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ACTION BY GOVERNMENTS RELEVANT TO THE IMPLEMENTATION OF PART IV AND THE OPERATION OF THE ENABLING CLAUSE

In response to GATT/AIR/1841 of 19 July 1982, contracting parties listed below have transmitted to the secretariat the following information in relation to the implementation of Part IV and the operation of the Enabling Clause. Further notifications will be circulated as addenda to this document.

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NORWAY

Original: English

1. No major changes were made to the Norwegian Scheme of Generalized Preferences during the last year.
2. The following two products have with effect from 1 October 1982 been included in the list of products eligible for preferential treatment:

 CCCN 55.08 Terry towelling and similar terry fabrics, and
 CCCN ex 84.06 Engines for motor vehicles falling within subheading No. 87.01A and headings Nos. 87.02 and 87.03.
3. The list of beneficiaries under the Norwegian GSP was changed as of 1 September 1981 in order to include the following countries in the list of independent states: Antigua-Barbuda, Bahamas, Belize, Djibouti, Grenada, Kiribati, Papua New Guinea, Solomon Islands, St. Lucia, St. Vincent and The Grenadines, Suriname, Tuvalu and Vanuatu. These countries had previously been listed as dependencies and territories.
4. The Norwegian Government has prolonged the system of global import quotas on various textile items by half a year from 1 January to 30 June 1983. Reference is made to the notification in document L/4692/Add.12.

SWITZERLAND

Original: French

1. Details concerning the extension of the Swiss scheme of preferences (1 March 1982) and improvements thereto, including special preferences in favour of the least-developed countries (1 July 1982), have already been notified in documents L/4020/Add.6 and 7.
2. As regards promotion of imports from developing countries, several projects have been undertaken:
 - the Swiss Office for the Development of Trade (OSEC) has been asked to set up a permanent information service, in order to inform developing-country exporters about the Swiss market (trade usages, tariff and non-tariff measures, publicity, etc.) and Swiss importers about the export possibilities of developing countries. For this purpose it publishes a periodical bulletin listing offers by developing-country exporters. In addition, it puts developing-country businessmen in touch with their opposite numbers in Switzerland and advises developing-country exporters, for example about the most appropriate means for adapting their products to the requirements of the Swiss market or for organizing promotion drives;
 - in addition OSEC has published a new edition of its bulletin "How to Export to Switzerland" which contains useful information and addresses to help developing-country exporters to establish contacts with the Swiss market;
 - in 1981 the Confederation covered most of the costs of participation of three countries in the major Swiss trade fairs: Egypt, Senegal and Sri Lanka (MUBA, Basle) and Peru ("Comptoir suisse" - Swiss Trade Fair - at Lausanne);
 - in addition to contributing to funding the ITC jute products promotion project in 1982, Switzerland has financed a study carried out by the "Import and Information Service on Products from Developing Regions" (OS 3) with a view to identifying new distribution channels for jute products in the Swiss market and finding new utilization possibilities for these products.
3. In addition, the Confederation financed the Spanish-language commercial policy training course in GATT at the beginning of this year.

4. Switzerland's total imports increased from Sw F 58,972 million in 1980 to Sw F 60,094 million in 1981. Over the same period, imports from countries covered by the Swiss scheme of preferences¹ declined from Sw F 6,347 million to Sw F 5,873 million. Imports covered by the Swiss scheme of preferences reached Sw F 2,406 million in 1981 as against Sw F 2,955 million in 1980; those under preferential arrangements totalled Sw F 885 million in 1981 as against Sw F 989 million in 1980.

¹ In evaluating the figures below, account should be taken of the fact that Spain and Greece are no longer included in the list of beneficiary countries under the Swiss scheme of preferences as from 1 July 1980 and 1 January 1981 respectively.

UNITED STATES

Original: English

Implementation of Part IV

(A) Reduction or elimination of customs duties on products of export interest to developing countries:

- (i) United States Government tariff-cutting agreements (under Section 124 of the Trade Act of 1974): Cuts agreed to with several countries on a bilateral basis are being applied by the United States on an m.f.n. basis and include such products of interest to developing country GATT members as percussion musical instruments, certain games and parts thereof including lawn tennis equipment, certain balls for games or sports, certain sport, gymnastic and playground equipment, and curtains and drapes.
- (ii) Miscellaneous United States Government tariff bills: Bills currently being marked up by the Congress will, if passed, result in duty suspensions of various lengths on clock radios, disposable hospital apparel, toys and novelty items used in vending machines, and stuffed dolls and toys.

(B) Reduction or elimination of fiscal duties or internal charges on products of export interest to developing countries

The United States Government has nothing to report in this area.

(C) Removal of import restrictions applied on products of export interest to developing countries or changes in their administration and (D) reduction or removal of other non-tariff measures of interest to developing countries

(i) Escape clause actions and orderly marketing agreements:

- The escape clause actions on citizens band radio transceivers was terminated during 1981;

- The orderly marketing agreement with Korea on footwear expired on 30 June 1981;
- The temporary duty increase on bolts, nuts, and large screws of iron or steel expired on 5 January 1982;
- Escape clause relief was terminated on two categories of prepared or preserved mushrooms in March 1982;
- The orderly marketing agreement with Korea on colour television receivers and sub-assemblies thereof expired on 30 June 1982.

(E) Any increases in duties, fiscal charges, quantitative restrictions and other trade barriers affecting the exports of developing countries and not covered in documentation for the Sub-Committee on Protective Measures

(i) Escape clause actions and orderly marketing agreements:

- No new escape clause actions were taken by the United States during 1981 and 1982, although two reviews were initiated during 1982. These were fishing rods and parts thereof in which the United States International Trade Commission (USITC) found no injury from imports, and tubeless tyre valves and heavyweight motorcycles in which determinations have not yet been made by the USITC.
- Currently, escape clause actions remain in effect on four products: additional duties on certain prepared or preserved mushrooms (scheduled to expire on 1 November 1983); additional duties on porcelain-on-steel cooking ware valued not over US\$2.25 per pound (scheduled to expire on 17 January 1984); temporary global quota on clothes-pins (scheduled to expire on 22 February 1984) and additional duties on high carbon ferro-chromium (scheduled to expire on 15 November 1982).

(ii) Miscellaneous tariff bills:

- A bill was passed during 1981 enacting a duty increase through 1992 on ethyl alcohol for fuel use. This action primarily affects Brazil who is presently pursuing an Article XXVIII negotiation with the United States in the GATT.
- A bill is presently being considered which would raise duties on cut roses, though there is not much likelihood it will pass given opposition to it by the Administration as well as certain groups in the private sector.

(iii) Import quotas:

- Currently, import restrictions pursuant to Section 22 of the United States Agricultural Adjustment Act of 1933, as amended,

are in effect on four commodity groups: cotton of certain specified staple lengths, cotton waste and certain cotton products; peanuts; certain dairy products; and sugar. Since the last review of Part IV, restrictions on Section 22 commodities remained unchanged except in the case of sugar where there have been modifications in the flexible import fee system. The status of the United States Government Section 22 restrictions is contained in GATT document L/5328, and additional information about these restrictions was provided at the Council meeting of 29 June 1982.

- Effective 11 May 1982, the United States Government imposed quotas on sugar. The Presidential Proclamation announcing these quotas was given to the GATT secretariat in May. The quotas, which are allocated among supplying countries, are temporary and will be removed as soon as market conditions permit.

(iv) Countervailing and anti-dumping actions: Since the last review of Part IV, three countervailing and anti-dumping investigations concerning products of developing country GATT members have resulted in duties being imposed. These include certain steel wire nails from Korea (anti-dumping), animal glue and inedible gelatin from Yugoslavia (anti-dumping), and certain steel wire nails from Korea (countervailing).

(F) Changes in "trade margins" of the kind referred to in paragraph 3(a) of Article XXXVII and (G) measures falling within the provisions of paragraph 3(b) of Article XXXVII

The United States Government has nothing to report in these areas.

Operation of the Enabling Clause

(A) Any action taken in accordance with paragraphs 1, 2(a)-(d) and 3 of the Enabling Clause Decision to introduce, modify or withdraw differential and more favourable treatment not already notified; and
(B) any other information relevant to the review of the operation of the provisions of the Enabling Clause

Since the last review of Part IV, President Reagan has announced that the United States Administration will seek an extension from the United States Congress of the United States GSP programme beyond its scheduled termination in January 1985. The United States Government has not yet developed any positions concerning the structure of the future United States GSP programme, but as a first step in the renewal process it will be holding public hearings to obtain comments from interested parties on their experience under the programme and suggestions as to future modifications.

Over the past year, the United States Government has worked to expand the base of benefits available to all beneficiary countries. Forty-eight products, many of which are agricultural products of particular interest to the lesser developed countries, were added to the list of articles eligible for duty-free treatment under the GSP effective 31 March 1982. No products have been removed from the duty-free list. In addition, there were 35 instances in which countries previously ineligible for GSP treatment on products because of statutory competitive need limits were redesignated for GSP eligibility. Finally, beneficiary countries were permitted to retain GSP eligibility on 194 products pursuant to the de minimis provision introduced in 1980, which allows the President to waive the 50 per cent competitive-need limitation in cases where total United States imports of a product are below a certain value (US\$1.2 million in 1981). The total value of beneficiary country trade affected by all of these positive actions was US\$330 million, based on 1981 imports.

While continuing to broaden the benefits available to all beneficiary countries, the United States Government has continued to implement on a limited scale certain measures of differentiation on a product-by-product basis. In implementing this policy, which is intended to improve the competitive position of lesser developed countries, the United States has taken three factors into consideration: (i) the country's overall level of development; (ii) its competitiveness in the particular product of concern; and (iii) the overall economic interests of the United States, including such factors as consumer benefits and the import sensitivity of the domestic industry. Of particular importance is the fact that this policy of differentiation has not, for the most part, involved the withdrawal of benefits from countries on products for which they are currently eligible for GSP treatment. Instead, over 90 per cent of the value of trade affected by these measures has involved articles for which the beneficiary country had previously lost GSP eligibility because of the automatic competitive need limits.

Presently, the United States GSP scheme covers 2,900 articles imported from 140 developing countries. The value of United States imports receiving duty-free treatment under the GSP totalled US\$8.4 billion in 1981 as compared to US\$7.3 billion the year before and US\$3.0 billion in 1976, the first year of its operation. The United States Government fully expects this rate of growth to continue as it works towards increasing each country's utilization of benefits already available and expanding the programme's coverage through petitions submitted by beneficiary countries during the annual product review. Over the past three years the United States has added nearly 150 products, accounting for over US\$1 billion in imports from developing countries, to the list of articles eligible for GSP treatment as a result of this petition process.

The United States GSP programme is a very open and transparent one. The scheme is reviewed on an annual basis with ample opportunity for interested governments to present information regarding the requested modifications. Over the years the United States Government has worked hard at enhancing beneficiary countries' awareness of the programme through seminars, bilateral consultations, and regular reporting to developing country governments. The establishment of the GSP Information Centre in 1980 was particularly instrumental in this regard. Many countries have taken advantage through

their embassies in Washington of the services provided by this Centre, which include assistance in the preparation of petitions prior to the annual product review, identifying products of particular interest to beneficiary countries, and discussing the general operations of the programme.

The 1982 annual product review is already underway. Petitions have been received and the United States Government has completed an evaluation of the approximately 500 requests to modify the list of items eligible for duty-free treatment under the United States GSP scheme. In summary, the 1982 GSP annual product review will consider requests for the addition of 62 products to the GSP, requests for the removal of 5 products from the GSP and requests for the graduation of one or more countries on 7 products. Public hearings are scheduled for early October, and the resulting round of modifications to the United States GSP scheme will take effect 31 March 1983.