

ANNEX A

Basic duties

1. In paragraph 3 of Article 3 and in this Annex, the import duty applied to imports of a product on any date means the rate of duty actually in force and levied on imports of that product on that date. Where, however, specific quantities or consignments are allowed to be imported under a special administrative licensing or control scheme at a rate of duty lower than that otherwise levied on imports of that product, that lower rate shall not be considered to be the duty applied to that product. But where a lower rate of duty is applied unconditionally without quantitative limitation to imports of a product by reason of the purpose for which it is imported, that rate shall be considered to be the duty applied to that product when imported for that purpose.

2. Where, in a Member State, the import duty on any product is temporarily suspended or reduced on 1st January, 1960, that Member State may, at any time before 31st December, 1964, restore the import duty on that product, provided that

- (a) the industry within its territory has committed itself to substantial expenditure on the development of manufacture of the product in question before the date of signature of this Convention; and
- (b) the circumstances are such that it is reasonable to assume that competition affecting that product from other Member States was an essential element in the calculation of the industry in making its investment; and
- (c) either the product is included in a list which has been notified before the date of signature of this Convention, to the other States signatory to this Convention, or the Council has authorised such restoration by majority decision.

3. A Member State may restore the import duty on a product otherwise than in accordance with paragraph 2 of this Annex, provided it has informed all other Member States at least one month before the duty is to be restored. If, however, during that time or later any other Member State has a practical interest in the product, i.e. that it produces and exports that product in significant quantities and so declares to the Member State which is proposing to restore or has restored the duty, that Member State shall not restore or shall remove that duty. The Council may decide, by majority vote, that a Member State does not have a practical interest in the product.

4. From the date of restoration of a duty in accordance with paragraph 2 or paragraph 3 of this Annex, the duty shall not exceed that permitted under Article 3, on the assumption that the basic duty is the duty which would have been applied on 1st January, 1960, if the duty had not been temporarily suspended or reduced on that date.

5. For Denmark, the basic duty for any product shall be that applied to imports of that product from other Member States on 1st March, 1960.

6. For Norway, the basic duty on each of the following items shall be the rate specified against that item or such lower rate as may be specified at the relevant time in Schedule XIV to the General Agreement on Tariffs and Trade: