

at any time thereafter, whether further or different provisions are necessary to give effect to the principles set out in paragraph 1 of this Article, and may decide to make the necessary provisions.

5. Nothing in this Article shall prevent the adoption and enforcement by a Member State of measures for the control of entry, residence, activity and departure of aliens where such measures are justified by reasons of public order, public health or morality, or national security, or for the prevention of a serious imbalance in the social or demographic structure of that Member State.

6. For the purposes of this Article:

(a) "nationals" means, in relation to a Member State,

(i) physical persons who have the nationality of that Member State, and

(ii) companies and other legal persons constituted in the territory of that Member State in conformity with the law of that State and which that State regards as having its nationality, provided that they have been formed for gainful purposes and that they have their registered office and central administration, and carry on substantial activity, within the Area of the Association;

(b) "economic enterprises" means any type of economic enterprise for production of or commerce in goods which are of Area origin, whether conducted by physical persons or through agencies, branches or companies or other legal persons.

ARTICLE 17

Dumped and subsidised imports

1. Nothing in this Convention shall prevent any Member State from taking action against dumped or subsidised imports consistently with its other international obligations.

2. Any products which have been exported from the territory of one Member State to the territory of another Member State and have not undergone any manufacturing process since exportation shall, when re-imported into the territory of the first Member State, be admitted free of quantitative restrictions and measures with equivalent effect. They shall also be admitted free of customs duties and charges with equivalent effect, except that any allowance by way of drawback, relief from duty or otherwise, given by reason of the exportation from the territory of the first Member State, may be recovered.

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3. If any industry in the territory of any Member State is suffering or is threatened with material injury as the result of the import of dumped or subsidised products into the territory of another Member State, the latter Member State shall, at the request of the former Member State, examine the possibility of taking such action as is consistent with its international obligations to remedy the injury or prevent the threatened injury.

ARTICLE 18

Security exceptions

1. Nothing in this Convention shall prevent any Member State from taking action which it considers necessary for the protection of its essential security interests, where such action

(a) is taken to prevent the disclosure of information,

(b) relates to trade in arms, ammunition or war materials or to research,

development or production indispensable for defence purposes, provided that such action does not include the application of import duties or the quantitative restriction of imports except in so far as such restriction is permitted in accordance with Article 12 or is authorised by decision of the Council,

(c) is taken to ensure that nuclear materials and equipment made available for peaceful purposes do not further military purposes, or

(d) is taken in time of war or other emergency in international relations.

2. Nothing in this Convention shall prevent any Member State from taking action to carry out undertakings into which that Member State has entered for the purpose of maintaining international peace and security.

ARTICLE 19

Balance of payments difficulties

1. Notwithstanding the provisions of Article 10, any Member State may, consistently with its other international obligations, introduce quantitative restrictions on imports for the purpose of safeguarding its balance of payments.

2. Any Member State taking measures in accordance with paragraph 1 of this Article shall notify them to the Council, if possible before they come into force. The Council shall examine the situation and keep it under review and may at any time, by majority vote, make recommendations designed to moderate any damaging effect of these restrictions or to assist the Member State concerned to overcome its difficulties. If

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the balance of payments difficulties persist for more than eighteen months and the

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measures applied seriously disturb the operation of the Association, the Council shall examine the situation and may, taking into account the interests of all Member States, by majority decision, devise special procedures to attenuate or compensate for the effect of such measures.

3. A Member State which has taken measures in accordance with paragraph 1 of this Article shall have regard to its obligation to resume the full application of Article 10 and shall, as soon as its balance of payments situation improves, make proposals to the Council on the way in which this should be done. The Council, if it is not satisfied that these proposals are adequate, may, by majority vote, recommend to the Member State alternative arrangements to the same end.

ARTICLE 20

Difficulties in particular sectors

1. If, in the territory of a Member State,

(a) unforeseen and serious difficulties arise or threaten to arise in a particular sector of industry or region, and

(b) to remedy the situation the enforcement of measures which derogate from the Convention or from decisions or agreements reached under the Convention is required,

that Member State may, if so authorised by prior decision of the Council, temporarily apply such measures in accordance with terms and conditions which the Council may include in its decision. The Council shall take this decision as soon as possible.

2. Such measures shall be applied for a period of not more than eighteen months