

GENERAL AGREEMENT ON TARIFFS AND TRADE

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THE OPERATION OF PART IV OF THE GENERAL AGREEMENT

Statements by Governments

Addendum

PAKISTAN

1. The Government of Pakistan is of the view that although the Kennedy Round of trade negotiations envisaged the lowering of tariffs on many products of export interest to the developing countries including Pakistan, the action taken by the developed countries in pursuance of the negotiations did not go far enough to afford substantial benefits to them. Against the level of 50 per cent adopted as a working hypothesis for tariff reduction, in several cases the reductions made were far short of the 50 per cent, and in other cases, products of export interest to the developing countries were excluded from the purview of tariff reduction. In the non-tariff field, the Kennedy Round did not result in the removal of quantitative restrictions which continue to apply to a number of products of export interest to the developing countries, including Pakistan.
2. Secondly, the "effective protection" of processing, although reduced in a number of cases in the Kennedy Round, remains an impediment to an increased access for the exports of semi-manufactures and manufactures from the developing countries. The duties on such products in their semi-processed and processed form remain disproportionately higher than the duties on the same products in their unprocessed form. Examples of such products of export interest to Pakistan are fish, leather, wool, cotton and jute in their raw, semi-processed and processed form.
3. Paragraph 1(b) of Article XXXVII provides that the developed countries shall refrain from introducing, or increasing the incidence of, customs duties or non-tariff barriers on products currently or potentially of particular export interest to developing countries. Paragraph 3(c) *ibid* further provides that the developed countries shall have particular regard to the trade interests of developing countries in the application of "other" measures to meet particular problems. In introducing the Import Deposit Scheme although the United Kingdom excluded certain products of export interest to the developing countries, she included within its purview more important items of particular export interest to Pakistan.

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4. In the following particular cases, consideration is not being given to the objectives of Part IV of the GATT, particularly those in paragraph 5 of Article XXXVI:

- (a) Anti-Dumping Legislation of Canada. Under the Canadian Anti-Dumping Legislation, the Federal Department of National Revenue have applied section 40 of the legislation for valuation purposes on Pakistan's cotton textiles shipped to Canada. The fair market price has been fixed in a rather arbitrary manner. This adversely affects Pakistan's exports of textiles to Canada.
- (b) Monopoly system of Japan. Trade in certain items like salt and tobacco is controlled by the Monopoly Corporation sponsored by the Government. The organization is free to decide the source and the quantity of salt and tobacco to be imported into Japan. Pakistan's tobacco has been kept out by the Monopoly Corporation.

5. The following suggestions are made to ensure more satisfactory and effective operation of the provisions of Part IV of the GATT:

- (a) The operative provisions of Articles XXXVII and XXXVIII should be suitably enlarged in order to conform them more fully with principles and objectives set out in Article XXXVI.
- (b) The developed countries should undertake to remove all quantitative restrictions applied on products of export interest to developing countries and for this purpose, a target date should be fixed within which all such restrictions should be removed.
- (c) A non-discriminatory scheme of preferences in favour of developing countries should be adopted as early as possible.