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GENERAL AGREEMENT ON TARIFFS AND TRADE

Committee on Trade and Development

ACTION BY GOVERNMENTS PURSUANT TO THE PROVISIONS OF PART IV

Addendum

Since the issue of documents COM.TD/14 and Addenda 1 to 3, which contain notifications on the implementation of Part IV received from seventeen contracting parties, eight other contracting parties have either submitted notifications or supplied information in oral statements made to the Committee on Trade and Development at its fifth meeting. In addition six contracting parties have made statements supplementing their previous written communications contained in the documents mentioned above. The contents of these fourteen notifications and statements are reproduced below.

AUSTRIA

(Summary of oral statement)

In addition to action stated in the notification submitted by Austria (pages 7-9 of COM.TD/14) the following recent action may be noted.

The Protocol Introducing Part IV has been signed, subject to ratification by the Austrian Parliament. Dissolution of the Parliament, as well as the election campaign which followed, has somewhat delayed the parliamentary approval, but a new parliament has now been elected and the formal aspect of the definitive acceptance of this Protocol is being pursued by the competent authorities with a view to an early action in this field. No material harm has been done to developing countries as a result of this delay in parliamentary action. Austria fully subscribes to the Declaration on the de facto Application of the Provisions of Part IV.

BRAZIL

(Summary of oral statement)

Brazil is seriously engaged, in the context of the Latin American Free Trade Association, in expanding trade regionally. As will be noted at the twenty-third session of the CONTRACTING PARTIES, trade among the member countries of LAFTA has increased substantially. Obviously, Latin American intra-regional trade as well as trade between Latin America and other regions of the world can well be further expanded.

Brazil has pledged itself in the context of the Kennedy Round, as other less-developed countries have done, to explore ways and means of expanding trade among the less-developed countries. In this connexion some measures recently taken in Brazil bearing on the liberalization of trade may be noted. In November 1965 exchange deposits for imports were eliminated or reduced. In December 1965 and in February 1966 surcharges on foreign exchange transfers were reduced. This policy is being further pursued. For import control purposes, there has been a substantial transfer from the "special category" to the "general category", covering hundreds of items of raw materials, and industrial products such as machinery equipment, pipes and chemicals. A thorough review of the import controls is being carried out with a view to completely eliminating discrimination.

CANADA

(Summary of oral statement)

The reason why Canada has not reported any action in its notification (COM.TD/14, page 9) is that the Canadian authorities have taken a rather restrictive view of what one is expected to report. The notification makes no reference to the observance of the standstill requirement because it is believed that one need report only infringements of the rule, of which there has been none in the case of Canada. No liberalization of quantitative restrictions is reported simply because of the non-existence of quantitative restrictions to liberalize. The intention of Canada to take fully into account the interests of developing countries in the Kennedy Round has not been stated because it has been made clear in the course of discussions, for example, at the Trade Negotiations Committee. Canada has participated positively and actively in international commodity agreements of benefit to developing countries, and has given unstinted support to the GATT International Trade Centre, apart from contributing directly to the promotion of imports from less-developed countries. These facts, as well as impressive trade statistics, could have been reported if the authorities had taken a more expansive attitude in its pronouncement in response to the request. The somewhat laconic communication in COM.TD/14 in fact conceals valuable contribution, and the failure in communication will undoubtedly be remedied on future occasions.

CZECHOSLOVAKIA

(Summary of oral statement)

Imports from developing countries in 1965 rose by 25.5 per cent as compared with 1964, while total Czechoslovak exports to those countries increased by 7.3 per cent. The increase in imports has been due particularly to higher imports of tropical fruits, cocoa beans and consumer goods. The wording of paragraph 17 of document COM.TD/G/6 concerning cocoa imports into the centrally-planned economy

countries is, therefore, somewhat misleading. Total imports of cocoa into Czechoslovakia last year increased by nearly 10 per cent as compared with 1964. One important feature of Czechoslovakia's trade relations with the developing countries is the further expansion of the range of imports comprising semi-manufactures and manufactured products of the developing countries. For example, the share of imports of manufactures and semi-manufactures from India rose from 21 per cent of total imports in 1964 to 34 per cent in 1965 and further growth of imports of these products is envisaged. Czechoslovak imports from India included many of Czechoslovakia's major export products, such as shoes and textiles. Similar encouraging developments have been seen in the country's trade and economic relations with other developing countries, notably the United Arab Republic, Yugoslavia, Algeria, Morocco and Cuba.

These developments have resulted from our concept of positive policy directed at augmenting the exchange resources of the developing countries. Needless to say, such policy should be closely linked with the diversification of the economies of the developing countries and with the mobilization of their own national resources. It is only logical that the readiness on the part of a country like Czechoslovakia to increase imports and to embark upon measures in the sphere of production for the benefit of the developing countries is closely related to the appropriate growth of the country's exports. Normal treatment for this trade in the developing countries is therefore expected.

The positive policy applied by Czechoslovakia through internal measures is supplemented by agreements concluded with a number of developing countries, which aim at placing economic relations on a solid and permanent basis. Some of them include the establishment of committees on economic co-operation, which are designed to deal with a wide range of programmes for industrial, scientific and technological co-operation.

Czechoslovakia has made considerable progress in bilateral negotiation with several major trading developing countries in the Kennedy Round which has proved to be mutually advantageous and fruitful. Czechoslovakia has participated actively both in short-term and long-term stabilization measures relating specifically to coffee, sugar and tin.

Action has been taken in respect of tropical products in the implementation of the Ministerial Conclusions of 1963. A removal of customs duties on imports of tropical products, combined with relevant measures in the field of planning, resulted in an increase in our imports of these products. For example, Czechoslovak imports of tropical fruits in 1965 more than doubled the level of the previous year. Czechoslovakia has given full attention to the promotion of exports of the developing countries, participated in the work of the International Trade Centre and provided inter alia training opportunities for experts in various branches of industry and finance.

ITALY

(Summary of oral statement)

With reference to airgram GATT/AIR/452 concerning the implementation of Part IV of the General Agreement, the Italian delegation wishes to report the following:

- (i) Bananas: The global quota, which was 180,000 tons in 1965, has been raised to 300,000 tons for 1966. The temporary régime for banana imports into Italy has had to be adjusted to take account of the waiver granted by the CONTRACTING PARTIES with respect to imports into Italy of certain products of Somalia. It may be noted that the Council has recently appointed an ad hoc group which is shortly to take up this matter.
- (ii) Soyabean oil: The global quota, which was \$800,000 for 1965, has been raised to \$830,000 for 1966.
- (iii) Cotton fabrics: The quota system introduced in 1965 for certain types of cotton fabrics in response to forces disrupting the market has been replaced in 1966 by the open general licensing system.
- (iv) The Italian Institute for Industrial Reconstruction has made available six fellowships for government officials from developing countries in 1965 and in 1966 for training in export promotion. The course, which will start in October 1966, is the fifth in the series.
- (v) The same Institute has, at its own expense, made an officer available to the GATT International Trade Centre to assist in market studies.

FEDERAL REPUBLIC OF GERMANY

(Summary of oral statement)

In supplementing information contained in the last report of the Federal Republic reproduced in document COM.TD/14, the following measures in favour of developing countries since July 1965 may be noted.

Measures taken in the field of quantitative restrictions are as follows:

- (i) with effect from 1 January 1966 imports of fishing nets (ex 59.05) have been liberalized,
- (ii) the quota for woven carpets of coir was increased from DM3.4 million in 1965 to DM4.2 million in 1966.

In the field of trade information and export promotion, the Federal Republic has, since July 1965, received ten trainees from different developing countries in the Bundesstelle für Aussenhandelsinformation, i.e. the national trade information office. Preparations have been made to expand the training programme; it is considered that the aspect of training has a considerable importance for the export promotion of the developing countries.

As regards developments in trade between the Federal Republic and the developing countries as a whole, it may be noted that the share of imports which are still subject to restrictions amounts to only 0.15 per cent in the country's total imports. On the other hand, imports from the developing countries into the Federal Republic of Germany have increased at the same pace as total imports. For many years trade balance between Germany and the developing countries has been in favour of the latter. Total imports of the Federal Republic of Germany from the developing countries amounted to DM12,040 million in 1964 and to DM13,451 million in 1965, an increase of DM1,411 million. Total exports of the Federal Republic to the developing countries amounted to DM9,192 million in 1964 and to DM10,331 million in 1965, an increase of DM1,139 million. In 1965 German imports from the less-developed countries exceeded its exports to them by approximately US\$1,400.

INDIA

(Communication of 10 March 1966)

With reference to Airgram No. 528, I have the honour to say that the Government of India proposes to utilize the opportunity provided by the Kennedy Round of trade conference to study the possibilities for enlarging trade exchanges between the less-developed countries and to negotiate with the less-developed countries participating in the conference for the purpose.

MALAWI

(Communication of 4 March 1966)

I have the honour to refer to your airgram GATT/AIR/528 dated 21 January 1966 and to inform you, for purposes of record, that Malawi has no report to submit to you in accordance with the procedures set out in paragraphs 11-13 of L/2410..

NORWAY

(Summary of oral statement)

The Norwegian Government has submitted a report to GATT on actions taken under Part IV of the General Agreement, of which the most important is the liberalization of imports of beet and cane sugar, which now enters Norwegian market duty-free without any restrictions. In addition, the Norwegian Parliament has now unanimously approved Part IV of the Agreement. It is hoped that the formal procedure for its acceptance will be completed within a short time.

PAKISTAN

(Summary of oral statement)

In the context of the reporting procedures the following action by Pakistan may be noted.

As noted in paragraph 3 of Section A of document COM.TD/17, the Pakistani representative indicated to the Sub-Committee on the Participation of Less-Developed Countries of the Trade Negotiations Committee, in December 1965 that Pakistan would shortly be tabling its statement of the offers it would make as a contribution to the negotiations. This has now been done.

SPAIN

(Communication of 21 March 1966)

At the second special session of the CONTRACTING PARTIES in February 1965, Spain declared its complete agreement with the aims it was desired to attain by incorporating in the General Agreement Part IV relating to trade and development. Although not a developed country but one in the process of industrialization and of changing its agricultural structure, Spain has applied Part IV on a de facto basis; in so doing it has done its utmost to adhere to its principles in carrying out its import policy regarding products coming from less-developed countries.

With regard to the maintenance of the standstill provision, no new tariff measures have been introduced either in 1965 or 1966 that might constitute a new obstacle to the importation into Spain of products typical of the less-developed countries. On the contrary, various favourable adjustments have been effected, details of which are given below:

1. Removal and reduction of customs duties on primary products from less-developed countries

- (i) A duty-free quota for the importation of 7,500 tons of manioc roots (07.06A) was established in 1965. Further, with regard to the importation of this product not included in the quota, the tariff has been reduced by 33 per cent, namely from the former rate of 18 per cent to the present temporary duty of 12 per cent.
- (ii) The importation of coffee, not roasted (09.01A) has enjoyed a reduction of 10 per cent, the former duty of 25 per cent having been brought down to 22.5 per cent. This reduction in the tariff has been further extended by the suspension of its application (Decree of 9 December 1965) under which the present duties amount only to 1 per cent. As a result, the general position of coffee exporters of less-developed countries has improved very significantly. Before the incorporation of Part IV in the General Agreement, the situation was that there was a suspension of 50 per cent of the 25 per cent duty which resulted in the application of a 12.5 per cent duty. That duty has now been reduced to 1 per cent.
- (iii) The duty on groundnuts (12.01B.2) has been reduced from 5 per cent to 4.5 per cent. Furthermore, by a Decree of 9 December 1965, the application of this duty is now suspended.
- (iv) Imports of extracts of wattle, quebracho, soluble in cold water, vallonia and myrobolans and other tanning extracts of vegetable origin (32.01) have benefited from the graduated reduction of the variable duties. Consequently, the former duty of 25 per cent has been reduced to 15 per cent as from 8 June 1965. Furthermore, in the case of quebracho a temporary duty of 5 per cent has been established, thus greatly improving the tariff treatment of this product.
- (v) Both tropical woods in the rough and those roughly squared or half-squared (44.03 and 44.04) have been granted a reduction of the duty of 15 per cent by the establishment of the temporary duty of 10.5 per cent.
- (vi) Henequen and sisal (57.04) enjoy at present an almost complete freedom from duty, since the former duty of 15 per cent has been reduced temporarily to 1 per cent.

2. Temporary admission and replacement system

The degree of flexibility in the application of the laws concerning temporary admission and replacement with tariff exemption has greatly increased. This has resulted in an extraordinary increase in the importation into Spain, under those trade systems, of products from the less-developed countries, in fact, to such a degree that during the last few years the volume of the imports has increased ten times. The goods which have mainly benefited from this increase are sugar, long staple cotton, wool and pineapples.

3. Reduction of internal taxes and fiscal duties

The tax known as the "surcharge on tea and coffee", which amounted to 2 pesetas per kg. on coffee and 5 pesetas per kg. on tea, has been abolished.

UNITED ARAB REPUBLIC

(Summary of oral statement)

The Government of the United Arab Republic would notify its intention of negotiating, in the Kennedy Round, with other developing countries with a view to increasing the trade among developing countries, thus contributing to the implementation of Part IV of the General Agreement.

UNITED KINGDOM

(Supplementary statement communicated on 17 March 1966)

I have been asked to reply to your letter of 4 March referring to the arrangements made under Part IV of the General Agreement to review action taken by contracting parties to implement its provisions.

I am writing to confirm that the United Kingdom has nothing to add to its previous reports.

YUGOSLAVIA

(Summary of oral statement)

In various documents and orally Yugoslavia has informed the CONTRACTING PARTIES of the measures taken by Yugoslavia in the implementation of Part IV. Customs tariffs on tropical products have been removed. During the balance-of-payments consultations, the Yugoslav delegation also informed the CONTRACTING PARTIES of liberalization measures taken in respect of certain products coming from developing countries.