In response to the Working Party's request, as conveyed to contracting parties in Airgram GATT/AIR/512, the member States of the European Economic Community have submitted, for use by the Working Party, the following questions.

**QUESTIONS SUBMITTED BY THE MEMBER STATES OF THE EUROPEAN ECONOMIC COMMUNITY**

**A. General questions**

1. Is the Yugoslav Government prepared to communicate its various trade regulations, as provided for in Article X of the General Agreement? In particular, can it at this stage communicate to the CONTRACTING PARTIES any draft legislation at present under discussion and relating to foreign trade?

2. Can the Yugoslav Government furnish a breakdown of the various import lists, in terms of the Brussels Nomenclature?

3. A number of products have been taken off the list of imports subject to restrictive licence and imports subject to quota; in what categories have these been placed?

4. Are customs duties the principal instrument of import policy? If not what significance should be attached to other measures regulating imports?

5. What are the means of State intervention (planning, licences, foreign exchange allotment system) which affect the import policy of the various enterprises in Yugoslavia?

6. What are the methods envisaged and the general guidelines for the decentralization of economic decisions?

7. According to what criteria and in what way will the economic reform improve the relationship between prices of agricultural products, other primary products and services, on the one hand, and prices of industrial products, on the other hand?
8. Do the Yugoslav provisions take account of the provisions of Article IIJ of the General Agreement concerning the principles of national treatment on internal taxation and regulation?

9. Are tariffs and service charges connected with transport, distribution, etc., applied in the same way to products or services which are of Yugoslav origin or foreign?

10. The major objectives of the economic reform include a wider role for market criteria in the process of price formation. Can Yugoslavia give more specific information as regards the new market - and economic calculation - elements which would be introduced for price formation purposes, within the framework of the economic reform?

11. Can Yugoslavia give an assurance that, within the framework of the Government's price policy, the marketing margin applied for a product imported from one contracting party would not differ from the marketing margin fixed for similar products imported from other contracting parties or from State-trading countries, or from the marketing margin fixed for similar products obtained in Yugoslavia?

12. What are the provisions ensuring freedom of transit? In particular, is account already taken of the obligations set forth in Article X of the General Agreement?

13. What are the new rights envisaged by the reforms now in hand as regards foreign enterprises wishing to carry on commercial activity in Yugoslavia?

B. Import régime

1. Out of imports in 1964, what percentage consisted of goods admitted to Yugoslavia under general licence?

2. What are the criteria according to which approved banks sell foreign exchange to enterprises wishing to import merchandise subject to general licence? In particular, how can enterprises not connected with exports (e.g. distribution enterprises) obtain the necessary foreign exchange?

3. How can new enterprises obtain foreign exchange for the purchase of merchandise imported under general licence?

4. What are Yugoslavia's obligations under bilateral trade agreements concluded with State-trading countries or with groups of State-trading countries?

5. Is any specific proportion of Yugoslavia's foreign trade in 1965 reserved for trade with these countries? If so, on the basis of which criteria? What are the prospects for future years?
6. According to what criteria is foreign exchange apportioned as between imports from countries with convertible currency and those from countries having bilateral payments agreements? Can convertible foreign exchange be used to pay for imports from countries which have entered into such bilateral agreements?

7. According to what criteria do enterprises apportion the foreign exchange allocated for imports subject to quota? How can the Federal Secretariat for Foreign Trade intervene?

8. Is the convertible foreign exchange allocated for imports under general licence and imports subject to quota apportioned according to currency area? Is it possible for enterprises to exchange with each other the convertible foreign currencies allocated to them?

9. According to what criteria do the authorities decide as regards the issue of foreign exchange required for the purchase of goods subject to restrictive licence? Does it depend on the trade balance situation with each of the supplying countries?

10. According to what precise scale can certain enterprises purchase foreign exchange in order to import capital goods in relation to their depreciation allowance, and how is the scale established?

11. How can enterprises not engaged in exports obtain from approved banks the necessary guarantees to conclude credit agreements with foreign firms concerning the purchase of capital goods?

12. What is the retrocession quota made up of and how does it operate?

13. What is the share of Government imports in Yugoslavia's global imports (including the share of imports by State commercial undertakings)?

14. What proportion of foreign exchange earnings is retained by enterprises? What are the conditions governing the use of such foreign exchange?

15. What measures does the Yugoslav Government envisage in order to enable enterprises which earn foreign exchange on account of their exports to use a larger part of those earnings either to import other goods or to sell it freely?

16. How does the Yugoslav Government intend to carry out the decisions of the International Monetary Fund dated 23 July 1965, concerning the elimination of quantitative import restrictions on raw materials, spare parts and the easing of the import system for capital goods? Can the Yugoslav Government give assurances that these measures will be taken within a specified time?
17. What will be the criteria for extending the liberalization list and, in particular is it the intention to extend liberalization of consumer and capital goods?

18. How can private persons obtain the necessary foreign exchange to purchase automobiles? Does the Yugoslav Government intend to include automobiles in the free import category, and if so when?

19. Are there any special regulations for imports of agricultural products? If so, what are they?

20. After the recent reforms, is there still a State monopoly for imports of raw materials and agricultural products? If so, does Yugoslavia consider that the provisions of Article XVII:4(a) of the General Agreement are applicable?

21. In Annex X, on page 13 of document BOP/53, mention is made of non-commercial imports; are these imported under United States Public Law 480?

C. Export régime

1. Can Yugoslavia give details concerning formation of export prices?

2. What are the export incentive measures which affect export prices (e.g. subsidies to export industries, or tax rebates)?

3. The currency reform was accompanied by removal of the system of export bonuses. Does this mean that no more subsidies are granted on exports? If not, what is the situation of such bonuses in relation to Article XVI of the General Agreement?

4. What is the present export régime in Yugoslavia? In particular, which category includes products which have been withdrawn from the list of exports subject to licence and exports subject to quota?