ACCESSION OF ROMANIA


1. At its meeting on 11 November 1968 the Council of Representatives decided to establish a Working Party to examine the application of the Government of Romania to accede to the General Agreement under Article XXXIII and to submit recommendations which might include a draft protocol of accession.

2. The Working Party met on 25-26 June, 15-17 October and 24-26 November 1969 under the chairmanship of Mr. T. Swaminathan (India) and on 20-21 May 1970, 14-15 June and 23 July 1971 under the chairmanship of Mr. C.H. Archibald (Trinidad and Tobago).

3. The Working Party had before it, to serve as a basis for its discussions, a memorandum on the foreign trade régime of Romania (L/3101 and Rev.1) and the replies by the Government of Romania to questions on its trade régime put by contracting parties (L/3211 and addendum).

4. The Working Party noted that the foreign trade of Romania was conducted by different State and co-operative enterprises, that Romania had no customs tariff and that Romania's foreign trade policy, based on directives of the Foreign Trade Plans, was aimed at increasing the participation of the country in international trade. It further noted a statement by the representative of Romania that in acceding to the General Agreement his Government undertook, in conformity with the most-favoured-nation clause, to pursue a non-discriminatory policy with respect to all its trading partners which were contracting parties and that it understood, for its part, that it would receive like treatment.

5. The representative of Romania stressed that the Romanian producing units and foreign trade enterprises operated on international markets like similar enterprises in market-economy countries, in accordance with criteria of an exclusively commercial character.
6. It was agreed that because of the absence of a customs tariff in Romania the main concession to be incorporated in its Schedule would be a firm intention of increasing imports from contracting parties at a rate not smaller than the growth of total Romanian imports provided for in its Five-Year Plans.

7. The representative of Romania pointed out that the implementation of Romania's Schedule - which meant that there would not be adopted discriminatory measures against imports from GATT countries - depended on the evolution of Romania's exports to those countries, in view of the fact that the main source of financing its imports was its export and that in recent years Romania's imports from GATT countries had been substantially larger than its exports to those countries. His Government expected that an increase in Romanian exports to contracting parties would result from the application by contracting parties to Romania of the provisions of the General Agreement and from tariff reductions and other concessions made by contracting parties. Romania was prepared to examine the evolution of trade on a multilateral basis within the context of periodic consultations.

8. One member of the Working Party recalled that his delegation had at various occasions in the past had reason to underline that consumer goods played a particularly important part in the production and consequently also in the exports of his country. His delegation interpreted the words "will develop and diversify its trade with the contracting parties as a whole" in paragraph 1 of Annex B to the Accession Protocol as establishing the firm intention of Romania to facilitate equally the access to its market for consumer goods. The representative of Romania took note of this interpretation.

9. It was noted that, as a result of possible changes in the foreign trade regulations of Romania, a different situation might arise enabling Romania to renegotiate its commitment on the basis of tariff concessions. It was agreed that provision should be made in Romania's Schedule for such a development; a modification of the original commitment would, however, only be implemented after negotiations had been carried out with the CONTRACTING PARTIES in accordance with the principles of Article XXVIII.

10. The representative of Romania said that there was no Romanian legislation in force which was contrary to the rules of the General Agreement and for which Romania would have to make a reservation under the provisions relating to existing legislation in paragraph 1(b) of the Protocol of Provisional Application.
11. In reply to questions put by members of the Working Party, the representative of Romania said that his country had not undertaken firm import commitments in bilateral agreements in force. The agreements and protocols with some GATT and non-GATT countries were negotiated by Romania with the participation of its foreign trade enterprises and therefore they had the character of a framework within which the foreign trade enterprises concluded their commercial contracts.

12. With regard to the implementation, where appropriate, of Article VI of the General Agreement with respect to imports from Romania, it was the understanding of the Working Party that the second Supplementary Provision in Annex I to paragraph 1 of Article VI of the General Agreement, relating to imports from a country in which foreign trade operations were carried out by State and cooperative trading enterprises and where some domestic prices were fixed by the law, would apply. In this connexion it was recognized that a contracting party may use as the normal value for a product imported from Romania the prices which prevail generally in its markets for the same or like products or a value for that product constructed on the basis of the price for a like product originating in another country, so long as the method used for determining normal value in any particular case is appropriate and not unreasonable.

13. The representative of Romania declared that his country, which in his opinion belonged to those countries the development of which was to be supported according to Part IV of the General Agreement, considered that it should take advantage of all facilities offered to countries with a similar level of economic development.

14. In reply to a question the representative of Romania confirmed that his Government would abide by the provisions in Article X of the General Agreement relating to the publication and administration of trade regulations.

15. The representative of the United States said that under the legislation in force in his country, his Government would have to invoke Article XXXV of the General Agreement with regard to Romania. If the legislative situation changed his Government would disinvoke Article XXXV towards Romania.
16. Having carried out the examination of the foreign trade régime of Romania and in the light of the assurances given by the representative of Romania, the Working Party recommends that Romania be invited to accede to the General Agreement under Article XXXIII and that the contracting parties apply the General Agreement to their relations with Romania in accordance with the terms and conditions of the draft Protocol for the Accession of Romania drawn up by the Working Party and annexed to this report (Annex I), on the understanding that a reciprocal and mutually advantageous basis would thereby be afforded for the continuing evolution of trading relations between Romania and the contracting parties. The Working Party has prepared a draft Decision, attached to this report (Annex II), on the accession of Romania and the draft Protocol referred to above. It is proposed that these texts be approved by the Council when it adopts the report. The Decision will then be submitted to a vote by contracting parties in accordance with Article XXXIII. When the Decision is adopted, the Protocol would be opened for acceptance and Romania would become a contracting party thirty days after it accepts the Protocol.

ANNEX I

DRAFT PROTOCOL FOR THE ACCESSION OF ROMANIA

The text of a draft protocol has been circulated in document Spec(71)59, dated 23 June 1971.

ANNEX II

Having regard to the results of the negotiations directed towards the accession of the Government of the Socialist Republic of Romania to the General Agreement on Tariffs and Trade and having prepared a Protocol for the accession of Romania.

Decide, in accordance with Article XXXIII of the General Agreement, that the Government of Romania may accede to the General Agreement on the terms set out in the said Protocol.