

The setting up of the Customs Union

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The setting up of the Customs Union

The dismantling of customs barriers, which began in 1959, speeded up in the 1960s. The Treaty establishing the European Economic Community (EEC) provided for the abolition of customs duties in 10 stages, with an annual decrease of 10 % during the transitional period. Quantitative restrictions also had to be abolished in due course.

The Commission proposed the abolition of all quota systems from 1961. The external tariffs of the Six were constantly brought into line with each other. In May 1960, the Commission proposed to the Council of Ministers early tariff reductions of 30 and 40 % from 1 January 1961 and 1962 respectively. The Council of Ministers ratified the Commission proposals.

The Council of Ministers decided to lower the Common External Tariff (CET) by 20 % of the arithmetic average of the tariffs of the Six. Accordingly, countries such as the Federal Republic of Germany (FRG) and the Benelux countries which supported free trade, were not required to increase their duties vis-à-vis third countries, and the Customs Union could be introduced at a date much earlier than the one laid down in the Treaty. It was thus completed on 1 July 1968, 18 months earlier than the initial target date.