

ADDITIONAL PROTOCOL

to the Agreement between the European Economic Community and the Kingdom of Sweden consequent on the accession of the Kingdom of Spain and the Portuguese Republic to the Community

THE EUROPEAN ECONOMIC COMMUNITY,

of the one part, and

THE KINGDOM OF SWEDEN,

of the other part,

HAVING REGARD to the Agreement between the European Economic Community and the Kingdom of Sweden signed in Brussels on 22 July 1972, hereinafter called the 'Agreement',

HAVING REGARD to the accession of the Kingdom of Sweden and the Portuguese Republic to the European Communities on 1 January 1986,

CONSIDERING that, on 19 December 1985, for the period 1 January 1986 to 28 February 1986, the Community and the Kingdom of Spain had agreed upon the arrangements applicable to trade between Sweden, on the one hand, and Spain and Portugal, on the other,

HAVE DECIDED to determine by common accord the adjustments and transitional measures to the Agreement consequent on the accession of the Kingdom of Spain and the Portuguese Republic to the European Economic Community, and

TO CONCLUDE THIS PROTOCOL:

TITLE I

Adjustments

Article 1

The Agreement, the Annexes and Protocols, which form an integral part thereof, the Final Act and the declarations annexed thereto shall be drawn up in the Spanish and Portuguese languages and those texts shall be authentic in the same way as the original texts. The Joint Committee shall approve the Spanish and Portuguese texts.

Article 2

Products covered by the Agreement and originating in Sweden, when imported into the Canary Islands, Ceuta or Melilla, shall enjoy in all respects the same customs regime as that which is applied to products originating in the customs territory of the Community, including the *arbitrio insular* charge applied in the Canary Islands.

The Kingdom of Sweden shall grant to imports of products covered by the Agreement and originating in the Canary Islands, Ceuta or Melilla the same customs regime as that which is granted to products imported from and originating in Spain.

TITLE II

Transitional measures concerning Spain, on the one hand, and Sweden, on the other

Article 3

1. For the products covered by the Agreement and subject to the provisions of Article 5, the customs duties on imports between Sweden and Spain applicable to products originating in those countries shall be progressively abolished in accordance with the following timetable:

- on 1 March 1986, each duty shall be reduced to 90,0 % of the basic duty,
- on 1 January 1987, each duty shall be reduced to 77,5 % of the basic duty,
- on 1 January 1988, each duty shall be reduced to 62,5 % of the basic duty,
- on 1 January 1989, each duty shall be reduced to 47,5 % of the basic duty,
- on 1 January 1990, each duty shall be reduced to 35,0 % of the basic duty,
- on 1 January 1991, each duty shall be reduced to 22,5 % of the basic duty,
- on 1 January 1992, each duty shall be reduced to 10,0 % of the basic duty,
- the last reduction of 10 % shall be made on 1 January 1993.

2. The rate of the duties calculated in accordance with paragraph 1 shall be applied by rounding down to the first decimal place by deleting the second decimal.

Article 4

1. Subject to the provisions of the following three paragraphs, the basic duty to which the successive reductions provided for in Article 3 are to be applied shall, for each product, be the duty actually applied on 1 January 1985 in trade between Sweden and Spain.

2. However, if after that date and before accession a tariff reduction has been applied, such reduced duty shall be considered as a basic duty.

3. For the products listed in Annex I, the basic duty applied by Spain shall be that indicated against each product.

4. For crude petroleum oils or oils obtained from bituminous minerals falling within heading No 27.09 of the Common Customs Tariff the basic duty applied by Spain shall be nil.

Article 5

1. The variable component which the Kingdom of Spain may apply in accordance with Article 1 of Protocol No 2 to the Agreement to certain products listed in Table I of that Protocol, originating in Sweden, shall be adjusted by the compensatory amount applied in trade between the Community as constituted on 31 December 1985 and Spain.

2. For the products listed in Table I of Protocol No 2 to the Agreement, the Kingdom of Spain shall abolish, in accordance with the timetable laid down in Article 3, the difference between:

— the basic duty to be applied by Spain in accordance with Article 4,

and

— the duty (other than the variable component) indicated in the last column of Table I of Protocol No 2.

3. For the products listed in Table II of Protocol No 2 to the Agreement, the Kingdom of Sweden shall abolish, in accordance with the timetable laid down in Article 3, the difference between:

— the basic duty to be applied by Sweden in accordance with Article 4,

and

— the duty (other than the variable component) indicated in the last column of Table II of Protocol No 2.

Article 6

If the Kingdom of Spain suspends in whole or in part the levying of the customs duties applicable to products imported from the Community as constituted on 31 December 1985, it shall also suspend or reduce, by the same percentage, the customs duties on imports applicable to products originating in Sweden.

Article 7

1. If the Kingdom of Spain opens to third countries tariff quotas actually applied on 1 January 1985, products imported from Sweden shall be subject to the same treatment as products imported from the Community as constituted on 31 December 1985, whilst such quotas remain open.

2. If tariff quotas are not opened, the Kingdom of Spain shall apply to products imported from Sweden the duties applied in the case of such quotas being opened. The quantities or value subject to these duties shall be limited to the amounts actually imported from Sweden under the same quotas opened on 1 January 1985.

3. The Kingdom of Spain shall, from 1 March 1986, open annual tariff quotas for the import of motor vehicles for the transport of persons, with either a spark ignition or a compression ignition engine, other than motor coaches and buses, falling within subheading 87.02 A I b) of the Common Customs Tariff, originating in Sweden as indicated in Annex I (a). The customs duty applicable within the limits of those tariff quotas shall be fixed at 17,4 %. The quota shall be abolished on 31 December 1988.

Article 8

1. If the Kingdom of Spain applies quantitative restrictions on imports from the Community as constituted on 31 December 1985:

— of the products referred to in Annex II, until 31 December 1988,

— of the products referred to in Annex III, until 31 December 1989,

it shall also apply quantitative restrictions on the same products originating in Sweden.

2. The quantitative restrictions referred to above shall take the form of global quotas which are also opened for imports originating in the other EFTA countries.

The initial global quotas for 1986 are listed in Annexes II and III respectively.

3. The rate of progressive increase for quotas referred to in Annex II and for quotas 1 to 5 and 10 to 14 referred to in Annex III shall be 25 % at the beginning of each year for quotas expressed in ECU and 20 % at the beginning of each year for quotas expressed in terms of volume. The increase shall be added to each quota and the next increase calculated on the basis of the total thus obtained.

For the quotas 6 to 9 listed in Annex III, the annual rate of progressive increase shall be as follows:

- first year: 13 %,
- second year: 18 %,
- third year: 20 %,
- fourth year: 20 %.

4. Where it is found that imports into Spain of a product listed in Annex II or III have for two consecutive years been less than 90 % of the quota, the Kingdom of Spain shall, from the beginning of the year following those two years, liberalize imports of that product originating in Sweden or in other countries referred to in paragraph 2, if the product is liberalized at that time in respect of the Community as constituted on 31 December 1985.

5. If the Kingdom of Spain liberalizes imports of a product listed in Annex II or III coming from the Community as constituted on 31 December 1985 or increases a quota beyond the minimum rate applicable to the Community as constituted on the abovementioned date, it shall also liberalize imports of that product originating in Sweden or increase the global quota proportionately.

6. For the administration of the abovementioned quotas, the Kingdom of Spain shall apply the same administrative rules and procedures as those applied to imports of such products originating in the Community as constituted on 31 December 1985.

TITLE III

Transitional measures concerning Portugal, on the one hand and Sweden, on the other

Article 9

1. For the products covered by the Agreement and subject to the provisions of Article 12, the customs duties on imports into Portugal applicable to products originating in Sweden shall be progressively abolished in accordance with the following timetable:

- on 1 March 1986, each duty shall be reduced to 90 % of the basic duty,
- on 1 January 1987, each duty shall be reduced to 80 % of the basic duty,
- on 1 January 1988, each duty shall be reduced to 65 % of the basic duty,
- on 1 January 1989, each duty shall be reduced to 50 % of the basic duty,
- on 1 January 1990, each duty shall be reduced to 40 % of the basic duty,

— on 1 January 1991, each duty shall be reduced to 30 % of the basic duty,

— the other two reductions of 15 % each shall be made on 1 January 1992 and 1 January 1993 respectively.

2. The rate of duties calculated in accordance with paragraph 1 shall be applied by rounding down to the first decimal place by deleting the second decimal.

Article 10

1. Subject to the provisions of the following three paragraphs, the basic duty to which the successive reductions provided for in Article 9 are to be applied shall, for each product, be the duty actually applied by the Portuguese Republic on 1 January 1985 in trade with Sweden.

2. However, if after that date and before accession a tariff reduction has been applied, such reduced duty shall be considered as a basic duty.

3. For the products listed in Annex IV, the basic duty applied by Portugal shall be that indicated against each product.

4. For the products listed in Annex V, as well as for matches and tinder, the basic duties shall be those indicated in the said Annex.

Article 11

1. The following charges applied by Portugal in trade with Sweden shall be progressively abolished in accordance with the following timetable:

- (a) the *ad valorem* charge of 0,4 % applied to goods imported temporarily, goods reimported (excluding containers) and goods imported under the inward processing arrangements characterized by the rebate of duties levied on the import of goods used after export of the products obtained (drawback) shall be reduced to 0,2 % on 1 January 1987 and abolished on 1 January 1988;
- (b) the *ad valorem* charge of 0,9 % applied to goods imported for home use shall be reduced to 0,6 % on 1 January 1989, reduced to 0,3 % on 1 January 1990 and abolished on 1 January 1991.

2. The Portuguese Republic shall progressively abolish for liquorice extract containing more than 10 % by weight of sucrose but not containing other added substances, falling within subheading 17.04 A of the Common Customs Tariff, the fiscal element of Esc 5 per kilogram in accordance with the timetable laid down in Article 9.

Article 12

1. The variable component which the Portuguese Republic may apply in accordance with Article 1 of Protocol No 2 to the Agreement to certain products listed in Table I of that Protocol, originating in Sweden, shall be adjusted by the compensatory amount applied in trade between the Community as constituted on 31 December 1985 and Portugal.

2. For the products listed in Table I of Protocol No 2 to the Agreement, the Portuguese Republic shall abolish, in accordance with the timetable laid down in Article 9, the difference between:

- the basic duty to be applied by Portugal in accordance with Article 10,
- and
- the duty (other than the variable component) indicated in the last column of Table I of Protocol No 2.

3. In all cases where a minimum duty (fixed component) is applied in respect of the Community, as indicated in Annex VI, the same minimum duty shall be applied to Sweden if the calculation resulting from the breakdown in respect of Sweden results in a level of duty lower than the minimum duty applied in respect of the Community.

4. For the products listed in Table II of Protocol No 2 to the Agreement, the Kingdom of Sweden shall abolish, in accordance with the timetable laid down in Article 9, the difference between:

- the customs duties actually applied by the Kingdom of Sweden on 1 January 1985,
- and
- the duty (other than the variable component) indicated in the last column of Table II of Protocol No 2.

Article 13

If the Portuguese Republic suspends in whole or in part the levying of customs duties and/or charges referred to in Article 11 on products imported from the Community as constituted on 31 December 1985, it shall also suspend or reduce, by the same percentage, those duties and/or charges applicable to products originating in Sweden.

Article 14

1. The Portuguese Republic will maintain until 31 December 1987 quantitative restrictions on imports of motor vehicles within the limits of a system of import quotas.

2. As from 1 March 1986, the Portuguese Republic shall open annual import quotas for motor vehicles originating in Sweden in accordance with the following provisions:

- for completely built up motor vehicles (CBU) weighing less than 3 500 kg, 700 units in 1986 and 800 units in 1987 for vehicles manufactured by VOLVO and SAAB, respectively,

- for CBU vehicles of a gross weight exceeding 3 500 kg, 200 units in 1986 and 230 units in 1987. These latter quotas shall take the form of global quotas which are also opened for imports originating in Austria.

3. If the Portuguese Republic liberalizes imports of the motor vehicles concerned coming from the Community as constituted on 31 December 1985, or increases a quota beyond the level of that applicable to the Community as constituted on the abovementioned date, it shall also liberalize the imports in question originating in Sweden or increase the quota for that country proportionately.

Article 15

The Portuguese Republic shall abolish the discriminating variation existing between the rate of reimbursement by the social security institutions for pharmaceutical products imported from Sweden in three equal, annual stages to take place on the following dates:

- 1 January 1987,
- 1 January 1988,
- 1 January 1989.

TITLE IV

General and final provisions

Article 16

The Joint Committee shall make any amendments which may be necessary to the origin rules consequent on the accession of the Kingdom of Spain and the Portuguese Republic to the European Communities.

Article 17

The Annexes to this Protocol form an integral part thereof. This Protocol forms an integral part of the Agreement.

Article 18

This Protocol shall be approved by the Contracting Parties in accordance with their own procedures. It shall enter into force on 1 March 1986, provided that the Contracting Parties have notified each other before that date that the procedures necessary to this end have been completed. After that date, the Protocol shall enter into force on the first day of the second month following such notification.

Article 19

This Protocol is drawn up in duplicate, in the Danish, Dutch, English, French, German, Greek, Italian, Portuguese, Spanish and Swedish languages, each of these texts being equally authentic.

Hecho en Bruselas, el catorce de julio de mil novecientos ochenta y seis.

Udfærdiget i Bruxelles, den fjortende juli nitten hundrede og seksogfirs.

Geschehen zu Brüssel am vierzehnten Juli neunzehnhundertsechszundachtzig.

Έγινε στις Βρυξέλλες, στις δεκατέσσερις Ιουλίου χίλια εννιακόσια ογδόντα έξι.

Done at Brussels on the fourteenth day of July in the year one thousand nine hundred and eighty-six.

Fait à Bruxelles, le quatorze juillet mil neuf cent quatre-vingt-six.

Fatto a Bruxelles, addì quattordici luglio millenovecentottantasei.

Gedaan te Brussel, de veertiende juli negentienhonderd zesentachtig.

Feito em Bruxelas, em catorze de Julho de mil novecentos e oitenta e seis.

Por la Comunidad Económica Europea

For Det europæiske økonomiske Fællesskab

Für die Europäische Wirtschaftsgemeinschaft

Για την Ευρωπαϊκή Οικονομική Κοινότητα

For the European Economic Community

Pour la Communauté économique européenne

Per la Comunità economica europea

Voor de Europese Economische Gemeenschap

Pela Comunidade Económica Europeia

För Europeiska ekonomiska gemenskapen

David Hunnay
of Chile

Por el Reino de Suecia

For kongeriget Sverige

Für das Königreich Schweden

Για το Βασίλειο της Σουηδίας

For the Kingdom of Sweden

Pour le royaume de Suède

Per il Regno di Svezia

Voor het Koninkrijk Zweden

Pelo Reino da Suécia

För Konungariket Sverige

L. Branstén

EXCHANGE OF LETTERS

between the European Economic Community and the Kingdom of Sweden concerning the import into Spain of products falling within sub-heading 84.41 A I of the Common Customs Tariff

Sir,

Consequent upon the negotiations concerning the conclusion of an Additional Protocol to the Agreement between the Kingdom of Sweden and the European Economic Community following the accession of the Kingdom of Spain and the Portuguese Republic to the Community, may I request that you confirm that the quota for imports into Spain of products falling within subheading 84.41 A I of the Common Customs Tariff covers sewing machines for lock-stitch only.

I should be grateful if you would also confirm the Community's willingness to enter into consultations with the Swedish authorities if Sweden's exports to Spain of sewing machines other than those covered by the quota were to run into difficulties.

Please, accept, Sirs, the assurance of my highest consideration.

*For the Government
of the Kingdom of Sweden*

Sir,

I acknowledge receipt of your letter, which reads as follows:

'Consequent upon the negotiations concerning the conclusion of an Additional Protocol to the Agreement between the Kingdom of Sweden and the European Economic Community following the accession of the Kingdom of Spain and the Portuguese Republic to the Community, may I request that you confirm that the quota for imports into Spain of products falling within subheading 84.41 A I of the Common Customs Tariff covers sewing machines for lock-stitch only.

I should be grateful if you would also confirm the Community's willingness to enter into consultations with the Swedish authorities if Sweden's exports to Spain of sewing machines other than those covered by the quota were to run into difficulties.'

I have the honour to confirm the Community's agreement with the contents of this letter.

Please accept, Your Excellency, the assurance of my highest consideration.

*On behalf of the Council
of the European Communities*