

**Committee on Regional Trade Agreements
Twenty-Second Session**

**EXAMINATION OF THE AGREEMENT BETWEEN
THE EUROPEAN COMMUNITIES AND THE PRINCIPALITY OF ANDORRA**

Note on the Meeting of 30 April 1999

Chairman: Mr. Chul-Ki Ju (Korea)

1. Under Agenda Item D.IV of its Twenty-Second Session, as found in Airgram WTO/AIR/1063, dated 16 April 1999, the Committee on Regional Trade Agreements (hereinafter CRTA or the Committee) took up the examination of the Customs Union between the European Communities (EC) and the Principality of Andorra.
2. The Chairman recalled that the Committee had begun its examination of the Agreement during the 21st Session in February. Minutes of that meeting had been distributed as document WT/REG53/M/1 and Corrigendum 1. Subsequently, written questions submitted to the parties, and their responses, were circulated as document WT/REG53/4.
3. The representative of the European Communities stated that the answers to questions received were prepared in consultation with the authorities of Andorra and noted that representatives of Andorra were participating to the meeting, to respond as necessary to any further questions by Members. He recalled some of the points made in the previous round of examinations. In particular, he encouraged the Committee to bear in mind the myriad links between Andorra and EC countries, in particular France and Spain; such links, which dated back to the Middle Ages, were not just economic but also social, historical and cultural. The Customs Union currently being examined had its antecedents in a series of agreements which were concluded between France, Spain and Andorra in the second half of the 19th century.
4. The representative of Japan, while thanking the EC for the replies to the questions submitted, said that his delegation had not had enough time to review those replies, due to the late distribution of document WT/REG53/4, and might come up with further requests for clarification at a later stage.
5. The representative of the United States said that his delegation too would need more time to consider the document just released. He also recalled that, at the previous meeting, the EC had commented that changes were underway regarding the EC-Andorra Customs Union and asked if the parties would be prepared to provide information on the substance of the changes foreseen and on the current status of the discussions between the parties.
6. The representative of the European Communities commented that the dialogue between the EC and the authorities of Andorra was being pursued and was on the agenda of the May 1999 meeting of the Joint Committee established under the Customs Union. He did not have as yet any concrete results of the discussions to report in terms of the future evolution of the Customs Union.

7. The representative of Australia asked for clarification of questions and answers under Point 5, Safeguards of document WT/REG53/4.

8. The representative of the European Communities noted that his delegation had not understood the first question under that point.. He referred the Committee to the section in the Standard Format, document WT/REG53/3, which described the possibilities within the Agreement for a safeguard measure. The mechanism established a purely bilateral arrangement and did not in itself affect GATT/WTO measures.

9. The representative of the United States asked for clarification on the type of products to which the safeguards provisions applied.

10. The representative of the European Communities said that Article 10 of the Agreement, which allowed for the possibility of safeguard measures, was found under a section of the Agreement dealing only with products covered by the Customs Union, i.e. products within HS Chapters 25-97.

11. The representative of Canada said that his delegation understood that there were special provisions in the Agreement for Spain and Portugal and would like to seek confirmation that imports from Andorra were at present duty-free and without restriction.

12. The representative of the European Communities reminded that, at the time when the Customs Union entered into force, the accession provisions of the Treaty under which Spain and Portugal joined the EC were still in play. These provisions allowed imports from the rest of the Member States into Portugal and Spain to continue to be subject to certain import tariffs on a transitional basis. He noted that, with the end of this transitional period, the possibility of any duties being applied in Spain and Portugal on imports from Andorra had also ended.

13. Commenting on a question by the Chairman on whether the Committee considered that the factual examination of the Agreement was terminated, the representative of the United States noted that, due to the late circulation of document WT/REG53/4, his delegation had not had enough time to analyze the parties' replies to earlier written questions and said that, in its view, the Committee should look again at this Agreement in July.

14. The representative of the Secretariat clarified that the parties had submitted their replies in time for the meeting. She apologised for the late distribution of the document, due to problems in its processing.

15. The representative of Australia said that his delegation also needed more time to consider the document and have the opportunity to raise further questions, if needed, on the provisions of the Agreement.

16. The Chairman asked Members to submit any further questions to the parties in writing by 17 May 1999. Once responses by the parties were circulated, another round of examinations would be scheduled.

17. The Committee took note of the comments made.
