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## EC AND GREECE TO SIGN ACCESSION TREATY

President Giscard d'Estaing of France, President of the European Council, will sign the Accession Treaty on behalf of the European Community confirming Greece as the 10th member of the European Community on the 28th of May in Athens.

'With Greek entry, the Community becomes truly European. Greece is the mother of the European civilization which inspired the Community. We have developed precisely because of our adherence to the values of democracy and culture which have constituted our common ancestry since ancient times. That is why the Community accepts the Greek people with joy

So proclaimed Vice President Lorenzo Natali in a statement concerning Greek accession to the European Community. Natali has been chiefly responsible for the EC-Greece negotiations, which have lasted three years, and were finally concluded on April 4.

### THE BASIS OF THE AGREEMENT

The negotiations were based on the acceptance by Greece of the 'acquis communautaire', i.e. the treaties and secondary legislation adopted under the treaties, subject to possible transitional measures to solve any problems of adjustment arising on either side. Problems of adjustment would not be solved by changes in the Community rules. It was also agreed that the transitional measures should be designed to ensure an overall balance of reciprocal advantages.

Negotiations on the basis of these principles resulted in the establishment of a general five-year transitional period at the end of which the bulk of adaptation would be complete. Certain limited exceptions to these rules were ultimately negotiated. In particular, a seven-year transitional period was agreed upon for a small number of agricultural products. The social sector as well, will undergo a seven year transitional period in the area of freedom of movement for workers within the enlarged Community.

Greece will enter the Community after the Acts of Accession are ratified by the parliaments of the Community's member states and the Greek Parliament. It is hoped that the instruments of ratification can be deposited by January 1, 1981.

The essential contents of the transitional arrangements are as follows:

#### THE CUSTOMS UNION FOR INDUSTRIAL PRODUCTS

A five-year period was agreed for the progressive elimination of residual customs duties on imports into Greece of products originating in the Community and for the progressive alignment of the Greek tariff on the Common Customs Tariff (CCT). Greek tariffs towards the Community will be reduced in six stages starting on 1.1.1981 with a reduction of 10 per cent followed by a further reduction of 10 per cent on 1.1.1982 and four further annual reductions of 20 per cent so that all tariffs shall be eliminated on 1.1.1986. Alignment to the CCT follows the same timetable. Under the terms of the EEC-Greece Association Agreement, the Community no longer applies customs duties to imports from Greece of industrial products with the exception of European Coal and Steel Community (ECSC) products which are not covered by the Association.

Quantitative restrictions between Greece and the Community will be abolished on accession with the exception of fourteen products for which Greece has been authorized to maintain transitional quotas. These quotas will be progressively increased during the five-year transitional period and will be abolished by 12.31.1985. As a general rule the minimum rates of increase for such quotas shall be 25 per cent at the beginning of each year for quotas expressed in value and 20 per cent at the beginning of each year for quotas expressed in terms of volume.

#### EXTERNAL RELATIONS

In the field of commercial policy Greece will be allowed to maintain during the five-year transitional period quantitative restrictions towards GATT and state-trading countries for a small number of products. Greece will apply the Community's Generalized Preferences Scheme from accession, subject to a five-year transition for certain products.

From the date of accession Greece will apply the provisions of the Community's preferential agreements. Transitional measures and adjustments shall be the subject of protocols to be concluded with the preferential partners and annexed to the agreements.

Greece will apply the Multifibre Arrangements from accession as well as the bilateral agreement concluded by the Community under this arrangement, subject to the negotiation of adjustment protocols.

## AGRICULTURE

A general transitional period of five years has been agreed for this sector. A special transitional period of seven years has been agreed for fresh and processed tomatoes and fresh and preserved peaches.

Transitional measures concern essentially the progressive elimination of residual customs and alignment to the CCT on the one hand, and the alignment of Greek prices upon those of the Community on the other hand. During the transitional period, the differences between prices of Greek and Community products will be compensated for by a system of accession compensator amounts. A special transitional compensatory mechanism has been agreed for certain fresh fruit and vegetables.

Community production aids will be progressively extended to Greek producers during the transitional period, a subject of great interest for Greek producers of olive oil, processed fruit and vegetables and durum wheat. Producers of cotton, dried figs and raisins will benefit from new deficiency payment systems. To avoid abrupt changes in Greek producer costs, or in prices, certain national aids will be phased out gradually during the transitional period. This is particularly important for the livestock sector and for fertilizers.

## SOCIAL AFFAIRS

Freedom of movement of workers within the Community will be achieved at the end of a seven-year transitional period. Priority will be accorded to Greek workers, as nationals of a Member State of the Community, where it proves necessary to recruit workers from outside the present Community.

Access for members of the families of Greek workers legally employed in one of the present Member States will be progressively achieved at the end of a five-year transitional period.

As regards the system of family allowance payments for members of the family who do not reside in the country of employment of the Greek worker, it was agreed that at the end of a three-year delay Greek workers will receive the same treatment as other Community workers.

## ECONOMIC AND MONETARY AFFAIRS

The inclusion of the drachma in the European Unit of Account (EUA) basket of currencies will be achieved during the five-year transitional period in the framework of the procedures laid down for the European Monetary System (EMS). In any case, the drachma will be included in the basket by the end of the transition period at the latest.

In the field of capital movements, Greece will liberalize transactions from accession, as a general rule, but will be able in particular to defer until 12.31. 1985 the liberalization of direct investments in the present Member States made by persons resident in Greece, and until 12.31.1983 the liberalization of the transfer of the proceeds of direct investments in

Greece made before June 12, 1975 by persons resident in the Community. Funds blocked in Greece belonging to residents in the present Member States will be progressively released by equal annual installments leading to full liberalization by 1.1.1986. Current payments will be liberalized on accession.

#### THE FINANCIAL ARRANGEMENTS

Greece shall apply in full from the date of accession the Community's Own Resources system. In order to avoid Greece becoming a net contributor to the Community budget during the early years of the transitional period and to fulfill Community commitments in the agricultural sector of the negotiations (concerning maize and tobacco), a special mechanism should be set up during the five-year transitional period. During this period, the amounts of duties established under the Own Resources accruing from the Value Added Tax (VAT), or from financial contributions based upon the gross national product will be paid in full from 1.1.1981. However, the Community shall refund to Greece a proportion of the amount paid.

As a result of these arrangements and of the early implementation of certain agreements in the agricultural sector, it is estimated that Greece's net benefit from the Community budget will amount to about 80 million European Units of Account\* during the first year of the transitional period.

In the field of taxation, Greece has been granted a three-year delay for the full implementation of the Sixth Directive relating to the common system of VAT.

#### STATE AIDS AND REGIONAL POLICY

A protocol similar to the one granted to Ireland under the 1972 Acts of Accession has been agreed upon for dealing with the economic and industrial development of Greece.

Regions that will be eligible in Greece for national state aid and aid from the European regional fund, will be designated after accession.

#### INSTITUTIONAL ARRANGEMENTS

From the date of accession, Greece will participate fully in all the Institutions and other bodies in the same way as the present Member States.

The institutions of the enlarged Community will be:

1. The Council of ten members, one from each Member State:
2. The Commission will be increased to fourteen members including one Greek Commissioner.
3. Greece will have 24 seats in the European Parliament bringing the total number to 434.
4. The Economic and Social Committee will have 12 Greek members.

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\* An EUA was equal to \$1.32 on May 17, 1979.

5. The Court of Justice will have one additional judge.
6. The European Investment Bank - Greece will designate a minister to sit on the Board of Governors. There will thus be ten governors. The Management Committee will contain five vice presidents instead of four. The Board of Directors will be increased to nineteen to allow one Greek directorship and will include eleven substitutes instead of ten.
7. Among other institutional arrangements, the Euratom Scientific and Technical Committee will consist of 28 members. The Court of Auditors will have ten members. The ECSC Consultative Committee shall have three Greek members.

#### EUROPEAN COAL AND STEEL COMMUNITY

Accession to the European Coal and Steel Community takes place according to Article 98 of the ECSC Treaty. Tariff dismantlement between Greece and the Community will follow the same timetable as for EEC products. For the purpose of the progressive introduction of the ECSC unified tariff, Greece will start aligning from 1.1.1982 with a 20 per cent reduction of the difference between the Greek basic duty and the duty in the ECSC unified tariff. The difference will be further reduced by 20 per cent on 1.1.1983, by 20 per cent on 1.1.1984, and by 20 per cent on 1.1.1985. Greece will apply the ECSC unified tariff in full on 1.1.1986. Until 12.31.1985, iron and steel undertakings in Greece are authorized to apply the system of multiple basing points. The present Member States and Greece may retain restrictions on exports of waste and scrap metal of iron or steel for a period of two years from 1.1.1981 insofar as these arrangements are not more restrictive than those applied to exports to third countries.

KEY DATES IN THE NEGOTIATION

The Application

- June 12, 1975      Greek application to join the Communities.
- January 28, 1976      Commission opinion recommending a clearly affirmative response.
- February 9, 1976      Council considered application; Commission's opinion stated it was in favor of the application and agreed that the preparatory talks essential to the establishment of a common basis for negotiation should take place as soon as possible in a positive spirit.

The Negotiations

- July 27, 1976      Opening conference for the negotiations in Brussels; formal declarations of basic negotiating positions.
- October 19, 1976      First Ministerial Meeting - questions of procedure settled.
- January, 1978      First proposals submitted by the Commission to the Council in the framework of the sector by sector approach.
- April 3, 1978      Ministerial Meeting - substantive discussions on Capital Movements, Customs Union and External Relations (Industrial Sector).
- June 26, 1978      Ministerial Meeting - substantive discussions on Capital Movements, ECSC and Euratom.
- November 6, 1978      Ministerial Meeting - institutional questions.
- December 21, 1978      Ministerial Meeting - major breakthrough in negotiations. Agreement reached on questions relating to transitional measures, Agriculture and Social Affairs.
- April 3, 1979      Final Ministerial Meeting - conclusion of negotiations on matters of substance still outstanding, notably financial arrangements.

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A more complete summary of the Accession Treaty is available from the European Community Information Offices in the U.S. upon request.