

'The birth of the Benelux Customs Union' from Tageblatt (1 January 1948)

Caption: On 1 January 1948, the customs convention concluded between Belgium, the Netherlands and Luxembourg - known collectively as Benelux - entered into force. The Luxembourg newspaper Tageblatt comments on the event.

Source: Tageblatt. Journal d'Esch. 08.01.1948, n° 6. Esch-Alzette: Luxemburger Genossenschaftsdruckerei. "Die Geburt der Benelux-Zollunion", auteur:Bleich, H.

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The birth of the Benelux Customs Union

Special report by our correspondent

On 1 January 1948, the Customs Union between the Netherlands, Belgium and Luxembourg comes into force. An important initial step on the road to the economic union of the Benelux countries will thus be taken. The Customs Union implies, on the one hand, that the participating countries no longer have to pay each other customs duties, and, on the other hand, that a common tariff will be levied vis-à-vis third countries. The fact that the Benelux countries no longer need to pay each other import duty does not mean, however, that trade between the Netherlands, Belgium and Luxembourg will no longer be subject to restrictions. Such trade will continue to be governed by the trade agreement concluded on 1 June 1947 which laid down quotas for trade to be conducted under a system of import licences. Border checks will also continue, because the usual statistical duties and turnover taxes will still have to be paid. Moreover, if, for example, the Netherlands levies a tax on a manufacturer in respect of a certain product, the equivalent amount will, in order to be fair, also have to be levied on the import of an equivalent product.

After 1 January there will, therefore, be fewer changes in this area than might have been expected. Since the liberation, the Netherlands has actually already repealed nearly all of its import duty regulations because of the country's urgent need for so many foreign products. If the new situation is, however, compared to that before the war, the difference is indeed significant. As some 15 % of the Netherlands' imports come from Belgium, the Dutch treasury loses considerable revenue in comparison to the pre-war situation. These losses will, however, be amply offset by Benelux's common customs duty, particularly in view of the currently almost duty-free import into the Netherlands. In contrast, one of the first consequences of the creation of the Benelux Customs Union, and hardly the most welcome, is the fact that, after the reintroduction of import duty, prices of certain consumer goods in the Netherlands will rise.

As for the amount of the import duty levied on imports from other countries, the Benelux states have struck a compromise. As customs tariffs used to be higher in Belgium than in the Netherlands, a middle way has now been selected, with the Geneva Charter acting as a guideline. Although the tariffs will not generally exceed the average of the Dutch and Belgian customs duties, some concessions were made. Taking as an example a product like tobacco, for which Amsterdam used to be the international trading centre and for which it was therefore in the Netherlands' interest to have a low import duty, it was in fact Belgium, with domestic production amounting to 40 %, that needed a high protective tariff. It is evident that concessions were necessary in cases like this.

From 1 January 1948, the Benelux countries' customs duty will amount to between 3 % and 6 % for raw materials, 8 % for partly processed products, 10 % for more highly processed products and 12 % for finished products. Luxury goods, which constitute major exceptions, will be subject to duty of 18, 24 or 36 %.

H. Bleich