The following revised text of a draft protocol for the accession of Romania to GATT, resulting from the discussions at the meeting of the Working Party on 24-26 November 1969, is distributed to the members of the Working Party in order to serve as a basis for further discussions at the next meeting due to commence on 26 January 1970.
DRAFT PROTOCOL

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"),

TAKING NOTE of the request of Romania dated 22 July 1968 for accession to the General Agreement,

HAVING REGARD to the result of the negotiations directed towards this end,

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.

Alt. I /Undertake (i) not to increase the discriminatory element in these restrictions, and (ii) progressively to relax that element./

Alt. II /may, notwithstanding these provisions, continue to apply such prohibitions or restrictions to their imports from Romania, provided that the discriminatory element in these restrictions is (i) not increased, and (ii) progressively relaxed./

as far as the quantities or values of permitted imports from Romania are concerned.

Alt. I /so that on ... any inconsistency with the provisions of Article XIII has thus been eliminated./

Alt. II /so that at the expiry of the transitional period, of reasonable length, which shall be determined in accordance with sub-paragraph (d) of this paragraph, any inconsistency with the provisions of Article XIII has thus been eliminated./

Alt. III /During the period between the entry into force of this Protocol and the first consultation provided for in paragraph 5 below, interested contracting parties shall conduct negotiations with the aim of determining, prior to such consultation, a time-table for the elimination of restrictions incompatible with Article XIII. This time-table should, to the extent possible, take into account all quantitative restrictions applied to Romanian exports./

(b) Alt. I /Contracting parties shall notify, on entry into force of this Protocol, and before the consultations provided for in paragraph 5 below, discriminatory prohibitions and quantitative restrictions still applied at that time to imports from Romania. Such notifications shall include a list of the products subject to these prohibitions and restrictions, specifying the type of restrictions applied (import quotas, licensing systems, embargoes, etc.) as well as the value of trade affected in the products concerned, and the measures adopted or proposed with a view to eliminating these prohibitions and restrictions under the terms of the preceding sub-paragraph./
(c) The CONTRACTING PARTIES shall, in the course of the consultations provided for in paragraph 5 below, review the measures taken or envisaged by contracting parties pursuant to the provisions of this paragraph, and make such recommendations as they consider appropriate.

(d) (Alt. I) During the course of the first consultation provided for in paragraph 5 below, the CONTRACTING PARTIES shall, in the light of all relevant circumstances, establish the date for the termination of the transitional period referred to in sub-paragraph (a) of this paragraph, having in view that the duration of this period will not be longer than .... years.

(Alt. II) During the course of the third 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 sub-paragraph (a) of this paragraph. 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.

(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) Romania or the contracting party concerned may request consultations. Any such request shall be notified to the CONTRACTING PARTIES. If, as a result of such consultations, it is agreed that the situation referred to in (a) above exists, exports shall be limited or such other action taken, which may include action, if possible, 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 or 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 Romania or the contracting party affected may take action provisionally without prior consultation, on the condition that consultation shall be effected immediately after taking such action.}

5. **Alt. I**

(a) Romania shall consult with the CONTRACTING PARTIES after the entry into force of this Protocol, in order to carry out a review of the evolution of reciprocal trade. Before these consultations, the Government of Romania shall provide notification of Romanian imports and exports from and to all countries and from and to the contracting parties, and of Romania's balance of trade and balance of payments with all countries and with the contracting parties.

These consultations shall follow the lines laid down in Annex A to this Protocol.

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

**Alt. II**

(a) Nine months after the date of the entry into force of this Protocol and annually or, if so decided at a later stage biennially, thereafter, Romania 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 or two years, as the case may be. These consultations on Romania's trade shall follow the lines laid down in Annex A to this Protocol.

(b) During the course of each consultation provided for in sub-paragraph (a) of this paragraph there shall be a review of trade in the preceding twelve-month or twenty-four month period, as the case may be, between Romania and contracting parties. 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 Romania's exports to the territories of contracting parties, fallen short of the quantities or values provided for in the relevant consultation, the CONTRACTING PARTIES shall consider the situation, and make such recommendations as they consider appropriate.

6. Pursuant to the procedures outlined in paragraph 5, or not less than three months before a consultation under that paragraph, 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 may suspend, to the extent it considers necessary, the application to Romania, or Romania may suspend, to the extent it considers necessary, the application to that contracting party, of concessions or other obligations under the General Agreement, and shall immediately inform the CONTRACTING PARTIES of any
such action. At the request of the contracting party concerned, or any other contracting party having a substantial interest in the subject of the consultation, or Romania, the CONTRACTING PARTIES shall consult with the contracting party concerned 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, the contracting party or Romania shall be free, while such action is taken, to suspend to an equivalent extent the application to Romania or to that contracting party of such concessions or other obligations under this Protocol as it may consider necessary.

7. 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**

8. 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**

9. 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.

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

12. Romania may withdraw its provisional application of the General Agreement prior to its accession thereto pursuant to paragraph 11 and such withdrawal shall take effect on the sixtieth day following the day on which written notice thereof is received by the Director-General.

13. The Director-General shall promptly furnish a certified copy of this Protocol and a notification of each signature thereto, pursuant to paragraph 9, to each contracting party, to the European Economic Community, to Romania and to each government which shall have acceded provisionally to the General Agreement.

14. 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 proportionately 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 relation 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

Alt. I

1. Romania undertakes to pursue, on the basis of mutual advantages, a policy for the expansion and diversification of trade /geographical as well as structural/ with the contracting parties and to use all of the earnings from its exports to the contracting parties as a whole to effect imports from the contracting parties as a whole.

2. (a) In the case of negotiations in which Romania shall participate, within the framework of the General Agreement, which normally involve tariff concessions, Romania shall undertake, in exchange for advantages obtained from all contracting parties participating in such negotiations to grant advantages taking into account its own economic development requirements.

or

In the case of negotiations in which Romania shall participate within the framework of the General Agreement, which involve tariff concessions, Romania shall undertake to increase its imports from the contracting parties as a whole in proportion to the advantages obtained from the contracting parties participating in such negotiations, taking into account its own economic development requirements.

(b) Should Romania adopt a customs tariff, negotiations shall be opened for the purpose of reaching mutually acceptable solutions.

or

Should Romania adopt a customs tariff, the necessary measures shall be taken to maintain the advantages deriving from the Protocol.
Annex B (cont'd)

Alt. II A. 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 as a whole 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 Romanian earnings from exports to contracting parties.

B/2 On January 1973, and thereafter on the date specified in paragraph 1 of Article XVIII of the General Agreement, Romania may, by negotiation and agreement with the CONTRACTING PARTIES, modify its commitment under paragraph 1 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.

Notes regarding Annex B

(i) Paragraph 1 (Alt. I)

Some contracting parties have reserved their right to revert to the question of structural diversification in Romanian imports.

(ii) Paragraph 2(a) (2nd alternative)

It was suggested that a paragraph along the following lines might be inserted in the report of the Working Party:

In the case of negotiations within the framework of the General Agreement, which normally involve tariff concessions, Romania shall negotiate with the contracting parties to determine the rate of growth of the value of Romanian imports from contracting parties in the preceding 3 years, and, in the light of such determination, establish a higher target rate of growth for Romanian imports equivalent to the advantage obtained by Romania from contracting parties participating in negotiations.

(iii) Paragraph 2(b) (2nd alternative)

A contracting party has reserved its right to record in the report of the Working Party, its interpretation that any elimination of quantitative restrictions should not be construed as an "advantage" under this sub-paragraph.