1. The Working Party on Accession of Greece to the European Communities (EC) held its fifth meeting on 10 July 1981.

2. One member of the Working Party in an introductory statement gave further explanations to a proposal for the conduct of further work in the Working Party relating to agricultural products which his delegation had submitted in document Spec(81)30. He recalled that the proposal differed in some respects from the suggestions made by his delegation at the last meeting on 1 April 1981. Comments made by other delegations at that meeting had been taken into account in preparing the present proposal. The suggestion made earlier to discuss questions of methodology in a technical group had not been taken up, partly to allow the Working Party to make early progress. The first meeting had been held well over a year ago and the accession of Greece to the EC was now a reality. It was therefore appropriate that the Working Party conclude its work as soon as possible. Bearing in mind the terms of reference of the Working Party, the proposal had been designed to cover three aspects of the General Agreement that were relevant to the accession of Greece to the EC, i.e. Article XXIV:5(a), Article XXIV:4 and the GATT provisions relating to non-tariff barriers, including quantitative restrictions. After setting out the different elements of the proposal contained in Spec(81)30, the member said that his delegation had attempted to design a proposal which would be acceptable to the Working Party as it was in accordance with the mandate and could be commenced without further delay. He thought that these objectives had been achieved and that the Working Party could now proceed with this aspect of its work.

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1. Referred to in this document as the "proposal".
3. The spokesman for the EC shared the view that the Working Party should proceed with this aspect of its work without delay. He referred to Attachment 2 of the proposal which presented the level and trend of protectionism for agricultural products in selected countries. The average level of agricultural protection in the early 1970's was 82 per cent for Greece and 69 per cent for the EC of Six, with even lower rates for Denmark, Ireland and the United Kingdom. He pointed out that on the basis of these data it was clear that the average level of protection for agricultural products in Greece would be substantially reduced and that consequently the EC was in conformity with its obligations under Article XXIV of the General Agreement.

4. One member of the Working Party expressed support for paragraph 4(i) and (iii) of the proposal. With respect to the attachments to the proposal, he said that the data contained therein could not be regarded as well established since controversial views about the methodology and the analysis used had been expressed at the time of their presentation in another forum and no agreement had been reached on how to treat the data. Therefore, his delegation could not agree to their use as a basis for further work.

5. The member referred to in paragraph 2 said that his delegation was aware of the difficulties in obtaining representative figures. The data presented were illustrative of the very high level of protection in specific areas and gave an indication of the major trends; they could therefore be used as a starting point for more detailed work.

6. The spokesman for the EC stated that the task of the Working Party was to compare the situation before and after the accession of Greece and not to quantify the absolute level of protection. He could agree that the figures be updated by the secretariat, if possible. He reiterated that the illustrative data had demonstrated that the accession was compatible with Article XXIV:4 and 5. Attachment 2, when updated, would show an even lower degree of protection for agricultural products in the EC.

7. Another member of the Working Party said that the work programme outlined in paragraph 4 of the proposal was well balanced. The attachments could assist the members of the Working Party in their work. As suggested by the spokesman of the EC, if an updating of the data in Attachment 2 could be done by the secretariat with the assistance of delegations, the Working Party could proceed very quickly.

8. One member of the Working Party agreed with the points made that it was an important part of the mandate of the Working Party to evaluate the overall incidence of duties and other regulations of commerce before and after Greek accession to the EC. He expressed
strong support of his delegation to the points contained in paragraph 4(i) and (iii) of the proposal. He agreed that the methodology used in the preparation of the attachments might be open to question; however, he did not see this as an impediment to carrying out the task. All members of the Working Party had to work together to develop an appropriate methodology. In spite of the difficulties of this task, an attempt should nevertheless be made. Failing this, it was not clear whether the mandate of the Working Party could be carried out.

9. Another member of the Working Party said that he agreed with the contents of the proposal. He wondered, however, whether it was necessary to obtain the picture over a period as far back as the last thirty years; rather, more recent data covering the past 3-5 years were required. An updated and improved Attachment 2 would give a better description of the past and present situation.

10. One member of the Working Party said that in order to carry out the mandate of the Working Party, all information and analyses were needed to formulate a judgement on the economic and trade consequences of the accession. He expressed the support of his delegation for the proposal.

11. The member referred to in paragraph 2 said that he had not heard any objections to the proposal of his delegation. The figures contained in the attachments were only illustrative. He suggested that the Working Party endorse the programme of work presented in the proposal.

12. The spokesman for the EC reiterated that he was in full agreement with the figures in Attachment 2 which concluded that the EC had conformed to the obligations of Article XXIV:4 and 5. He pointed out that most of the previous speakers had not supported paragraph 4 (ii) of the proposal. He stressed that Article XXIV:5 provided for a global comparison of the incidence of duties and other regulations of commerce with respect to all products and all measures. A proposal which isolated some products was not relevant in this context. The examination by the Working Party had to be carried out on the total trade including trade in industrial products.

13. The member referred to in paragraph 2 confirmed that the judgement to be made by the Working Party had to be based on the totality of products. The proposal submitted by his delegation had never been intended to address all aspects of the examination. After the EC had agreed at the last meeting that agricultural trade was a legitimate area to be included in the overall examination (paragraph 11 of Spec(81)16/Rev.1), his delegation had offered to propose a study in this respect. The EC themselves had already provided an assessment of the incidence of industrial tariffs.
14. The spokesman for the EC, referring to the title of the proposal "Proposed work programme on agricultural trade", said that he could not accept that agricultural trade was to be isolated from industrial trade. The proposal had a limited objective in one sector only and was not acceptable in the present form. Instead, an approach covering the totality of trade and all measures had to be agreed upon by the Working Party. The EC had already provided an overall estimate based on an analysis of the general level of tariffs of industrial products - on average 18 per cent for Greece and 4 per cent for the EC. Quantitative restrictions had been eliminated on about 200 products but no attempt had ever been made to quantify the incidence of these or other non-tariff measures. An appropriate methodology had to be found which conformed with Article XXIV:5.

15. The spokesman for the EC went on to say that the major difficulty with the present proposal was that it provided little or no indication of how the incidence of non-tariff measures was to be measured under paragraph 4 (iii). Despite the support expressed for the proposal in general terms, the delegations in the Working Party had not addressed this issue nor the ideas set out in paragraph 9, so that it was still totally unclear whether the proposal could in fact lead to any useful result. He recalled that in the past such an exercise had never been considered workable, and it would have been preferable therefore for the Working Party to debate the point before embarking on any exercise. In his view, there was a high probability that when all the factual data was provided, a precise evaluation of the incidence of such measures would prove impossible. In that case, the Working Party would spend much time and effort attempting to quantify the incidence of measures whose impact was in his view inherently unquantifiable, whereas Article XXIV:5 required only a generalized, overall judgement on this point.

16. One member of the Working Party said that his delegation did not attempt to isolate agricultural trade when it had expressed general support for the proposal. His understanding was that, as part of the total examination, the assessment of the incidence of duties and other regulations of commerce for agricultural products presented problems which did not exist in the area of tariffs. Certain information relating to tariffs had already been provided. Information on agricultural trade had now to be included in the overall judgement. This member, supported by another one, suggested that the Working Party proceed to the discussion of the proposal item by item. Another member associated himself with the previous speakers and suggested that the Working Party come to an aggregate conclusion.
17. Another member of the Working Party said that the proposal filled a gap in the agricultural sector and gave the opportunity to delegations to assess the incidence of the enlargement with respect to tariffs and other regulations of trade. He agreed with paragraph 4(i) and (iii) of the proposal and the notion of an examination of the non-tariff measures applied by the EC in the light of the provisions of the GATT. His delegation could not accept the introduction of discriminatory quantitative restrictions through the creation of a customs union which had resulted from (EEC) Regulations 1015 and 3286. Annex VI of the Treaty of Accession would enforce this discrimination in the future.

18. One member of the Working Party agreed that industrial trade should not be separated from agricultural trade. However, while a global approach might lead to satisfactory conclusions, this did not mean automatically that for a given sector, e.g. agriculture, through the introduction of new barriers such as variable levies the situation would not become very detrimental to the trade of third countries. His delegation could nevertheless support the proposal presented by the delegation referred to in paragraph 2. His delegation was also facing problems with the identification of quantitative restrictions applicable in Greece before the accession. In order to have a precise idea of the situation prior and after the enlargement, he suggested that a study be done which would show the quantitative restrictions applied in Greece before the accession.

19. The spokesman for the EC said that the EC were perfectly ready to participate in such a study. He questioned, however, whether the incidence of quantitative restrictions could be calculated. This figure was needed for an approximation in order to achieve an overall comparison in terms of Article XXIV:5.

20. In reply to a question, the secretariat pointed out that it did not have complete information on non-tariff measures maintained by Greece prior to accession and by the EC of Ten. Paragraph 6 of the proposal which suggested that the EC provide an inventory of non-tariff measures for Greece immediately prior to its accession was relevant in this regard but was limited to certain agricultural products. Apart from the availability of data, the question of calculating the incidence of other regulations of commerce, e.g. quantitative restrictions, embargoes, licensing procedures, health and sanitary regulations, remained. An agreement in the Working Party was needed on how to proceed in this respect. The secretariat would be prepared to provide the Working Party with a technical note on these issues. Moreover, paragraph 9 of the proposal did not aim at quantification, for instance, of variable levies; this aspect of an oral proposal which had been made at the last meeting had been dropped. Only the price comparison had been retained. There was also a question whether the results of such price comparisons would provide results which could be compared with calculations on industrial products and agricultural products for which no variable levies existed.
21. One member of the Working Party said that there existed a consensus that agriculture and industry should not be separated in this exercise although the proposal addressed itself to agriculture only. There seemed to be no problem to proceed component by component, with agriculture first; Article XXIV provided that the objective was a judgement on the overall incidence. The Working Party should examine the incidence of protection in the industrial sector as well as in the agricultural sector, to the extent that it could be calculated. His delegation would be ready to contribute to this exercise. While it might not be possible to quantify certain non-tariff measures, they could nevertheless be listed in order that a qualitative judgement could be made. Moreover, the incidence of variable levies could be calculated for most sectors.

22. At the end of the meeting the Working Party concluded that the assessment under Article XXIV had to be a global one, in so far as it had to cover all products. Therefore, the incidence of duties and other regulations of commerce would have to be looked at in relation to both agriculture and industry. The exercise envisaged in paragraph 4(i) of the proposal, covering both agricultural and industrial products, could be carried out in two stages. At the first stage, the secretariat, with the co-operation of the EC and other interested delegations, would endeavour to prepare an inventory of relevant measures affecting both agricultural and industrial products operated by Greece immediately prior to its accession to the EC, and by the EC of Ten. This inventory should be ready in time for a meeting of the Working Party which could be envisaged for early October. For this meeting the secretariat would also prepare a technical note dealing with the approach that might be used for the second stage envisaged in paragraph 4(iii), i.e. the establishment - on the basis of the inventory - of an indication of the incidence of the protective measures applied by Greece immediately prior to accession and by the EC of Ten, and the establishment of developments in the application of these measures.

23. The spokesman for the EC said that the EC could agree to the approach outlined. He referred, however, to the reservations earlier expressed, including reservations about the cost of the exercise. He added that the Working Party had not had a detailed discussion of all the points in the proposal. He did not want it to be assumed that there had been agreement because certain points had not been discussed in detail, such as paragraphs 4(iii) or 9, on which the EC had some reservations. The Working Party would come back to this at its next meeting in the light of the technical note that the secretariat would be preparing. Meanwhile, the EC would do their best to contribute to the inventory.
24. Some members of the Working Party, while accepting the compromise, expressed their disappointment that the Working Party could not agree at this meeting on the work to be carried out with respect to paragraph 4(i) and (iii) of the proposal. The delegation referred to in paragraph 2 above stated that all members of the Working Party except the EC could have agreed to the proposal contained in paragraph 4(iii).

25. The spokesman for the EC referred to the last meeting on 1 April 1981 where the hope had been expressed that the EC would favourably entertain requests by individual contracting parties to commence negotiations under Article XXIV:6. The EC had circulated a written communication to the CONTRACTING PARTIES in document TAR/16 to this effect. About ten delegations had been formally contacted by the EC. Not all of them had expressed the wish to enter into tariff renegotiations. The spokesman for the EC reiterated his invitation. In answer to a question, he pointed out that the time-limit for a contracting party to notify its wish to proceed with the compensatory adjustment in conformity with Article XXIV:6 was 90 days from the date of the communication by the EC.

26. The Working Party agreed to hold its next meeting on 7 and 8 October 1981.