

GENERAL AGREEMENT ON TARIFFS AND TRADE

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ACTION BY GOVERNMENTS RELEVANT TO THE PROVISIONS OF PART IV

Addendum

The following notification on the implementation of Part IV has been received from the Government of Finland and should be included in the Annex to COM.TD/34.

FINLAND

The measures taken by Finland to implement Part IV should be seen against the general background of the liberal trade policy she has continued to apply, in spite of growing balance-of-payments difficulties, in the period under review (since the latest Notification in February 1966, COM.TD/14).

Article XXXVII, paragraph 1(a)

Kennedy Round: within these negotiations to the successful outcome of which Finland attaches the greatest importance she has offered an overall 50 per cent tariff reduction on industrial items, with a limited number of conditional exceptions.

In the agricultural sector of the negotiations, Finland has submitted an offer containing some 450 items, a very substantial part of which are products of interest to the developing countries (on the basis of Annex 2 of document COM.TD/W/1). Some of the most important products not included in the offer are subject to discussions tending towards world-wide agreements or arrangements. The Finnish Government regards these discussions as very important and is prepared to consider the assumption of such obligations as they may subsequently call for.

On the other hand, Finland has given a special offer on tropical products comprising some forty items. Bearing in mind that one of the most important basic objectives of the present negotiations is a genuine improvement of access to the market for products of special export interest to the developing countries, the Finnish Government has decided to put the nil duties offered on almost all of those forty items into force unilaterally, without waiting for the outcome

of the Kennedy Round negotiations. This elimination or, in some cases, a very substantial reduction of duties, which is expected to take place during the first half of this year, concerns several basic tropical products and is consequently considered by the Finnish Government as being of real significance to the producing countries.

This group comprises, inter alia, cocoa, bananas, pineapples, avocados, mangoes, guavas, manioc, arrowroot, coconuts, brazil and cashew nuts, white and black pepper, pimento, mate, vanilla, cinnamon, cloves, nutmeg, cardamum, coriander, ginger, celery, curry, shellac, gum arabic, kapok and other vegetable downs, carnauba wax, etc.

It should be recalled, finally, that Finland is now participating in the Kennedy Round negotiations on a joint Nordic basis, together with Denmark, Norway and Sweden.

Other tariff reductions: having eliminated, in 1965, the duty on tea, Finland has now reduced by some 40 per cent the duties on coffee and cocoa beans (raw and broken). These reductions came into force in December 1966 and at the beginning of January 1967 respectively.

Significant reductions were made, also on 1 January 1967, on the duties of some textile products which are, or may be, of interest to the developing countries (under BTN headings 51.01, 51.04, 53.09 and 60.01).

Elimination of quantitative restrictions

Finland's balance-of-payments position has deteriorated during the year 1966 (cf. report of the Committee on Balance-of-Payments Restrictions, BOP/R/4, 23 December 1966). In spite of this Finland has continued the dismantling of those relatively few quantitative restrictions which she is still maintaining under Article XII. Having removed, at the beginning of 1966, fifteen global quotas which represented a trade value of some 2¹/₄ million dollars, the Finnish Government has now eliminated, as of 1 January 1967, thirteen more global quotas with a trade value of approximately 42 million dollars. Both of these stages were accompanied by a substantial enlargement of the remaining quotas.

These liberalization measures included some products of export interest to the developing countries. Those contained in the former stage have already been notified (COM.TD/14). Those comprised in the latter are frozen fish, biscuits, meat meal, gypsum, cement, travel goods as well as articles of apparel and clothing accessories of leather, certain types of carpets, rugs, etc. (ex 50.02), radio receivers, and electric motors under a 1.5 ton weight limit.

Article XXXVII, paragraphs 1(b) and 1(c)

Finland has continued to observe the standstill provisions contained in these paragraphs.

Article XXXVII, paragraph 3(b)

The Finnish Government has continued to give its full support to the GATT International Trade Centre and is considering ways and means to enable it to increase, within the limited financial resources available, its active share in the work of this important organism.

On the other hand, realizing that the fluctuating world market prices on certain primary commodities constitute, for many developing countries, a more acute problem than customs duties and other comparable trade barriers, the Finnish Government is prepared to consider all suitable proposals for international arrangements on primary commodities wholly or mainly produced and exported by developing countries.

Finland has also continued to participate actively in the work of many international organizations already existing in the commodity field (such as the International Wheat and Coffee Agreements, the International Study Groups for Lead and Zinc as well as for Wool, the International Cotton Advisory Committee, etc.).

Being aware of the crucial importance of solving the financial problems presented by commercial and other vital needs in many developing areas Finland has seen her way to joining the Asian Development Bank, notwithstanding certain difficulties deriving from her own relative scarcity of capital.