This report covers the period from the entry into force of the Agreements until 31 October 1975.

The Free-Trade Agreement (FTA) between the EEC and Switzerland entered into force on 1 January 1973, and the FTA between the States members of the ECSC and Switzerland entered into force on 1 January 1974.

The objective of the Agreements is to eliminate progressively the obstacles to substantially all the trade between the parties, in accordance with the provisions of the General Agreement on Tariffs and Trade concerning the establishment of free-trade areas.

The Agreements have functioned normally and have been applied in accordance with their provisions.

The main results are as follows:

1. During the period covered by the report, tariffs have been reduced in accordance with the provisions of the Agreement to 40 per cent of their basic rates (since 1 January 1975).

2. On the date of the entry into force of the Agreements no quantitative import restrictions regarding products covered by the Agreements existed between the parties nor were any such restrictions introduced during the period under review.

3. Protocol No. 1 of the Agreement EEC/Switzerland provides for a slower than normal rhythm of tariff reduction for certain sensitive products, and Protocol No. 2 provides for tariff reductions on processed agricultural products. Both protocols have been applied as foreseen.
4. The rules of origin in Protocol No. 3 of the Agreement EEC/Switzerland which
determines the eligibility of products for the tariff reduction under the
Agreement have been applied as foreseen. In accordance with the provisions of this
Protocol the rules have, in specific cases, been amended and supplemented in order
to facilitate their implementation and application (see Annex).

5. Two Joint Committees have been established to administer and supervise the
implementation of the Agreements and also to act as a forum for the information
and consultation procedures foreseen in the Agreements.

The Joint Committees have taken a number of decisions which provide for a
simplification of the procedures of administrative co-operation and documentation
(in particular the movement certificate) (see Annex).

6. Commercial incidence

Approximately 96 per cent of the imports of the Communities from Switzerland
and 91 per cent of the exports of the Communities to Switzerland are covered by
the Agreements.

Volume of commercial exchanges EEC/Switzerland in millions of EUR:

- Imports to the EEC from Switzerland:
  1972: 3,263
  1973: 4,108
  1974: 5,233

- Exports to Switzerland from the EEC:
  1972: 5,933
  1973: 7,068
  1974: 8,924

\(^1\text{Source: EC Statistical Office.}\)
Annex

LIST OF DECISIONS OF THE JOINT COMMITTEES UNDER THE FTA'S ON ORIGIN MATTERS

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*Decision amending Protocol No. 3 of the Agreement EEC/Switzerland