Questions and Replies

The contracting parties were invited (document G/M/89 and GATT/AIR/1037) to communicate to the secretariat any questions they might wish to put concerning the Agreement establishing an Association between the European Communities and the Republic of Cyprus. In response to this request, a number of questions were received and were transmitted to the parties to the Agreement. The questions and the parties' replies are reproduced below.
PART A

I. GENERAL QUESTIONS

Question 1

Do the parties consider that the Agreement constitutes an interim agreement for the creation of a customs union in line with Article XXIV:5 of the General Agreement?

Reply

The Agreement, in conformity with the conditions laid down in the preamble and in Article 2, has as its aim the establishing of a customs union in two stages. With this aim in mind, the Agreement defines in a concrete manner, methods by which the process of tariff and quota dismantling will have to be carried out during the first stage and contains the necessary procedures to ensure that this dismantling and the introduction of a customs union can be pursued during the second stage. The Agreement consequently fulfils both in its aim as well as in its provisions all the conditions of a provisional agreement concluded with a view to the establishing of a customs union in the sense of paragraph 5 of Article XXIV.

Question 2

If the answer to question 1 is affirmative, what is the plan and schedule for the formation of a customs union as required by Article XXIV:5(c) of the General Agreement? How do the parties reconcile that requirement with Article 2.2 of the Agreement, which provides merely that the second stage shall be for "a duration, in principle, of five years"?

Reply

The parties to the Agreement have accepted to envisage a duration of five years for the second stage. They have however considered that it would not be very realistic to lay down as from now the duration of the second stage in precise terms which would be binding; such a duration would in any case depend on the evolution of the Cyprus' economic development and could not reasonably be determined if not as a function of this evolution. The parties to the Agreement have consequently agreed in anticipation to define concretely, before the end of the first stage, the procedures for the second stage which should, according to Article 2 of the Agreement and of the joint Declaration relative to it, lead to the establishment of a customs union within a delay of five years. The parties to the Agreement shall not fail to inform the contracting parties.
Question 3

To what extent and in what way can it be considered that "substantially all the trade" within the meaning of Article XXIV of the General Agreement will be exempt from customs duties and free from restrictive regulations at the end of the plan?

Reply

The definition of a customs union, in the sense to which the General Agreement has been applied, and according to paragraph 8 of Article XXIV, implies that customs duties and other restrictive commercial regulations must be eliminated in the major part of trade exchanges. Both parties have undertaken to pursue the elimination of obstacles to trade during the second stage with a view to arriving at a customs union in the sense of Article XXIV of the GATT by the end of the second stage.

Question 4

If a plan and schedule cannot be provided, is the Agreement presented by the parties as a request for a waiver under Article XXV pending conclusion of negotiations between the parties on the elimination of substantially all trade barriers between the parties?

Reply

Article 2 of the Agreement and the joint Declaration relative to this Article constitute a precise undertaking concerning the realization of a customs union as well as the delays during which such a union can be completed.

Question 5

Considering the very different stages of economic development of the parties, do they consider it plausible that imports by Cyprus of industrial products from the EC can be freed of duties and other regulations of commerce "within a reasonable time"? What is the specific experience in existing EC trade associations with countries at very different stages of economic development and industrial capacity which leads the parties to expect that a customs union can be established in a reasonable length of time within the meaning of Article XXIV of the General Agreement?

Reply

In Article 2 of the Association Agreement the parties agreed to form a customs union in two stages, lasting in principle four and five years respectively. This timing, which the parties have adopted as a target for the formation of the customs union, is a reasonable one in the sense of Article XXIV of the General Agreement and corresponds, to within a year, to the timing provided for in the Agreement between the Community and Malta.
Question 6

What specific steps will be taken by the parties, and when, to assure that the external tariffs and other regulations of commerce under a customs union agreement (or an interim agreement) will not be more restrictive than those which existed prior to the formation of such a union (or interim agreement)?

Reply

Negotiations provided for during the eighteen months preceding the expiry of the first stage to agree the conditions for the formation of a customs union. It is during these negotiations that the parties to the Agreement will have to ensure that the external tariffs and other regulations of commerce will not be more restrictive than those which existed prior to the formation of the customs union.

II. RULES OF ORIGIN

Question 7

Since Cyprus does not produce a wide variety of parts and components, finished goods produced in Cyprus will be required either to rely on sourcing from the EC or will not be eligible for origin treatment. Do the parties have any estimates as to the extent Cypriot producers will switch sourcing from non-members to the EC as a result of the restrictive rules of origin? Are any estimates available as to the extent finished goods produced in Cyprus will not be eligible for preferential tariff status when exported to the EC because of the stringent limitations on usage of non-origin sourcing posed by these rules?

Reply

The rules of origin do not prevent Cyprus from buying components and parts from third countries. These rules not being based on economic considerations, but on the criterion of sufficient working or processing the question of working out estimates was not considered, and in addition, it was not practicable to work out such estimates of the extent of possible diversion of sourcing.

Question 8

What measures might be taken to prevent adverse effects on trade in parts and components from third-country suppliers and thus to comply with Article XXIV:5(b) of the General Agreement?

Reply

If any adverse effects were to make themselves felt, the Contracting Parties would examine the problem.
Question 9

How do the rules of origin under the Agreement differ from those of other EC association agreements? What purpose is served by these differences?

Reply

The rules of origin under the EC/Cyprus Agreement do not differ in principle from those of other Agreements. Alignment is planned for any remaining differences.

Question 10

In the case of comestible and other products, it may be very difficult or wholly impractical for producers physically to segregate origin from non-origin materials. In the case of liquid chemicals, for example, materials are often stored in large containers to which fresh supplies are added from time to time, and the provision of separate containers for origin and non-origin materials would not be practicable. Is it the intention of the parties to allow producers to meet the origin requirements on the basis of segregation of inventory records and/or use of proportional accounting methods reflecting the sources of total purchases of inputs over specified periods allowing thereby for the practicable use of non-origin materials under the EC-Cyprus rules? Or, will producers in fact face requirements such as the maintenance of separate inventories or warehousing facilities?

Reply

The Contracting Parties are not aware of difficulties of the kind raised in the question. The parties to the Agreement will examine closely all comments concerning possible difficulties.

III. SAFEGUARD MEASURES

Question 11

What are the safeguard measures envisaged in Article 10 of the Agreement?

Reply

The protective measures which the parties may adopt should be on the one hand such as are needed to deal with disturbances affecting a sector of economic activity, a region or the external stability, and on the other hand such as will least disturb the operation of the Agreement. The scope of these measures may not exceed the limits of what is strictly necessary to remedy the difficulties which have arisen.
Question 12

What action consistent with the General Agreement will the parties take if the necessary use of safeguards effectively prevents the elimination of substantially all trade barriers between the parties?

Reply

The protective measures may only be applied in cases of serious disturbance. The measures and their duration must be limited to what is strictly necessary to remedy the difficulties.

IV. TRADE COVERAGE

Question 13

a. Imports by the EC from Cyprus

What was the value of imports into the EC of Nine of products originating in Cyprus in each of the three most recent years for which statistics are available?

(a) What value and percentage of the above were comprised of agricultural products?

(i) What was the value of citrus imports?

(ii) What percentages do these represent of (1) total EC citrus imports and (2) EC citrus imports under preferential tariff treatment accorded by other trade agreements?

(b) What value and percentage of the above were comprised of industrial products?

Reply

a. Imports by the EC from Cyprus

The statistics available over the averages for the years 1970-71:

<table>
<thead>
<tr>
<th>Average 1970-71 (in $'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value of imports into the EC of Nine of products originating in Cyprus</td>
</tr>
<tr>
<td>of which agricultural products</td>
</tr>
<tr>
<td>(a) Value of citrus imports</td>
</tr>
<tr>
<td>(a) (1) Percentage of total EC of Nine citrus imports represented by the above</td>
</tr>
<tr>
<td>(a) (ii) (2) Percentage of EC of Nine citrus imports from countries receiving preferential tariff treatment represented by the above</td>
</tr>
<tr>
<td>(b) of which industrial products</td>
</tr>
</tbody>
</table>
Question 14

What was the value (and percentage of total imports) in respect of the following categories of imports into the EC of Nine of products originating in Cyprus in each of the three most recent years for which statistics are available:

(a) Imports of products which already are, or are scheduled under the Agreement to become, duty free?

(b) Imports of products benefiting from reductions in duties and/or charges?

(c) Imports of products excluded from the Agreement?

Reply

Value and percentage of products:

<table>
<thead>
<tr>
<th>Category</th>
<th>Average 1970-71 (in $'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a)</td>
<td>28,108 (=32%)</td>
</tr>
<tr>
<td>(b)</td>
<td>51,675 (=60%)</td>
</tr>
<tr>
<td>(c)</td>
<td>35,147 (=40%)</td>
</tr>
</tbody>
</table>

Question 15

In the first stage of the Agreement, what value and percentage of (1) agriculture and (2) industrial products will be free to enter the EC from Cyprus without payment of duties or subject to other restrictive regulations of commerce?

Reply

During the first stage the value and percentage of agricultural and industrial products imported duty free will be:

<table>
<thead>
<tr>
<th>Category</th>
<th>Average 1970-71 (in $'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultural</td>
<td>2 (=0.02%)</td>
</tr>
<tr>
<td>Industrial</td>
<td>28,106 (=86%)</td>
</tr>
</tbody>
</table>
Question 16

In the first stage of the Agreement, what value and percentage of (1) agricultural and (2) industrial imports into the EC from Cyprus will be subject to preferential tariffs?

Reply

During the first stage, the value and percentage of agricultural and industrial products qualifying for preferential tariffs will be:

<table>
<thead>
<tr>
<th>Product</th>
<th>Average 1970-71 (in £'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultural</td>
<td>19,462 (=36%)</td>
</tr>
<tr>
<td>Industrial</td>
<td>32,195 (=99%)</td>
</tr>
</tbody>
</table>

Question 17

In the first stage of the Agreement, what percentage of EC citrus imports from Cyprus will receive special treatment in the United Kingdom and Ireland? Will this special treatment extend beyond applying those preferential customs duties in force as of 1973?

Reply

During the first stage of the Agreement, 68 per cent of EC citrus imports from Cyprus will receive special treatment in the United Kingdom and Ireland. A special treatment will be granted to Cyprus under Article 4 of the Protocol. This special tariff-treatment will be applicable in Great Britain and Ireland to citrus imports from Cyprus until 30 June 1977.

b. Imports by Cyprus from EEC (values expressed in £'000)

Question 18

What was the value of imports into Cyprus of products originating in the EC of Nine in each of the three most recent years for which statistics are available?

(a) What value and percentage of the above were comprised of agricultural products?

(b) What value and percentage of the above were comprised of industrial products?

Reply

Imports into Cyprus from EC of Nine in each of the years 1970, 1971, 1972, were as follows:
What was the value (and percentage of total imports) in respect of the following categories of imports into Cyprus of products originating in the EC of Nine in each of the three most recent years for which statistics are available:

(a) Imports of products which already are, or are scheduled under the Agreement to become, duty free?
(b) Imports of products benefiting from reductions in duties and/or charges?
(c) Imports of products excluded from the Agreement?

<table>
<thead>
<tr>
<th></th>
<th>1970</th>
<th>1971</th>
<th>1972</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultural</td>
<td>4,601</td>
<td>5,469</td>
<td>6,008</td>
</tr>
<tr>
<td>Industrial</td>
<td>46,412</td>
<td>57,782</td>
<td>61,887</td>
</tr>
</tbody>
</table>

Question 19

<table>
<thead>
<tr>
<th></th>
<th>1970</th>
<th>1971</th>
<th>1972</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) (i) are now duty free</td>
<td>17,781</td>
<td>23,409</td>
<td>18,816</td>
</tr>
<tr>
<td>(ii) are scheduled to become duty free</td>
<td>7,068</td>
<td>8,283</td>
<td>9,776</td>
</tr>
<tr>
<td>(b) Will benefit from reductions in duties</td>
<td>30,528</td>
<td>36,481</td>
<td>47,396</td>
</tr>
<tr>
<td>(c) Will not benefit under the Agreement</td>
<td>2,704</td>
<td>3,368</td>
<td>1,643</td>
</tr>
</tbody>
</table>

Total | 51,013 | 63,258 | 67,855 |
Notes: (1) In these figures are included products which are imported free of duty from the United Kingdom and the Irish Republic.

(2) This included products under (a)(ii).

(3) Decline due to the establishment of the refinery which imports crude (free of duty).

(4) Decline due to diesel, kerosene etc. which were imported from EEC free of duty, replaced in 1972 by imports of crude oil for the refinery from non-EEC countries.

(5) These percentages included in the amount for products under (b).

Question 20

In the first stage of the Agreement, what value and percentage of (1) agricultural and (2) industrial products will be free to enter Cyprus from the EC without payment of duties or subject to other restrictive regulations of commerce?

Reply

During the first stage of the Agreement it is not anticipated that any new restrictive regulations will be imposed. The natural trend of growth in imports as a result of the operation of the Agreement will almost certainly establish a new pattern of trade by the end of the first stage.

In the circumstances, it is only possible to express trade statistics at the commencement of the Agreement on the basis of 1972 imports which give the following picture:

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultural</td>
<td>4,471</td>
<td>23.47</td>
</tr>
<tr>
<td>Industrial</td>
<td>14,399</td>
<td>76.53</td>
</tr>
<tr>
<td></td>
<td>18,816</td>
<td>100</td>
</tr>
</tbody>
</table>
Question 21

In the first stage of the Agreement, what value and percentage of (1) agricultural and (2) industrial imports into Cyprus from the EC will be subject to preferential tariffs?

Reply

At the commencement of the Agreement and on the basis of 1972 imports preferential treatment will apply to:

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultural</td>
<td>1,112</td>
<td>2.3</td>
</tr>
<tr>
<td>Industrial</td>
<td>46,284</td>
<td>97.7</td>
</tr>
<tr>
<td></td>
<td>47,396</td>
<td>100</td>
</tr>
</tbody>
</table>

Question 22

What is the amount of trade covered by Lists A and B in Annex II of the Agreement concerning products with a slower rate of tariff reduction and products for which Cyprus does not grant any tariff reductions during the first period?

Reply

On the basis of 1972 imports restricted concessions will apply on:

<table>
<thead>
<tr>
<th>List</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>List A</td>
<td>14,150</td>
</tr>
<tr>
<td>List B</td>
<td>1,643</td>
</tr>
</tbody>
</table>

1/ It should be noted that the restriction under List A does not apply to approximately £9 million imports from the United Kingdom.
Question 23

According to Article 6 of annex II Cyprus will not introduce new quantitative restrictions on imports from the European Communities. Does this mean that discriminatory quantitative restrictions may be introduced against third countries?

Reply

It is not the policy of the Cyprus Government to discriminate against any contracting party in the field of quantitative import restrictions.
Additional Questions asked by Canada

"The EEC/Cyprus Agreement seems to us almost identical with the Agreement between the EEC and Malta. Consequently, we believe it would be useful to put the questions included in document L/3639 with the exception of Nos. 8 and 14."

I. GENERAL QUESTIONS

Question 1

Do the parties consider that the Agreement constitutes an interim Agreement for the creation of a customs union in line with Article XXIV:5 of the GATT?

Reply

See reply to question 1 of Part A.

Question 2

Where in this Agreement is there a specific undertaking concerning, on the one hand, the elimination of trade restrictions and the adoption by Cyprus on the common customs tariff and, on the other hand, the rate of implementation of these measures?

Reply

See reply to question 4 of Part A.

Question 3

Paragraph 2, Article 2 of the Agreement states that in principle the second stage of the Agreement will last five years. Is this intended to be a firm commitment to a maximum time-limit for progression to a customs union? Does this mean that at present a plan and schedule in line with Article XXIV:5(c) has been established? Do the parties to the Agreement intend to supply to the CONTRACTING PARTIES a "planned schedule" complying with Article XXIV?

Reply

See reply to question 2 of Part A.
Question 4

(a) Paragraph 3, Article 2 of the Agreement states that the second stage will provide for a "further elimination of obstacles to trade between the parties". Does this imply that a full customs union may not be effected by the end of the second stage? If so, what kinds of exceptions are contemplated and how extensive will they be?

(b) If the signatories of the Agreement do not envisage the elimination of all restrictions, what proportion of trade between the two contracting parties will remain subject to these restrictions at the end of the ten-year period?

Reply

See reply to question 3 of Part A.

Question 5

If it is claimed that the Agreement is consistent with GATT Article XXIV, does this mean that the joint Declaration by the parties concerning Article 2 of the Agreement definitely commits the parties to the action which it "envisages"?

Reply

Article 2 of the Agreement contains an undertaking by Cyprus to adopt the Common Customs Tariff. The aim of the joint Declaration by the parties relative to Article 2 is to define in a concrete manner the essential and overriding aspects with regard to the undertakings of Article 2 on the basis of which the contents and procedures of the second stage shall be defined during negotiations which shall be held to this end.

Question 6

What proportion of trade in agricultural products between the two countries is excluded from the special treatment? What specific arrangements are provided with respect to the elimination of restrictions on trade in these products? Does Cyprus intend eventually to adopt the EEC Common Agricultural Policy?

Reply

On the basis of the average for 1970-1971, 64 per cent of the Community's agricultural imports from Cyprus are not covered during the first stage of the Agreement. As regards Cyprus, 8 per cent of agricultural imports from the Community in 1972 were not covered by the present arrangement.

During the second stage, the parties to the Agreement shall proceed with the elimination of obstacles to the major part of trade, including agricultural products. They have anticipated that it would be important to specify, during
the negotiations relating to the change from one stage to the other, the supplementary conditions for the right application of the customs union as well as the special procedures governing imports to the Community of agricultural products, such procedures being designed to take into account the agricultural policy of the Community.

The question of eventual adoption by Cyprus of the Common Agricultural Policy remains completely open at this stage.

Question 7

To what extent will the parties to the Agreement continue to apply quantitative restrictions to their bilateral trade and how can these be justified under the GATT? Do the parties believe that the lack of provisions for the removal of quantitative restrictions on the part of Cyprus is consistent with the customs union requirement in Article XXIV?

Reply

During the first stage of the Agreement and on the basis of the 1970-1971 average, approximately 1 per cent of the Community's imports from Cyprus are affected by quantitative restrictions and although it is difficult to give a definite percentage of the Cyprus' imports from the Community affected by quantitative restrictions they are considered to be very small.

The elimination of quantitative restrictions is anticipated in the provisions which shall be defined for the second stage. In the course of the first stage, Cyprus shall strive to progress in the freeing of trade in every way compatible with the proper development of her economy. To this effect, the Government of Cyprus has declared that it is prepared to take the necessary steps to procure that, during the first stage of the Agreement, imports which are still subject to quantitative restrictions shall be freed from such restrictions as early as possible and to the extent compatible with the proper development of the economy of Cyprus.

Question 8

What relationship is anticipated between Cyprus and third countries with which the European Economic Community has association agreements or preferential trade agreements?

Reply

No changes in the trade relations between Cyprus and the countries with which the Community has established special ties will follow from the provisions which govern the first stage of the Agreement.
Question 9

What is the reason underlying the reverse preferences i.e. those which Cyprus grants to the EEC? In what way will they contribute to Cyprus' economic development?

Reply

By its very definition, an agreement concluded with a view to the establishment of a customs union cannot include unilateral preferences. The positive effects of economic integration on development will be largely evident in a general manner.

Question 10

Are the products in List B of Annex I excluded from the Agreement?

Reply

The provisions of tariff dismantling governing the first stage do not apply to the products of List B Annex I.

Question 11

What provisions have been made to grant Cyprus duty-free treatment on those items falling under Annex II of the Treaty establishing the European Economic Community? (See Article 1 of Annex I.)

Reply

The further dismantling of tariff barriers to the main body of trade in the products listed in Annex II to the Treaty establishing the European Economic Community will be defined at the negotiations for the transition to the second stage of the Agreement.

Question 12

What criteria are established for selecting the Cyprus products to be subject to Community quotas and for determining the size of these quotas? What proportion of trade between the two signatory parties do they represent? Is it envisaged that all the quotas applied on textiles will be completely eliminated ten years from now?

Reply

For two particular products which are considered as sensitive products within the Community, a controlled form of tariff dismantling will be applied during the first stage. The volumes of the quotas have been determined on the basis of the average Community imports coming from Cyprus, as recorded in Community statistics, during the last three years, for which statistical information is available. The average for 1970-1971 of Community imports for these two products has accounted for 0.8 per cent of total imports coming from Cyprus. It is anticipated that these quotas will be eliminated during the course of establishment of a customs union.
Question 13

Does Article 5 paragraph 3 of Annex II mean that the relevant duties would be eliminated over a period of ten years or does it mean that in the second and subsequent years, they would be reduced by only 10 per cent of remaining duties?

Reply

Article 5 paragraph 3 of Annex II means that the relevant duties will be eliminated over a period of ten years.

Question 14

According to Article 6 of Annex II, Cyprus undertakes to refrain from introducing new quantitative restrictions on imports from the EEC. Does this undertaking mean that quantitative restrictions possibly could be introduced in a discriminatory manner towards other countries?

Reply

It is not the policy of the Cyprus Government to discriminate against any contracting party in the field of quantitative import restrictions.

Question 15

Will the EEC receive preferential treatment in the administration of non-tariff barriers by Cyprus?

Reply

The first stage of the Agreement does not imply any change in the administration of non-tariff barriers in Cyprus.

As for the future, with the coming into force of a customs union, complementary provisions for its proper implementation shall be determined during the course of negotiations for transition to the second stage, in conformity with the Declaration concerning Article 2 of the Agreement.
II. IMPORTS BY THE EEC FROM CYPRUS

Question 16

(a) What was the value of imports into the EEC of products originating in Cyprus in each of the last three years for which statistics are available?

(b) (i) What value and percentage of the above were comprised of agricultural products?

(ii) What value and percentage of the above were comprised of industrial products?

Reply

(a) See reply to question 13, Part A

(b) (i) See reply to question 13(a), Part A

(ii) See reply to question 13(b), Part A

Question 17

(a) What was the value (and percentage of total imports) in respect of the following categories for each of the past three years:

(i) Imports of products already duty free?

(ii) Imports of products benefiting from reductions in duties and charges?

(iii) Products excluded from the Agreement?

(b) What percentage of imports from Cyprus was free from quantitative restrictions in these years; what percentage of imports from Cyprus will be free from quantitative restrictions after the Agreement is implemented?

Reply

(a) (i) See reply to question 14(a), Part A

(ii) See reply to question 14(b), Part A

(iii) See reply to question 14(c), Part A

(b) The percentage of Community imports from Cyprus exempt from quantitative restrictions on the entry into force of the Agreement is about 99 per cent on the basis of 1970-1971 trade statistics.
Question 18

What percentage of the value of imports into the EEC of products originating in Cyprus taking into account the level of tariff quotas set, is, or is scheduled under the Agreement to become completely free from duties and other restrictive regulations of commerce (except, where necessary, those permitted under Articles XI, XII, XIII, XIV, XV and XX of the GATT):

(i) on the date of entry into force of the Agreement;

(ii) immediately before the expiration of the Agreement.

Reply

(i) At the date of entry into force of the Agreement, and on the basis of the figures for the years 1970-1971, 32.3 per cent of the Community imports from Cyprus enter duty free and about 98 per cent are not subject to quantitative restrictions.

(ii) The provisions of the Agreement for the first stage aim at the progressive elimination of obstacles to trade by the so-called "linear" method.

Question 19

What percentage of total industrial imports of the European Economic Community originating in Cyprus are comprised of:

(i) products for which there are no customs duties or other import charges;

(ii) products which benefit from the reduction of duties and charges;

(iii) products subject to quantitative restrictions;

(iv) products which are excluded from the Agreement.

Reply

(i) See reply to question 15, Part A.

(ii) See reply to question 16, Part A.

(iii) See reply to question 7, Part B.

(iv) About 0.1 per cent in 1970-1971.
III. IMPORTS BY CYPRUS FROM THE EEC

Question 20

(a) What was the value of imports by Cyprus of products originating in the EEC in each of the last three years for which statistics are available?

(b) (i) What value and percentage of the above were comprised of agricultural products?

(ii) What value and percentage of the above were comprised of industrial products?

Question 21

(a) What was the value (and percentage of total imports) in respect of the following categories for each of the past three years?

(i) Imports of products already duty free?

(ii) Imports of products benefiting from 35 per cent duty reduction (Article 1, Annex II)?

(iii) Imports of products falling within List A of Annex II?

(iv) Imports of products falling within List B of Annex II?

(v) Products excluded from the Agreement?

(b) What percentage of imports from the EEC was free from quantitative restrictions in these years?

Question 22

What percentage of the value of imports into Cyprus of products originating in the EEC is, or is scheduled under the Agreement to become completely free from duties and other restrictive regulations of commerce (except, where necessary, those permitted under Articles XI, XII, XIII, XIV, XV and XX of the GATT):

(i) on the date of entry into force of the Agreement;

(ii) immediately before expiration of the Agreement.
IV. BASIC INFORMATION ON THE TRADE COVERAGE OF THE AGREEMENT

Question 23

What is the value and percentage of the total industrial imports of Cyprus originating in the European Economic Community constituted by:

(i) products for which there are no customs duties or other import charges;
(ii) products which benefit from the reduction of duties and charges;
(iii) products subject to quantitative restrictions;
(iv) products which are excluded from the Agreement?

Question 24

What is the value and percentage of total agricultural imports of Cyprus originating in the EEC constituted by:

(i) products for which there are no customs duties or other import charges;
(ii) products which benefit from the reduction of duties and charges;
(iii) products subject to quantitative restrictions;
(iv) products which are excluded from the Agreement?

Reply

The major part of the replies to questions Nos. 20, 21, 22, 23 and 24 (of Part B) are already contained in the replies to questions Nos. 18, 19, 20, 21, 22 and 23 (of Part A). The pending statistics for the replies to questions of Part B will be furnished by Cyprus at a later date.

V. ADDITIONAL QUESTION ON THE RULES OF ORIGIN

Question

In order to support the position taken by us in other working parties on agreements of association with the EEC, we should like to put the following additional question concerning rules of origin. If the rules of origin set forth in the protocol adversely affect the trade interests of third countries, would the parties to the agreement consider making amendments to lists A and B following representations by third countries?

Reply

The parties to the Agreement have not arranged to make any changes in lists A and B following representations from third countries. However, if the rules of origin have harmful effects on the trade interests of third countries, the parties to the Agreement are prepared to consider any specific cases which may arise, allowing for the general effect of these rules on those interests.