DRAFT PROTOCOL FOR THE ACCESSION OF ROMANIA

The following text of a draft protocol for the accession of Romania to GATT, resulting from the discussions at the meeting of the Working Party on 15-17 October 1969, is distributed to the members of the Working Party in order to serve as a basis for further discussions at the next meeting to be held on 24 November 1969.
The governments which are contracting parties to the General Agreement on Tariffs and Trade (hereinafter referred to as "contracting parties" and "the General Agreement" respectively), the European Economic Community, and the Government of the Socialist Republic of Romania (hereinafter referred to as "Romania"),

HAVING regard to the results of the negotiations directed towards the accession of Romania to the General Agreement,

TAKING NOTE of the request of Romania for accession dated 22 July 1968

HAVE through their representatives agreed as follows:

Part I - General

1. Romania, shall, upon entry into force of this Protocol pursuant to paragraph 11, become a contracting party to the General Agreement, as defined in Article XXXII thereof, and shall apply to contracting parties provisionally and subject to this Protocol:

   (a) Parts I, III and IV of the General Agreement, and
   (b) Part II of the General Agreement to the fullest extent not inconsistent with its legislation existing on the date of this Protocol.

The obligations incorporated in paragraph 1 of Article I by reference to Article III and those incorporated in paragraph 2(b) of Article II by reference to Article VI of the General Agreement shall be considered as falling within Part II for the purpose of this Paragraph.
2. (a) The provisions of the General Agreement to be applied to contracting parties by Romania shall, except as otherwise provided in this Protocol, be the provisions contained in the text annexed to the Final Act of the second session of the Preparatory Committee of the United Nations Conference on Trade and Employment, as rectified, amended, or otherwise modified by such instruments as may have become effective on the day on which Romania becomes a contracting party.

(b) In each case in which paragraph 6 of Article V, sub-paragraph 4(d) of Article VII, and sub-paragraph 3(c) of Article X of the General Agreement refer to the date of that Agreement, the applicable date in respect of Romania shall be the date of this Protocol.

3. (a) Contracting parties which on the date of this Protocol apply to imports from Romania prohibitions or quantitative restrictions which are inconsistent with Article XIII of the General Agreement undertake (i) not to increase the discriminatory element in these restrictions, and (ii) progressively to relax such element as far as the quantities or values of permitted imports of Romanian origin are concerned so that at the expiry of the transitional period the length of which will be determined in accordance with (d) below, any inconsistency with the provisions of Article XIII has thus been eliminated.

(b) Before the [annual]/[biennial] consultations provided for in paragraph 5 below, the CONTRACTING PARTIES shall notify discriminatory quantitative restrictions still maintained on imports originating in Romania.

(c) The CONTRACTING PARTIES shall in the course of the [annual]/[biennial] consultations provided for in paragraph 5 below review measures taken or envisaged by contracting parties pursuant to the provisions of this paragraph, and make such recommendations as they consider appropriate.

(d) During the course of the [third annual] consultation provided for in paragraph 5 below, the CONTRACTING PARTIES shall, in the light of all relevant circumstances, consider the establishment of a date for the termination of the transitional period referred to in (a) above. If no such date is fixed during the course of such consultation, this question shall be re-examined at each subsequent consultation until a date is fixed.
4. (a) If any product is being imported, in the trade relations of Romania and other contracting parties, in such increased quantities or under such conditions as to cause or threaten serious injury to domestic producers of like or directly competitive products, the provisions of (b) to (e) of this paragraph shall apply.

(b) The contracting party concerned may request consultations. Any such request shall be notified to the CONTRACTING PARTIES. If, as a result of this consultation, it is agreed that the situation referred to in (a) above exists, exports shall be limited or other action taken, which may include action with respect to the price at which the exports are sold, as will prevent or remedy the injury.

(c) Should it not be possible to reach agreement between Romania and the contracting party concerned as a result of consultation under (b), the matter may be referred to the CONTRACTING PARTIES who shall promptly investigate the matter and who may make appropriate recommendations.

(d) If following action under (b) and (c) above, agreement is still not reached between Romania and the contracting party concerned, Romania and the contracting party concerned shall be free to restrict imports of the product concerned to the extent and for such time as is necessary to prevent or remedy the injury. Romania or the contracting party concerned shall then be free to deviate from its obligations in respect of substantially equivalent trade.

(e) In critical circumstances, where delay would cause damage difficult to repair, the contracting party affected may take action provisionally without prior consultation, on the condition that consultation shall be affected immediately after taking such action.
5. **Alt. I:** Nine months after the date of the entry into force of this Protocol and annually thereafter the Romanian Government shall consult with the CONTRACTING PARTIES with a view to reaching agreement on Romanian targets for imports from the territories of the contracting parties as a whole in the following year. These consultations on Romanian trade with contracting parties would follow the lines laid down in Annex A to this Protocol.

   **Alt. II:** The Romanian Government shall consult with the CONTRACTING PARTIES every two years after the entry into force of this Protocol, in order to carry out a review of the evolution of reciprocal trade. These consultations will follow the lines laid down in Annex A to this Protocol.

   If, in the consultations, it is established that imports and exports by Romania from or to the territories of contracting parties are not following a normal course, appropriate recommendations shall be made.

6. During the course of each consultation provided for in paragraph 5 above, there shall be a review of trade in the preceding twelve-month/ twenty-four month period between contracting parties and Romania. If it is established in such a review that Romania's imports from the territories of contracting parties in this period have, for reasons other than an unexpected decline in Romanian exports to the territories of contracting parties, fallen short of the quantities or values provided for, in the relevant annual/biennia consultation, the CONTRACTING PARTIES shall consider the situation, and make such recommendations as they consider appropriate.

7. Pursuant to the procedures outlined in paragraph 6, or not less than three months before an annual/biennia consultation provided for in paragraph 5, a contracting party may request Romania or Romania may request a contracting party to enter into consultation with it. Any such requests shall be notified to the CONTRACTING PARTIES. Should such consultation not lead to a result satisfactory to the contracting party or to Romania, that contracting party or Romania may suspend the application to Romania or to the contracting party concerned of such concessions or other obligations under the General Agreement as it considers necessary and shall immediately
inform the CONTRACTING PARTIES of any such action. At the request of
the contracting party, Romania or any other contracting party having
a substantial interest in the subject of the consultation, the CONTRACTING
PARTIES shall consult with that contracting party and Romania. Should such
consultation not lead to an agreement between the contracting party and
Romania, and should the contracting party or Romania continue to take
action under this paragraph, Romania or the contracting party shall be
free, while such action is taken, to suspend to an equivalent extent the
application to that contracting party or to Romania of such concessions
or other obligations under this Protocol as it may consider necessary.

8. Romania reserves its position with respect to the provisions of
paragraph 6 of Article XV of the General Agreement, but undertakes that,
so long as Romania is not a member of the International Monetary Fund,
it will act in exchange matters in accordance with the intent of the
General Agreement and in a manner fully consistent with the principles
laid down in the text of the special exchange agreement as adopted by
the CONTRACTING PARTIES in their Resolution of 20 June 1949. Romania shall report
to the CONTRACTING PARTIES promptly on any action taken by it which would
have been required to be reported to the CONTRACTING PARTIES had Romania
signed the special exchange agreement. Romania shall consult with the
CONTRACTING PARTIES at any time, subject to thirty days' notice, upon
request of any contracting party which considers that Romania has taken
exchange action which may have a significant effect on the application
of the provisions of the General Agreement or is inconsistent with the
principles and objectives of the special exchange agreement. If, as a
result of such consultation, the CONTRACTING PARTIES find that Romania
has taken exchange action contrary to the intent of the General Agreement,
they may determine that the present reservation shall cease to apply
and Romania shall thereafter be bound by the provisions of paragraph 6
of Article XV of the General Agreement.
Part II - Schedule

9. The schedule in Annex B shall, upon the entry into force of this Protocol, become a Schedule to the General Agreement relating to Romania.

Part III - Final Provisions

10. This Protocol shall be deposited with the Director-General to the CONTRACTING PARTIES. It shall be open for signature by Romania until ..................... It shall also be open for signature by contracting parties and by the European Economic Community.

11. This Protocol shall enter into force on the thirtieth day following the day upon which it shall have been signed by Romania.

12. Romania, having become a contracting party to the General Agreement pursuant to paragraph 1 of this Protocol, may accede to the General Agreement upon the applicable terms of this Protocol by deposit of an instrument of accession, with the Director-General. Such accession shall take effect on the day on which the General Agreement enters into force pursuant to Article XXVI or on the thirtieth day following the day of the deposit of the instrument of accession, whichever is the later. Accession to the General Agreement pursuant to this paragraph shall, for the purposes of paragraph 2 of Article XXXII of that Agreement, be regarded as acceptance of the Agreement pursuant to paragraph 4 of Article XXVI thereof.

13. Romania may withdraw its provisional application of the General Agreement prior to its accession thereto pursuant to paragraph 12 and such withdrawal shall take effect on the sixtieth day following the day on which written notice thereof is received by the Director-General.

14. The Director-General shall promptly furnish a certified copy of this Protocol and a notification of each signature thereto, pursuant to paragraph 10, to each contracting party, to the European Economic Community, to Romania and to each government which shall have acceded provisionally to the General Agreement.

15. This Protocol shall be registered in accordance with the provisions of Article 102 of the Charter of the United Nations.
Annex A

PLAN FOR PERIODIC CONSULTATIONS BETWEEN ROMANIA AND THE CONTRACTING PARTIES

The consultations shall cover the following points, among others:

(i) Romanian exports to the contracting parties.
   (a) The general trend and geographical distribution of Romanian exports to the contracting parties.
   (b) Development of Romanian exports of various categories of goods, e.g. agricultural products, machinery and consumer goods.
   (c) Other questions relating to the exports of Romania to the contracting parties.

(ii) Romanian imports from the contracting parties.
   (a) The general trend and geographical distribution of Romanian imports from other contracting parties. Have Romanian imports from the contracting parties increased proportionally to Romania's earnings from exports to the contracting parties? If not, what was the reason?
   (b) Development of Romanian imports of various categories of goods (e.g. agricultural products, raw materials, semi-manufactured goods, machinery and consumer goods) from the contracting parties in relation to the development of Romanian imports from other countries.
   (c) Development of Romania's imports from the contracting parties in relations to development of the Romanian market.
   (d) Other questions relating to imports by Romania from the contracting parties.

(iii) Romania's trade balance with the contracting parties, and other elements of the balance of payments (tourism, capital movements, etc.).
**Annex B**

**SCHEDULE - ROMANIA**

1. **Alt. I:** (a) While pursuing a policy for the expansion and diversification of trade with the contracting parties, Romania undertakes to use the earnings from its exports to the contracting parties to increase its imports from those countries including also consumer goods, from those countries (e.g. agricultural products, machinery and consumer goods) from those countries from those countries, considering the whole scale of their production.

   (b) However, in the case of negotiations within the framework of the provisions of the General Agreement, which normally involve tariff concessions, Romania will undertake to increase its imports in a proportion equivalent to the advantage obtained from the contracting parties participating in such negotiations.

**Alt. II:** Subject to paragraph 2 below, Romania shall, with effect from the date of this Protocol, undertake to increase the total value of its imports from the territories of contracting parties by not less than .... per cent per annum for the following .... years based on the imports in the year ... based on a moving average of imports in the .... preceding years subject to the Romanian export earnings from contracting parties.

2. On January 1972 and thereafter on the date specified in paragraph 1 of Article XXVIII of the General Agreement, Romania may, by negotiation and agreement with the CONTRACTING PARTIES, modify its commitments under paragraph 1(a) above. Should this negotiation not lead to agreement between Romania and the CONTRACTING PARTIES, Romania shall, nevertheless, be free to modify this commitment. Contracting parties shall then be free to modify equivalent commitments.