

**EC 25 Enlargement (Goods)  
Summary Fact Sheet**

**Table 1: Background Information**

Parties	EC(15), Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovak Republic, and Slovenia	
Date of signature	16 April 2003	
Date of entry into force	1 May 2004	
Transition period for full implementation	Cyprus (5 years), Czech Republic (7 years), Estonia (7 years), Hungary (10 years), Latvia (7 years), Lithuania (7 years), Malta (11 years), Poland (12 years), Slovak Republic (7 years), and Slovenia (7 years)	
Date of full implementation	1 January 2015	
Website addresses or points of contact	EC: <a href="http://ec.europa.eu/enlargement/archives/enlargement_process/future_prospects/negotiations/eu10_bulgaria_romania/treaty_2003/content/index_en.htm">http://ec.europa.eu/enlargement/archives/enlargement_process/future_prospects/negotiations/eu10_bulgaria_romania/treaty_2003/content/index_en.htm</a>	
List of related GATT/WTO documents	WT/REG170/N/1 WT/REG/GEN/N/3 WT/REG170/2 WT/REG170/3-5 WT/REG170/7 WT/REG170/7/Add.1 WT/REG170/7/Add.1/Corr.1  WT/REG170/6/Rev.2 WT/REG170/6/Rev.2/Add.1  WT/REG170/M/1-3 and WT/REG170/M/1/Corr.1	Notification Notification /Cessation of Agreements Standard Format for goods Questions & Replies  General Incidence  Summary Records

**Table 2: Internal trade liberalization provisions**

Import and export duties and charges	New members are bound by the provisions of the original Treaties and the acts adopted by the institutions and the European Central Bank (Article 2 of the Act of Accession 2003).
Non-tariff measures	New members are bound by the provisions of the original Treaties and the acts adopted by the institutions and the European Central Bank (Article 2 of the Act of Accession 2003).
Sector-specific rules	There are no sector-specific provisions applicable to intra-trade.
Product exclusions	There are no provisions related to product exclusions.

**Table 3: Common External Tariff**

Article 2	The Common External Tariff regime of the EC-15 is extended to the new Member States (Articles 2 and 5 of the Act of Accession 2003).
Annex X, XI	Two transitional arrangements exist regarding tariff quotas. Under the Act of Accession, Hungary (Annex X) and Malta (Annex XI) can apply a temporary yearly tariff quota for non-alloyed aluminium and for textile products (i.e. woven fabrics of combed wool or of combed fine animal hair, denim, woven fabrics of artificial filament yarn and other made-up clothing accessories) respectively. These tariff

Annex II-19	<p>quotas are to be progressively eliminated by 2007 in the case of Hungary and 2008 in the case of Malta.</p> <p>Annex II-19 presents the adjustments to be applied on the original provisions regarding the implementation of the Custom Union.</p>
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**Table 4: General trade-related provisions**

Provision	Relevant Article(s)	Additional Information
Rules of Origin	None	None
Standards-related measures	Annex V - XV <sup>1</sup>	<p>The requirements regarding certain agricultural products will not apply to new Member States for a limited period of time. During this transition period the product can be marketed only in territory of the concerned country or (in some cases) exported to a third country (e.g. drinking milk, wine).</p> <p>Upon the fulfilment of certain requirements and for a limited period of time, beef producers can have access to the Suckler cow premium scheme.</p> <p>Marketing authorisations issued in new Members States (i.e. Cyprus, Lithuania, Malta, Poland and Slovenia) for certain pharmaceutical products for human and veterinary use will not benefit from mutual recognition in the Member States. Such authorizations will be valid only for a limited period of time. Additionally, present Member States are not obliged to recognise certificates issued for certain medical devices (i.e. "medical materials") by the Polish Institute of Medicines and may prevent the marketing of such products in their territory as long as they are non-conforming.</p>
SPS measures	<p>Article 42, Annex II 6B</p> <p>Annex V - XIV</p>	<p>The Commission would apply, if necessary, transitional measures (up to three years following accession) to facilitate the transition between the existing regime in new Member States and the Community regime and its veterinary/food safety and phytosanitary rules (Article 42).</p> <p>These transitional measures concern structural requirements for establishments placing food of animal origin on the market. During the transitional period, these products can only be placed on the national market.</p> <p>In the case of certain varieties of seeds, new Members can postpone for a limited period of time the application of the requirements of the products that have not been accepted by EU Directives. During this transition period, such products can only be placed on the national market.</p> <p>New Members will also benefit from a phase-out period regarding the application of structural requirements of certain establishments (in the meat, fish, poultry and dairy industries) and quality of raw milk. Products originating from those establishments can be sold only in the domestic market or</p>

<sup>1</sup> Annex I provide the list of binding and applicable Schengen acquis. Annexes II and III present the amendments to secondary law. Annex IV describes the new permanent provisions. Finally, Annexes V to XV present the temporary provisions and transitional measures for each of the new Members States.

Provision	Relevant Article(s)	Additional Information
		<p>used for further processing. These products must bear a special health mark and in some cases a special identification mark. Gradual compliance with the structural requirements to correct the existing shortcomings is required within the agreed deadlines.</p> <p>The Act of Accession permits by derogation the cultivation in Poland of certain potato varieties resistant to certain diseases during a transition period. In some cases, it also limits the area of cultivation and requires the registration of producers and their installations.</p>
Safeguard mechanisms (intra-trade)	Article 37 Article 38	<p>Article 37 of the Act of Accession foresees a general safeguard for new and existing Members. If difficulties arise in a sector within the three years that follow accession, new Member States can upon authorization apply protective measures in order to rectify the situation. Present Member States can also apply for an authorization to take safeguard measures with regard to a new Member State. The Commission will determine (within five days in the case of serious economic difficulties) the protective measures which it considers necessary, specifying the conditions and modalities of its application.</p> <p>In the case a new Member State breaches (or is in imminent breach of) its commitments under the Accession Act and causes serious difficulties to the functioning of the internal market within the three first years after the entry into force of the Agreement, the Commission can take appropriate measures (Article 38).</p>
Anti-dumping and countervailing measures	None	None
Subsidies and state aid	Article 34  Annex IV - 4  Annex XI - 4  Annex XII - 5	<p>Between the date of accession and the end of 2006, new Members will benefit from temporary financial aid (i.e. "Transition facility") provided by the Union to develop and strengthen their administrative capacity in different areas including customs union related issues.</p> <p>Existing aid for certain agricultural products is permitted. Existing aid will be considered as such only up to the first three years after the accession (excluding fisheries and related products). During this time, new Members can amend these aid measures in order to comply with Commission guidelines. After this date, any aid found to be incompatible with EU guidelines (Article 88, EC treaty) will be considered as new aid. In this case the Commission can decide that the State concerned must abolish or alter such aid.</p> <p>Malta can apply special temporary State aid to support agricultural producers, processors and recognised retailers of imported agricultural products.</p> <p>Under certain conditions and for a limited period of time, Poland can apply corporate tax exemptions based on the Law of Special Economic Zones and State aid for environmental protection.</p>

Provision	Relevant Article(s)	Additional Information
	<p>Annex XIII - 5</p> <p>Annex XV - 5</p> <p>Protocol 2, 8</p>	<p>Slovenia can grant State aid for the production of oil pumpkins during a transitional period.</p> <p>Slovakia can continue to grant State aid in order to ensure the functioning of the warehouse receipt and goods receipt system until 31 December 2006.</p> <p>Under certain conditions and for a limited period of time, the Czech Republic (Protocol 2) and Poland (Protocol 8) can grant State aid for restructuring purposes to their steel industry. Such State aid can be paid only until the date of accession.</p>
Customs-related procedures	Annex IV - 5	Annex IV to the Act of Accession contains procedures regarding the status of goods in transit or in temporary storage on the date of the accession, as well as regarding customs warehousing, inward processing, processing under customs control, temporary importation, outward processing, the repayment and remission of duties, and the acceptance of proofs of origin in new and present Member States.
Intellectual Property	Annex IV - 2	The holder of a patent or protection certificate for a pharmaceutical product registered in a current but not new Member State can prevent the import and marketing of that product in the Member State or States where the product enjoys patent protection, even if the product was introduced in the market of a new Member for the first time by the holder of the patent or with his consent. Any person willing to import or market a pharmaceutical product in a Member State where the product enjoys patent or supplementary protection must show that he informed the holder or beneficiary of such protection one month in advance.
Government procurement	None	None
Competition	<p>Annex IV - 3</p> <p>Annex X - 4</p> <p>Annex XI - 3</p>	<p>Under Article 87(1) of the EC Treaty any aid granted by a Member State which distorts or threatens to distort competition shall be incompatible with the Common Market. Permanent (Annex IV) and transition measures for the new Members States are as follows:</p> <p>Existing aid for certain products is permitted. If these aid schemes are considered incompatible with the Common Market, aid will be considered as new aid upon accession. New Members can ask for an examination by the Commission regarding the aid measures.</p> <p>Existing aid to the transport sector will be permitted up to the third year after the date of accession, provided that the Commission has been informed within four months following the accession. New Members can amend any of these aid measures in order to comply with the Commission guidelines within three years of accession.</p> <p>Under certain conditions, Hungary can apply corporate tax benefits granted prior to 1 January 2003, as well as local business tax reductions but only for a limited period of time.</p> <p>Under certain conditions, Malta can maintain aid under the</p>

<b>Provision</b>	<b>Relevant Article(s)</b>	<b>Additional Information</b>
	Annex XV - 4	fiscal schemes for business promotion until 31 December 2008, and apply corporate tax exemptions until 30 November 2000. Restructuring aid is also permitted.  In the case of the automotive and steel industry, Slovakia may apply under certain conditions a corporate income tax exemption until the end of 2008 and 2009 respectively.
Investment	None	None
General exceptions	None	None
Accession	None	None
Dispute resolution	None	None
Relation with other trade agreements	Article 6	The agreements concluded by the EU with third States are to be binding on the new Member States. New Member States also agree to accede to the agreements concluded by the present Member States (including the Partnership Agreement with ACP countries signed in Cotonou in 2000 and Agreement on the European Economic Area). Upon accession, the new Member States are to withdraw from any free trade agreements with third countries, including the Central European Free Trade Agreement.
Institutional provisions	Part 2 (Articles 11-19) Part3 (Articles 20-23) Part4 (Articles 24-42) Part 5 (Articles 43-52)  Annex II-22	The Act of Accession provides institutional provisions for adjustment to the treaties on the European Parliament, Council and Commission, the Court of Justice and Court of First Instance, the Economic and Social Committee, the Committee of Regions, the Scientific and Technical Committee, the European Central Bank and Committees established by the original Treaties (Part 2 and 3). Part 4 lays out the temporary measures to be applied during a transitional period. Part 5 includes the provisions on implementation and setting up of institutions and bodies.

**Table 5: Trade patterns between EU15 and the EU new Member States, 2001-2003**

<b>Exports from the EU15 (in billion euros) to:</b>	<b>10 new members</b>	<b>Rest of the World</b>	<b>Total</b>
2001	118.0	867.8	985.8
2002	124.7	872.5	997.3
2003	130.3	849.3	979.6
<b>EU15' imports (in billion euros) from:</b>	<b>10 new members</b>	<b>Rest of the World</b>	<b>Total</b>
2001	101.0	927.4	1,028.4
2002	107.1	882.0	989.1
2003	116.8	875.8	992.7

Source: Eurostat database.

**Table 6: EC's 2003 MFN and corresponding average trade (in percentage) from the 10 new members**

Duty phase-out period	Number of tariff lines	% of total tariff lines in the EC's Tariff Schedule	% of total EC imports 2002-2003
<b>MFN duty free in 2003</b>	<b>2,176</b>	<b>20.9</b>	<b>46.6</b>
Of which imports from:			
<b>10 new members</b>			<b>2.8</b>
Cyprus			0.0
Czech Republic			0.7
Estonia			0.2
Hungary			0.7
Latvia			0.1
Lithuania			0.1
Malta			0.0
Poland			0.8
Slovak Republic			0.1
Slovenia			0.1
<b>Rest of the world</b>			<b>43.8</b>
<b>Remain dutiable in 2003</b>	<b>8,228</b>	<b>79.1</b>	<b>53.4</b>
Of which imports from:			
<b>10 new members</b>			<b>9.4</b>
Cyprus			0.0
Czech Republic			2.4
Estonia			0.2
Hungary			2.1
Latvia			0.1
Lithuania			0.2
Malta			0.1
Poland			2.5
Slovak Republic			1.1
Slovenia			0.7
<b>Rest of the world</b>			<b>44.0</b>
<b>Total</b>	<b>10,404</b>	<b>100.0</b>	<b>100.0</b>

\* Tariff and trade data follow the HS-2002 classification. Trade from 2001 was therefore not included in the computation of average trade.

Source: WTO Secretariat estimates based on data in the WTO-IDB