As agreed at the meeting of the Working Party on 14-15 June 1971, the attached draft protocol for the accession of Romania, revised to reflect the discussions at the meeting, is circulated for the information of members.

In the course of the meeting as well as in earlier meetings several suggestions have been made for inclusion in the report. These are not reflected in this document.

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*This document is a revision of Spec(70)56.
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 10, 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)

**Var. I**
Contracting parties still maintaining quantitative restrictions not consistent with Article XIII of the General Agreement shall not increase the discriminatory element in these restrictions and shall have as their objective to eliminate them before the end of 1974. Exceptionally, if on that date certain quantitative restrictions were still to be maintained for justifiable reasons their elimination would be a matter for the Working Party provided for in Annex A.

**Var. II**
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) to eliminate progressively such prohibitions or quantitative restrictions so that on 31 December 1974 any inconsistency with Article XIII has thus been terminated.

**Var. III**
Contracting parties still maintaining prohibitions or quantitative restrictions not consistent with Article XIII of the General Agreement shall not increase the discriminatory element in these restrictions, undertake to relax them progressively and shall have as their objective to eliminate them before the end of 1974.

**Alt. A**
Exceptionally, if on that date, certain of those quantitative restrictions were temporarily maintained, the Working Party would examine them with a view to their elimination.

**Alt. B**
Should this agreed objective not be achieved and, for exceptional reasons, should a limited number of restrictions still be in force as of 1 January 1975, the Working Group would examine them with a view to their elimination.

(b) 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.) [the GATT provisions which justify their retention/ as well as the value of trade effected in the products concerned [and the measures adopted 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.

4. (a) If any product is being imported, in the trade between Romania and 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 the parties 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 to Romania or to the contracting party concerned.

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

(e) In critical circumstances, where delay would cause damage difficult to repair, such preventive or remedial action may be taken provisionally without prior consultation, on the condition that an opportunity for consultation shall be afforded with any affected contracting party shall be afforded immediately after taking such action.

5. Early in the second year after the entry into force of this Protocol and in alternate years thereafter, or in any other year at the specific request of a contracting party or Romania, consultations shall be held between Romania and the CONTRACTING PARTIES in a working party to be established for this purpose to review the development of reciprocal trade and measures taken under the terms of this Protocol.

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

Appropriate recommendations may be made to Romania or to contracting parties concerned.

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, 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.

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 UNDER PARAGRAPHS 3 AND 5 OF THE PROTOCOL

The consultations shall be held on the basis of information concerning the following points:

(i) Romanian exports

(a) The general trend and geographical distribution of Romanian exports to the contracting parties and of Romanian global exports.

(b) Development of Romanian exports of various categories of goods (e.g. agricultural products, raw materials, semi-manufactured goods, machinery and consumer goods) to the contracting parties in relation to development of Romanian global exports of the same categories of goods.

(c) Measures adopted under the terms of paragraph 3 of the Protocol by contracting parties maintaining quantitative restrictions inconsistent with Article XIII of the General Agreement with a view to eliminating these restrictions.¹

(d) Other questions relating to the exports of Romania to the contracting parties.

(ii) Romanian imports

(a) The general trend and geographical distribution of Romanian imports from the contracting parties and the development of Romania's imports from the contracting parties in relation to development of Romanian global imports.

(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 global imports of the same categories of goods.

(c) Measures taken by Romania pursuant to the provisions of the Schedule of Concessions of Romania.

(d) Other questions relating to imports by Romania from the contracting parties.

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

¹ The final wording of this point would depend on the text agreed upon for paragraph 3 of the Protocol.
Annex B

SCHEDULE OF ROMANIA

1. Subject to paragraph 2 below, Romania, on the basis of mutual advantage which is inherent in the General Agreement, will develop and diversify its trade with the contracting parties as a whole, and firmly intends to increase its imports from the contracting parties as a whole at a rate not smaller than the growth of total Romanian imports provided for in its Five-Year Plans.

2. On 1 January 1973 and thereafter on the date specified in paragraph 1 of Article XXVIII of the General Agreement, or at any time in the event that Romania decides to introduce a customs tariff, Romania may, following 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.