

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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## AGREEMENT BETWEEN FINLAND AND CZECHOSLOVAKIA

### Opening Statement by the Representative of Czechoslovakia

On behalf of the Czechoslovak delegation I should like to offer you also some introductory remarks concerning the Agreement between Czechoslovakia and Finland, which is to be discussed in this Working Group now.

The Finnish representative in his opening statement referred to the preamble of the Agreement and mentioned a.i. certain problems which may arise "from the contemporary European economic integration processes" to the commercial and economic relations between Czechoslovakia and Finland.

Which are these problems?

The effects of the operation of customs unions and free-trade areas in Europe which bring Czechoslovakia in the position of a third country having to overcome tariff barriers, and in some countries even discriminatory quantitative restrictions. Such obstacles - no doubt - hinder the normal development of mutual trade relations with the respective countries, and result even in serious distortions of the pattern of trade.

Czechoslovakia supported, therefore, in the preparatory stage of the multilateral trade negotiations suggestions presented by some other contracting parties to eliminate completely tariffs in industrial countries.

Such a solution would have eliminated the unfavourable effects on a most-favoured-nation basis. Since it seems that such expectations are far from being put into effect in a foreseeable future, Czechoslovakia appreciated the offer made by Finland to negotiate a free-trade area agreement between our two countries. In such a way the aforementioned difficulties would be overcome at least on a bilateral basis between Czechoslovakia and Finland.

In this respect the motivation of the Finnish Government mentioned in the statement of the Finnish representative is to be considered as a very positive approach towards the solution of trade problems and as evidence of the neutral policy of Finland.

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The Agreement between Czechoslovakia and Finland fulfils - in our view - all the requirements of Article XXIV of GATT. It covers substantially all the trade, includes a precise ~~time-table~~ for the elimination of tariffs and in no way is to be considered as an interim agreement. In addition this Agreement removes the remaining quantitative restrictions of Czechoslovak exports to Finland, while some other European countries are still applying discriminatory restrictions against imports from Czechoslovakia.

In the spirit of this Agreement Czechoslovakia - in addition to the elimination of tariffs - intensifies the promotion of imports from Finland by organizing the activity of working groups of specialists, meetings of scientists and specialists in various fields of economic and industrial co-operation and supports all other promotional activities which may contribute and result in an enlarged knowledge of the Finnish export possibilities. These means provided by the Czechoslovak economic system have already proved to be successful taking into account the fact that Finnish exports to Czechoslovakia in the first eight months of the validity of this Agreement increased by more than 30 per cent - in spite of the general recession in the Western markets - in comparison with the same period of 1974.

The Czechoslovak delegation is also prepared to answer any questions concerning this Agreement with regard to the relevant provisions of GATT and expects that the examination of the Agreements will meet with positive results.