

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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AGREEMENT BETWEEN FINLAND AND CZECHOSLOVAKIA

Opening Statement by the Representative of Finland

Thank you for the opportunity to offer some opening remarks about the Agreement between Finland and Czechoslovakia on the reciprocal removal of obstacles to trade.

The preamble of the Agreement states the desire of the signatories to the Agreement to solve in a fair and equal way the problems arising from the contemporary European integration processes and to do this in accordance with their international obligations.

The region of Europe is the main market for Finnish exports and also the main source of Finnish imports. When the process of regional integration in Western Europe led to an enlargement of the European Economic Communities Finland had to secure its competitive position through a free-trade agreement with the European Communities. To avoid the consequential and foreseeable distortions in our trade with the European socialist countries Finland invited these countries to enter into negotiations on similar arrangements.

Let me emphasize again very clearly - as I have done in the two other working groups - that we have put two preconditions for these agreements. The first and the most important was that they should be strictly consistent with our international obligations and notably Article XXIV of the GATT. The second was that the agreements should be based on mutual advantage.

After these general explanations of the background of the Agreement between Finland and Czechoslovakia, I should like to make a few remarks concerning the Agreement itself.

Articles II-IV deal with the elimination of tariffs. In our view the provisions comply fully with the provision of GATT. They include methods and a time-table for the elimination of tariffs on substantially all the trade. With a few exceptions the time-table and the product coverage of the normal and the slower timetable for the elimination of tariffs are the same as in the similar agreements concluded by Finland.

The other restrictions save for products included in Protocol 4 of the Agreement have been eliminated upon the entry into force of the Agreement.

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As to the safeguard clauses the signatories have expressed the view that these clauses will only be resorted to in exceptional circumstances and on a temporary basis. The existence of safeguard clauses is in the nature of these kind of agreements and does in our view in no way affect the determination of the signatories of the Agreement to apply it in accordance with their obligations under the General Agreement.

I should like to conclude by saying that in our view the Agreement complies fully with Article XXIV in that it eliminates tariffs and other restrictive regulations of commerce and in that its provisions cover substantially all the trade.