

MEMORANDUM TO CABINET BY THE MINISTER OF
COMMONWEALTH AND FOREIGN AFFAIRS

L-ARKIVI NAZZJONALI TA' MALTA

MALTA'S APPLICATION TO
THE E.E.C.

Ministers are requested to refer to the report on the negotiations with the E.E.C. Commission and in particular to the 'aide memoire' reproduced at page 42 in which the negotiating team was requested to produce certain lists. These lists are now prepared but as the purpose for which they are required implies a departure from the original stand which Ministers instructed the negotiating team to take, a fresh cabinet mandate is required before these lists can be transmitted.

2. Ministers will recall that during their deliberations on the basis of Cabinet memo 1520 of the 25th March, 1970, the negotiating team, inter alia, was instructed:

- (a) to seek a reduction to zero of tariffs on Maltese industrial products;
- (b) to obtain some benefits to Malta's agricultural exports or alternatively to exclude agricultural products from the Agreement; and
- (c) to accept a 35 per cent reduction of Maltese tariffs on condition that Maltese tariffs would only be lowered to the preferential rate.

Elimination of tariffs on Maltese Industrial Products

3. The Commission made it clear that they cannot offer a condition more favourable than a 70 per cent reduction of the Common External Tariff. Their main argument rests on the fact that they cannot accord all the benefits to Malta during the first stage without weakening their bargaining position when the Second Stage is being negotiated.

4. The logic of the Commission's argument is appreciated. Furthermore, a fundamental change of the Council's mandate would require the Commission to seek fresh instructions and the negotiating team has been informed that it is practically impossible to obtain a reorientation in the Community position on this subject and in any case not before several months, and possibly even more than a year.

5. In these circumstances, and considering that a 70% reduction of a rather low tariff would substantially help Maltese exports, the negotiating team feel that negotiations ought to be proceeded with on the assumption that if the whole package is acceptable, the proposal of the Commission on this issue would also be acceptable.

Agricultural products

6. The Commission's mandate appears to be inflexible on agricultural products. During the course of the talks it was made clear that potatoes, onions, flowers and wine are sensitive items to the community and no concessions can be made to Maltese exports of these items.

7. The Commission advised against the exclusion of agricultural products from the Agreement. They suggested a formula whereby the full 35 per cent reduction would not apply to imports of agricultural products into Malta for protective reasons, but they would insist on most favoured nation treatment.

8. The Commission's proposals in fact mean that Malta will be expected to give concessions to the Community's agricultural products without any reciprocity. In as much as the import restrictions that Malta will be allowed to retain during the 1st stage would be sufficient to protect local agriculture, this should not be turned into a breaking point. The only difficulty will be to justify locally that none of our agricultural exports would benefit from the Agreement. The

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negotiating team could try to obtain some abatement of the restrictions that apply to these commodities, but it is doubtful whether the response will be favourable.

Reduction by 35 per cent of Maltese tariffs

9. Politically the Community will find it very difficult to accept the principle that Malta will simply extend to the Community the Preferential Tariff. As an alternative they have asked for lists on which Malta will not extend the full 35 per cent reduction - lists purporting to indicate products on which Maltese tariffs are either of a protective or of a fiscal nature.

10. The lists, appended to this memo, have been worked out in such a way that in practice no duty will be more than 3 percentage points below the preferential tariff. Ministers may wish to direct that these lists be negotiated with the Commission. Ministers will recall that their original instructions were not to go below the preferential rates. In fact this approach means that at the end of the first five years our tariff against the Community will have certain rates which go below the preferential rates but by no more than 3 percentage points.

11. Ministers may wish to direct that :

- (a) a reduction by 70 per cent of the Common External Tariff would be acceptable;
- (b) the exclusion by the Community of agricultural products from the benefits of the agreement would, if none can be obtained, be acceptable; and
- (c) a reduction of 35 per cent be negotiated with the Commission with exception lists drawn up in a way so that no duty against the Community will be more than 3 percentage points below the

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preferential rate; and that
the lists appended to this memo
be transmitted to the Commission.

12. Ministers may also wish to accede to a
request by the Commission that a technical team
visit Brussels on the 20th May to explore the
problem of rules of origin. Ministers would be
approached again as soon as the Commission's stand
on the rules of origin is known.

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13 MAY 1970

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PRODUCTS ON WHICH THE FULL 35% TARIFF CONCESSION
CANNOT BE GRANTED FOR PROTECTIVE REASONS

LIST A - 1968 IMPORTS

LIST B - 1969 IMPORTS

MINISTRY OF TRADE, INDUSTRY
AND AGRICULTURE.

8th May, 1970.

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LIST 1 PAGE 1

B.T.N.	DESCRIPTION	MALTESE TARIFF		TOTAL IMPORTS 1998	EEC		COMMONALTY		OTHER	
		GENERAL	PREFERENTIAL		€	%	€	%	€	%
02.02 to 02.04	Dual poultry, poultry liver, rabbits and meat o.s.s.	40s per 100 Kg.	40s per 100 Kg.	71,465	5,476	7	28,423	40	37,567	53
02.05 (A)	Bacon	50s per 100 Kg.	50s per 100 Kg.	53,043	27,777	52	8,571	16	16,095	32
02.05 (B)	Ham dried salted or smoked	12s 6d per 100 Kg	2s 6d per 100 Kg	1,305	682	50	20	1	643	49
02.05 (D)	Other meat and edible meat offals (except poultry liver) salted, in brine, dried or smoked	40s per 100 Kg.	40s per 100 Kg.	185			181	100	4	25
04.03 (A)	Butter for retail sale	5	5	169,541	30,261	18	90,101	57	43,179	25
07.01 (A)(1)	Potatoes, fresh or chilled	4s per 100 Kg.	4s per 100 Kg.	15,121			8,887	42	5,234	58
07.01 (B)(1) & (C)(H)	Other vegetables, fresh or chilled	5s per 100 Kg.	5s per 100 Kg.	11,069	6,185	56	9		4,875	44
07.02 (A)	Fruit frozen	40	40	6,241	262	5	5,979	95		
07.02 (B)	Other vegetables frozen	25	25	8,130	1,073	13	6,479	80	578	7
15.07 (D)(1) to (6)	Fixed vegetable oils, refined	15	15	70,920	28,553	40	7,397	10	34,570	50
15.07 (C)	Other oil	2s 6d per Hecto-litre	2s 6d per Hecto-litre	14,032	11,817	84	151	1	2,064	15

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LIST A PAGE 2

B.I.N.	DESCRIPTION	MALTESE TARIFF		TOTAL IMPORTS 1988 £	ECC		COMMERCIAL TH		OTHER	
		GENERAL	PREFERENTIAL		£	%	£	%	£	%
15.13 (A)	Margarine	112s per 100 Kg.	112s per 100 Kg.	172,110	34,958	31	65,859	37	55,332	32
15.01	Sauces and the like, of meat, meat offals or animal blood	50s per 100 Kg.	50s per 100 Kg.	91,043	35,320	40	12,781	14	41,942	46
17.05 (A)	Liquid soft drink concentrates	160	150	1	1	100				
(B)	Dry soft drink concentrates	180	150	-						
19.03	Macaroni	45	35	812	725	89	81	10	5	1
19.07	Ground, sifted biscuits and other ordinary bakers' wares not containing sugar etc.	20	20	0,025	185	3	5,797	90	43	1
19.08 (A)	Biscuits except cream biscuits	20	20							
(B)	Cream crackers	but not less than 1s 4d per kilogram	but not less than 1s 4d per kilogram	280,145	25,497	11	229,202	87	4,446	2
(C)	Pastry, cakes and other fine bakers' wares	20	20		1,461	5	24,047	94	144	
20.02 (A)	Tonics extract and soups	40	40						13,000	100
		but not less than 100s per 100 Kg.	but not less than 100s per 100 Kg.	13,000						

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B.T.N.	DESCRIPTION	MALTESE TARIFF		TOTAL IMPORTS 1978 £	EEC		COMMONALTY		OTHERS	
		GENERAL	PREFERENTIAL		£	\$	£	\$	£	\$
20.02 (B)	Peas and beans preserved	40 but not less than 50s per 100 Kg.	30 but not less than 37s 6d per 100 Kg.	57,033	797	1	52,029	91	4,227	6
20.04	Fruit, fruit-peel and parts of plants, preserved by sugar (dried, glazed, crystallised)	45	45	9,396	9,161	95	374	4	91	1
20.06 (B)	Almonds, ground nuts and nuts roasted in airtight containers Fruit n.e.s., preserved etc. in airtight containers	35	35	2,076 78,808	1,557	2	2,925 65,514	96 94	51 10,737	2 14
20.07 (A) (C)	Fruit juices, concentrated Grape must-fermented	160 180s per hectolitre	150 180s per hectolitre	5	5	100				
21.07 (A)	Ice-cream	45	35	1,872	2		1,800	100		
(B) and (C)	Liquid and dry soft drink concentrates	160	150	192,805	589		94,168	92	7,749	8
22.01 (B)	Aerated waters	150	150	720	542	75	176	25		
22.02	Lemonade etc.	160	150	21,025	227	1	20,799	99		
22.04	Grainy malt in fermentation	180s per hectolitre	180s per hectolitre							

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S.I. N.	DESCRIPTION	MALTESE TARIFF		TOTAL IMPORTS 1988 £	EEC		CONVENTIONAL		OTHER	
		GENERAL	PREFERENTIAL		£	%	£	%	£	%
01.02	Women's, girls' and infants' outer garments	47 but not less than 5g per piece	33 but not less than 5g per piece	201,128	46,742	16	199,580	09	44,805	15
01.03 (A) (1)(1)	Men's shirts collar attached	47 but not less than 10g per piece	33 but not less than 8g 70 per piece	11,819	588	5	11,195	95	36	
(A) (11)	Boy's shirts	47 but not less than 5g per piece	33 but not less than 4g 46 per piece	65			80	94	5	6
(9)	Pyjamas men's and boys	47 but not less than 5g per piece	33 but not less than 4g 46 per piece	11,075	240	2	3,727	34	7,102	54
01.07 (A)	Ties	47 but not less than 1g per piece	33 but not less than 10g per piece	12,620	2,244	18	6,515	67	1,861	15
01.08 (A)	Businesscases	47 but not less than 2g per piece	33 but not less than 1g 9d per piece	32,003	5,908	18	17,846	55	8,247	26

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LIST A PAGE 8

B.T.N.	DESCRIPTION	MALTESE TARIFF		TOTAL IMPORTS 1968 £	EEC		COMMONALTY		OTHER	
		GENERAL	PREFERENTIAL		£	£	£	£	£	£
64.02 (A) (1)	Footwear with uppers of leather etc. 20 cm to length or less	40 but not less than 2s per pair	30 but not less than 2s per pair	16,656	7,351	47	4,822	30	3,663	23
(11)	Footwear with uppers of leather etc. 26 cm or less	40 but not less than 10s per pair	35 but not less than 7s 5d per pair	\$1,134	31,195	61	19,285	38	713	1
(111)	Footwear with uppers of leather etc. more than 26 cm	40 but not less than 12s per pair	30 but not less than 9s 6d per pair	99,518	51,531	52	44,299	45	3,089	3
73.10 (A) (1)	Balliding bars and rods of iron or steel 5 cm to 20 mm diameter	50	30	15,099	13,669	85	2,430	15		
83.13 (A)	Crown corks of base metal	(11) 47 but not less than 7d per gross (11) 6s per gross for corks used for sealing bottles containing non alcoholic beverages	33 but not less than 5d per gross (11) 6s per gross for corks used for sealing bottles containing non alcoholic beverages	25,664	326	1	25,314	95	24	

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B.T.N.	DESCRIPTION	MALTESE TARIFF		TOTAL IMPORTS 1978 £	EEC		COMMONWEALTH		OTHER	
		GENERAL	PREFERENTIAL		£	%	£	%	£	%
85.04 (B)	Electric accumulators, motor vehicles	37 but not less than 20s per accumulator	23 but not less than 20s per accumulator	16,317	1,786	11	10,284	63	4,247	26
94.01 (C)	Other seats, including parts	75	60	11,449	7,335	64	2,524	22	1,590	14
94.03 (B)	Other furniture of wood and parts thereof	75	60	142,104	27,727	19	54,743	37	65,534	45

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LIST B PAGE 1

B.T.N.	DESCRIPTION	MALTESE TARIFF		TOTAL IMPORTS 1979 £	EEC		COMMONWEALTH		OTHER	
		GENERAL	PREFERENTIAL		£	%	£	%	£	%
02.02 to 02.04	Dried poultry, poultry liver, rabbits and meat n.s.s.	40s per 100 Kg.	40s per 100 Kg.	117,397	9,943	9	40,560	34	66,894	57
02.05 (A)	Bacon	50s per 100 Kg.	50s per 100 Kg.	46,704	20,947	45	9,245	20	16,572	35
02.05 (B)	Ham dried, salted or smoked	12s 6d per 100 Kg.	12s 6d per 100 Kg.	1,573	791	47	205	16	617	37
02.06 (D)	Other meat and edible meat offals (except poultry liver) salted, in brine, dried or smoked	40s per 100 Kg.	40s per 100 Kg.	-						
04.03 (A)	Butter for retail sale	5	5	170,352	30,337	53	77,295	45	2,710	2
07.01 (A) (1)	Potatoes, fresh or chilled	4s per 100 Kg.	4s per 100 Kg.	72,242	14,457	20	19,985	28	37,800	52
07.01 (B) (1) to (H)	Other vegetables, fresh or chilled	5s per 100Kg.	5s per 100 Kg.	1,074	181	17	795	68	158	15
07.02 (A)	Peas frozen	40	40	13,965	1,658	12	11,910	85	396	3
07.02 (B)	Other vegetables frozen	25	25	21,542	4,642	21	15,884	74	1,046	5
15.07 (D) (1) to (6)	Fixed vegetable oils, refined	15	15	50,715	16,080	32	6,273	16	26,362	52

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B.I.N.	DESCRIPTION	MALTESE TARIFF		TOTAL IMPORTS 1979 £	EEC		COMMONWEALTH		OTHER	
		GENERAL	PREFERENTIAL		£	£	£	£	£	£
15.07 (E)	Olive oil	2s 6d per Hectolitre	2s 6d per Hectolitre	16,060	13,653	65	830	5	1,577	10
15.13 (A)	Margarine	112s per 100 Kg.	112s per 100 Kg.	45,345	12,444	27	23,155	50	10,347	23
16.01	Sauages and the like, of meat, meat offals or animal blood	50s per 100 Kg.	50s per 100 Kg.	54,517	41,310	44	10,694	11	42,313	45
17.05 (A)	Liquid soft drink concentrates	160 160	150	48			48	100		
(B)	Dry soft drink concentrates	160	150	93	93	100				
19.03	Biscuits	45	35	1,548	1,276	82	107	7	158	11
19.07	Bread, whips' biscuits and other ordinary bakers' wares not containing sugar etc.	20	20	5,809	132	2	5,458	94	221	4
19.08 (A)	Biscuits except cream crackers	20 but not less than 1s 4d per Kg.	20 but not less than 1s 4d per Kg.	278,269	31,642	12	242,813	87	3,714	1
(B)	Cream crackers	20	20							
(C)	Pastries, cakes and other fine bakers' wares	20	20	20,527	593	5	19,836	95	128	
20.02 (A)	Tonato extract and sauce	40 but not less than 100s per 100 Kg.	40 but not less than 100s per 100 Kg.	-						

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LIST B PAGE 3

B.T.N.	DESCRIPTION	MALTESE TARIFF		TOTAL IMPORTS 1969 £	EEC		COMMONWEALTH		OTHER	
		GENERAL	PREFERENTIAL		£	S	£	S	£	S
20.02 (0)	Peas and beans preserved	40 but not less than 50g per 100 Kg.	30 but not less than 37g 6g per 100 Kg.	48,949	1,350	3	42,923	86	4,090	9
20.04	Fruit, fruit-peel and parts of plants, preserved by sugar (drained, glace, crystalised)	45	45	10,400	9,483	91	986	9	19	
20.06 (0)	Almonds, ground nuts and nuts roasted in airtight containers Fruit s.e.s. preserved etc. in airtight containers	35	35	10,209	1,691	1	9,659	97	344	3
20.07 (A) (C)	Fruit juices, concentrated Drip or most-sterilised	160 180g per hecto- litre	150 180g per hecto- litre	205 537			201	30	5	2
21.07 (A) (B) and (C)	Ice-cream Liquid and dry soft drink concentrates	45 160	35 150	391 146,000	355 3,273	91 2	34 128,658	9 88	2 14,019	2 10
22.01 (0)	Aerated waters	160	150	355	45	13	310	87		
22.02	Leisure etc.	160	150	30,847	1,013	3	29,834	97		

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D.I.N.	DESCRIPTION	MALTESE TARIFF		TOTAL IMPORTS 1978 £	ECC		COMMONALITY		OTHER	
		GENERAL	PREFERENTIAL		£	£	£	£	£	£
22.04	Grape must in fermentation	160s per hecto- litre	160s per hecto- litre	-						
28.13 (A)	Carbon dioxide	6d per Kg	6d per Kg	369	192	55	38	11	119	34
35.05 (A)	Matches in containers of not more than 20 matches	2s 6d per gross containers	2s 6d per gross containers	187	9	5	131	78	27	17
(B)	Matches in containers of more than 20	5s 6d per gross containers	5s 6d per gross containers	415	240	60	133	32	34	8
48.07 (A)	Printed wrapping paper of a width not exceeding 102 cm.	25	25	5,918	1,283	22	4,392	74	241	4
50.03 (A)	Women's stockings of man-made fibres in continuous filament	47 but not less than 2s per pair	33 but not less than 1s 6d per pair	5,213	972	19	4,210	81	31	
(C)	Women's stockings other material	47 but not less than 1s 10d per pair	33 but not less than 1s 4d per pair	35			35	100		
50.05 (A)	Cardigans, jackets, pullovers, sweaters and the like	47 but not less than 5s per piece	33 but not less than 4s 4d per piece	135,574	22,492	17	102,912	76	10,270	7

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LIST 9 PAGE 5

R.I.N.	DESCRIPTION	MALTESE TARIFF		TOTAL IMPORTS: 1959 £	EEC		COMMONWEALTH		OTHER	
		GENERAL	PREFERENTIAL		£	£	£	£	£	£
01.01 (A)	Men's trousers, shorts, stocks and jocks	47 but not less than 7s per piece	33 but not less than 6s per piece	58,124	45,306	76	12,354	21	494	1
01.02	Women's, girls' and infants' outer garments	47 but not less than 5s per piece	33 but not less than 5s per piece	250,217	32,978	11	221,305	76	35,934	13
51.03 (A) (1)(1)	Men's shirts collar attached	47 but not less than 10s per piece	33 but not less than 8s 7d per piece	16,739	211	1	18,439	58	69	1
(A) (11)	Boys' shirts	47 but not less than 5s per piece	33 but not less than 4s 4d per piece	129			115	89	14	11
(B)	Pyjamas men's and boys	47 but not less than 5s per piece	33 but not less than 4s 4d per piece	18,066	30		4,770	26	13,256	74
61.07 (A)	Ties	47 but not less than 1s per piece	33 but not less than 10d per piece	15,826	1,978	12	12,798	81	1,050	7

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B.T.N.	DESCRIPTION	MALTESE TARIFF		TOTAL IMPORTS 1979 £	EEC		COMMONWEALTH		OTHER	
		GENERAL	PREFERENTIAL		£	£	£	£	£	£
01.09 (A)	Brassiers	47 but not less than 20 per piece	33 but not less than 1s 9d per piece	34,115	6,424	19	10,432	48	11,185	33
64.02 (A) (1)	Footwear with uppers of leather etc. 20 cm in length or less	40 but not less than 2s per pair	30 but not less than 2s per pair	6,509	2,854	32	3,507	41	2,308	27
(11)	Footwear with uppers of leather etc. 25 cm or less	40 but not less than 10s per pair	30 but not less than 7s 6d per pair	50,969	31,263	51	17,751	35	1,955	4
(111)	Footwear with uppers of leather etc. more than 25 cm	40 but not less than 12s per pair	30 but not less than 5s 6d per pair	120,845	59,583	49	57,321	48	3,905	3
73.10 (A) (1)	Building bars and rods of iron or steel 5 mm to 25 mm diameter	50	50	22,534	14,169	53	6,405	37		
83.13 (A)	Crown corks of base metal	(1) 47 but not less than 7d per gross (11) 5s per gross for corks used for sealing bottles cont. non alcoholic beverages	33 but not less than 3d per gross (11) 5s per gross for corks used for sealing bottles cont. non alcoholic beverages	27,348			27,319	100	29	

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B.T.N.	DESCRIPTION	MALTESE TARIFF		TOTAL IMPORTS 1959 £	EEC		COMMONWEALTH		OTHER	
		GENERAL	PREFERENTIAL		£	%	£	%	£	%
85.04 (B)	Electric accumulators, motor vehicle	37 but not less than 23s per accumulator	23 but not less than 20s per accumulator	28,496	6,232	22	17,136	60	5,126	18
94.01 (C)	Other seats, including parts	75	50	21,101	5,550	27	13,205	62	2,246	11
94.02 (B)	Other furniture of wood and parts thereof	75	60	106,922	63,719	60	36,570	35	5,633	5