

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

COM.TD/W/112/Add.9

22 December 1969

Limited Distribution

Committee on Trade and Development
Fifteenth Session

Original: English

DEVELOPMENTS RELEVANT TO THE OPERATION OF PART IV

Note by the Secretariat

Addendum

The following notification has been received from the Government of the Federal Republic of Germany in reply to GATT/LIR/750.

A. Tariffs

As far as tariffs are concerned reference is made to the paper which will be prepared by the Commission of the European Communities on this set of problems. A reduction of specific tariff rates - e.g. for wine, rum, tafia, arrack, apples and pears - of up to 8.5 per cent has developed as a consequence of the revaluation of the deutsche mark.

B. Taxes

By reducing the tax rate for roasted coffee from DM 4.80 to DM 4.50 per kg. and for solid coffee extracts from DM 13.92 to DM 13 per kg. it has been ensured that imports of these products do not suffer disadvantages as against domestic production.

Per capita consumption of coffee in the Federal Republic rose from 1.48 kgs. (1953) to 4.81 kgs. (1968) and thus has considerably exceeded pre-war consumption of the year 1938 (2.9 kgs.). Tea consumption has experienced a similar development. Since the elasticity of prices in the case of coffee is less than 0.5 and that of tea only shows a similarly narrow margin, consumption of tea and coffee is not substantially affected by excise taxes.

C. Elimination of import restrictions

In 1969, the Federal Republic of Germany has effected autonomous replenishments of quotas for reasons of the economic development in the amount of DM 35,245,000, vis-à-vis a number of countries, the majority of which are developing countries.

D. Trade promotion measures

1. Since the middle of 1968, the following trade promotion measures, in the narrow sense of the word, (mere production, transportation as well as trade and industry-promoting measures are not taken into account) have been adopted:

Extension of promotion of the Institute for Industrial Administration in Kabul (Afghanistan)

Adviser to the export division of the Bolivian Central Bank (Bolivia)

Promotion of the Institute for Weights and Measures in Rio de Janeiro (Brazil)

Promotion of the Coconut Research Institute in Lunuwila (Ceylon)

Market survey on citrus fruit (Cyprus)

Study on marketing possibilities of tannery products (Guinea)

Extension of the period for which an advisory group on export promotion was made available (India)

Marketing adviser for National Productivity Centre in Kuala Lumpur (Malaysia)

Dispatch of two advisers on standardization (Malaysia)

Study on marketing of beans and peas (Niger)

Expert survey on the possibilities of export promotion (Pakistan)

Adviser on utilization and marketing of wood (Paraguay)

Study on the effects of Rwanda's joining the East African Community (Rwanda)

Further promotion of the College of Business Education in Dar-es-Salaam (Tanzania)

Expert on export promotion for the China Productivity and Trade Centre (Taiwan)

Expert on customs and free port questions for the port of Lomé

Promotion of the material-testing laboratory of the Ministry of Trade and Industry (Uruguay)

Study on co-operation with Latin America in the field of standards

For the technical assistance measures listed above about DM 10.8 million were granted.

2. The work of the Bundesstelle für Aussehenhandelsinformation (BfA, Federal Office for Foreign Trade Information) acting as official German liaison agency vis-à-vis the International Trade Centre UNCTAD/GATT has been further intensified in all sectors, but in particular in the field of market information services for

developing countries and of co-operation with the Centre in advising the developing countries in setting up their own export promotion facilities. Upon request of the UNCTAD/GATT Centre an employee of the BfA has been delegated to the Centre.

3. The BfA has arranged study tours in the Federal Republic of Germany for periods of one or several weeks offering the opportunity to seminar groups from the Centre to study marketing possibilities for certain products. These groups came from the following countries or groups of countries:

Eleven groups from Ceylon, the East African Community as well as Ethiopia and Malawi,

eight groups from the Philippines, and

three groups from Malaysia.

4. Publications by the BfA concentrated to an increasing extent on informing German industry on export possibilities and requests for supplies of the developing countries. For this purpose, new correspondents were sent to the developing countries.

Information on projects, international tendering and investment possibilities in developing countries, legal prerequisites of governmental promotion measures for direct investments in such countries as well as the situation in the German market has been extended. Part of the information on the German market is also contained in the new series of publications "Die Bundesrepublik Deutschland als Wirtschaftspartner" ("The Federal Republic of Germany as Economic Partner") which will soon be published also in English.

5. Advisory activities with respect to foreign trade questions at international and domestic fairs for which the BfA has set up its own information stands have been intensified. At the ANUGA 1969 (General Exhibition of Food, Tobacco and Beverages) in Cologne pamphlets - Market Profile - have been issued for exhibitors from developing countries containing information in brief on marketing channels, statistics and import regulations for foodstuffs, which are of interest to the developing countries for their exports.

6. Trade delegations from developing countries have to an increasing extent been advised on questions concerning the establishing of contacts with German authorities and business circles, furthermore on questions of foreign trade improvement and technical aspects relating to the setting up and organization of trade promotion agencies in developing countries.

7. During the fiscal year 1969, participations of twenty-six developing countries in nine German fairs and exhibitions have been supported by financial and technical assistance. This amounted to about DM 650,000. The sum does not include payments under the ERP Special Fund for the import exhibition "Partner des Fortschritts" ("Partner of Progress") in Berlin which amounted to DM 930,000.

F. Structural measures

Structural adjustment aid by the Government in the Federal Republic of Germany is aimed at facilitating the adjustment process for some economic branches which have to cope with particularly difficult and sudden structural changes. This applies mainly to those cases where structural changes have been induced by international competition; it is not a question of "artificially preserving" individual economic branches or enterprises.

Within the framework of structural adjustment measures special importance is to be attached to the following fields:

1. Intensified promotion of the mobility of labour by means of increased grants from the Federal budget towards advanced vocational training of personnel.
2. Adjustment and conversion of enterprises by:
 - (a) promoting co-operation among enterprises;
 - (b) methodical elaboration and practical arrangement of new rationalization and conversion possibilities;
 - (c) promoting management consulting;
 - (d) advanced management training.
3. Financial assistance of the Federal Government - apart from guarantees - is, as a rule, only granted for the conversion of the production programme to new products, but not in the form of subsidies for existing production. Conversion credits for which DM 20 million to DM 25 million annually have been provided so far, will presumably also be extended in the future.

Apart from financial assistance by the Federal Government, the Laender are granting credits for the conversion of the production programme or adjustment of the enterprises to the international competitive situation.

The structural adjustment measures taken by the Federal Republic also contribute to an effective international division of labour.