

GENERAL AGREEMENT ON TARIFFS AND TRADE

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ACTION BY GOVERNMENTS RELEVANT TO THE PROVISIONS OF PART IV

In response to GATT/AIR/1204, countries listed below have transmitted to the secretariat the following information in relation to the implementation of Part IV of the General Agreement, covering the period since the last review was carried out by the Committee.

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AUSTRIA

In the period under review Austria has further endeavoured to enlarge the possibilities for access to the Austrian market for developing countries. In carrying out their work the competent Austrian authorities did their best endeavours to take into account the provisions contained in Part IV of the General Agreement.

The second stage of the Austrian Scheme of Preferences (Tariff Preference Amendment Act 1974, Federal Law Gazette No. 473/1974) entered into force on 1 January 1975.

In accordance with this Act a number of agricultural products which were already covered by the Tariff Preference Act 1972 will be subject to additional preferential tariff reductions (e.g. certain fishery products, pineapples, almonds, tea, products of hard fibre, cocoa powder and prepared and preserved fruit). Furthermore, the list of agricultural products benefiting from the GSP has been enlarged and covers now additional items as e.g. herrings, olives, capers, oranges, mandarines and clementines as well as other fruit. It should be noted that many of the new items added are of particular export interest to the least developed among developing countries. In total, the number of items covered by the scheme in Chapters 1-24 BTN which was 113 tariff lines was brought up to 148 tariff lines.

In the industrial sector practically the whole sector of textiles was included in the GSP; the preferential tariff cut for textile items was fixed at 35 per cent of the base rates. Therefore, also cotton textiles which were up to 1 January 1975 totally excluded from the GSP are now covered by the scheme. For all the other items of BTN-Chapters 25-99 the preferential cut was increased from 30 to 50 per cent.

By implementing the second stage of its GSP Austria has taken into account the various pertinent resolutions of UNCTAD as well as of other international organizations. At the same time Austria has taken an important step towards a special and more favourable treatment of the least developed among developing countries.

In addition to the Tariff Preference Amendment Act Austria has created the basis for imports of hand-made products duty free or at a reduced rate of duty with the aim of promoting trade relations with developing countries. In carrying out the Federal Law of 14 March 1972, Federal Law Gazette No. 94, concerning imports of hand-made products Austria has up to now concluded agreements with the Republic of Korea, Pakistan, Yugoslavia, Cuba, Romania, Uruguay, Kenya and India; negotiations with a view to concluding similar agreements with other developing countries are under way.

During the period under review Austria has neither introduced any new quantitative restrictions nor has it introduced new customs duties.

The work of the International Trade Centre continues to be fully supported through the active co-operation of Austrian nationals who are paid by Austria.

Additional information concerning possibilities for exports into Austria is provided by the Austrian foreign trade delegations which are located all over the world. In addition, the publication issued on a regular basis by the "Federal Economic Chamber" ("Nachrichten für den Aussenhandel" - "News for Foreign Trade"), provides regular information on the market situation in different countries, thus creating preconditions for the establishment of concrete business relations between developing countries and Austria.

From 15 April to 6 June 1975 the third special training course for customs officers of the Preventive and/or Investigation Service from developing countries was held. Twelve customs officers from African and Asian countries were instructed in daily courses by thirteen teachers or officials of different branches of the Austrian Customs and Finance Administration in practice as well as in theory. The Austrian Federal Government covered the total cost of this programme and paid furthermore S 1.500 per participant for daily specific expenses.

The tenth special course for customs officials which is planned for a duration of three months, started on 5 August 1975 and is taking place, as every year, in Vienna. Fourteen officials from African and Asian countries are taking part in this course.

These courses can be considered as praxis orientated contributions of Austria in order to assist the Customs Administrations in developing countries.

Furthermore, Austria continues to co-operate in the framework of international commodity agreements, thus taking into account the particular importance of such agreements to developing countries.

CAMEROON

In answer to the above-mentioned document, I have the honour to inform you that Part IV of the General Agreement on Tariffs and Trade concerns the Commitments undertaken by the developed countries towards their emerging partners; the latter are in no better position than the former to inform the Committee on Trade and Development as to what the developed countries have done for their benefit. In any case, the effect of these measures (for instance, the Generalized System of Preferences) has little impact on our development.

FINLAND

As to document COM.TD/W/227, paragraph 5, it should be added that effective from 1 September 1975 Finland has included Guinea Bissau, Israel and Oman among the beneficiary countries of the Finnish GSP treatment.

As to the annex of the airgram 1204, paragraph 4.G.III, it should be mentioned that the financial support of Finland in 1975 to the International Trade Centre in order to promote the exports of developing countries will amount to Fmk 2 million. This sum will mainly be used for the financing of six Finnish experts and finalizing the Andean integrated export promotion programme, started in 1973. In addition, the export promotion courses, organized in co-operation with the Helsinki School of Economics and Business Administration for export trade officials from developing countries, will be continued.

JAPAN

Japanese imports from developing countries have been rising. In the last three years they showed a sharp increase from US\$9.9 billion in 1972 to US\$16.2 billion in 1973 and US\$33.2 billion in 1974 (the rates of growth compared with the previous year were 16.8 per cent, 63.9 per cent and 104.3 per cent respectively). These figures represent 42.2 per cent, 42.4 per cent and 53.4 per cent of the total Japanese imports from all countries. It is the first time when the Japanese imports from developing countries exceeded those from developed countries. Total imports from developing countries (excluding petroleum) amounted to US\$6.0 billion in 1972, US\$10.3 billion in 1973 and US\$14.7 billion (the rates of growth compared with the previous year were 9.8 per cent, 71.9 per cent and 42.7 per cent respectively). The Japanese imports for the first half of 1975 (January-June) amounted to US\$28.8 billion, of which US\$15.3 billion, i.e. 53.1 per cent were the imports from developing countries.

Imports into Japan under the GSP scheme reached the level of US\$1.3 billion in the fiscal year 1974 which represented 3.6 times as compared with the level of imports in the fiscal year 1972, of which imports of products falling within BTN Chapters 1-24 under the GSP scheme amounted to US\$246 million in the fiscal year 1974 which was an increase of 4.3 times as compared with the fiscal year 1972 and respective figures for products falling within Chapters 25-99 were US\$1.1 billion, an increase of 3.5 times. Imports under the GSP scheme for April-August 1975 amounted to US\$577 million which can be divided to US\$90 million for BTN Chapters 1-24 and US\$487 million for BTN Chapters 25-99.

In addition to the measures taken by the Japanese Government which were listed in the GATT document COM.TD/W/234 Japan adopted the following measures in pursuant to the Part IV of the GATT.

1. Improvement of GSP scheme for the fiscal year 1975:
 - A. Enlargement of the product coverage of the positive list of BTN Chapters 1-24

Six items have been added to the positive list of BTN Chapters 1-24. Newly added items and the preferential rates of duty are as follows:

BTN No.	Description	Preferential rate of duty
03.01	Fish, fresh (live or dead), chilled or frozen: ex. 1. Aquarium or ornamental fish excluding carp and goldfish	free

BTN No.	Description	Preferential rate of duty
05.15	Animal products not elsewhere specified or included: dead animals of Chapter 1 or Chapter 3, unfit for human consumption 7. Other	free
08.05	Nuts other than those falling within heading No. 0801, fresh or dried, shelled or not ex. 4 (2) Hazel nuts	5 per cent
12.03	Seeds, fruit and spores, of a kind used for sowing: 1. Vegetable seeds	free
14.05	Vegetable products not elsewhere specified or included: ex. 1 (2) of genus Gloiopeltis	free
15.05	Wool grease and fatty substances derived therefrom (including lanolin) 1. Wool grease	free

B. Reduction of preferential rates of duty

(1) Agricultural products falling within Chapters 1-24 of the BTN

The preferential rate of duty has been further reduced on the following item:

BTN No.	Description	Preferential rate of duty
21.05	Soups and broths, in liquid, solid or powder form; homogenized composite food preparations: ex. Homogenized composite food preparations	old new 15% 12%

(2) Selected products falling within Chapters 25-99 of the BTN

The following selected product to which a 50 per cent tariff reduction was applied, now enjoys duty-free import. As a result, the number of items designated as selected products has been decreased from 48 to 47 on a four-digit BTN basis.

BTN	Description
75.03	Wrought plates, sheets and strip, of nickel; nickel foil; nickel powders and flakes: ex. 1-(1) B powder flakes

2. Reduction of the m.f.n. tariff rates

Effective 1 April 1975, the Japanese Government has reduced most-favoured-nation duties on forty products including a number of export interest to developing countries such as dried shrimps, prawns and lobsters (ex.16.05-2) and certain articles of wood (4427-2(2), 4428-1).

MALTA

I have the honour to refer to your communication GATT/AIR/1204 dated 6 August 1975 regarding the Review of the Implementation of Part IV and to inform that Malta is making efforts to increase commercial and economic co-operation with both the developed and the developing countries.

NORWAY

1. The Norwegian Government has recently submitted a report to the Storting concerning Norway's economic relations with the developing countries. The entire spectrum of the relations between Norway and the developing countries is dealt with in this report. A copy of the report in its English language version is enclosed.¹

In the field of foreign trade it might be of interest to note that from 1972-74 duty-free imports into Norway from the developing countries under the generalized system of preferences have doubled. During the same two-year period the preferential import of industrial goods was quintupled. Ninety-three per cent of agricultural products and ninety-seven per cent of industrial goods from the developing countries enjoy duty-free entry into the Norwegian market. Some of these goods, however, enjoyed duty-free entry already prior to the implementation of the preference system, and of the products which continue to be subject to duty, there are a number of products which the developing countries are particularly interested in, such as textiles, shoes etc. The Government intends to propose an extension of the product range under the GSP system with approximately thirty new products, in such a way that the twenty-five least developed countries will enjoy full duty-free treatment for all their goods on the Norwegian market.

Structural readjustment in the Norwegian economy may prove necessary in order to achieve a further liberalization of imports from the developing countries. The Government plans to propose appropriations for readjustment measures over and above the development assistance appropriations.

In order to initiate industrial projects in the developing countries the Government proposes that the necessary funds be placed at the disposal of the developing countries in the form of loans on favourable terms for joint ventures, provided that such measures accord with the development plans in the countries concerned.

In January 1975 a Government-appointed committee submitted a recommendation where it was proposed to establish an independent information agency for the guidance of producers and exporters from developing countries studying the possibilities of exports to the Norwegian market. In the report to the Storting the Government supported the establishment of such an agency.

¹ A copy of the report is available with the secretariat for consultation by interested delegations.

2. Norway has presented to UNCTAD and OECD a comprehensive notification of the consolidated and revised Norwegian edition of the Norwegian preferential tariff system applicable from 1 July 1975. The rules of origin have been somewhat simplified and harmonized by means of an adaption to the rules of origin in the preference system of the European Community.

The most important amendments are that the rules of origin certificates need no longer be sent directly to the Norwegian customs authorities but are also accepted if a copy is sent from the customs authorities in the EC or EFTA countries. In addition, the rules have been liberalized in that approximately thirty product headings have been eliminated from List A of the rules of origin, while approximately 180 headings have been added to List B. Chemicals constitute the largest group among the latter headings. The developing countries themselves attach great importance to amending the rules covering this group of products.

Even if the developing countries are accorded duty-free entry in principle under the GSP system for a large proportion of their goods on the Norwegian market, practice has shown that full advantage has not been taken in respect of this system. Thus, out of the total Norwegian imports from developing countries, which in 1974 were liable to GSP treatment, it was only in respect of 60 per cent of these that full advantage was taken and preferential treatment achieved. It is to be hoped that the simplification and harmonization of the rules of origin may lead to improved utilization of the system.

In connexion with the notification to UNCTAD and GATT, a new edition of the Norwegian tariff preference system has been compiled, giving a comprehensive outline of the rules involved. This has now been published in a large number of copies in English language translation, i.a. as part of the efforts to make the Norwegian preference system better known. A copy of this edition is enclosed.¹

3. In order better to supervise developments in imports for certain textile and ready-made clothing products, Norway has subjected these products to a licensing system. This licensing requirement does not imply any restrictions on normal imports. The licences will be granted automatically for imports from all countries where such imports previously were free. The licensing supervision will be practised in such a way that it will not conflict with Norway's international obligations (cf. Norway's notification to GATT of 20 August 1975).²

¹This document will be issued by the secretariat as L/4242

²L/4219

SWITZERLAND

We have the honour to inform you that an arrangement with Pakistan was entered into on 5 December 1974 and put into force on 1 July 1975. This arrangement relates to duty-free admission conditions for woven fabrics obtained on hand looms. We have contacted other countries with a view to possible arrangements of the same type. Procedures for the issuance of certificates have been simplified, effective 1 July 1975, as regards India with which a similar arrangement has been in force since 15 November 1970. Details of regulations concerning duty-free imports of woven fabrics obtained on hand looms and of arrangements with India and Pakistan are provided in Annex I.

Within the framework of the activities of the UNCTAD/GATT International Trade Centre, Switzerland will finance a Trade Promotion Assistance Programme with Sudan involving a contribution of \$64,000 over a period of two years.

For the first time this year a developing country has been invited to take part in the major trade fair, hitherto reserved to Swiss industries, the Samples Fair in Basle. In 1975 as in previous years, Switzerland hosted three developing countries as guests of honour to the Swiss Counter Fair in Lausanne: Kenya, China and El Salvador.

Several Department Stores have been organizing temporary exhibits of products from developing countries. Thus, the City of Zurich organized "Mexican Weeks" last summer. All this contributes to establish contact with potential consumers and serves to promote exports from developing countries. Switzerland will pursue this policy.

We are also in a position to provide statistical data showing the evolution of Swiss imports from the developing countries over the last two years: total imports covered by the Swiss GSP Scheme rose from Sw F 1,206.7 million in 1973 to Sw F 1,516.0 million in 1974, representing a 25.6 per cent increase. Imports which actually benefited from preferential treatment rose from Sw F 454.2 to Sw F 623.7 million during the same period, an increase by 37.3 per cent. Therefore, about 37.6 and 41.4 per cent respectively of imports coming under the Swiss Scheme have effectively benefited from preferential treatment. This increase is mainly due to the application of duty-free treatment introduced in respect of most items as from 1 April 1974. The expectation is that the preference utilization rate will further increase during the current year. However, it should be recalled that many imported products are only subject to a very low rate of duty and that as a consequence in many instances importers do not care to obtain the certificates of origin necessary to benefit from preferential rates of duty. Furthermore, the rules of origin governing the granting of tariff preferences to developing countries are not always complied with by exporters of products for which preferential treatment has been requested.

ANNEX I

Duty-Free Imports from India and Pakistan of Woven Fabrics
obtained from Hand Looms

Under the Federal Council Order of 6 April 1970 concerning duty-free imports of woven fabrics obtained on hand looms (S.N. 632.115.01) duty-free imports into Switzerland of certain fabrics of silk, waste silk or cotton obtained on hand looms are authorized under certain conditions.

Description of fabrics

1. Woven fabrics of silk or waste silk, unbleached, discharged or bleached, dyed or of dyed threads, obtained on hand looms, with genuine selvage on both sides, ex. heading Nos. 5009.10-40 of the 1959 Swiss Customs Tariff effectively applied.
2. Woven fabrics of cotton, unbleached, creamed in an unbleached state, bleached or mercerized, dyed, or of dyed threads, whether or not figured, obtained on hand looms, with genuine selvage on both sides, ex heading Nos. 5509.10-46, 5509.69/10-46 and 5509.79/10-46 of the 1959 Swiss Customs Tariff effectively applied.

Conditions under which duty-free entry can be granted

Duty-free entry is granted only if:

- (a) a special certificate of origin and manufacture issued by a recognized authority in the country of origin is submitted at the time of customs clearance;
- (b) the fabric is shipped directly from the country of origin to Swiss customs territory;
- (c) the above conditions have been explicitly agreed upon with the country of origin.

Arrangement with India

In 1970, the Trade Division of the Federal Department for public economy and the authorities of the Republic of India agreed on the conditions under which the woven fabrics under consideration could be granted duty-free entry. These regulations entered into force on 15 November 1970, after a notification had been published in No. 264 (11 November 1970) of the Swiss Trade Gazette (Feuille Officielle Suisse du Commerce) listing the Indian authorities empowered to issue

certificates of origin and manufacture.. These regulations are valid until 25 February 1982.

At the request of the Indian Authorities, the procedure for issuing the certificates has been simplified as from 1 July 1975.

Arrangement with Pakistan

The conditions under which imports of the above-mentioned woven fabrics can be admitted were agreed upon by the Trade Division of the Federal Department for Public Economy and Pakistan on 5 December 1974. This arrangement became effective on 1 July 1975 and will remain valid until 28 February 1982.

UNITED STATES

Since the last meeting of the Committee on Trade and Development, the United States has suspended import duties on a wide variety of zinc and zinc-bearing materials, many of which are important items of trade for developing countries. In addition, the United States has renewed the suspensions of duties on copper scrap and iron and steel scrap, products also of considerable interest to developing countries.

The United States continues to make good progress on its generalized system of preferences and has publicly announced its intention to implement the system on 1 January 1976.