existed (Article 2.4). Croatia's "quality control" certification process was covered by the requirements of *inter alia* the WTO Agreements on Import Licensing Procedures, Technical Barriers to Trade and Sanitary and Phytosanitary Measures. Croatia's system did not seem consistent with these requirements, in particular with the requirements for transparency, enquiry point information, prior publication, MFN or national treatment. The system was burdensome to imports and was not applied in a similar fashion to domestic goods. Croatia should review and revise the system.

73. In response, the representative of Croatia said that quality controls were required to prevent deceptive practices or to protect human health and safety, animal or plant life and health, or the environment. The only products controlled were those imported by a large number of importers and those widely dispersed in the Croatian market. The respective government regulations were mostly former Yugoslav standards, based on international standards or national standards of other countries, or more recently adopted regulations based on international or regional (European) standards. The Law on Standardization envisaged acceptance of international standards, European standards, or standards of other countries, including recognition of foreign laboratory tests and documents issued abroad. Croatian standards had been voluntary since 1 January 1997.

74. Technical regulations would be prepared to determine the essential requirements for products (safety, health, environmental protection, user protection) by harmonizing them with international rules and European directives. It was also foreseen to regulate the acceptance of suppliers' declaration of conformity. Conformity assessment procedures would be performed by testing laboratories and certification bodies accredited according to the new Croatian accreditation scheme, which was in compliance with international guides and recommendations. The new accreditation system had been established by the State Office for Standardization and Metrology (DZNM) in September 1997. DZNM was affiliate to EAL (European Co-operation for Accreditation of Laboratories). A Regulation on recognition of foreign test reports issued by internationally-recognized testing organizations had been published in July 1997, and had been in force since 1 September 1997.

75. The representative of Croatia confirmed that Croatia would apply all obligations under the WTO Agreement on Technical Barriers to Trade from the date of accession without recourse to any transition period.

Sanitary and Phytosanitary Measures

76. The representative of Croatia said that Croatia's sanitary and phytosanitary regime was based on the Law on Animal Health Protection and Veterinary Medicine (Official Gazette NN 52/91). A large number of other legal provisions (rules, decrees, instructions) had been adopted in accordance with this Law, in particular concerning the prevention and eradication of contagious diseases, the control of animal breeding and trade in animals and products of animal origin. Recent examples included regulations relating to proteins in the feed of ruminants, and imports of pigs and wild boars from certain countries (Official Gazette 28/1997).

77. Veterinary legislation was continuously adjusted to international standards, particularly to those established by the International Agency for Epizootic Diseases (Paris) and Codex Alimentarius. Import certificates were issued centrally by the State Veterinary Agency. The border veterinary inspection controlled and inspected animals and animal products, animal offal substances, semen, embryo, and other goods that could transmit contagious diseases or affect human or animal life when imported, exported or in transit. The veterinary inspection at the border was based on the Codex of the International Agency for Epizootic Diseases (Paris), of which Croatia was a member; international bilateral agreements on veterinary co-operation; the Veterinary Law ("Official Gazette" No. 70/97); and International Conventions on the Harmonisation of Border Inspection of Products. Croatia's veterinary inspection at the border was organised within the Department for Border Veterinary Inspection of the Ministry of Agriculture and Forestry - Veterinary Directorate. Five border veterinary stations - in Zagreb, Gorican, Osijek, Rijeka and Split - had been established by the Government Decision of 7 January 1991 ("Official Gazette" No. 58/91). The borders where veterinary inspection was carried out were determined by the Decree of the Minister of Agriculture and Forestry on Borders of 6 January 1995. The veterinary and sanitary inspection requirements were identical for shipments by domestic producers and producers from exporting countries. Croatia had harmonized its border veterinary inspection system completely with the requirements of the European Union.

78. Concerning phytosanitary regulations, the representative of Croatia said that the basic law in this area was the Law on Plant Protection ("Official Gazette" No. 10/94), drafted in compliance with the

basic principles and requirements of international standards, instructions and recommendations (the International Plant Protection Convention and European and Mediterranean Organisations for Plant Protection). The Regulation on the Sanitary Inspection of Plants and Plant Protection Chemicals in the Traffic Across the State Border ("Official Gazette" No. 12/95) applied, as far as possible, measures and recommendations equivalent to measures applied by other members trading in similar products (plants and plant products). Trade bans could be imposed on seeds and planting materials to prevent the spreading of pests, but Croatian measures were not stricter than those internationally recommended and did not make any distinction between imported and domestic products. The Government had provided funds for the introduction of information systems in 1998, and would seek funds necessary for the purchase of technical equipment (laboratory equipment and other facilities needed for the proper functioning of the phytosanitary inspection) in 1999.

79. Plant protection inspection services at the border were organized within a special section of the Ministry of Agriculture and Forestry (the Department for Agriculture, Food and Tobacco Industries). Operating in five units, the inspection services controlled a total of 19 plant border crossings where plants imported or transported through Croatia were subject to mandatory examination. The Institute for Plant Protection in Agriculture and Forestry examined plants for export. The border inspection service cooperated with the Institute in organizing quarantine-related activities and maintaining quarantine facilities.

80. Food products were subject to various laws and regulations, notably the Law on Food Quality and Food Quality Control, regulations on additives, admissible levels of pesticides, toxins, mycotoxin, metals and like substances, and regulations concerning microbiotic quality control. The list of imported products subject to quality control and the relevant regulations (Table 5 - see Annex) included 27 categories of food products. Prior examination was required for Croatian exports of canned meat, wine and plum brandy.

81. The Law on Health Safety and Controls of Foodstuffs and Goods of General Usage ("Official Gazette" No. 1/97 - final draft) stipulated the health and safety conditions for imported or domestically-produced foodstuffs and goods of general usage. In addition, the Law provided for health control of the production and distribution of foodstuffs and goods of general usage. The provisions of the Law also applied to raw materials, spices, additives and substances used for enriching foodstuffs.

82. Foodstuffs were defined as all products used as food or drink, processed or non-processed, including drinking water. Goods of general usage included tableware, accessories, equipment and

apparatus for production of foodstuffs and goods of general usage and containers, toys, perfumery, cosmetic and toilet preparations for body and face, washing preparations, tobacco, tobacco products and smoking accessories as well as certain goods and instruments coming into close contact with skin or mucous membrane when used.

83. According to Article 5, paragraph 1, point 3 of the Law, foodstuffs or goods were considered unsafe for human health if their sensory characteristics had changed or if they contained pathogenic micro-organism or pathogenic parasite; bacteria toxin, micro toxin, histamine, and similar substances in quantities exceeding those determined by the regulations; natural toxin or other natural toxic substances in quantities noxious for human health; pesticides, metals, non-metals, veterinary medicaments residue and other noxious substances in quantities harmful to human health; additives not allowed for the production of foodstuffs and other goods of general usage or additives in quantities determined inadmissible by special regulations; radio nuclides in quantities exceeding the limit regulated by the Law; mechanically damaged admixtures noxious for human health or causing aversion; materials originating from dead animals or animals suffering from disease noxious to human health; or if they contained other micro-organisms, parasites or substances in quantities harmful to human health.

84. Health control of production and distribution of foodstuffs and other goods was performed by the government authority in charge of sanitary inspection and, for foodstuffs of animal origin, by the government authority in charge of veterinary inspection. The competent authority had the right to take samples to be tested by authorised laboratories. Health control of imported foodstuffs and other goods were effected by the border sanitary inspector and by the border veterinary inspector (products of animal origin) in accordance with Article 32 of the Law. The costs of controls and health safety inspections were borne by the importer (Article 35). The importer was not allowed to distribute or process the imported goods until he received the official decision that the goods were safe.

85. Regulations adopted on the basis of Article 50 of the Law on Health Safety and Health Control of Foodstuffs and Goods had been published in the "Official Gazette" No. 46/94 and included Rules on Health Safety of the Drinking Water; Micro-biological Standards of Foodstuffs; Quantities of Pesticides, Toxins, Micro-toxins, Metals and Histamine and Similar Substances that Foodstuffs May Contain and Other Conditions in Relation to Health Safety of Foodstuffs and Other Goods; Conditions of Preserving Food and other Goods by Ionising Radiation; Health Safety of Dietetic Food; Conditions related to the Health Safety that the Goods of General Usage have to Comply with in Order to be Distributed on the Market; Preparation and Sale of Foodstuffs Outdoors; Micro-biological Cleanness Norms and Methods of their Defining; and Special Working Cloths and Shoes for Workers who in

Production and Distribution Come into Close Contact with Foodstuffs, Cosmetic and Toilet Preparations for Body and Face. Croatia was also preparing and adopting other implementation rules and regulations based on Article 50 of the Law.

86. The representative of Croatia confirmed that Croatia's sanitary and phytosanitary standards system would be in compliance with WTO provisions under the Agreement on the Application of Sanitary and Phytosanitary Measures as of the date of accession to the WTO.

Trade-Related Investment Measures

87. The representative of Croatia said that Croatia had no trade-related investment measures in place at the present time, nor did it intend to introduce any such measures in the future. Croatia accordingly did not seek to notify any measures for elimination under the provisions of the WTO Agreement on TRIMs.

State Trading Entities

88. Referring to the definition of State trading enterprises contained in paragraph 1 of the Understanding on the Interpretation of Article XVII of the General Agreement on Tariffs and Trade 1994, the representative of Croatia stated that Croatia did not have or maintained any enterprise covered by the provisions of Article XVII. Ten large enterprises were under direct State ownership, but none of these public enterprises were granted exclusive or special rights or privileges which could influence, through their purchases or sales, the level and direction of imports and exports. Upon accession to the WTO, his Government would notify any State-trading enterprise, monopoly or exclusive service supplier, existing at the time, in accordance with Article XVII of the GATT and Article VIII of the GATS.

89. Responding to specific questions from members, he said that a State-owned company (Astra International) engaged in foreign trade with the same rights and obligation as any other Croatian foreign trade company. Most petroleum and petrochemical products were produced and distributed by the State-owned enterprise INA, which competed with more than 20 smaller companies in the distribution and trade in crude oil and oil products. He stated that Hrvatske sume (Croatian Forests) was a public utility company operating in full conformity with Article XVII of the GATT. Other public enterprises included Hrvatske ceste (Croatian Roads), Hrvatska vodoprivreda (Croatian Water Utilities), Hrvatska posta i telekomunikacija (Croatian Post and Telecommunications), Hrvatska elektroprivreda (Croatian

Electricity), Hrvatske željeznice (Croatian Railways), Hrvatska radio televizija (Croatian Radio and Television), Jadrolinija (Adriatic Line), and Narodne novine (Official Gazette). Alcohol and tobacco products were produced and distributed by a large number of companies, none of which were State-owned or State-mandated. Former socially-owned farms had been transformed into joint-stock companies, and most of them had been privatized.

90. The Law on State Commodity Reserves (Official Gazette 68/1997) stipulated public stockholding of some agricultural and non-agricultural products. Commodity reserves had been established to ensure essential supplies in case of war, threat of war, or natural disaster. This function of commodity reserves as permanent reserves was ensured by determining the goods needed for those situations. The main function of commodity reserves would be ensured within the framework and appropriate manner for the set objectives. The Directorate for Commodity Reserves (formerly the State Directorate for Commodity Reserves) - a non-profit governmental organization - intervened in the market only upon order by the Government. In certain circumstances the Directorate could intervene to prevent domestic price increases on agricultural and food products. Purchases would be made by tender, and the Directorate would select the most favourable bid on the basis of purely commercial considerations in line with the non-discrimination principle of Article XVII of the GATT. The Directorate could export goods bought through intervention in the domestic market by government decision only.

Free Zones, Special Economic Areas

91. The representative of Croatia said that six customs zones were operating in Croatia following the entry into force of the new Law on Free Zones (13 June 1996). These were situated in Zagreb, Krapina, Kukuljanovo, the port of Rijeka, Šibenik and Osijek. A free zone could be established by one or more domestic legal person. The user of the zone could be its founder, or any other foreign or domestic legal or natural person. Activities carried out in a free zone included goods production and processing, goods assembly, wholesale trade warehousing, and repackaging. Banking and other payment transaction activities such as insurance and reinsurance could take place in a free zone subject to approval by the Ministry of Finance. Operators paid no customs duties or other taxes on imported goods intended for production and consumption in the customs zone. Goods processed in the zone for the domestic market would be subject to customs and other duties on the raw materials and other imported inputs used in the production process. Users engaged in or participating in infrastructure construction within the zone, in projects with a value exceeding HRK 1 million, were exempt from

paying profit tax during the first five years of business activities. Other users paid profit tax equal to 50 per cent of the standard rate.

Government-mandated Countertrade and Barter

92. The representative of Croatia said that the State did not conclude compensation deals in its own name and did not in any way participate in the conclusion of compensation deals. All laws and trade policy measures, including customs duties, licences, etc. applied to goods exchanged in compensation deals. Such deals were concluded by natural or legal persons, and the contracts were registered with the Ministry of Economy for statistical purposes. In 1995, the Ministry had recorded 930 compensation contracts, accounting for around 5 per cent of Croatia's foreign trade. In 1996, the number of contracts registered in the Ministry of Economy fell to around 600, and the decline had continued in 1997. The number of such contracts was expected to fall as the economy was consolidating and stabilizing in Croatia and in neighbouring countries.

93. The previous Law on Foreign Trade Operations had also regulated a system of long-term production cooperation. Long-term production cooperation referred to a continuous exchange of goods in so called tie-in trade for a period of not less than three years (the legal minimum). The parties to such arrangements could agree that no payment would be exchanged for each transaction, but the balance might be paid to a bank account. In 1995, 90 contracts were in force on long-term manufacturing cooperation between Croatian firms and their partners, mostly from Germany, Italy and the Russian Federation. Goods exchanged in long-term production transactions were subject to the normal trade policy instruments, including customs duties and licensing requirements. The new Law on Trade, which entered into force in February 1996, did not specifically regulate these types of contracts. Companies were free to enter into such arrangements if they found it in their own interest.

Government Procurement

94. The representative of Croatia said that Parliament had passed the Law on Procurement of Goods and Services and Sub-contracting in mid-December 1997. The Law replaced the Government's Regulation on the Procedure for Procurement of Goods and Services and Sub-contracting. The Law entered in force in March 1998.

95. Entities under obligation to apply the Law on Procurement of Goods and Services and Sub-contracting were Government authorities and other State authority bodies; bodies of the local

government and self-government units; legal persons owned by the State or legal persons using funds from the State budget for their regular activities and capital investments; legal persons using budget guarantees or other insurance concerning the procurement contract or other support related to commitments assumed under that contract; and legal persons using financing from extrabudgetary funds (Pension Fund, Croatian Health Insurance Fund, Employment Fund and other extrabudgetary funds established by the Government).

96. The Law applied to all public procurements with the total value of goods, services and works exceeding HRK 200,000 (US\$32,000) in a fiscal year. Bidders, regardless of their residence and headquarters, except when the purchaser would limit the participation in tenders to domestic suppliers (i.e. apply national preference), were allowed to participate in tenders. The Law stipulated conditions and liabilities of the purchaser with regard to application of national preference, as well as other conditions concerning government procurement including procurement implementation, pre-procurement, international tendering (obligatory for works and goods with total invoice value exceeding HRK 12 million (US\$2 million), or HRK 6 million (US\$ 1 million) for services), the procurement procedure, conditions for tendering, evaluation and comparison of offers, and implementation and monitoring of the implementation of the Law.

97. A member expected Croatia to become member of the Agreement on Government Procurement by tabling a schedule of commitments to the GPA Committee no later than three months after the date of accession to the WTO. In reply, the representative of Croatia stated that, mindful of the rather limited and selective present membership of the Agreement on Government Procurement and that no major obstacles for international bidders were experienced in enforcement of the national law on government procurements, his Government would apply officially for observer status to the Agreement on Government Procurement. This would enable Croatia to get more acquainted with the practical aspects of the Agreement's disciplines and determine an adequate coverage and staging, in order for Croatia to start negotiations on accession to the Agreement at an appropriate stage.

Transit

98. The representative of Croatia said that transit of goods through the customs territory of the Republic of Croatia was regulated by Articles 275 to 281 of the Customs Law. In addition, provisions concerning transit transport were included in the Articles dealing specifically with rail, road, sea, waterways and air transport, as well as in the Articles concerning despatch of goods to another customs office for customs clearance. The carrier submitted transit documents to the customs office at the point

of entry. The customs office would inspect the goods and transit vehicles, and provide an escort to the customs office at the point of exit. The carrier was responsible for the carriage of goods and the transit documents within the customs territory. The customs office of exit would check the transit documents and customs marks and, if necessary, inspect the goods and vehicles. Goods prohibited to import into Croatia could not be carried in transit through the customs territory.

Agricultural Policies

[Information on domestic support and export subsidies in agriculture was circulated in document WT/ACC/SPEC/HRV/1 on 30 July 1996; revised information was provided in document WT/ACC/SPEC/HRV/1/Rev.1 of 30 June 1997. Croatia submitted an initial offer on market access for trade in agriculture on diskette; Members were notified in document WT/ACC/SPEC/HRV/2 on 14 May 1997. Revisions to the initial offer have been circulated in document WT/ACC/SPEC/HRV/2/Add.1 of 3 July 1997.]

99. The representative of Croatia said that all quantitative restrictions and supplementary fees and charges for imported agricultural products, including special compensatory fees and variable levies, had been abolished with the introduction of the new customs tariff on 1 July 1996. The new tariffs were compound rates, consisting of an *ad valorem* and a specific duty element, for several products.

100. The Government guaranteed the producer prices for six commodities considered essential for the population's needs and the processing industry, i.e. wheat, sugar beet, sunflower, soybeans, rapeseed oil and tobacco. [The guaranteed prices applicable in 1998 are listed in document WT/ACC/HRV/39/Add.2, reply 22]. The system of guaranteed prices was implemented through the Directorate for Commodity Reserves. The producer price for milk was also guaranteed, but the guarantee had not been enforced recently as the domestic price had exceeded the minimum level. The abolition of the system of guaranteed prices was a long-term policy objective.

101. The allocation in the 1996 State budget for financial incentives and input subsidies to the agricultural sector amounted to HRK 510 million, representing just over 4 per cent of the total value of agricultural output in 1996. Production subsidies had been provided for original-breed Croatian cattle and horses, meat and bone flour, milk, semen, olives and island vineyards. Major input subsidy items were mineral fertilizers and certified agricultural seeds. Croatia did not provide export subsidies for agricultural and food products.

102. Croatia was reforming its system of agricultural subsidies. This was a lengthy process as it required the establishment of a land registry to allow the Government and the Ministry of Agriculture and Forestry to define "less favoured areas" and other factors determining subsidy payments. The new system would correspond to the requirements of the Agreement on Agriculture.

[to be completed]

Trade in Civil Aircraft

103. A member sought a commitment from Croatia to adhere to the WTO Agreement on Trade in Civil Aircraft from the date of accession. The representative for Croatia confirmed that Croatia would become a party to the Agreement on Trade in Civil Aircraft (document WT/ACC/HRV/42). An official application, together with a proposed tariff schedule as basis for the accession negotiations, would be submitted to the WTO Secretariat by 1 October 1998.

Trade-Related Intellectual Property Regime

1. General

(a) Intellectual property policy

104. The representative of Croatia said that Croatia had adopted the former Federal (Yugoslav) Law on the Protection of Inventions, Technical Improvements and Distinctive signs (NN 53/91). The Law had been changed and amended in April 1992, and the title changed to Industrial Property Law, governing patents, trade and service marks, and industrial designs. The system of industrial property protection was under revision, and as part of the reforms each area of industrial property would be governed by a separate law. Current legislation included a technical advance criterion which would not be included in future legislation.

105. A member was concerned about the pace of drafting and ratification of intellectual property laws in Croatia, and encouraged the Government to strengthen its efforts to enact legislation and establish the necessary administrative framework for effective implementation prior to WTO accession. Asked whether Croatia would seek transitional arrangements, the representative of Croatia replied that Croatia would respect the provisions of Article 65.3 of the TRIPS Agreement. A member stated its policy that acceding countries be in full conformity with the TRIPS Agreement on the date of accession, with no transition permitted. Article 65.2, 3 and 4 were included to provide a period of transition for those countries that were already members of the GATT and were entitled to be Members of the WTO

without additional accession negotiations. The transition provisions in Article 65.2, 3 and 4 were part of the balance achieved between developed and developing countries regarding intellectual property, recognizing that most developing and non-market economy countries had further to go than did developed countries to bring their laws and practices into conformity with TRIPS. Newly acceding countries should have no such need since they could make the necessary changes during the course of accession negotiations, to become affective on the date of accession, if not before. Croatia should report to the Working Party on its specific plans to alter its current legislation to be in a position to fully implement the TRIPS Agreement by the date of accession.

106. The representative of Croatia proposed (in document WT/ACC/HRV/38) that Croatia be granted a transitional period for implementation of the TRIPS Agreement up to 30 June 1999 as his Government assessed that this period was objectively needed for the complete harmonization of existing legislation with the TRIPS Agreement, and that all other procedures for Croatia's accession to the WTO could be finalized before 30 June 1999. Croatia planned to implement fully the TRIPS Agreement by June 1999.

(b) Responsible agencies for policy formulation and implementation

107. The representative of Croatia said that the State Intellectual Property Office of the Republic of Croatia had been the competent authority for industrial property since its establishment, and for copyright and neighbouring rights since November 1996. The Ministry of Agriculture and Forestry was the competent authority for the protection of new plant varieties.

(c) Participation in international intellectual property agreements

108. The representative of Croatia said that Croatia was a party to the Convention Establishing the World Intellectual Property Organization; the Paris Convention for the Protection of Industrial Property; the Madrid Agreement Concerning the International Registration of Marks; the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks; the Locarno Agreement Establishing an International Classification for Industrial Designs; the Berne Convention for the Protection of Literary and Artistic Works, Paris Act 1971; the Brussels Convention Relating to the Distribution of Programme - Carrying Signals Transmitted by Satellite; and the Universal Copyright Convention, 1952 and 1971. Croatia intended to seek membership of the Rome Convention upon enactment of legal provisions granting protection for phonogram producers and broadcasting organizations in compliance with the Convention. This was

likely to happen in 1998. Croatia had deposited the instrument of accession to the Patent Cooperation Treaty with the Director-General of the World Intellectual Property Organization on 30 April 1997. As stated in the instrument of accession, the Patent Cooperation Treaty entered into force in Croatia on 1 July 1998. Croatia also intended to accede to the Hague Agreement Concerning Deposit of Industrial Designs in the near future.

(d) Application of national and MFN treatment to foreign nationals

109. The representative of Croatia said that Croatian legislation granted national treatment to foreign nationals, while MFN treatment was not applied for the time being. Foreigners and nationals enjoyed equal treatment in civil and criminal procedures.

2. Substantive standards of protection, including procedures for the acquisition and maintenance of intellectual property rights

110. Regarding acquisition of intellectual property right and know-how, the representative of Croatia said that the Law on Foreign Trade Operations, Chapter VIII, had contained certain restrictive clauses on acquisition of know-how from foreigners, but this legislation had not been in force since January 1996.

(a) Copyright protection

111. The representative of Croatia said that the basic provisions on copyright and neighbouring rights were contained in the Chapter on basic freedom and rights of men and citizens in the 1990 Constitution. In accordance with a 1991 Law on adoption of Yugoslav federal laws in the areas of education and culture, Croatia had adopted the Copyright Law of 1978 as amended in 1986 and 1990, with further changes and amendments under Croatian Law of 1993. Croatian legislation protected performers only, but also regarding the fixation of a picture or pictures in combination with sound. An Amended Copyright Law, ensuring protection for phonogram producers and broadcasting organizations in accordance with the requirements of the TRIPS Agreement, had been submitted to the legislative procedure. Croatia intended to introduce a new Law on Copyrights and Neighbouring Rights to harmonize its legislation with all aspects of existing international standards. This Law would be drafted after the entry into force of the Amended Copyright Law.

112. Copyright covered economic rights and moral rights. Economic rights were transferable *inter vivos* and *mortis causa*; moral rights were only transferable *mortis causa*. The general term of duration of economic rights was the life of the author and 50 years after his/her death. Special terms of protection of anonymous and pseudonymous works were 50 years from the day the work had become available to the public, and 25 years for photographic films, photographic works and works of applied art. The duration of moral rights was not limited. Computer programmes were protected as literary, scientific and artistic works, and databases could be protected as collections of works. Persons could become owners of copyright by virtue of law in the course of employment or organization of collective works such as the creation of databases or encyclopaedias. Copyright legislation provided for exclusive distribution rights, including rental and lending rights, for artists and performers. Croatia had adopted the Berne Convention, ratified by the former Yugoslavia, with a reservation relating to the right of translation. However, the Copyright Law granted the author of a work published in a foreign language and enjoying protection under the provisions of the Berne Convention, the right to remuneration for the translation. The said reservation on the Berne Convention had been removed in the Amended Copyright Law submitted to the legislative procedure on 24 March 1998.

113. Limitations to the exclusive right were regulated under the Law. Free use (exploitation) of works was allowed for personal use, public information or for educational or scientific purposes.

(b) Trademarks, including service marks

114. The representative of Croatia said that the protection of trade and service marks was regulated on the basis of the Industrial Property Law, Regulations for the Procedure for the Grant of Trademark Rights, and the Law Governing Administrative Fees for the Establishment of Rights of Industrial Property. The acquisition of trademark rights was based on registration; the procedure was instituted by filing an application with the State Intellectual Property Office of the Republic of Croatia. A granted right was entered in the trademark register and published in the official gazette. A mark was valid for a period of ten years from the day the trademark application was filed. The validity could be extended an unlimited number of times provided the trademark was used and maintained through payment of the prescribed administrative fees. The State Intellectual Property Office could decide to terminate a trademark not used by the owner for any justified reason for more than 5 years.

115. The representative of Croatia said that a new Trademark Law would be in force by June 1999.

(c) Geographical indications, including appellations of origin

116. The representative of Croatia said that the present system of protection was based on Articles 37 to 43 of the Industrial Property Law. The area was also regulated under the Law on Wine and Regulations on the Quality of Wine and the Quality of Spirits. An appellation of origin was established by entering the geographical name and its related product in a register kept by the State Intellectual Property Office. Entries into the register were made *ex officio* upon proposals from the Croatian Chamber of Commerce. The appellation of origin of a product could be established in favour of a foreign person on the basis of reciprocity under international agreements concluded or acceded to by the Republic of Croatia.

117. Croatia intended to introduce a new separate Law on Geographical Indications, taking into account Articles 22 to 24 of the TRIPS Agreement. The Law would be in force by June 1999.

(d) Industrial designs

118. The representative of Croatia said that industrial designs were regulated under the Industrial Property Law and Regulations on the Procedure for the Grant of Rights to Models or Designs. A new Law on Ornamental Designs and Models (Industrial Design) in conformity with the TRIPS Agreement, in particular its Articles 25 and 26, would be in force by June 1999.

119. A right to a model or a design was granted for a period of ten years as from the date of filing the application with the State Intellectual Property Office. The right was non-renewable. Textile designs were protected cumulatively by the Copyright Act, as a work of applied art and industrial design, and by the Industrial Property Law as a model or design. In the latter case, the applicant would need to indicate whether protection was sought for three-dimensional (model) or two-dimensional design (design).

(e) Patents

120. The representative of Croatia said that a first draft of a new Patent Law, based on the WIPO model law and Austrian legislation, remained under discussion within his Government. The new Patent Law was expected to be in force by June 1999. Other legislation relevant to the Law would also be adopted, including the Law on Agents, the Law on Fees, the Regulation on Expenses, the Law on Inventions by Employees, and the Law on Confidential Inventions.

121. A patent was valid for a period of 20 years counting from the date of filing the application. Microorganisms and microbiological processes were patentable under the Rules on Procedure for Patent Grant.

122. Provisions on compulsory licensing could be found in the Industrial Property Law (Article 139). A request for the grant of a compulsory licence could not be submitted earlier than four years after the filing date of the patent application, or three years after the date of the patent grant if this term expired earlier. According to the Law, the patent owner would be considered not using or insufficiently using the patent if, *inter alia*, domestic demand was satisfied by importation to a great extent, or the importation of the products manufactured according to the protected invention hampered or obstructed the industrial application in the country. No compulsory licence had been issued thus far. Croatian legislation on compulsory licensing would be harmonized with Article 31 of the TRIPS Agreement in the new Law on Patents.

123. The fees and charges involved in granting a patent were established in accordance with the Law on Administrative Fees in the Field of Industrial Property and the Decision on the Procedure Special Charges and Information Service Charges of the State Intellectual Property Office.

(f) Plant variety protection

124. The representative of Croatia said that this area was regulated by the Law on the Protection of Agricultural Plants. The Law, which *inter alia* regulated the protection of new plant varieties, was enacted in November 1997 and became effective on 13 December 1997. The Law was in compliance with the UPOV Convention, which Croatia intended to join. National treatment was accorded on the condition of reciprocity, as provided by the UPOV Convention.

(g) Layout designs of integrated circuits

125. The representative of Croatia said that Croatia planned to introduce a Law on the Topographies of Integrated Circuits in compliance with the provisions of Articles 35 to 38 of the TRIPS Agreement. The Law would be in force by June 1999.

(h) Requirements on undisclosed information, including trade secrets and test data

126. The representative of Croatia said that a Law on the Protection of Data Secrecy had entered into force at the end of 1996. Clauses regulating the protection of information within government administration or by enterprises themselves could be found in the Law on General Administrative Procedure (Article 150), the Law on Government Officials and Employees (Article 32), the Penal Law (Article 295), the Labour Law (Articles 89, 92 (paragraph 4), 93 and 155), the Trade Law (Article 58) and the Company Law (Articles 248, 273 and 629). Test data and other information supplied in the context of approving the marketing of pharmaceutical and of agricultural chemical products were protected by special regulations (by-laws) applied by the Ministry of Health and the Ministry of Agriculture and Forestry. The rules did not differ from the normal provisions applied in other countries. Article 16 of the Law on Medicines and Medical Products stipulated that documents received on pharmaceuticals or medical products should be treated as trade secrets.

3. Measures to control abuse of intellectual property rights

127. The representative of Croatia said that mechanisms for the protection of intellectual property rights existed in administrative, civil and penal law. Abuse of copyright and the right of performers was controlled by agents of the organization of authors or the organization for performers' rights. Representatives registered with the State Intellectual Property Office could act on behalf of foreign and domestic legal and natural persons in the procedure for protection of industrial property rights. A new Law on Execution and Safeguard included compulsory measures (fines, arrest and imprisonment) which could be applied in an execute procedure.

128. Punishment - fines or imprisonment - for the infringement of copyright was set out in the Penal Law as well as in the Amended Copyright Law. Fines for infringement of the rights of authors or performers could amount to (maximum) HRK 60,000.

4. Enforcement

129. The representative of Croatia said that the Law on Enforcement entered into force on 12 August 1996. [A translated copy of the law would be provided to the Working Party.] Articles 298 and 299 of the Law contained provisions on provisional measures. A court could also order provisional measures at the request of the infringed party in accordance with Article 442 of the Law on Legal Proceedings. In his view, Croatian legislation fulfilled the requirement of Article 44 of the TRIPS

Agreement regarding the right of a party to ask for injunctions. He also noted that the Law on the Protection of Market Competition could be invoked in disputes over the infringement of intellectual property before a commercial court in Croatia.

130. In the combat against illegally produced phonograms, the authorities in Croatia had seized 12,899 video tapes, 9,646 audio tapes and 4,873 compact discs in 1996. During 1997, 14,405 video tapes, 11,986 audio tapes and 2,920 compact discs had been seized

(a) Civil judicial procedures and remedies

131. The Commercial Courts seated in Zagreb, Osijek, Rijeka and Split had initial jurisdiction over intellectual property matters. The High Commercial Court (in Zagreb) was the competent second-instance body for the protection of intellectual property. Decisions of the High Commercial Court could be appealed to the Supreme Court of the Republic of Croatia, which could also decide on the infringement of procedural rights. The procedures in a case of infringement before a court were laid down in the Law on Civil Procedure, which also contained provisions on the right to obtain information to develop the case of a right holder. Depending on the complexities of the case, the time between the initiation of the case before the court, and the court's decision, could take from 2 to 3 months to more than one year. Court decisions were set out in writing and substantiated in accordance with Article 338 of the Law on Legal Proceedings.

132. The dissatisfied party to a dispute could invoke regular legal remedies (appeal and objection) or extraordinary legal remedies (request for the protection of legality, review or repetition of the procedure). For example, a request for review of a decision of the High Commercial Court should be filed with the Supreme Court within 30 days of receipt of the decision of the appellate court. A request for the protection of legality should be filed with the Supreme Court by the Croatian State Attorney if the law or a treaty had been violated by a final decision.

(b) Provisional measures

133. The representative of Croatia said that the Law on Enforcement contained provisions on provisional measures. In respect of infringement of copyright, a court could order provisional seizure or prohibit the continued use of the disputed objects or works. The competent police administration could prohibit cultural or artistic performances at the request of the author or a professional association. The financial police could temporarily seize objects, documentation or financial means utilized in a criminal

or economic offence or infringement. As a general rule, courts did not have the authority to introduce provisional measures *inaudita altera parte*, but could do so if the rights of the infringed party were seriously threatened, and against security for any damage inflicted on the other party as a result of the provisional measure. In addition, Article 442 of the Law on Civil Procedure stipulated that judicial authorities could introduce provisional measures *inaudita altera parte* for the purpose of eliminating an immediate threat of unlawful damage, removing irreparable damage, or to prevent violence.

(c) Administrative procedures and remedies

134. Administrative procedures in the area of industrial property were carried out by the State Intellectual Property Office. An administrative lawsuit against an act of the Office could be initiated before the Administrative Court. The administrative procedure itself was governed by the Law on Industrial Property, the Law on General Administrative Procedure and the Law on Administrative Lawsuits.

(d) Special border measures

135. The representative of Croatia said that Croatia had recently adopted the Law on the Ratification of International Convention on the Harmonization of Border Controls of Goods. Croatia planned to introduce a border control system concerning the infringement of intellectual property rights, with due consideration to Articles 51 to 60 of the TRIPS Agreement, through the new Customs Law which would be in force by June 1999.

(e) Criminal procedures

136. The representative of Croatia said that remedies - including seizure, forfeiture and destruction of the infringing goods - were available in the Penal Law, notably in Chapters XVII and XXI, as well as in the Amended Copyright Law. The procedural criminal provisions were contained in the new Law on Criminal Procedure in force since January 1998.

Policies Affecting Trade in Services

[A note on the trade regime in services has been issued as document WT/ACC/HRV/9. Information on measures affecting trade in services in the format of document WT/ACC/5 was circulated in document WT/ACC/SPEC/HRV/5 on 21 August 1997. Croatia submitted its initial offer on market access for

trade in services on diskette in May 1997 (document WT/ACC/SPEC/HRV/4) and a revised offer in March 1998 (document WT/ACC/SPEC/HRV/4/Rev.1).]

137. The representative of Croatia said that, as a market-oriented country in transition, Croatia was adjusting its legislation according to the principles of liberalization advocated by the WTO. Accepting fully the rules and principles of the General Agreement on Trade in Services, Croatia was strongly committed to the rules preventing discriminatory measures and restrictions related to market access and national treatment in all modes of supply. He noted that Croatia would seek MFN exemptions in the road transport area, [audiovisual services] and concerning acquisition of real estate (reciprocity requirement). These temporary exemptions would apply to all countries.

138. Regulation of services activities was within the competence various institutions, including the Ministries of Science and Technology; Finance, Economy, Maritime Affairs, Transport and Communications; Health; Education and Sports; Urban Planning, Construction and Housing; Labour and Social Welfare; and the Croatian Securities Commission, etc. Several new laws and amendments were in preparation [listed in document WT/ACC/HRV/30, reply 163].

139. The representative of Croatia provided information on the establishment of a bank, branch and representative office (circulated in document WT/ACC/HRV/17 of 29 July 1996). Foreign banks were admitted in Croatia on the basis of reciprocity. The reciprocity requirement would be removed, and Amendments on the Banking Law had been submitted to Parliament. The appropriate bank licence was issued by the National Bank of Croatia. The minimum capital requirement for the establishment of a bank amounted to DM 5 million in local currency, or DM 15 million for banks registered for transactions with foreign countries. Savings banks could be established with a minimum capital equivalent to DM 1 million, but these banks were not allowed to accept deposits from, or extend credits to, legal persons or make transactions with foreign countries. A representative office of a foreign bank could only engage in market research, promotion or representational activities. Regarding brokerages and securities houses, foreign operators would need a local intermediary. Foreign companies with operating presence in Croatia could manage and underwrite share issues, otherwise a local partner would be required. Non-residents were not allowed portfolio investment in short-term securities.

140. The insurance sector was governed by the Law on Insurance. Foreign insurance companies were not permitted to operate through subsidiaries in Croatia, but would need to establish either a wholly-owned or a joint-stock company, only as a subsidiary. Branching in the insurance industry would be allowed for non-residents upon accession to the WTO. Croatia had introduced certain

restrictions on cross-border provision of insurance and re-insurance to reduce capital outflows and encourage the development of a domestic insurance market. Restrictions on modes 1 and 2 in reinsurance and retrocession would be removed upon accession to the WTO. Companies not headquartered in Croatia were, for example, only allowed to provide life and non-life insurance against risks not covered by Croatian companies.

141. The telecommunications sector was currently regulated by the Ministry of Maritime Affairs, Transport and Communications. Competition was allowed in all telecommunication services sectors except basic services in fixed networks (voice telephony and telex) and leased lines. Foreign companies could only provide basic telecommunication services through, and in agreement with, Croatian Post and Telecommunications (HPT). Other services, such as mobile telecommunication networks, electronic mail, on-line information, electronic data interchange and value-added services could be provided by a Croatian subsidiary operating with a concession from the Telecommunications Council. A Law on Croatian Post and Telecommunications, dealing with the separation of postal services and telecommunications, was expected to be adopted by the end of 1997. According to the Law on Telecommunication, foreign entities could hold up to 25 per cent of the capital of the radio and television concessionaire in radio, television and cable television concessions.

142. The State-owned Croatian Railways (HZ) held a monopoly on transportation of passengers and goods by rail, but was exposed to heavy competition from other modes of carriage, in particular road transport. Foreign companies could provide public transportation through a registered Croatian subsidiary licensed by the authorities concerned. The Maritime Code required foreign-flag carriers transporting passengers and goods between Croatian ports to hold a licence for cabotage.

143. Concerning professional services, he said that legal services and legal assistance could only be provided by lawyers and lawyers' associations registered with the Bar Council of the Republic of Croatia. Registration in the Bar Council required Croatian citizenship, a degree from the Faculty of Law, passing of the bar examination in Croatia, and high proficiency in the Croatian language. Parties could be represented by lawyers registered in other countries in disputes before selected (arbitration) courts in matters involving international issues. Consultancy on international and third-country law could be provided by foreigners. Foreign auditing companies – not established in Croatia - could access the Croatian market only in joint operation with a local partner.

144. A new Law on the Tourist Industry had entered into force at the end of 1996, harmonizing Croatian legislation with regulations applicable in European Communities' countries. The new

legislation provided a framework for upgrading catering and tourism services in Croatia. The war had affected the tourist industry significantly, and the Croatian Tourism Association was implementing a promotion programme to regain lost markets. The Government assisted the revival of the industry by allocating about HRK 30 million (US\$4.6 million) in its 1997 budget and HRK 30 million in the 1998 budget for the promotion of tourism (studies of markets overseas, participation in international fairs, printing of catalogues, etc.), and HRK 45 million (US\$6.9 million) in 1997 and HRK 43 million in 1998 in subsidies to air, road and sea transport to promote tourist visits, tour operators, travel and tourist agencies. A budget allocation of HRK 70 million for the tourism industry was foreseen for 1999.

[to be completed]

Transparency

[to be completed]

Trade Agreements

145. The representative of Croatia submitted an updated list of bilateral trade and economic agreements, and international organizations in which Croatia was participating (circulated in document WT/ACC/HRV/6/Rev.1 on 9 October 1996). The trade and economic cooperation agreements were based on the principle of most favoured nation treatment. He added that Croatia was fully committed to the MFN principle in market access and in other areas covered by the WTO. His Government intended to conclude free-trade agreements with CEFTA countries and in due course join the European Communities, and would ensure that any such agreements would meet the requirements of GATT Article XXIV.

146. Trade preferences for goods originating in Tunisia, Turkey, Uruguay, Spain, Former Yugoslav Republic of Macedonia and Slovenia had been abolished at the end of 1993. At present, the only preferential trading agreements in force were a Bilateral Agreement on Economic Cooperation with the Republic of Bosnia and Herzegovina, signed on 24 March 1995, a Free Trade Agreement with the Former Yugoslav Republic of Macedonia, and an FTA with the Republic of Slovenia concluded in 1997. These FTA's were based on the CEFTA model and covered substantially all trade between Croatia, Slovenia and the Former Yugoslav Republic of Macedonia. None of these Agreements covered trade in services. Copies of the trade agreements were provided to the Working Party.

147. The Trieste and Gorizia Agreement of 1955 included provisions regulating border trade between the municipalities of Buje, Novigrad and Umag in Croatia and border areas in Slovenia. The exchange of trade was based on indication lists "A" (exports) and "B" (imports), and duty-free lists "C" (exports) and "D" (imports). Products imported under list "D" (reproduced in document WT/ACC/HRV/30, pp.78-80) were duty-free provided they were designated for usage in the border area determined by the Trieste Agreement. Local export-import trade could be carried out by a company located in the border area and registered with the Court register for such activities.

Conclusions

148. The Working Party took note of the explanations and statements of Croatia concerning its foreign trade regime, as reflected in this report. The Working Party took note of the commitments given by Croatia in relation to certain specific matters which are reproduced in paragraphs in this Report. The Working Party took note that these commitments had been incorporated in paragraph ... of the Protocol of Accession of Croatia to the WTO.

149. Having carried out the examination of the foreign trade regime of Croatia and in the light of the explanations, commitments and concessions made by the representative of Croatia, the Working Party reached the conclusion that Croatia should be invited to accede to the Marrakesh Agreement Establishing the WTO pursuant to the provisions of Article XII. For this purpose the Working Party has prepared the Draft Decision and Protocol of Accession reproduced in the Appendix to this report, and takes note of Croatia's Schedule of Specific Commitments on Services (document) and its Schedules of Concessions and Commitments on Agriculture and Goods (document) that are attached to the Protocol of Accession. It is proposed that these texts be approved by the General Council when it adopts the Report. When the Decision is adopted, the Protocol of Accession would be open for acceptance by Croatia which would become a Member thirty days after it accepts the said Protocol. The Working Party agreed, therefore, that it had completed its work concerning the negotiations for the accession of Croatia to the Marrakesh Agreement Establishing the WTO.

[to be completed]

APPENDIX

ACCESSION OF CROATIA

Draft Decision

The General Council,

Having regard to the results of the negotiations directed towards the establishment of the terms of accession of the Republic of Croatia to the Marrakesh Agreement Establishing the World Trade Organization and having prepared a Protocol for the Accession of Croatia,

Decides, in accordance with Article XII of the Marrakesh Agreement Establishing the World Trade Organization, that the Republic of Croatia may accede to the Marrakesh Agreement Establishing the World Trade Organization on the terms set out in the said Protocol.

PROTOCOL OF ACCESSION OF CROATIA
TO THE MARRAKESH AGREEMENT ESTABLISHING
THE WORLD TRADE ORGANIZATION
DRAFT

The World Trade Organization (hereinafter referred to as the "WTO"), pursuant to the approval of the General Council of the WTO accorded under Article XII of the Marrakesh Agreement Establishing the World Trade Organization (hereinafter referred to as "WTO Agreement"), and the Republic of Croatia (hereinafter referred to as "Croatia"),

Taking note of the Report of the Working Party on the Accession of Croatia to the WTO in document WT/ACC/HRV/... (hereinafter referred to as the "Working Party Report"),

Having regard to the results of the negotiations on the accession of Croatia to the WTO,

Agree as follows:

Part I – General

1. Upon entry into force of this Protocol, Croatia accedes to the WTO Agreement pursuant to Article XII of that Agreement and thereby becomes a Member of the WTO.
2. The WTO Agreement to which Croatia accedes shall be the WTO Agreement as rectified, amended or otherwise modified by such legal instruments as may have entered into force before the date of entry into force of this Protocol. This Protocol, which shall comprise the commitments referred to in paragraph ... of the Working Party Report, shall be an integral part of the WTO Agreement.
3. Except as otherwise provided for in the paragraphs referred to in paragraph ... of the Working Party Report, those obligations in the Multilateral Trade Agreements annexed to the WTO Agreement that are to be implemented over a period of time starting with the entry into force of that Agreement shall be implemented by Croatia as if it had accepted that Agreement on the date of its entry into force.

4. Croatia may maintain a measure inconsistent with paragraph 1 of Article II of the GATS provided that such a measure is recorded in the list of Article II Exemptions annexed to this Protocol and meets the conditions of the Annex to the GATS on Article II Exemptions.

Part II – Schedules

5. The Schedules annexed to this Protocol shall become the schedule of Concessions and Commitments annexed to the General Agreement on Tariffs and Trade 1994 (hereinafter referred to as the "GATT 1994") and the Schedule of Specific Commitments annexed to the General Agreement on Trade in Services (hereinafter referred to as "GATS") relating to Croatia. The staging of concessions and commitments listed in the Schedules shall be implemented as specified in the relevant parts of the respective Schedules.

6. For the purpose of the reference in paragraph 6(a) of Article II of the GATT 1994 to the date of that Agreement, the applicable date in respect of the Schedules of Concessions and Commitments annexed to this Protocol shall be the date of entry into force of this Protocol.

Part III - Final Provisions

7. This Protocol shall be open for acceptance, by signature or otherwise, by Croatia until

8. This Protocol shall enter into force on the thirtieth day following the day of its acceptance.

9. This Protocol shall be deposited with the Director-General of the WTO. The Director-General of the WTO shall promptly furnish a certified copy of this Protocol and a notification of acceptance thereto pursuant to paragraph 7 to each member of the WTO and Croatia.

10. This Protocol shall be registered in accordance with the provisions of Article 102 of the Charter of the United Nations.

11. Done at Geneva this ... day of one thousand nine hundred and ninety, in a single copy in the English, French and Spanish languages each text being authentic, except that a Schedule annexed hereto may specify that it is authentic in only one or more of these languages.

ANNEXES

[to be completed]

ANNEX 1

Laws, regulations and other information provided to the Working Party by Croatia

- Reasons for requesting developing country treatment for the Republic of Croatia within the WTO;
- Agricultural Strategy of the Republic of Croatia;
- Transformation of Socially-Owned Enterprises Act;
- The Privatization Act of 1 March 1996;
- Annual Report of the Croatian Privatization Fund for 1994;
- Financial Statements of the Croatian Privatization Fund for 1993 and 1994;
- Law on Trade;
- The Croatian Company Law;
- The Croatian Customs Law;
- The Croatian Customs Service Act;
- The Croatian Free Zones Act;
- Export/Import Quotas for the Years 1991, 1992 and 1993;
- Export/Import Quotas for the Year 1995;
- Export/Import Quotas for 1996;
- List of Goods Imported and Exported on the Basis of 1995 Licences;
- Export/Import Licences in 1996;
- Decision on Determining the Goods Exported on Basis of Quota of 12 July 1996;
- War Damage to the Agricultural Sector of the Republic of Croatia;
- Basic Data on the Fishing Sector of the Republic of Croatia;
- The Standardization Act of 2 July 1996;
- State Office for Standardization and Metrology: Rules for Preparation, Adopting and Issuing of Croatian Standards;
- List of Croatian Standards;
- Products Subject to Quality Control on Imports (HS Numbers);
- Decision on Amounts to be Paid for Covering the Costs of Quality Control of Products Upon Export and Import;
- Decision on Amounts to be Paid for Covering the Costs of Quality Control of Products Upon Export and Import of 23 May 1995;
- Regulation on Phytosanitary Inspection of Plants and Control of Plant Protection Products in the National Cross-Boundary Transportation;
- List of Quarantine Plant Pests;
- Norms for the Establishment of Health Conditions of Crops, Nurseries, Seed and Planting Material;
- List of Protection Measures on Agricultural and Food Products;
- The Croatian Banking Act;
- Law Amending the Law on Banks and Savings Banks (Official Gazette No.89 of 30 June 1998);
- Credit Relations with Foreign Countries Act;
- Insurance Law;
- Law on Insurance and Sale of Securities of 1 January 1996;
- Decision Promulgating the Law on Investment Funds of 14 December 1995;
- Law on Telecommunications;
- List of Public Enterprises;
- Electric Power Supply Act with Explanations and Restructuring Programme;
- Restructuring Programme and the new Croatian Railways Act;
- Tax System of the Republic of Croatia: Profit Tax Act, Income Tax Act and VAT Act;

- Decree on Procurement of Goods, Works and Services;
- Law on Procurement of Goods, Services and Works;
- The Croatian Competition Protection Act;
- Statute of the Republic of Croatia on the Conditions and Method of Determining Tariff Bases;
- The Agreement on the Economic Co-operation between the Government of the Republic of Croatia and the Government of the Republic and Federation of Bosnia and Herzegovina;
- Free Trade Agreement between the Republic of Croatia and the Former Yugoslav Republic of Macedonia;
- Free Trade Agreement between the Republic of Croatia and the Republic of Slovenia;
- Diskette containing the new customs tariff (in force as from 1 July 1996);
- The Law on the Foreign Exchange System, Foreign Exchange Operations and Gold Transactions;
- Decision Promulgating the Law on Exceptional Measures of Price Controls of 8 July 1997;
- Decision on the Compulsory Reporting of Price Lists and Tariffs of Certain Legal Persons;
- Order on Identifying Products Requiring Reporting of Prices and Margins for the Purpose of Control;
- Decision on Compulsory Reporting of the Price Lists or Tariffs of Certain Products and Services;
- Order on Identifying the Products and Services Requiring the Reporting of Price Lists of Tariffs;
- Tender Documentation for the Purchase of Joint Stock Companies;
- World Bank Project Portfolio in Croatia;

[to be completed]

Table 2
Products Subject to Import Licensing¹

HS code		Produce description	Licensing authority
26.12		Uranium or thorium ores and concentrates	Ministry of Economy
	2612.10	Uranium ores and concentrates	
	2612.20	Thorium ores and concentrates	
28.44		Radioactive chemical elements and radioactive isotopes (including the fissile or fertile chemical elements and isotopes) and their compounds; mixture and residues containing those products:	
	2844.10	- Natural uranium and its compounds: alloys, dispersions (including cermets), ceramic products and mixtures containing these products	
	2844.20	- Uranium enriched in U 235 and its compounds; plutonium and its compounds; alloys, dispersions (including cermets), ceramic products and mixtures containing uranium enriched U 235, plutonium or compounds of these products	
	2844.30	- Uranium depleted in U 235 and its compounds; alloys, dispersions (including cermets), ceramic products and mixtures containing uranium depleted in U 235, thorium or compounds of these products	
	2844.50	- Spent (irradiated) fuel elements (cartridges) of nuclear reactors	
28.45		Isotopes other than those of heading No.2844; compounds, inorganic or organic, of such isotopes, whether or not chemically defined	
	2845.10	- Heavy water (deuterium oxide)	
29.04		Sulphonated, nitrated or nitrated derivatives of hydrocarbons, whether or not halogenated	
	2904.201	--- Nitrobenzene	
	2904.202	--- Dinitrobenzene	
	2904.203	--- Di and trinitrotoluene	
29.20		Esters of other inorganic acids (excluding esters of hydrogen halide) and their salts; their halogenated, sulphonated, nitrated or nitrosalted derivatives:	
	2920.90	- Other:	
	2920.9003	---- Nitroglycerin	
	2920.9004	---- Other esters of nitrate acid	

¹ In addition, Coraita applies licensing to narcotics and substances damaging the ozone layer

HS code		Produce description	Licensing authority
	2920.9006	---- Salts from other acids	Ministry of Economy
30.01		Glands and other organs for organo-therapeutic uses, dried, whether or not powdered; extracts of glands or other organs or of their secretions for organo-therapeutic uses; heparin and its salts; other human or animal substances prepared for therapeutic or prophylactic uses, not elsewhere specified or included	Ministry of Health or Ministry of Agriculture and Forestry
	3001.10	- Glands and other organs, dried, whether or not powdered	
	3001.90	- Other	
	3001.909	--- Other	
30.02		Human blood; animal blood prepared for therapeutic, prophylactic or diagnostic uses; antisera and other blood fractions and modified immunological products, whether or not obtained by means of biotechnological processes; vaccines, toxins, cultures of micro-organisms (excluding yeasts) and similar products	
	3002.10	- Antisera and other blood fractions and modified immunological products, whether or not obtained by means of biotechnological processes	
	3002.20	- Vaccines for human medicine	
	3002.30	- Vaccines for veterinary medicine	
	3002.90	- Other	
	3002.909	--- Other	
30.03		Medicaments (excluding goods of heading No.3002, 3005 or 3006) consisting of two or more constituents which have been mixed together for therapeutic or prophylactic uses, not put up in measured doses or in forms or packings for retail sale:	
	3003.10	- Containing penicillin or derivatives thereof, with a penicillanic acid structure, or streptomycin or their derivatives	
	3003.20	- Containing other antibiotics	
	3003.201	--- Containing rolitetracyclin	
	3003.209	--- Other	
	3003.30	- Containing hormones or other products of heading No.2937 but not containing antibiotics	
	3003.31	-- Containing insulin	
	3003.39	-- Other	

HS code		Produce description	Licensing authority
	3003.40	- Containing alkaloids or derivatives thereof but not containing hormones or other products of heading No.2937 or antibiotics	" Ministry of Health or Ministry of Agriculture and Forestry
	3003.90	- Other	
	3003.901	Polimaltic complex with iron (III) hydroxide	
	3003.902	--- Saccharine complex with iron (III) hydroxide	
	3003.909	--- Other	
30.04		Medicaments (excluding goods of heading No.3002, 3005 or 3006) consisting of mixed or unmixed products for therapeutic or prophylactic uses, put up in measured doses or in forms or packings for retail sale:	
	3004.10	- Containing penicillin or derivatives thereof, with a penicillanic acid structure, or streptomycin or their derivatives:	
	3004.101	--- Ready made medicaments for retail sale	
	3004.109	--- Medicaments in doses in bulk	
	3004.20	- Containing other antibiotics	
	3004.201	--- Ready made medicaments for retail sale	
	3004.209	--- Medicaments in doses in bulk	
	3004.3	- Containing hormones or other products of heading No.2937 but not containing antibiotics	
	3004.31	-- Containing insulin	
	3004.301	--- Ready made medicaments for retail sale	
	3004.319	--- Medicaments in doses in bulk	
	3004.32	-- Containing adrenal cortical hormones	
	3004.321	--- Ready made medicaments for retail sale	
	3004.329	--- Medicaments in doses in bulk	
	3004.39	-- Other	
	3004.391	--- Ready made medicaments for retail sale	
	3004.399	--- Medicaments in doses in bulk	
	3004.40	- Containing alkaloids or derivatives thereof but not containing hormones, other products of heading No.2937 or antibiotics	
	3004.401	--- Ready made medicaments for retail use	
	3004.402	--- Oncovin doses in bulk	
	3004.409	--- Other medicaments in doses in bulk	
	3004.50	- Other medicaments containing vitamins or other products of heading No.2936	
	3004.501	--- Ready made medicaments for retail sale	
	3004.509	--- medicaments in doses in bulk	

HS code		Produce description	Licensing authority
	3004.90	- Other	Ministry of Health or Ministry of Agriculture and Forestry
	3004.902	--- Other medicaments for retail sale	
	3004.903	--- Medicaments in doses in bulk	
	3004.909	--- Other	
30.06		Pharmaceutical goods specified in note \$ to this chapter	
	3006.20	- Blood grouping reagents	
	3006.30	- Opacifying preparations for x-ray examinations; diagnostic reagents designed to be administered to the patient	
	3006.60	- Chemical contraceptive preparations based on hormones or spermicides	
36.01	3601.00	Propellant powders	Ministry of Economy
	3601.001	--- Propellant powders with no smoke	
	3601.002	--- Black propellant powder for hunters	
	3601.003	--- Black propellant powder for miners	
	3601.009	--- Other Black propellant powder	
36.02	3602.00	Prepared explosive, other than propellant powders	
	3602.001	--- On the basis of ammonium nitrate	
	3602.002	--- On the basis of chlorate and perchlorate	
	3602.003	--- On the basis of nitroglycerine	
	3602.004	--- On the basis of nitrate esters	
	3602.009	--- Others	
36.03	3603.00	Safety fuses; detonating fuses; percussion or detonating caps; igniters; electric detonators:	
	3603.001	--- Detonating fuses	
	3603.002	--- Safety fuses	
	3603.003	--- Caps	
	3603.004	--- Igniters	
	3603.009	--- Detonators	
36.04		Fireworks, signalling flares, rain rockets, fog signals and other pyrotechnic articles	
	3604.90	- Other	
	3604.901	--- Rain rockets	

HS code		Produce description	Licensing authority
44.16	4416.00	Casks, barrels, vats, tubs and other coopers' products and parts thereof, of wood, including staves	State Bureau of Standards and Measurements
	4416.009	--- Other	
48.08		Paper and paperboard, corrugated (with or without glued flat surface sheets), creped, crinkled, embossed or perforated, in rolls or sheets, other than paper of the kind described in heading No.48.03	Ministry of Economy
	4808.10	- Corrugated paper and paperboard, whether or not perforated	
48.19		Cartons, boxes, cases, bags and other packing containers, of paper, paperboard, cellulose wadding or webs of cellulose fibres; box files, letter trays, and similar articles, of paper or paperboard of a kind used in offices, shops or the like	
	4819.10	- Cartons, boxes and cases, of corrugated paper or paperboard	
49.07	4907.00	Unused postage, revenue or similar stamps of current or new issue in the country to which they are destined; stamp-impressed paper; banknotes; cheque forms; stock; share or bond certificates and similar documents of title:	
	4907.002	--- Securities (stocks,cheque forms, etc.)	
	4907.003	--- Banknotes which are not legal tender in any country	
	4907.009	--- Other	
70.17		Laboratory, hygienic or pharmaceutical glassware, whether or not graduated or calibrated	State Bureau of Standards and Measurements
	7017.10	- Of fused quartz or other fused silica	
	7017.20	- Of other glass having a linear coefficient of expansion not exceeding 5×10^{-6} per Kelvin within a temperature range of 0°C to 300°C	
	7017.90	- Other	
71.08		Gold (including gold plated with platinum) unwrought or in semi-manufactured forms, or in powder form:	Ministry of Economy
	7108.1	- Non-monetary	
	7108.11	--- Powder	
	7108.12	--- Unwrought	
	7108.13	-- Semi-manufactured	
	7108.20	- Monetary	
71.18		Coin	

HS code		Produce description	Licensing authority
	7118.10	- Coin (other than gold coin), not being legal tender	Ministry of Economy
	7118.90	- Other	
73.04		Tubes, pipes and hollow profiles, seamless, of iron (other than case iron) or steel	
	7304.10	Line pipe of a kind used for oil or gas pipelines	
	7304.29		
	7304.292	--- Protection pipes of other steel or an external diameter not exceeding 16"	
	7304.295	--- Other tubes for manufacture, of other steel	
	7304.299	--- Other	
	7304.31		
	7304.311	--- Precision cold-drawn tubes	
	7304.319	--- Other	
	7304.39	-- Other	
73.06		Other tubes, pipes and hollow profiles (for example, open seam or welded, riveted or similarly closed) of iron or steel:	
	7306.10	- Line pipe of a kind used for oil or gas pipelines	
	7306.20	Protection tubes ("casing"), production tubes ("tubing") of a kind used in drilling for oil or gas	
	7306.201	--- Protection tubes of an external diameter not exceeding 16"	
	7306.202	--- Production pipes of external diameter not exceeding 3 1/2	
	7306.209	- Other	
	7306.30	Other, welded, of circular cross-section, of iron or non-alloy steel	
	7306.50	- Other, welded, of circular cross-section of other alloy steel	
	7306.60		
	7306.601	--- Of iron and unalloyed steel of square average diameter of maximal dimension 70 x 70mm, rectangular average of maximal dimension 80 x 60mm	
84.01		Nuclear reactors; fuel elements (cartridges), non-irradiated, for nuclear reactors, machinery and apparatus for isotopic separation:	
	8401.10	- Nuclear reactors	
	8401.20	Machinery and apparatus for isotopic separation, and their parts	
	8401.30	- Fuel elements (cartridges), non-irradiated	
	8401.40	- Parts of nuclear reactor	

HS code		Produce description	Licensing authority	
84.13		Pumps for liquids, whether or not fitted with a measuring device; liquid elevators	State Bureau of Standards and Measurements	
	8413.1	- Pumps fitted or designed to be fitted with a measuring device		
	8413.11	-- Pumps for dispersing fuel or lubricants, of the type used in filling-stations or in garages		
84.22		Dishwashing machines; machinery for cleaning or drying bottles or other containers; machinery for filling, closing, sealing or labelling bottles, cans, boxes, bags or other containers; other packing or wrapping machinery (including heat-shrink wrapping machinery); machinery for aerating beverages;		
	8422.30	- Machinery for filling, closing, sealing or labelling bottles, cans, boxes, bags or other containers; machinery for capsuling bottles, jars, tubes and similar containers; machinery for aerating beverages		
84.23		Weighing machinery (excluding balances of a sensitivity of 5cg or better) including weight operated counting or checking machines; weighing machine weights of all kinds		
	8423.10	- Personal weighing machines, including baby scales; household scales		
	8423.20	- Scales for continuous weighing of goods on conveyors		
	8423.30	- Constant weight scales and scales for discharging a predetermined weight of material into a bag or container, including hopper scale		
	8423.8	- Other		
	8423.81	-- Having a maximum weighing capacity not exceeding 30kg.		
	8423.82	-- Having a maximum weighing capacity exceeding 30kg but not exceeding 5,000kg		
	8423.89	-- Other		
	8423.891	--- Weighbridge (railway and road)		
	8423.899	--- Other		
	8423.90	- Weighing machine weights of all kinds; parts of weighing machinery		
	8423.901	--- Weight		
	8423.909	--- Parts		
84.33		Harvesting or threshing machinery, including straw or fodder balers; grass or hay mowers:		Ministry of Economy

HS code		Produce description	Licensing authority
	8433.5	- Other machinery for harvesting agricultural products (harvest, pick-up, etc.) machines for sorting	Ministry of Economy
	8433.51	--- Combine harvester-threshers	
	8433.511	--- For grain and corn	
	8433.5112	--- Power over 45 up to 167kw	
85.25		Transmission apparatus for radio-telephony, radio-telegraphy, radio-broadcasting or television, whether or not incorporating reception apparatus or sound recording or reproducing apparatus; television cameras; still image video cameras and other video camera recorders:	
	8525.10	- Transmission apparatus	
	8525.191	- Radio transmission	
	8525.109	-- Other	
	8525.20	- Transmission apparatus incorporating reception apparatus	
	8525.201	- Repeater for radio	
	8525.209	-- Other	
85.26		Radio apparatus, radio navigational aid apparatus and radio remote control apparatus	
	8526.10	- Radar apparatus	
	8526.91	- Radio navigational apparatus	
	8526.92	- Radio remote control apparatus	
87.01		Tractors (other than tractors of heading No.8709)	Ministry of Economy, Ministry of Defence or Ministry of Interior
	8701.90	- Other	
	8701.9021	---- Over 5 years old	
87.10	8710.00	Tanks and other armoured fighting vehicles, motorised, whether or not fitted with weapons and parts of such vehicles	Ministry of Economy, Ministry of Defence or Ministry of Interior
89.06	8906.00	Other vessels, including warships and lifeboats other than rowing boats:	
	8906.001	--- Warships of all sorts	

HS code		Produce description	Licensing authority
90.15		Surveying (including photogrammetrical surveying), hydrographic, oceanographic, hydrological, meteorological or geophysical instruments and appliances, excluding compasses; rangefinders	Ministry of Economy, Ministry of Defence or Ministry of Interior
	9015.10	- Rangefinders	
	9015.20	- Theodolites and tacheometers	
	9015.30	- Levels	
	9015.40	- Photogrammetrical, surveying instruments and appliances	
	9015.80	- Other instruments and appliances	
	9015.801	--- For petroleum and gas expolations, electronics	
	9015.809	--- Other	
90.18		Instruments and appliances used in medical, surgical, dental or veterinary sciences, including scintigraphic apparatus, other electromedical apparatus and sight testing instruments	State Bureau of Standards and Measurements
	9018.90	- Other apparatus and instruments	
	9018.901	--- Apparatus for dialysis	

HS code		Produce description	Licensing authority
90.17		Drawing, marking-out or mathematical calculating instruments (for example, drafting machines, pantographs, protractors, drawing sets, slide rules, disc calculators); instruments for measuring length for use in the hand (for example, measuring rods and tapes, micrometers, callipers), not specified or included elsewhere in this chapter:	State Bureau of Standards and Measurements
	9017.30	- Micrometers, callipers and gauges	
	9017.309	--- Other	
	9017.80	- Other instruments	
90.18		Instruments and appliances used in medical, surgical, dental or veterinary sciences, including scintigraphic apparatus, other electromedical apparatus and sight testing instruments	
	9018.3	- Syringes, needles, catheters, cannulae and the like	
	9018.31	-- Syringes, with or without needles	
90.24		Machines and appliances for testing the hardness, strength, compressibility, elasticity or other mechanical properties of materials (for example, metals, wood, textiles, paper and plastics)	
	9024.10	-- Machines and appliances for testing metals	
	9024.80	- Other machines and appliances	
90.25		Hydrometers, and similar floating instruments, thermometers, pyrometers, barometers, hygrometers and psychrometers, recording or not, and any combination of these instruments	
	9025.1	- Thermometers and pyrometers, not combined with other instruments	
	9025.11	-- Liquid-filled or direct reading	
	9025.19	-- Other	
	9025.80	Other instruments	
90.26		Instruments and apparatus for measuring or checking the flow, level, pressure or other variables of liquids or gases (for example, flow meters, level gauges, manometers, heat meters), excluding instruments and apparatus of heading Nos.9014, 9015, 9028 or 9032:	
	9026.10	- For measuring or checking the flow or level of liquids:	
	9026.101	--- Electronic	
	9026.102	--- Electric	

HS code		Produce description	Licensing authority
	9026.109	--- Other	State Bureau of Standards and Measurements
	9026.20	- For measuring or checking pressure:	
	9026.201	--- Electronic	
	9026.202	--- Electric	
	9026.203	--- Manometers (non-electronic, non-electric)	
	9026.209	--- Other	
	9026.80	- Other instruments or apparatus:	
	9026.801	--- Electronic	
	9026.802	--- Electric	
	9026.803	--- Flow meters of gases (non-electronic and non-electric)	
90.27		Instruments and apparatus for physical or chemical analysis (for example, polarimeters, refractometers, spectrometers, gas or smoke analysis apparatus); 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, sound or light (including exposure meters); microtomes:	
	9027.10	- Gas and smoke analysis apparatus:	
	9027.101	--- Electronic	
	9027.102	--- Electric	
	9027.109	--- Other	
90.28		Gas, liquid or electricity supply or production meters, including calibrating meters therefore:	
	9028.10	- Gas meters	
	9028.20	- Liquid meters	
	9028.201	--- For fuel	
	9028.202	--- Water meters	
	9028.209	--- Other	
	9028.30	- Electricity meters	
90.29		Revolution counters, production counters, taximeters, mileometers, pedometers and the like; speed indicators and tachometers, other than those of heading Nos. 9014 or 9015; stroboscopes	
	9029.10	- Revolution counters, production counters, taximeters, mileometers, pedometers and the like:	
	9029.101	--- Electronic	
	9029.102	--- Electric	

HS code		Produce description	Licensing authority
	9029.109	--- Other	State Bureau of Standards and Measurements
90.30		Oscilloscopes, spectrum analyzers and other instruments and apparatus for measuring or checking electrical quantities, excluding meters of heading No.9028; instruments and apparatus for measuring or detecting alpha, beta gamma, x-ray, cosmic or other ionising radiations:	
	9030.10	- Instruments and apparatus for measuring or detecting ionising radiations;	
	9030.40	- Other instruments and apparatus, specially designed for telecommunications (for example, cross-talk meters, gain measuring instruments, distortion factor meters, psophometers):	
	9030.401	--- Electronic	
	9030.409	--- Other	
	9030.8	- Other instruments and apparatus	
	9030.82	-- For measuring or checking semi-conductor wafers or devices	
	9030.83	-- Other, with a recording device:	
	9030.831	--- Electronic	
	9030.839	-- Other	
	9030.891	--- Electronic	
	9030.899	--- Other	
90.31		Measuring or checking instruments, appliances and machines, not specified or included elsewhere in this chapter; profile projectors:	
	9031.20	- Test benches	
	9031.209	--- Other	
91.01		Wrist-watches, pocket-watches and other watches, including stop-watches, with case of precious metal or of metal clad with precious metal:	
	9101.9	- Other	
	9101.91	-- Electrically operated	
	9101.911	--- Stop-watches	
	9101.99	-- Other	
	9101.991	--- Stop-watches	
	9107.009	---- Other	
91.02		Wrist-watches, pocket-watches and other watches, including stop-watches, other than those of heading No.9101	
	9102.9	- Other	
	9102.91	- Electrically operated	

HS code		Produce description	Licensing authority
	9102.911	--- Stop-watches	State Bureau of Standards and Measurements
	9102.99	--- Other	
	9102.991	--- Stop-watches	
91.06		Time of day recording apparatus and apparatus for measuring, recording or otherwise indicating intervals of time, with clock or watches movement or with synchronous motor (for example, time-registers, time-recorders):	
	9106.10	- Time-registers; time-recorders	
	9106.20	- Parking meters	
91.07	9107.00	Time switches, with clock or watch movement or with synchronous motor	
93.01	9301.00	Military weapons, other than revolvers, pistols and the arms of heading No.9307	Ministry of Economy, Ministry of Defence or Ministry of Interior
93.02	9302.00	Revolvers and pistols, other than those of heading No.9303 or 9304	
93.03		Other firearms and similar devices which operate by firing of an explosive charge (for example, sporting shotguns and rifles, muzzle-loading firearms, very pistols and other devices designed to project only signal flares, pistols and revolvers for firing blank ammunition, captive-bolt humane killers, line-throwing guns):	
	9303.10	- Muzzle-loading firearms	
	9303.20	- Other sporting, hunting or target-shooting shotguns, including combination shotgun-rifles:	
	9303.30	- Other sporting hunting or target-shooting rifles	
	9303.90	- Other	
	9303.901	--- Starting rifles	
	9303.909	--- Other	
93.04	9304.00	Other arms (for example, spring, air or gas guns and pistols, truncheons), excluding those of heading No.9307	
	9304.001	--- Shotguns for spear-fishing	
	9304.009	--- Other	
93.05		Parts and accessories of articles of heading Nos.9302 to 9304	
	9305.10	-- Of revolvers or pistols	
	9305.101	--- Shotguns for spear-fishing	
	9305-109	--- Other	
	9305.2	- For rifled barrels, hunting and sporting rifles from heading No.9303	
	9305.21	--- Tubes for rifle barrels	

HS code		Produce description	Licensing authority
	9305.29	-- Other	Ministry of Economy, Ministry of Defence or Ministry of Interior
	9305.90	- Other	
	9305.901	--- Products from heading No. 9301	
	9305.909	--- Other	
93.06		Bombs, grenades, torpedoes, mines, missiles and similar munitions of war and parts thereof; cartridges and other ammunition and projectiles and parts thereof, including shot and cartridge wads:	
	9306.10	- Cartridges for riveting or similar tools or for captive-bolt humane killers and parts thereof	
	9306.2	- Cartridges for rifled barrels and their parts; cartridges for air guns	
	9306.21	--- Patrons	
	9306.29	-- Other	
	9306.30	- Other cartridges and parts thereof	
	9306.90	- Other	
93.07	9307.00	Swords, cutlasses, bayonets, lances and similar arms and parts thereof and scabbards and sheaths thereof	

Table 3
Products Subject to Export Quotas

HS code		Product description
01.02		Live bovine animals:
	0102.90	----- Other;
	0102.904	-----Heifers, of a weight exceeding 200kg but not exceeding 320kg
	0102.907	-----Calves
05.08	0508.00	Coral and similar materials, unworked or simply prepared but not otherwise worked; shells of molluscs, crustaceans or echinoderms and cuttlebone, unworked or simply prepared but not cut to shape, powder and waste thereof
10.05		Maize (corn)
27.09	2709.00	Petroleum oils and oils obtained from bituminous minerals, crude:
	2709.001	----- Petroleum oils
27.11		Petroleum gases and other gaseous hydrocarbons:
	2711.2	- In gaseous state;
	2711.21	-- Natural gas
41.01		Raw hides and skins of bovine or equine animals (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split.
41.02		Raw skins of sheep or lambs (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not with wool on or split, other than those excluded by note 1(c) to this chapter;
41.04		Leather of bovine or equine animals, without hair on, other than leather of heading No.41.08 or 41.09;
44.01		Fuel wood, in logs, in bullets, in twigs, in faggots or in similar forms; wood in chips or particles; sawdust and wood waste and scrap, whether or not agglomerated in logs, briquettes, pellets or similar forms:
	4401.10	- Fuel wood, in logs, in bullets, in twigs, in faggots or in similar forms.
44.03		Wood in the rough, whether or not stripped of bark or sapwood, or roughly squared:
	4403.10	- Treated with paint, stains, creosote or other preservatives
	4403.20	- Other, coniferous:
	4403.201	--- Exotic coniferous
	4403.202	--- Poles for splitting and for veneering from other coniferous wood
	4403.203	--- Cellulose
	4403.204	--- Poles for wires, not impregnated
	4403.209	--- Other
	4403.9	- Other
	4403.91	-- Of oak (Quercus spp.)
	4403.911	---Poles for splitting and for veneering
	4403.912	--- Cellulose

HS code		Product description
	4403.919	--- Other
	4403.92	-- Of beech (<i>Fagus</i> spp.)
	4403.921	--- For splitting and for veneering
	4403.922	--- Cellulose
	4403.929	--- Other
	4403.99	--- Other:
	4403.991	--- Poles for splitting and for veneering of other hard non-coniferous
	4403.9911	--- Poles for splitting and walnut tree veneer
	4403.9919	--- Other
	4403.992	--- Cellulose tree from other hard non-coniferous
	4403.993	--- Poles for splitting and for veneering for poplar
	4403.994	--- Cellulose wood of poplar
	4403.995	--- Poles for splitting and for veneering of other soft non-coniferous
	4403.996	--- Cellulose wood of other soft non-coniferous
	4403.999	--- Other
4707		Recovered (waste and scrap) paper or paperboard
	4707.10	- Unbleached kraft paper or paperboard or corrugated paper or paperboard
	4707.20	- Other paper or paperboard made mainly or bleached chemical pulp not coloured in the mass
	4707.30	- Paper or paperboard made mainly of mechanical pulp (for example, newspapers, journals and similar printed material)
	4707.301	--- Old and unsold newspapers
	4707.90	- Other, including unsorted waste and scrap
70.01	7001.00	Cullet and other waste and scrap glass; glass in the mass:
	7001.002	--- Other glass in the mass

Table 4
Products Subject to Export Licences²

HS code		Product description	Licensing authority
28.44		Radioactive chemical element and radioactive isotopes (including the fissile or fertile chemical elements and isotopes) and other compounds; mixtures and residues containing those products:	Ministry of Economy
	2844.10	- Natural uranium and its compounds: alloys, dispersions (including cermets), ceramic products and mixture containing natural uranium or natural uranium compounds;	
	2844.20	- Uranium enriched in U 235 and its compound; plutonium and its compounds; alloys, dispersions (including cermets), ceramic products and mixtures containing uranium enriched U 235, plutonium or compounds of these products;	
	2844.30	- Uranium depleted in U 235 and its compounds, thorium and its compounds; alloys, dispersions (including cermets) ceramic products and mixtures containing uranium depleted in U 235, thorium or compounds of these products	
	2844.50	- Spent (irradiated) fuel elements (cartridges) of nuclear reactor	
28.45		Isotopes other than those of heading No.2844; compounds, inorganic or organic, of such isotopes, whether or not chemically defined	
	2845.10	- Heavy water (deuterium oxide)	
29.04		Sulphonated, nitrated or nitrated derivatives of hydrocarbons, whether or not halogenated	
	2904.201	--- Nitrobenzene	
	2904.202	--- Dinitrobenzene	
	2904.203	--- Di and trinitrotoluene	
2920		Esters of other inorganic acids (excluding esters of hydrogen halide) and their salts; their halogenated, sulphonated, nitrated or nitrosalted derivatives:	
	2920.90	Other:	
	2920.9003	Nitroglycerin	
	2920.9004	Other esters of acids	

² In addition, Coraita applies licensing to narcotics and substances damaging the ozone layer

HS code		Product description	Licensing authority
49.07	4907.00	Unused postage, revenue or similar stamps of current or new issue in the country to which they are destined; stamp-impressed paper; banknotes; cheque forms; stock; share or bond certificates and similar documents of title:	Ministry of Economy
	4907.002	--- Securities (actions, cheque books, etc.)	
	4907.003	--- Banknotes which are not legal means of payment in any of the countries	
	4907.009	--- Other	
71.08		Gold including gold plated with platinum unwrought semi-manufactured forms, or in powder form:	
	7108.1	- Non-monetary	
	7108.11	--- Powder	
	7108.12	--- Other unwrought forms	
	7108.13	-- Other semi-manufactured forms:	
	7108.20	- Monetary	
71.09	7109.00	Base metals or silver, clad with gold, not further worked than semi-manufactured	
71.10		Platinum, unwrought or in semi-manufactured forms, or in powder form	
	7110.1	Platinum	
	7120.11	Unwrought or in powder form	
	7110.19	-- Other	
	7110.2	Palladium	
	7110.21	-- Unwrought or in powder form	
	7110.29	-- Other	
	7110.3	Rhodium	
	7110.31	- Unwrought or in powder form	
	7110.39	-- Other	
	7110.4	Iridium, osmium and ruthenium	
	7110.41	-- Unwrought or in powder form	
	7110.49	-- Other	
71.11	7111.00	Base metals, silver or gold, clad with platinum, not further worked than semi-manufactured	
71.18		Coin	
	7118.10	- Coin (other than gold coin), not being legal tender	
	7118.90	- Other	

HS code		Product description	Licensing authority
84.01		Nuclear reactors; fuel elements (cartridges), non-irradiated, for nuclear reactors, machinery and apparatus for isotopic separation:	Ministry of Economy, Ministry of Defence or Ministry of Interior
	8401.10	- Nuclear reactors	
	8401.20	Machinery and apparatus for isotopic separation, and parts thereof	
	8401.30-	Fuel elements (cartridges), non-irradiated	
	8401.40	Parts of nuclear reactor	
87.10	8710.00	Tanks and other armoured fighting vehicles, motorised, whether or not fitted with weapons and parts of such vehicles	
89.06	8906.00	Other vessels, including warships and lifeboats other than rowing boats:	
	8906.001	--- Warships of all sorts	
93.01	9301.00	Military weapons, other than revolvers, pistols and the arms of heading No.9307	
93.02	9302.00	Revolvers and pistols, other than those of heading No.9303 or 9304	
93.03		Other firearms and similar devices which operate by firing of an explosive charge (for example, sporting shotguns and rifles, muzzle-loading firearms, very pistols and other devices designed to project only signal flares, pistols and revolvers for firing blank ammunition, captive-bolt humane killers, line-throwing guns):	
	9303.10	- Muzzle-loading firearms	
93.05		Parts and accessories of articles of heading Nos.9301 to 9394	
	9305.10	-- Of revolvers or pistols	
	9305.101	--- Shotguns for spear-fishing	
	9305-109	--- Other	
	9305.90	- Other	
	9305.901	--- Products falling within heading No. 9301	
	9305.909	--- Other	
93.06		Bombs, grenades, torpedoes, mines, missiles and similar munitions of war and parts thereof; cartridges and other ammunition and projectiles and parts thereof, including shot and cartridge wads:	
	9306.10	- Cartridges for riveting or similar tools or for captive-bolt humane killers and parts thereof	
	9306.2	Cartridges for shotguns and parts thereof; air gun pellets	
	9306.21	--- Cartridges	

HS code		Product description	Licensing authority
	9306.29	-- Other	Ministry of Economy, Ministry of Defence or Ministry of Interior
	9306.30	- Other cartridges and parts thereof	
	9306.90	- Other	
93.07	9307.00	Swords, cutlasses, bayonets, lances and similar arms and parts thereof and scabbards and sheaths thereof	
97.01		Paintings, drawings and pastels, executed entirely by hand, other than drawings on heading No. 4906 and other than hand-painted or hand-decorated manufactured articles; collages and similar decorative plaques	Ministry of Culture
	9701.10	- Paintings (for example, oils, aquarelles and pastels) and drawings	
	9701.90	- Other	
97.02	9702.00	Other engravings, prints and lithographs	
97.03	9703.00	Original sculptures and statuary, in any material	
97.05	9705.00	Collections and collector's pieces of zoological botanical, mineralogical, anatomical, historical, archaeological, palaeotological, ethnographic or numismatic interest	
97.06	9706.00	Antiques of an age exceeding 100 years	

Table 5

Imported Products Subject to Product Quality Control
and Regulations for the Control of these Products

	Product Description
1.	<u>Meat and Meat Products</u> The regulation on the quality of meat of beef cattle and venison (Narodne Novine, No. 53/91); The regulation on the quality of meat products (Official Gazette, No. 53/91); The regulation on the quality of pork and its categorization (Official Gazette No. 53/91).
2.	<u>Fish, Cray-Fish, Mussels, Sea-Urchins, Frogs, Turtles, Snails, and Related Products</u> The regulation on the quality of fish, cray-fish, mussels, sea-urchins, frogs, turtles, snail, and related products (Official Gazette, No. 53/91).
3.	<u>Milk, Dairy Products, and Pure Cultures</u> The regulation on the quality of milk, dairy products, and pure cultures (Official Gazette, No. 53/91).
4.	<u>Ice-Cream, Ice-Cream Products, and Frozen Desserts</u> The regulation on the quality of milk, dairy products, and pure cultures (Official Gazette, No. 53/91).
5.	<u>Eggs and Egg Products</u> The regulation on the quality of eggs and egg products (Official Gazette, No. 53/91).
6.	<u>Fruit, Vegetables, Mushrooms and Related Products</u> The regulation of the quality of fruit, vegetables, mushrooms and related products (Official Gazette, No. 53/91).
7.	<u>Coffee, Coffee Products, and Products Made of Coffee Substitutes</u> The regulation of the quality of coffee, coffee products, and products made of coffee substitutes (Official Gazette, No. 53/91).
8.	<u>Teas</u> The regulation of the quality of coffee, coffee products, and products made of coffee substitutes, tea, condiments, leaven, baking powder, pudding powder and low-caloric products (Official Gazette, No. 53/91).
9.	<u>Condiments, Condiment Extracts, and Condiment Mixtures</u> The regulation of the quality of condiments, condiments extracts, and condiment mixtures (Official Gazette, No. 53/91).
10.	<u>Mustard</u> The regulation of the quality of coffee, coffee products, and products made of coffee substitutes, tea, condiments, leaven, baking powder, pudding powder and low-caloric products (Official Gazette, No. 53/91).
11.	<u>Common Salt and Brining Salt</u> The regulation of the quality of salt used as food (Official Gazette, No. 53/91).
12.	<u>Soups, Soup Concentrates, Sauce Concentrates and Food Supplements</u> The regulation of the quality of soups, soup concentrates, sauce concentrates and food supplements (Official Gazette, No. 53/91).
13.	<u>Leaven, Baking Powder, Pudding Powder</u> The regulation of the quality of leaven (Official Gazette, No. 53/91); The regulation of the quality of coffee, coffee products, and products made of coffee substitutes, tea, condiments, leaven, baking powder, pudding powder and low-caloric products (Official Gazette, No. 53/91).
14.	<u>Additives Used in Production of Food</u> The regulation of the quality of additives for food products.

	Product Description
15.	<u>Grain, Baking Products, Pasta, and Deep Frozen Pasta</u> The regulation of the quality of grain, baking products, pasta, and deep frozen pasta (Official Gazette, No. 53/91).
16.	<u>Biscuits and Biscuit-Related Products</u> The regulation of the quality of biscuits and biscuit-related products (Official Gazette, No. 53/91).
17.	<u>Food Oils and Vegetable Fats, Margarine, Mayonnaise and Other Related Products</u> The regulation of the quality of oils and vegetable fats, margarine, mayonnaise and other related products (Official Gazette, No. 53/91); The regulation of the quality of olive oil and blended olive oil (Official Gazette, No. 53/91).
18.	<u>Sugar and Related Products</u> The regulation of the quality of oils and vegetable fats, margarine, mayonnaise, sugar, honey and sugar-related products (Official Gazette, No. 53/91).
19.	<u>Honey and Other Apiary Products</u> The regulation of the quality of honey and other apiary products and regulations on methods of quality control of honey and other apiary products (Official Gazette, No. 53/91).
20.	<u>Cacao Products, Creams, Candies and Related Products</u> The regulation of the quality of cacao products, chocolate-related products, candies (Official Gazette, No. 53/91).
21.	<u>Alcoholic Beverages</u> The regulation of the quality of alcoholic beverages (Official Gazette, No. 53/91).
22.	<u>Beer</u> The regulation of the quality of alcoholic and non-alcoholic beverages (Official Gazette, No. 53/91).
23.	<u>Non-Alcoholic Beverages</u> The regulation of the quality of non-alcoholic beverages and soda-water (Official Gazette, No. 23/97).
24.	<u>Vinegar and Acetic Acid</u> The regulation of the quality of vinegar and diluted acetic acid (Official Gazette, No 53/91).
25.	<u>Products Rich in Protein and Products Made of Bland of Proteins, Products for Food Industry</u> The regulation of the quality of products rich in protein and products made of bland of proteins, products for food industry (Official Gazette, No 53/91).
26.	<u>Fodder and Pet-Food</u> The regulation of the quality of fodder (Official Gazette, No 53/91).
27.	<u>Fuel Oils</u> The rules regulating the quality of fuel oils (Official Gazette No. 53/91).
28.	<u>Jet Engine Fuels</u> The rules regulating the quality of jet engine fuels (Official Gazette No. 79/95);
29.	<u>Pure bred breeding heifers</u> Law on Cattle Breeding (Official Gazette No. 70/97)