GENERAL AGREEMENT ON

TARIFFS AND TRADE

10 December 1991
Limited Distribution

ROMANIA - RENEGOTIATION OF SCHEDULE LXIX

Decision of 4 December 1991

Considering that the Government of Romania has informed the CONTRACTING PARTIES that under the Programme of Economic Reform for the transition to a market economy approved by Parliament, Romania has adopted fundamental legislation, including measures that concern the new trade policy, and that in this context the Government has taken the decision to introduce a new import Customs Tariff and to implement the Harmonized Commodity Description and Coding System as from 1 January 1992;

Considering that the implementation of the new Customs Tariff is an inseparable component of the radical reform of the entire political and economic system, and that pending the introduction of the new Customs Tariff, large reductions in tariffs have been made and the differences between duties on imports intended for retail sale and duties on imports for other purposes have been eliminated;

Noting that the efforts deployed by the Romanian authorities to reform the trade policy have been translated into major autonomous liberalization measures concerning tariffs and non-tariff measures, thus creating a favourable and more predictable framework for Romania's trading partners;

Taking into account that in order to achieve the objectives of the trade policy reform, which is subordinated to the comprehensive reform aimed at the transition to a market economy, there is a pressing need to replace the existing Customs Tariff with a new Tariff that is in line with the imperatives of the new economic system and can act as the main instrument of trade policy;

Considering that the new Customs Tariff seeks to achieve adequate protection and stimulate the integration of Romania's economy into international trade on a competitive basis, as favourable factors for its structural adjustment, and that the global level of protection of the new Tariff amounts to approximately 17.8 per cent compared with 16.3 per cent for the existing Tariff;

Noting that with regard to the levels of the duties for products listed in Schedule LXIX - Romania, every effort has been made to maintain the value of concessions;

Taking into account the exceptional circumstance on account of which there is a pressing need to introduce the new Customs Tariff, and the time required to prepare the relevant documentation;

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Recognizing that it will not be possible for the Romanian authorities concerned to conduct and conclude the negotiations and consultations required under Article XXVIII by the planned date for the implementation of the tariff modifications;

Taking note that the Government of Romania has requested, pursuant to Article XXV:5, that its obligations under Article 2 of the General Agreement be temporarily waived until 31 December 1992 in order to enable it to implement the modified duties as from 1 January 1992, the date on which the new Customs Tariff will enter into force.

The CONTRACTING PARTIES, acting pursuant to the provisions of Article XXV:5 of the General Agreement,

Decide, in view of the exceptional circumstances, to suspend the application of the provisions of Article II of the General Agreement in order to enable the Government of Romania to implement its new Customs Tariff comprising certain modifications on 1 January 1992, subject to the following conditions:

1. The Government of Romania, after having furnished the required documentation, shall engage forthwith in negotiations and consultations with the contracting parties concerned in accordance with Article XXVIII, paragraphs 1-3;

2. The above negotiations and consultations shall be completed by 31 December 1992;

3. Pending the entry into force of the results of the above negotiations or consultations, the other contracting parties shall be free to suspend the concessions initially negotiated with Romania in so far as they consider that the Government of Romania does not offer sufficient compensation.

4. The above negotiations and consultations shall not affect tariff concessions that will be made in the context of a subsequent renegotiation of Romania's terms of accession to the General Agreement as embodied in the Protocol of 15 October 1971, including Schedule LXIX.