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ACTION BY GOVERNMENTS RELEVANT TO THE PROVISIONS OF PART IV

In response to GATT/AIR/1305, the countries listed below have transmitted to the secretariat the following information in relation to the implementation of Part IV, covering the period since the last review was carried out by the Committee.

<u>Country</u>	<u>Page</u>
Canada	2
Finland	3
Malta	4
New Zealand	5-6
Norway	7
Sweden	8-9
Switzerland	10
United States	11-12

CANADA

As mentioned in previous submissions, Canada is still in the process of reviewing the Canadian GSP and is considering the question of extension of the GPT to a number of additional countries.

Canada is also examining the list of concessions which were formally presented by Canada in the Tropical Product Group of the MTN on 1 March 1976. Canadian authorities are examining proposals from developing countries concerning possible additions to that list.

As a result of the Budget of 26 May the Canadian Government decided to continue the application until 30 June 1977 of most of the temporary MFN tariff reductions which initially had been introduced in the February 1973 Budget and subsequently extended in the November 1974 Budget. These reductions were scheduled to expire on 30 June 1976. A number of these reductions are of interest to developing countries, although, in a few instances, MFN reductions have had the effect of eliminating the margin of preference which developing countries enjoyed under the Canadian GSP.

In our letter of 3 November 1975 concerning developments related to the implementation by Canada of Part IV of the GATT, it was mentioned that the Canadian Parliament had recently enacted new legislation which would permit the duty-free entry of certain handicraft products from GSP beneficiary countries. The Order in Council establishing the list of handicrafts to be accorded duty-free entry, together with definitions of these goods, was approved on 28 June 1976. The text of the Order in Council has been transmitted to the GATT secretariat for the information of the contracting parties.

FINLAND

Measures have been undertaken to further improve the Finnish GSP Scheme with regard to its product coverage and the number of beneficiaries. As of 15 September 1976, ten countries - Angola, Cape Verde, Comoros, Grenada, Mozambique, Papua New Guinea, São Tomé and Príncipe, Seychelles, Surinam and Turkey - have been added to the list of the beneficiaries of the Finnish GSP. The number of beneficiary countries thus totals 117 developing countries which are accorded duty-free import treatment with no quota limitations for all products covered by the Scheme.

It should also be noted that Finland has, in accordance with the procedures adopted by the Group "Tropical Products" of the Trade Negotiations Committee, made its initial offers for concessions to developing countries on 1 March 1976, and is going to present an additional offer in October 1976. The offers consist of the inclusion of several new items in the Finnish GSP Scheme, one tariff reduction on an MFN basis and a wide-ranging non-tariff concession in the form of the elimination of the Import Equalization Tax on the agricultural products covered by the Finnish GSP. Finland is proceeding with a view to an early implementation of the offers.

In 1976 the International Trade Centre programmes of export trade promotion of developing countries are supported by Fmk 1.3 million. This sum is mainly used for financing Finnish experts and the continuation of the Andean integrated export promotion programme.

Furthermore, the Ninth Annual Trade Promotion Course for export trade officials from developing countries has been arranged by the Helsinki School of Economics in co-operation with the International Trade Centre in 1976. This course, like the follow-up seminar for participants in the former export trade promotion courses, is funded by the Finnish Government.

MALTA

Malta is making efforts to increase commercial and economic co-operation with both the developed and the developing countries.

NEW ZEALAND

I. Liberalization of trade on products of export interest to LDC's

(i) GSP

New Zealand introduced a revised GSP on 1 July 1976. The new scheme is based on the negative list concept and significantly increases the GSP coverage granted by New Zealand. Every effort was made to keep the list of exceptions to the minimum to give the greatest possible coverage to the scheme. The result is that in a tariff of some 4,800 items only 327 items (or about 7 per cent) have been excluded because of revenue considerations or other special factors. Based on figures for the year ended June 1975 the new scheme is estimated to cover imports worth \$2,240 million (total imports being \$2,470 million) from all sources. Imports from developing countries to which New Zealand grants preference amounted to \$428 million, or 19.1 per cent, of this total.

The revised GSP is based on an intention to maintain, in terms of GSP criteria, specified margins of preference for developing countries up to a level of 20 per cent. Margins have been created on 3,279 items with over 25 per cent of these being at the maximum level of 20 per cent. There are already 1,150 items in the tariff which are duty free from all sources.

Although no concurrent changes were made in rules of origin New Zealand had already adopted, on 1 October 1975, the "cumulative" principle whereby content from any developing country may be aggregated to comply with the minimum requirement. At the same time provision was made for the goods of one beneficiary country to enter the commerce of other beneficiary countries without interfering with their right to enter New Zealand under preference.

(ii) MTN - Tropical products

New Zealand received requests from 26 countries or groups of countries for concessions on 538 tariff items under the MTN tropical product procedures. Of these items 147 were already bound at Free in the GATT, were unbound at Free to all sources, or were Free under the former New Zealand GSP. New Zealand's initial offer is based on granting tariff concessions of up to 20 per cent over the existing MFN rate. Consultations on New Zealand's initial offer are currently being held with requesting countries.

III. Measures falling within provision of Article XXXVII, paragraph 3(b)

(ii) Trade promotion

In late 1975 New Zealand established a liaison unit to assist exports from developing countries. The unit provides a New Zealand contact for potential exporters and gives assistance with information on market prospects and regulations and procedures. It carries out trade surveys, provides contact with appropriate New Zealand importers and also helps visitors and trade missions from developing countries with both commercial and organizational assistance.

The unit has been able to assist a number of developing countries examine marketing prospects in New Zealand, and has done a considerable amount of work in the area of helping visiting trade and investment missions, some of which have also been given financial assistance through New Zealand's foreign aid programme. Market research information has also been supplied to international organizations such as the UNCTAD/GATT International Trade Centre. The unit has fulfilled a useful rôle in providing assistance to official representatives of developing countries based both in New Zealand and, in other nearby countries.

NORWAY

1. In 1975 the Norwegian Government submitted a comprehensive report to the Storting covering Norway's relations with the developing countries. Measures proposed in that report, such as the need for structural readjustments following the increased imports from developing countries, and the establishment of an independent information agency for the guidance of exporters from developing countries, are now being actively dealt with. The information agency is expected to become operational early in 1977.
2. As from 1 June 1976, the twenty-eight least developed countries were accorded full duty-free treatment for all products.
3. As from the same date the coverage of the Norwegian GSP scheme was extended with sixteen new items (four-digit BTN).
4. In the framework of the MTN Group "Tropical Products", Norway has offered a further twenty items (seven-digit BTN) on a GSP basis.
5. As from 1 October 1976, the list of beneficiaries of the Norwegian GSP scheme was extended to comprise Israel, Malta and Turkey.
6. Norway participates actively in the Multilateral Trade Negotiations with a view to reducing or eliminating measures in the non-tariff field, including those of particular interest to developing countries.
7. On the basis of the Arrangement Regarding International Trade in Textiles Norway has concluded agreements covering textile and garment items with a number of developing countries. (Reference is made to the relevant notifications made to the Textiles Surveillance Body.)
8. As from 1 October this year the Norwegian temporary automatic licensing arrangement on the importation from all sources of a number of textiles and garment items was somewhat widened. It is recalled that the licensing requirement does not imply any restrictions on normal imports, and that it was introduced in order better to supervise developments in imports for certain textile and ready-made clothing products. Licences will continue to be granted automatically for imports from all countries where such imports previously were free.

SWEDEN

Reduction or elimination of customs duties on products of export interest to developing countries

Reduction or elimination of fiscal duties or internal charges on such products

From 1 July 1976 two more countries have been granted preferential treatment in the Swedish GSP system, the People's Republic of Korea and Lesotho. The total number of countries granted preferential treatment now amounts to seventy.

Furthermore, reference could be made to the Swedish offer in Group "Tropical Products" in March 1976 within the framework of the multilateral trade negotiations (MTN). The offer consists of tariff reductions both on an MFN and a GSP basis. The offer will be found in the documentation in Group "Tropical Products". The three Nordic countries have jointly declared their readiness to let the offers enter into force on 1 January 1977.

At UNCTAD IV in May 1976 the Government of Sweden declared itself ready to extend the product coverage of the Swedish GSP system. The extension envisaged included i.a. the offer made in Group "Tropical Products".

Measures falling within the provisions of paragraph 3(b) of Article XXXVII

Steps to promote structural changes

Sweden has submitted information to the Textiles Committee on adjustment assistance measures in Sweden specifically directed towards the textile and clothing industries. This information is contained in document COM.TEX/W/25.

As to the reported government measures some changes have occurred since the information referred to above was submitted.

Firstly, the programme for conversion support and training will be in force for one more year until the end of fiscal year 1977/78. Accordingly the funds made available for this programme have been increased by SKr 15.5 million to a total of SKr 44 million.

Secondly, Sweden has recently decided on further adjustment assistance measures within the textiles and clothing industries. The main element in these new measures is a specific five-year programme for rationalization within the ready-made clothing industry.

As for these and other recent government adjustment measures reference could be made to the Swedish reply to GATT/AIR/1268, dated 23 July 1976.

Steps to introduce measures of trade promotion

Sweden participates actively in and gives considerable support to the trade promotion work done within the ITC. Sweden also provides bilateral assistance in this field, mainly in co-operation with the ITC.

Furthermore, the Swedish Import Promotion Office for Products from Developing Countries (IMPOD), established in the beginning of 1975, could be mentioned. IMPOD acts as an intermediary in establishing business contacts between exporters in the developing countries and the Swedish market with the purpose of creating permanent business relations. The aim is to increase the export revenues of the developing countries and in this way contribute to their development.

SWITZERLAND

In 1975, by reason of the recession the total value of Switzerland's imports was 20.2 per cent below the level for 1974. During the same period, Swiss imports from developing countries (agricultural and non-agricultural imports) fell back by 19 per cent (from Sw F 4,622.3 million to Sw F 3,742.1 million). On the other hand, imports covered by the Swiss GSP scheme diminished by only 7.4 per cent (from Sw F 1,516 million in 1974 to Sw F 1,403.3 million in 1975), and by 7.8 per cent for imports actually effected under the GSP (Sw F 623.7 million in 1974 and Sw F 575.3 million in 1975).

UNITED STATES

1. GSP - An Executive Order of 31 August made the following changes in country and product coverage:

- (a) Tamarind paste was added to GSP.
- (b) Portugal was designated as eligible for GSP.
- (c) Competitive need limitations were declared inapplicable on tequila in containers holding over one gallon (Mexico), unrefined castor oil (Brazil), cork stoppers (Portugal), and sugar from Costa Rica.
- (d) The total value of 1975 trade for items (a), (b), and (c) above is \$92.8 million.
- (e) The rejection of twenty-eight petitions for the removal of sixty-two items from GSP.
- (f) The granting of requests to remove in whole or in part only four items (pig and hog leather, inedible gelatin, plastic price-tag fasteners, and black and white TV picture tubes over 16 inches) involving only \$3.4 million of trade in 1975.
- (g) In addition to these changes, the United States has worked continuously to ensure smooth operation of the GSP programme and has provided officials for participation in discussions on the GSP held in several countries.

2. Favourable decisions were made by the US administration on a number of individual trade items of varying interest to developing countries as follows:

- (a) The President rejected a proposed increase in the duty on honey. Instead, he asked the US Department of Agriculture for more research on pollination in order to assist producers.
- (b) The President implemented the International Trade Commission recommendations for provision of adjustment assistance instead of imposing restrictions on shrimp and canned mushrooms.
- (c) The President declined to impose ITC-recommended escape clause tariff increases on iron-blue pigments and stainless steel flatware as not being in the national interest.

- (d) The President terminated some and phased out other escape clause tariff increases imposed in 1972 on earthenware and chinaware table articles.
- (e) The ITC found that imports of round stainless steel wire were not causing injury, and recommended no escape clause restrictions.

3. The United States waived, effective 1 July, all countervailing duties on Brazilian leather handbags in return for Brazilian agreement to phase out excess tax credits on leather handbag exports by 31 December 1977.

4. The United States signed the international coffee agreement in an effort to promote price stability, and engaged in preparations to establish a sugar agreement. Subsequent to 30 April, the United States has signed and ratified the International Tin Agreement, the purpose of which is to modify fluctuations in the world price of tin.

