

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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Limited Distribution

Group on Residual Restrictions

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## INFORMATION ON ADDITIONAL PRODUCTS SUGGESTED FOR EXAMINATION

### Addendum

In connexion with document CCM.TD/W/140, the delegation of the United Kingdom has provided the following comments.

Of the thirty-one commodities scheduled for discussion by the Group on Residual Restrictions at its next meeting, the United Kingdom applies quantitative restrictions only on the import of whole hams (other than in air-tight containers), hops and lupulin, and certain jute products.

#### A. Whole hams (other than in air-tight containers)

ex BN 02.06A)  
ex BN 16.02B)

H.M. Customs have legal and practical difficulties in distinguishing whole hams from certain cuts of bacon. In order to prevent the undermining of the United Kingdom 10 per cent import tariff on bacon from most-favoured-nation sources under BN heading 02.06(A)(4)(a) (by, for example, the cured gammon cuts of bacon being declared as whole hams not in air-tight containers and thus entering duty free since a nil tariff on this item is bound in GATT), a system of specific licensing from most-favoured-nation sources is maintained. In practice licences are not generally granted.

#### I. Import licensing restrictions

BN heading:	ex BN 02.06A) Whole hams, other than in ex BN 16.02B) air-tight containers
Area from which restricted:	All most-favoured-nation sources
Type of restriction applied:	Specific licensing (amounting to a prohibition since licences are not generally granted)

## II. Statistics

Statistics on whole hams are limited. Values are not calculated for domestic production; no information is available on United Kingdom consumption; and imports of whole hams were not separately available until 1970.

### 1. United Kingdom production (tons)

<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>
24,900	26,900	29,600	31,300

### 2. United Kingdom imports

Because 1970 was the first year for which import statistics of whole hams were separately available, only provisional total figures were available at the time of preparation of this material:

Value £114 thousand      Volume 246 tons

## B. Hops

Hops are grown solely for use in beer manufacture. In the United Kingdom there are about 530 registered hop growers with an average holding of about thirty acres (excluding brewer growers). Relatively few of these enterprises engage exclusively in hop growing; many combine it with fruit growing or other horticultural and agricultural activities. It is an activity characterized by high capital investment in specialized equipment for growing, harvesting and initial processing, requiring some assurance of a reasonable level of return; and one in which a surplus production over brewers' demands represents almost certainly a complete loss since there is no other use for hops, and no export market for United Kingdom hops. Because of these factors, hop growing in the United Kingdom has been subject since 1932 to a system of market regulation operated by the Hops Marketing Board and designed to link production to forecasts of brewers' demand by establishing an annual quota of production which is marketed through the Board. The Board also fixes the price to be paid to growers in respect of the annual quota on the basis of cost of production plus allowances. The success of such a system of domestic market regulation clearly depends partly on the control of imports as covered by Article XI(2)(c)(i) of GATT. An annual import quota is therefore fixed to allow for demand for varieties of hops not grown in the United Kingdom, and for any shortfall in the United Kingdom crop.

### I. Import licensing restrictions

BN heading: ex 12.06 - hop cones and lupulin

Area from which restricted: All, except Commonwealth and the Irish Republic

Type of restrictions applied: Global quota from all sources other than Commonwealth and Irish Republic

II. Statistics

All statistics are for years ending 30 September  
(Value = £1,000; Quantity = metric tons)

1. United Kingdom production<sup>1</sup>

1967		1968		1969		1970	
V	Q	V	Q	V	Q	V	Q
7,283	9,634	6,840	8,930	7,000	9,456	7,719	10,703

<sup>1</sup>"Total Production" as the amount of hops consigned to the Hops Marketing Board

2. United Kingdom imports<sup>1</sup>

Supplier	1967		1968		1969		1970	
	V	Q	V	Q	V	Q	V	Q
Canada	-	-	93.9	163.5	82.3	121.7	20.4	32.1
Australia	negligible	-	-	-	5.0	7.8	117.4	151.4
New Zealand	104.9	201.2	-	-	1.3	3.1	-	-
Irish Republic	28.1	42.1	9.6	13.4	4.4	8.3	17.8	19.7
Yugoslavia	181.1	245.3	259.1	346.1	219.3	311.7	265.5	348.7
Belgium	80.9	142.1	90.8	159.8	114.6	180.6	108.5	142.6
Germany, F.R.	53.7	81.0	85.9	119.2	136.1	168.4	207.5	253.9
United States	20.4	45.1	4.3	7.6	5.0	9.6	27.2	39.9
Poland	23.1	35.2	1.5	3.0	14.7	22.1	17.0	25.2
Czechoslovakia	31.0	39.6	-	-	14.2	16.1	34.5	40.2
Remainder	25.5	37.8	16.9	26.1	12.1	16.9	41.5	47.9
	548.7	869.4	562.0	838.7	609.0	866.3	857.3	1,101.6

<sup>1</sup>Predominantly consisting of varieties of hops not grown in the United Kingdom

3. United Kingdom consumption<sup>1</sup>

	1967	1968	1969	1970
	Q	Q	Q	Q
Hops	11,268	10,173	10,739	10,447
Preparations made from hops	34	38	63	190

<sup>1</sup>Consumption of hops as the quantities from the home crop sold for direct use in brewing or for processing prior to use in brewing together with imports of hops or hop products used by the United Kingdom brewers. Consumption does not therefore exactly equal production plus imports.

C. New jute sacks and bags

The United Kingdom jute textile industry has no tariff protection against imports, but, in common with several other countries, maintains import restrictions on the main classes of jute goods produced by her home industry.

In the United Kingdom, the main obstacle to liberalization is the concentration of the jute industry in one place, Dundee, where it is still very important as a source of employment despite the contraction which has taken place in recent years.

Despite considerable government assistance and encouragement it has not yet been possible to attract new industry to Dundee in sufficient quantity to provide alternative employment for the displaced jute workers. Unfortunately the contraction in jute has latterly been accompanied by redundancies in other Dundee industries including some whose growth, it was hoped, would balance the decline in jute. This has resulted in a serious increase in Dundee unemployment.

Until 1969, imports from India and Pakistan of jute goods now subject to quota control were channelled through the Jute Control. When the Jute Control was wound up and quotas were introduced, the quota for new jute sacks and bags made from cloth subject to control was set 25 per cent above the 1967 level of imports and this worked out at 50 tons.

United Kingdom import statistics do not separately distinguish quota and non-quota sacks and bags. The overall import figures given below show that the United Kingdom imports a considerable quantity of non-quota sacks. The substantial decrease since 1969 is thought to be due mainly to the greater use of alternative methods of packaging, e.g. paper, synthetic and bulk storage and transport.

No production figures are available for sacks and bags and it is not therefore possible to calculate the size of the United Kingdom market for those goods. But the trend away from jute will have affected the domestic producers as well as overseas suppliers and it is estimated that United Kingdom consumption of new jute sacks and bags is now less than when quotas were introduced.

The question of taking a further step towards liberalization of quota-type jute sacks and bags is considered as part of the periodic reviews of quota levels. Any increase in the sack and bag quota would have a direct effect not only on the sack sewers but also on the United Kingdom producers of jute cloth used for sack manufacture. The next review is due to take place at the end of this year.

I. Import licensing restrictions

<u>BN heading</u>	<u>Item</u>	<u>Type of import control</u>
ex 62.03	New sacks and bags and woolpacks, wholly or mainly of jute; other than certain heavy bags and woolpacks defined at footnote 1 below	Quotas applying to all countries save the Eastern Trade Area and the Irish Republic. Imports are not restricted as to quantity from the Irish Republic. There are no arrangements for importing these items from the Eastern Trade Area

II. Statistics

1. United Kingdom imports (tons) - All (see paragraph 4 above) new jute sacks and bags

	1967	1968	1969	1970
India	3,367	1,592	440	175
Pakistan	3,594	5,241	5,929	1,887
Irish Republic	459	323	244	207
Remainder	13	209	116	16
	7,433	7,365	6,729	2,285

<sup>1</sup>Heavy bags of common sacking fabric, weighing not less than 16 ounces per square yard and having either a warp of pairs of single warps not exceeding 13 pairs to the inch and a weft of single yarns not exceeding 9 to the inch or a warp of single yarns not exceeding 13 to the inch and a weft of pairs of single yarns not exceeding 9 pairs to the inch, but not single threads both warp and weft; and woolpacks being receptacles consisting of four side panels and a bottom panel assembled by sewing, and a top panel secured along one edge only, weighing not less than 8 lb. and not more than 11<sup>1</sup>/<sub>2</sub> lb. per pack, made of fabric having a warp of pairs of single yarns not exceeding 9 pairs to the inch and a weft of single yarns not exceeding 9 to the inch or a warp of single yarns not exceeding 9 to the inch and a weft of pairs of single yarns not exceeding 9 pairs to the inch.