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ACTION BY GOVERNMENTS RELEVANT TO THE PROVISIONS OF PART IV

Addendum

The following communication has been received from the delegation of the United States in connexion with the implementation of Part IV.

A. Generalized System of Preferences

Total United States imports of products eligible for GSP treatment in 1977 amounted to \$31.1 billion, of which \$7.7 billion or 23 per cent originated in beneficiary developing countries (BDCs). Of the trade originating in the BDCs, \$3.9 billion received duty-free treatment. The remaining \$3.8 billion was excluded because of the competitive need criteria or because GSP treatment was not requested by the exporter.

Trade in GSP items has continued to rise in 1978. Figures for the first six months show an almost 25 per cent rise over the first six months of 1977. Total first six months imports of GSP eligible items into the United States amounted to \$19.7 billion, of which \$4.5 billion originated in BDCs. Of that \$4.5 billion in trade, \$2.4 billion received duty-free treatment.

On 1 March 1978, the United States added thirteen items to the list of GSP eligible products. Total trade in these thirteen items during the first six months of 1978 added to \$60.8 million, of which \$38.4 million, 65 per cent, originated in BDCs. Of that portion originating in BDCs, \$28.6 million received duty-free treatment, \$4 million was excluded from GSP by competitive need criteria, and \$5.7 million was dutiable either because it entered the United States prior to the time GSP treatment was granted, or because GSP treatment was not requested.

During the period under consideration, the United States sponsored seminars on GSP in the Philippines, Malaysia and Singapore and participated in a series of UNCTAD-sponsored seminars in Africa, Latin America, and Asia. The United States also prepared and distributed a total of 24,000 new informational pamphlets dealing with the United States GSP programme.

The major beneficiaries of GSP duty-free imports during the first half of 1978 were: Taiwan - \$615 million, Korea - \$303 million, Hong Kong - \$235 million, Mexico - \$224 million, Brazil - \$220 million, Israel - \$94 million, Yugoslavia - \$72 million, Argentina - \$65 million, Singapore - \$63 million, and India - \$57 million.

During 1978, the United States accepted 146 petitions for product additions to GSP. Those petitions are currently under consideration. The United States also accepted twenty-nine petitions for product deletions, which petitions are also currently under consideration. Changes to the current GSP schedules, if required, will be made in March 1979.

B. Article XIX actions

During the period a total of ten escape clause actions were under consideration by the International Trade Commission. These cases were filed by private United States interests seeking relief against rapidly rising imports. Of those, four cases (zinc, stainless steel flatware, copper, bicycle tyres) resulted in either a finding of no injury or in a decision by the President not to grant relief. Four cases are currently pending (clothes-pins, fishing tackle, machine needles, industrial fasteners). In two cases a decision to grant relief was reached.

On 27 March, the President granted relief on citizens band radio transceivers (see L/4634 and additions). The decision was based primarily on three factors: domestic production fell from 678,000 units in the first half of 1976 to 379,000 units in the first half of 1977, a decline of 44 per cent. Industry profits fell from 8.4 per cent on sales in 1976 to a loss of 27.5 per cent on sales in 1977 and two firms filed for bankruptcy. Employment fell 38 per cent from an average of 6,289 in the first half of 1976 to 4,519 in the first half of 1977.

Average annual imports of CB transceivers in 1975-1977 were 9 million units valued at approximately \$490 million. The principal supplier affected was Japan, although Taiwan, South Korea and Hong Kong were also substantial suppliers accounting on average for \$32.8 million, \$8.2 million, and \$1 million in annual sales respectively.

On 2 November, the President decided to grant relief in the form of increased tariffs on imports of high carbon ferro-chromium. Relief will take effect 16 November 1978, outside of the scope of this report, and will be reported separately.

