STATEMENT BY THE REPRESENTATIVE OF YUGOSLAVIA
AT THE MEETING OF THE WORKING PARTY ON
21 SEPTEMBER 1964

My Government attaches considerable interest to the problems before this Working Party; that is why we are participating in this meeting, and also why I am speaking now to try to explain our interest.

Before referring to particular problems of concern to us in connexion with the Association Agreement between the European Economic Community and Turkey, I must, however, repeat what has already been stated in the name of my Government on several occasions, both in GATT and at other international meetings, namely that we consider economic integration in Europe and elsewhere as a positive process on condition that such integration takes account of the interests of other countries, in the sense of not impeding but, on the contrary, leading to the expansion of trade not only between the member countries but also with third countries, in particular with traditional suppliers.

Starting from this aspect, and leaving aside for the moment the question as to whether or not the Association Agreement between the EEC and Turkey is legally compatible with the relevant provisions of the General Agreement, I should like to draw your attention to certain difficulties which might be encountered by Yugoslavia's exports to the EEC following the implementation of the arrangements under the Association.

By way of example, may I mention the case of tobacco, of which my country is a traditional exporter towards the markets of certain EEC member countries.

As you know, tobacco raises both economic and social problems in my country. I will mention some additional facts in order better to illustrate the situation.

Tobacco is cultivated in Yugoslavia in small family holdings which in 1963 numbered about 250,000. Furthermore, tobacco production is largely located in the regions of least economic activity in the country, and consequently earnings from tobacco production constitute in many cases the only
income which the population of those areas derives from its work. The importance of tobacco in the national income of certain regions of Yugoslavia can be seen from the following facts: the share of earnings from tobacco out of total earnings amounts to between 5 and 6 per cent in Bosnia and Herzegovina, and for Macedonia it amounts to 14 per cent.

This explains why my country is interested not only in maintaining but also in expanding its tobacco exports, particularly to traditional markets among which the EEC member countries are the most important.

Tobacco is an important item among Yugoslavia's exports. In 1963 it accounted for 4 per cent of total exports or about $30 million. As I have already said, the EEC countries have been and still are our traditional export markets. Thus, for example, tobacco is our most important single export item to France, so that the quantity of tobacco exported has a decisive effect in determining the total volume of our exports to those countries.

In presenting these few details to you, I wished to draw your attention to this problem and to our anxieties regarding future exports of tobacco to the EEC countries as a result of the arrangements deriving from the Association. I hasten to add, however, that we hope that in drawing up its policy and in implementing the clauses of the Association Agreement the EEC will take account of Yugoslavia's interest in tobacco exports in such a way that the quantities imported from Yugoslavia may be not merely maintained at the levels reached in the past, but also expanded proportionately to the increase in internal consumption.

My delegation hopes that the additional replies which may be given during this meeting by the representatives of the EEC and of Turkey to the questions presented in document L/2251, as well as the practical measures envisaged, will be of a kind which will calm our apprehensions.