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TARIFF RECLASSIFICATION OF PRODUCTS EXPORTED BY DEVELOPING COUNTRIES

Addendum

The following note has been forwarded by the Secretary-General of UNCTAD for circulation at the meeting of the Committee on 27 and 28 June 1968.

UNCTAD Activities in the Field of Tariff Reclassification of Products of Export Interest to the Developing Countries

1. The Secretary-General of UNCTAD would like to bring to the notice of the eleventh session of the Committee on Trade and Development of the CONTRACTING PARTIES to the General Agreement on Tariffs and Trade, some details of the work being done in UNCTAD in the field of tariff reclassification, in relation to the Committee's consideration of item (c) of its provisional agenda. In this connexion the secretariat of the GATT has prepared for the Committee a note (COM.TD/55), in which mention has been made of the work which is being done in this field by UNCTAD and the Customs Co-operation Council.
2. The resumed first session of the Committee on Manufactures (28 February to 9 March 1966) discussed the effects of the tariff structures in the developed countries on manufactured and semi-manufactured products of export interest to developing countries. During these discussions the representative of the Customs Co-operation Council offered the Council's assistance to the UNCTAD secretariat in carrying out studies to identify the technical possibilities for tariff reclassification of items of export interest to the developing countries, in particular in so far as the characteristics of the products in question might differ from those produced in the developed countries. The object of these studies was not only to establish the possibilities for tariff reclassification of particular products, but to indicate to the developed countries the particular items on which it should be possible to reduce substantially or to eliminate the present customs duties. This offer of the Customs Co-operation Council was noted

with appreciation, and the Committee was informed that the UNCTAD secretariat would, with the assistance of the Council, study the possibility to identify products for tariff reclassification purposes, in particular the possibilities to distinguish such products from similar products produced in developed countries, and moreover would suggest what revision or adjustment could be made in the tariff classifications to promote such exports from developing countries. The Committee agreed that member States should furnish to the UNCTAD secretariat such information as they had available relevant to this study.

3. On the basis of information supplied by the Government of India (in response to the UNCTAD Note Verbale - TD.408) the Customs Co-operation Council was able to inform the Committee on Manufactures at its second session (4 to 21 July 1967) that hand-woven cotton fabrics could in general be identified by customs officials as distinct from those made by power looms. These findings, whilst based on the technical information provided by the Government of India, obviously applied to similar hand-woven cotton fabrics made in a number of other developing countries. The Committee noted the Council's findings with appreciation and suggested that a similar examination could now be undertaken in respect of other products of export interest to the developing countries. It also welcomed the statement made by the representative of Denmark on behalf of the four Nordic countries, of the intention of these countries to grant, as soon as technically possible, duty reductions on certain types of cotton hand-loomed fabrics.

4. In view of the practical results achieved and the suggestion made by the Committee for further action by the secretariat, with the assistance of the Customs Co-operation Council, Member States were asked (Note Verbale TD.421/3 of 12 December 1967) to submit information on products on which they would wish the possibility of tariff reclassification to be examined, and in particular to supply the technical information on such products in order to determine the possibilities of distinguishing such products from similar products produced in developed countries.

5. At the second session of UNCTAD, the representatives of developing countries supported the recommendation in the Charter of Algiers that, pending the introduction of a general scheme of preferences, the developed countries should take appropriate action to carry out reclassification of their tariff nomenclature to facilitate the granting of duty-free entry on products exported by developing countries. Attention was drawn at the second UNCTAD to the studies being carried out by UNCTAD with the assistance of the Customs Co-operation Council. The representatives of the Nordic countries stated that action had now been taken or was under way in their countries to reclassify certain hand-woven cotton textile products and to reduce the tariffs on such items. In addition they stated that they would investigate further possibilities for tariff classification on the basis of suggestions made by the developing countries.

6. To the request for information on the products on which member States wish to have the possibilities for tariff reclassification examined, the following have replied: Austria, Burma, Congo (Kinshasa), Greece, India, Iraq, Madagascar, Pakistan, Poland, El Salvador, Syria, Upper Volta and Yugoslavia. These replies, inasmuch as they contain information relevant to the reclassification of products, are being examined with the Customs Co-operation Council, and plans have already been made to intensify this work. A reminding Note Verbale was sent to member States (TD 421/2 of 6 June 1968) asking for lists of products and their technical characteristics. It is expected that this information will shortly be received by the UNCTAD secretariat. The comprehensive lists already submitted by the developing countries contain an extensive number of items, and therefore in the Annexure to this Note only an illustrative list specifying groups of selected products is provided, based on the far more detailed notifications submitted by the developing countries for examination of the possibilities of tariff reclassification.

7. As can be seen from the preceding paragraphs, the UNCTAD secretariat has, in line with the decisions and suggestions of member States in the Committee on Manufactures, the Trade and Development Board and the Conference, embarked upon a detailed examination of the possibilities for tariff reclassification of products of export interest to the developing countries. In this connexion, the secretariat has the fullest assistance on the technical issues involved of the Customs Co-operation Council.

8. The Secretary-General of UNCTAD would welcome a close co-operation on this matter between the two secretariats of GATT and UNCTAD.

List of groups of selected products notified by
developing countries for the examination of the
possibilities of tariff reclassification

- I. Tropical fruits and nuts and citrus fruit, prepared or preserved
- II. Tropical spices and seeds, prepared or preserved
- III. Products of plants and parts of trees and bushes and other vegetable materials of tropical origin:
 - Dyeing substances
 - Tanning materials
 - Extracts used in perfumery and pharmacy
 - Insecticides and fungicides
 - Shellac and other lacs
- IV. Wood products, hand-made:
 - Furniture, chairs of bentwood, etc.
 - Wooden tools, tool bodies, handles, sticks, etc.
 - Cut articles of wood
- V. Articles of plaiting materials, hand-made:
 - Basketwork, wickerwork and other articles
 - Plaiting and similar products (mats and screens, envelopes for bottles, etc.)
 - Cane and bamboo products
 - Articles of straw, paper and paperboard, etc.
- VI. Hand-woven textiles and products thereof, hand-made:
 - Cotton hand-loom fabrics and cottage industry products
 - Clothing and underwear
 - Knitted articles, embroidery and laces
 - Dress patterns, etc.
 - Jute fabrics, sacks and bags
 - Silk cloth, art silk piece-goods
 - Other textile hand-made articles
 - Articles of other textile fibres
- VII. Carpets, mats and rugs, hand-made:
 - Woven carpets; wool, mohair, cotton and of other vegetable fibres
 - Knotted carpets
 - Rugs and mats; wool, mohair, cotton, jute, raffia, etc.

- VIII. Leather and skins tanned by vegetable tanning materials, and hand-made articles of leather and fur skin:
- Vegetable tanned hides and skins (bovine cattle, sheep and goat)
 - Fur skin, tanned or dressed, including fur skins, assembled in plates, crosses and similar forms
 - Camel skin lamps
 - Footwear, moccasins, slippers, etc.
 - Apparel and clothing accessories
 - Travel goods
 - Saddlery and harnesses
- IX. Glassware, pottery and ceramics, hand-made:
- Tableware and other articles for domestic use and for toilet purposes
- X. Iron and other metal articles, hand-made:
- Articles of wrought iron
 - Brass and copperware
 - Aluminium utensils
 - Cutlery articles
 - Lamps, bells, gongs, etc.
- XI. Miscellaneous hand-made articles:
- Articles for sports and outdoor games
 - Toys and dolls
 - Carvings in ivory, bone, wood, etc.
 - Art paintings
 - Musical instruments