

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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BACKGROUND NOTE FOR REVIEW OF IMPLEMENTATION OF PART IV

Prepared by the Secretariat

1. The Committee on Trade and Development is required to keep under continuous review progress made in the implementation of the provisions of Part IV of the General Agreement. In pursuance of this requirement the Committee agreed to undertake, at least once a year, a full review on the basis of notifications submitted by governments. The last full review was carried out by the Committee at its thirtieth session in November 1975 having as background notifications submitted by governments in COM.TD/W/234 and addenda as well as information provided in secretariat document COM.TD/W/233. Additional information provided by delegations in the course of that session is contained in paragraphs 14-20 of the Committee's report (L/4252).
2. In this note, intended to assist the Committee in its mid-term review, the secretariat has assembled from relevant sources summary details of certain actions which have been taken by governments in relation to the implementation of Part IV, including developments in other international organizations. The provision of information about these actions is not intended to imply any judgement as to their impact on the trade of developing countries. It is to be expected that delegations will be able to provide further details relating to the implementation of Part IV in the course of the meeting.

ACTION BY GOVERNMENTS

Tariffs

3. In introducing a customs tariff as from 1 January 1976, Poland has provided preferential rates of duty for certain products when imported from developing countries (C/M/112).

Generalized System of Preferences (GSP)

4. Australia has notified a number of changes in its Generalized System of Preferences. Certain countries and dependencies have been added to the list of beneficiaries, and eligibility for preferential treatment withdrawn from some countries in respect of certain products, including drilling machines of the bench or pedestal type, certain types of leather goods and work gloves, mitts or mittens of leather or composition leather. The preferential margin on imports of balloons from developing countries has been reduced (L/3982/Add.5).

5. The United States has introduced its Generalized System of Preferences which is expected to operate for a period of ten years from 1 January 1976 (L/4299 and Add.1).

Import restrictions

6. Australia has, from 5 March 1976, removed restrictions on the importation of hot rolled sheets and plates of iron or steel not exceeding 3.2 mm. in thickness and cold rolled sheets and plates of iron or steel of a kind falling within sub-item 73.13.1 of the Australian tariff (L/4166/Add.7).

7. From 1 January 1976 Canada will allow imports from any country, except Rhodesia, of beef and veal in fresh or frozen form without individual import licences. Such imports will be made under open general licences. This action abolishes Canada's border measures regarding the import of live cattle and beef and veal taken under the provisions of Article XIX on 12 August 1974 (L/4072/Add.2).

8. The European Communities have terminated quantitative restrictions and other restrictions having equivalent effect on a wide range of products processed from fruit and vegetables. However, imports of tomato concentrates (CCCN ex 20.02C) are now subject to a minimum import pricing system.

9. Japan has, with effect from 24 December 1975, removed quantitative restrictions on imports of electronic digital automatic data processing machines (BTN 84.53-1) and parts and accessories thereof. As a result of these liberalization measures, the number of items under residual quantitative import restrictions has been reduced to twenty-seven (L/4287).

Import deposit schemes

10. As from 15 February 1976, Finland has exempted a number of products from its temporary import levy and import deposits introduced in March 1975 (L/4165/Add.3). Finland has also announced that its import deposit scheme is to be gradually

phased out by the end of 1976 (L/4165/Add.4). The list of products which were subject to import deposit as of 15 March 1976 is contained in L/4165/Add.5.

11. Effective 2 February 1976, New Zealand has introduced a limited import deposit scheme for balance-of-payments reasons. The scheme provides for an import deposit of 33 1/3 per cent, based on the current domestic valuation, to be deposited with the Reserve Bank. The deposit will be refunded in full but without interest after six months. The scheme is to last for one year and the products covered represent about 7 per cent of total New Zealand imports (L/4303).

Other developments of interest in relation to Part IV

12. As of 1 January 1976, the United Kingdom introduced certain selective temporary measures on imports. These include a statistical surveillance system in the form of licences to be accorded immediately and automatically for imports of colour television sets, black and white portable television sets and television tubes. This system, it was explained, did not imply the imposition of import restrictions. Quota measures were introduced for imports of cotton-yarn (55.05), originating from Spain and Portugal and of certain synthetic and artificial fibres (56.07) originating from Portugal. Furthermore, Poland, Czechoslovakia and Romania have been invited to maintain in 1976 restrictions on their exports of men's leather shoes to the United Kingdom and to apply similar restrictions on exports of women's and children's leather shoes (C/M/112).

13. The European Communities have modified the import régime in respect of live animals and meat coming within the bovine meat sector. The new régime comprises a linked-sales system for frozen beef and veal by the intervention agencies to allow the import into the Community of cattle and meat; for imports, the products are those to which the "EXIM" system was applicable (L/4004/Add.12). The European Communities have also made further provision for the import at reduced levy rates of young male animals for fattening (L/4004/Add.13).

14. Japan has raised its import tariffs on silk yarn and woven silk. The tariff on silk yarn has thus been increased from 6 to 7.5 per cent, while tariffs on spun silk and woven silk go up from 12 to 15 per cent and from 8 to 10 per cent respectively. It has been noted that the increases amount to a restoration of tariff cuts made in 1972. Japan authorized the Japan Raw Silk Corporation as the sole importer of raw silk as from August 1974 (L/4110, paragraph 16).

15. As of 5 November 1975, Sweden has introduced a global import quota system for leather shoes, plastic shoes and rubber boots. This system is applicable to imports from all sources, except some State-trading countries for which special restrictive arrangements concerning imports into Sweden already exist. The global quotas are determined on the basis of average imports for the period 1972-1974 (L/4250).

16. The emergency action taken by Switzerland on 26 May 1975 to contain imports in 1975 of bottled quality white wines has been extended on a temporary basis through 1976. The level of imports during 1976 has been set at 65 per cent of actual imports in 1974. (L/4181/Add.1).

17. The Government of the United States has notified that after investigations, the United States International Trade Commission has affirmed, in a series of reports to the President, that a number of domestic industries, including the footwear, stainless steel flatware, stainless and alloy tool steel and slide fasteners industries were suffering serious injury from increased imports and has recommended possible courses of action (L/4311-L/4315; L/4318; L/4320). The United States Trade Act allows the President sixty days from the date of the submission of reports to decide on any action which might be taken. In a further notification it has been stated that the President of the United States has determined that imports of fresh and processed asparagus, primarily from Mexico and Taiwan were not entering the United States in such quantities as to substantially cause or threaten serious injury to domestic producers. Accordingly, no import relief measures would be taken under "escape clause" provisions (Section 203) of the Trade Act of 1974 (L/4315/Add.1). More recent information on developments concerning stainless and alloy tool steel may be found in L/4318.

ACTIONS IN OTHER INTERNATIONAL ORGANIZATIONS
RELEVANT TO PART IV

UNCTAD

18. The UNCTAD Trade and Development Board held its Seventh Special Session from 8-19 March 1976 to examine proposals requiring a decision at the Fourth Session of the UNCTAD Conference to be held in Nairobi from 3-28 May 1976. Proposals before the Board covered, inter alia, commodities, manufactures, financial and monetary problems of developing countries, transfer of technology, economic co-operation among developing countries and institutional questions. The Board examined policy issues in these areas and decided to present to the Conference in Nairobi the text of relevant draft resolutions which had been prepared by its subsidiary organs.

Consultations on copper

19. At a consultative meeting of copper importing and exporting countries (22 to 26 March), convened by UNCTAD at the request of the Inter-governmental Council of Copper Exporting Countries, it was decided to establish a working group to collect information relevant to trade in copper and copper products, and to study the possibility of setting up a permanent consultative body on copper. It was also agreed that consultations at inter-governmental level would resume not later than December 1976.

FAO

20. Four of the Inter-governmental Groups on Commodities of the FAO have met since the beginning of the year, i.e. the Inter-governmental Groups on Hard Fibres (9-14 February 1976), Jute Kenaf and Allied Fibres (19-21 January 1976), Oilseeds, Oils and Fats (8 and 9 March 1976) and Rice (29 March-2 April 1976).

21. The Group on Jute formulated a new indicative price range for Bangladesh jute, discussed developments in supplies and prices of synthetics and their likely effects on exports of jute and jute goods, and reviewed progress towards greater consultations among the principal producers of jute and jute products.

22. The Group on Hard Fibres reviewed the informal international export quota and price arrangements on sisal and henequen and decided not to change total and national quotas for 1976. The Group also began a study of possible informal price arrangements for harvest twine and examined possibilities for a formal commodity agreement on sisal.

23. The Group on Oilseeds, Oils and Fats reviewed the current situation and short-term outlook in the relevant markets. Among other things, the Group agreed that countries should avoid imposing new barriers to imports of vegetable oils and meals, especially those exported by developing countries.

24. The Group on Rice reviewed the current market situation, the outlook for 1975/76, and long-term trends in production and consumption, as well as the policies of certain exporting and importing countries. The Group also discussed the question of adequacy of supplies and agreed to present certain considerations relating to rice stocks to the Committee on World Food Security at its meeting on 5-9 April 1976.

International Wheat Agreement

25. In February, the International Wheat Council agreed to extend the existing International Wheat Agreement (1971) for a period of two years from 1 July 1976. At the same time, the States members of the Food Aid Convention, which is part of the International Wheat Agreement, decided to fix their food aid contributions for the current year at the same level as last year, namely 4.2 million tons.

Conference on International Economic Co-operation

26. The four commissions established by the Conference at its December 1975 meeting (Energy, Raw Materials, Development and Financial Affairs) met for the first time from 16 to 26 February 1976 in Paris. They established their agenda

for the current and subsequent sessions and initiated discussions on the issues before them. The commissions met again from 14-26 March 1976.

International Coffee Organization

27. A new International Coffee Agreement was approved by the International Coffee Council on 3 December 1975. The Agreement was concluded for a period of six years starting 1 October 1976. It provides for a market regulation mechanism and establishes price targets higher than in the 1968 Agreement. During the first two years of the Agreement, suppliers will finance a coffee promotion fund to which voluntary contributions may also be made by importing Members.