# GENERAL AGREEMENT ON TARIFFS AND TRADE 

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Committee on Trade and Development
Fiftieth Session
25-26 October 1983
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PART IV CONSULTATIONS: BACKGROUND INFORMATION
Finland, Norway and Sweden
Note by the Secretariat
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## Introduction

1. At their Thirty-Eighth Session in November 1982, the CONTRACTING PARTIES, with a view to improving the review and surveillance procedures in regard to the implementation of Part IV, decided that:
(a) "the Committee on Trade and Development, bearing in mind particularly the special responsibility of the developed contracting parties in this regard, shall adopt a programme of consultations with contracting parties individually or collectively, as appropriate, to examine how individual contracting parties have responded to the requirements of Part IV;
(b) each such consultation shall be based on information supplied by the contracting party or parties in question and additional factual material prepared by the secretariat;
(c) the Committee on Trade and Development shall also examine other aspects of existing procedures for reviewing the implementation of Part IV and for dealing with problems relating to the application of its provisions, and prepare guidelines for their improvement."
2. At its forty-ninth session, in March 198\%, the Committee on Trade and Development carried out an examination of its future work programme in the light of the decisions taken by Ministers at the Thirty-Eighth Session of the CONTRACTING PARTIES. In relation to the decision on consultations in regard to the implementation of Part IV, the Committee agreed that the consultations should be carried out in the Committee itself. It aiso agreed that discussions, in the course of the consultations, could be organized under the following general points:
(a) overall review of developments in a country's trade flows and factors affecting such trade;
(b) examination of how a country's economic and trade policies have responded to the objectives and principles contained in Articie XXXVI;
(c) examination of how trade policy measures have responded to the commitments of the countries concerned under Article XXXVII;
(d) consideration of any matters relating to joint action under Article XXXVIII.
3. In regard to the question of documentation to provide the necessary basis for the consultations, the Conmittee agreed that the consulting country would be invited to submit a paper containing information relevant to the points mentioned above, and that the secretariat would prepare a factual background paper covering developments in trade and trade policy in regard to the country or group of countries being consulted.
4. The Cowmittee noted that following consultations with delegations, it was proposed to hold consultations with the Mordic countries, Austria and Hungary in the course of 1983. The present document contains factual background material covering developments in trade and trade policy in regard to the Nordic countries. The material has for the most part been drawn from available official and GATT documentation. It is not intended to be exhaustive.
5. While every effort has been made, including consultations with the delegations concerned, to present a clear and factially accurate picture of the situation, the information is subject to verification and correction in the light of any couments or suggestions that might be made by delegations.

SECTION I: Economic background

## Finland

6. Finland's economic performance has shown some variations over the last few years. Real GDP expanded by 7 per cent in both 1972 and 1973. The rate of growth fell in the succeeding years, amounting to less than 0.5 per cent in 1976 and in 1977. Growth picked up again in 1978 ( 2 per cent) and continued upwards to 7 per cent in 1979, but then fell back to 5 per cent, 1 per cent and 0.5 per cent in 1980, 1981 and 1982 respectively. The setback in growth during the last two years originated largely in the manufacturing sector, which (together with mining) sontributes about 28 per cent of GDP. In 1982, production in these sectors is estimated to have declined by 2.5 per cent, and this is the first time for many years that a negative growth rate has been recorded. The decline is largely attributable to reduced export demand and domestic private investment. Forestry output also leclined in 1982 (by about 5 per cent) as a result of reduced foreign demand.
7. Industrial employment figures show a similar crend over this period, with positive employment growth up to 1974, followed by negative growth for the four years up to 1978. Renewed growth of employment in 1979, 1980 and 1981 brought employment back to its 1974 level. The rate of unemployment has been fairly stable during the last three years, and was 6 per cent in 1982, compared to 5.5 per cent and 5 per cent in 1981 and 1980 respectively. There has been some fluctuation in Finland's inflation rate, which rose to 18 per cent in 1975, then fell to 8 per cent in 1979 before rising to 12 per cent in 1981, and falling again (to 10 per cent) in 1982.
8. With regard to the balance of payments, the trade account was in defictit in the early $1970^{\circ}$ s, up to 1976 , then in surplus in the years up to 1982 (with the exception of 1980, when there was a small deficit). In 1982 the trade surplus declined somewhat, despite a 2 per cent improvement in the terms of trade. The invisibles account was in deficit throughout this period, with the result that the current account was in deficit every year from 1970 onwards, except in 1978. The increase in the deficit on the invisibles account in 1982 was attributable largely to increased expenditure on travel and outfiows of investment income. Detailed balance of payments figures for 1980 , 1981 and 1982 are presented in Table l. As far as the exchange rate is concerned, there has been some depreciation in the last two years. The markka was devalued twice in the final quarter of 1982, resulting in an overall depreciation of 20 per cent against the US dollar compared to a year earlier, and a 10 per cent depreciation in effective terms.
9. Export volume growth was positive for 1971 to 1974 , then fell sharply in 1975, before picking up again the following year. Export growth remained positive until 1981, but. was negative again in 1982 (by 2 per cent). Import volume growth also rose from 1971 to 1974 and was then negative in successive years up to 1978. The years 1979 and 1980 saw positive import volume growth, but it was negative again in 1981 and only slightly positive (at 1 per cent) in 1982. In value terms there was a marked decline in the rate of growth of trade in 1981 and 1982. Whereas exports and imports grew by 27 per cent and 38 per cent respectively in 1980, Table 1 indicates that import and export growth rates were negative in 1981 and 1982. These negative growth rates were in part a reflection of the appreciation of the US dollar. (The same observation applies to Norway and Sweden as well).
10. The direction of trade figures reproduced in Table 2 indicate that developing countries as a group account for a modest share of Finland's total trade. Table 2 also shows Finland's trade balances with different regional groupings of countries. In 1982 only about 10 per cent of the country's imports originated in developing countries and the latter accounted for only 11 per cent of Finland's exports. Over a longer period, there has been some fluctuation in the share of developing countries in Finland's total trade, but with a generally upward trend. Only 6 per cent of Finland's exports went to developing countries in 1972, with the share rising to some 13 per cent in 1980. The reduction in the share of developing countries in Finland's imports over the last two years, and also the rising share in the years immediately prior to 1981, can be accounted for at least in part by changes in oil prices. With respect to other trading partners, approximately 27 per cent of Finland's imports came from the Eastern trading area in 1982 and the remainder (about 63 per cent) from developed market economy countries. On the export side the corresponding figures for 1982 were 28 per cent and 61 per cent
respectively.

## Norway

11. Norway's real GDP growth rate ranged from 5 per cent in 1972 to 4 per cent in 1973 and 1974, and then from 5 per cent to 7 per cent in 1975 and 1976 respectively. The growth rate declined to about 4 per cent in 1977, 1978 and 1980, and 5 per cent in 1979. After 1980, the situation deteriorated markedly, with a growth rate of only 1 per cent in 1981 and zero in 1982. The 1981 and 1982 rates are the lowest recorded since the war, and in both years increased domestic demand was offset by a decline in net foreign demand, with the deterioration being much more pronounced in 1982.
12. Total employment growth was static in 1973 and 1974 , and registered an average compound growth rate of somewhat less than 2 per cent in the years from 1975 to 1981. Annual rates of growth of employment varied considerably during this period, from as high as 5 per cent in 1976 down to 1 per cent in 1979. Unemployment has remained low by international standards, rising to 3 per cent of the labour force in 1982. This, however, represented almost a doubling of the 1981 unemployment level. Norway's inflation rate has also rewained fafrly low, rising above 10 per cent only once between 1971 and 1979 (to 12 per cent in 1975). Inflation was 11 per cent in 1980 , then rose to almost 14 per cent in 1981 , but fell back again to below 12 per cent in 1982.
13. Norway ran a trade deficit throughout the 1970 's until 1978. The 1978 deficit was substantially reduced from the previous year, and there was a small surplus in 1979. As indicated in Table 1, however, the country has enjoyed a substantial trade account surplus in the last three years. This turnaround is attributable in some measure to the oil sector. The invisibles account showed a positive balance over this period until 1975, when it became negative. In recent years these deficits have given rise to fairly small current account deficits, except in 1981 when the current account balance was posicive. The kroner depreciated by a total of 5.5 per cent in effective terms in 1981 and 1982. In dollar terms the depreciation rate was higher, and amounted to 10 per cent in 1982.
14. The growth of exports in volume terms increased steadily during the 1970's, with small negative rates being recorded only in 1974 and 1977. In 1981 export volume growth was negative (at 1.3 per cent), and positive in 1982, although not by enough to reach the export volume attained in 1980. Despite a slight rise in the volume of shipments in 1982, crude petroleum exports deciined by 8.5 per cent in dollar value (the result of lower prices) and accounted for 27 per cent of total export revenue, as compared to a peak of 31 per cent in 1980. Among other major exports, refined petroleum shipments increased marginally in volume in 1982, remaining unchanged in value. In the same year, earnings rose more than 20 per cent, representing a doubling of the rate of increase in 1981. Import volume growth has not been as high as export volume growth during the period as a whole. There was no import growth from 1970 to 1972, then fairly rapid growth in 1973 and 1974, followed by an annual average compound rate of growth of about 4 per cent from 1975 to 1980 . There was a slight decline in volume growth in 1981, followed by an increase of 6 per cent in 1982. Tmports of slothing expanded in volume by $6-7$ per cent in 1980 and by 5 per cent in both 1981 and 1982. In the case of textiles, however, import volume was stagnant in i980, then declined by about 5 per cent in 1981 and by a further 6 per cent in 1982.
15. The figures in Table 2 show the shares of different country groupings in Norway's trade, indicating that developing countries accounted for below 10 per cent of Norway's imports in 1982. This represents the lowest developing country share of imports into the three Nordic countries. The share of developing countries in Norway's imports actually declined from 10.2 per cent in 1971 to 8.7 per cent in 1982, although the developing country share had been gradually increasing in the intervening years and reached as high as 14 per cent in 1980. The pattern with regard to developing countries is rather similar on the export side. As far as other trading partners are concerned, developed countries supplied almost 88 per cent of Norway's imports (taking 90 per cent of Norway's exports) and countries in the Eastern trading area supplied the balance of almost 4 per cent (and providing markets for about 1 per cent of Norway's exports).

## Sweden

16. Sweden has registered the lowest average GDP growth rate of the three Nordic countries during the last ten years or so. Real GDP growth rose from less than 1 per cent in 1971 to about 4 per cent in 1974, then fell back again in subsequent years to become negative ( 2 per cent) in 1977. Another peak growth rate of 4 per cent was achieved in 1979, followed by a 1 per cent rate in 1980, a negative rate of 1 per cent in 1981, and a zero rate in 1982.
17. The pattern of industrial employment growth has been similar to, although on average lower than, that of GDP, rising to 5 per cent in 1974, but with negative rates in 1976, 1977, 1978 and 1981 (averaging about 3 per cent). Despice these low rates of employment growth, which in any case only relate to industrial employment, the overall unemployment level has remained fairly low in comparison to some other countries, rising from 3 per cent in 1981 to 4 per cent in 1982. Inflation grew steadily from 6 per cent in 1972 to 11 per cent in 1977, then fell in the subsequent two years, but picked up again to 13.5 per cent in 1980. Inflation remained comparatively high in 1981 at 12 per cent but dropped to 8.5 per cent in 1982.
18. Sweden showed surpluses on the trade account throughout the $1970^{\circ}$ s until 1978, and registered deficits in subsequent years. The invisibles account has been in deficit throughout the period, with the deficits being: large enough to give rise to current account deficits from 1974 onwards. Detailed balance of payments data for the most recent years are provided im Table 1. The Swedish krona has depreciated markedly in effective terms. over the past two years as a result of an appreciation in the dollar and of krona devaluations. In the two years up to the end of 1982 the krona depreciated by 40 per cent against the dollar.
19. In the period from 1970 to 1974 exports showed a steady growth int volume. Export volume growth was then negative in 1975 and this was followed by a further period of steady growth up to 1979 (at an annual average compourd rate of a little less than 5 per cent). In 1980 export growth was negative at 2 per cent and this was followed by positive growth of 1 per cent in 1981. Exports recovered somewhat in 1982, with the volume index showing a rise of 3 per cent. The largest increases in 1982 were recorded for agricultural products (up by 21 per cent), petroleum and petroleum products ( 18 per cent) and chemicals ( 9 per cent). Among manufactures, which account for three-quarters of export revenue, shipments of machinery and transport equipment increased by 5.5 per cent, whereas other categories grew only slightly in volume or declined.
20. Import volume grew steadily from 1971 to 1976 at an annual average compound rate of about 7 per cent. Import growth was negative in the following two years and then positive in 1979 ( 15 per cent) and in 1980 (I per cent). In 1981 import growth was negative at 8 per cent, but then increased again by 5.5 per cent in 1982. The largest increases in 1982 were in chemicals, of 11.5 per cent, and wachinery and equipment, of 8.5 per cent. Following sharp reductions in 1980 and 1981, the volume of petroleum imports increased by 2.5 per cent in 1982. Imports of food and beverages remained unchanged in 1982 and imports of raw materials declined.
21. Sweden's trade with the developing countries is larger than that of the other two Nordic countries, and Sweden also has the largest proportion of developing country trade in its total trade. The latter countries accounted for approximately 18 per cent and 14 per cent of Sweden's exporrs and imports respectively in 1982. These shares have been growing over the years, developing countries having accoumted for less than 10 par cent each of Sweden's imports and exports in 1970. The most rapid growth in these shares occurred after 1975. Table 2 shows that in contrast to 1980, Sweden
TABLE 1
(US $\$$ miliion)

|  | Fintand |  |  | Norway |  |  |  |  | mili |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  | Sweden |
|  | 1980 | 1981 | 1982 |  |  |  | 1980 | 1981 | 1982 | 1980 | 1981 | 1982 |
| Exports f.o.b. | 14,141 | 13,974 | 13,054 | 18,649 | 18,500 | 17,679 | 30,662 | 28,351 | 26,582 |
| Imports f.o.b. | $-14,519$ | -13,253 | -12,744 | -16,753 | -15,472 | -15,341 | -32,860 | -28,233 | -26,997 |
| Net services and unrequited transfers | -1,017 | -994 | $-1,205$ | -2,023 | -2,094 | -3,661 | -2,201 | -2,829 | -3,039 |
| Current account balance | -1,395 | -273 | -895 | -127 | 934 | -323 | -4,399 | -2,711 | -3,454 |
| Direct investment | -102 | -123 | -227 | -193 | 482 | -10 | -374 | -620 | -639 |
| Portfolio investment n.e.s. | 232 | 352 | 548 | -142 | -833 | -660 | 2,613 | 1,317 | 2,376 |
| Other long-term capital n.e.s. | -81 | 312 | -53 | -585 | -428 | 788 | -2,647 | $-1,812$ | -3,055 |
| Other short-term capital n.e.s. | 1,474 | -826 | 544 | 788 | -1,034 | -270 | 787 | 1,389 | 1,056 |
| Net errors and omissions | 152 | 333 | 282 | 2,141 | 1,301 | 1,154 | -1,454 | -572 | -579 |
| Other transactions | 53 | -68 | -123 | -49 | -216 | -58 | 5,363 | 3,178 | 4,196 |
| Net change in reserves | -333 | 293 | -76 | -1,833 | -206 | -621 | 111 | -169 | 99 |

(Source: International Financial Statistics, IMF)
Balance-of-Payments, 1980, 1981, 1982

COM.TO/W/383
Page 8
TABLE 2
Balance and Direction of Trade, 1980, 1981, 1982
(US\$ million)
ran trade surpluses with developing countries in 1981 and 1982. This may be attributed in part to faliing oil prices. In 1982 , about 80 per cent of Sweden's imports (and exports) were accounted for by developed countries and about 6 per cent of imports (and 3 per cent of exports) by countries in the Eastern trading area.

SECTION II: Tariffs
The level and binding of m.f.n. duties
22. In the three countries concerned, certain products falling within CCCN Chapters 1-24 are subject to import tariffs as well as variable levies. Table 3 shows pre- and post-MTN m.f.n. tariff averages (simple and weighted) with respect to products falling within CCCN Chapters 25-99, excluding petroleum, and also for industrial raw materials, semi-manufactures and manufactures. While post-MTN tariff averages for Norway and Sweden are generally at somewhat lower levels those of other industrialized countries listed in the table, those of Finland are generally at higher levels.
23. Most post-MTN Finnish industrial duties are below 45 per cent, but some higher duties still remain. In Norway most industrial duties are below 35 per cent, but a few exceptionally higher duties remain. In Sweden most industrial duties are below 20 per cent with a few exceptions.
24. As far as imports of the three Nordic countries from GSP beneficiary countries are concerned, m.f.n. duties are applicable only to products not covered by GSP and in cases where products covered by GSP do not, for one reason or the other, actually receive GSP treatment. With respect to textiles and clothing, which are often excluded from GSP treatment, the respective weighted and simple averages of post-MTN m.f.n. duties based on 1976 or 1977 imports are: Finland 22.1 and 28.7 per cent, Norway 17.9 and 15.6 per cent, and Sweden 12.2 and 11.1 per cent. In Finland a large majority of textile duties fall within the category of $25.1-45$ per cent. In Norway m.f.n. duties of 15.1-25 per cent are most freduently applied, and in Sweden those of 12.6-15 per cent.
25. Tabie 4 shows the simple and weighted average shares of m.f.n. duties bound in GATT for products falling within Chapters $1-24$ and $25-99$, respectively. It could be generally said that the three Nordic countries have bound approximately one-half or over of agricultural tariffs and over 90 per cent of industrial tariffs in both simple and weighted terms.

Pre- and pest-MTM MFM tariff avarages (sieple and ueichted)]


FINLANO HORMAY SHEOEN U.S. JAPAN E.GO AUSTREA SHITZERLO

|  |  | FINLANO | Mormar | S MEOEN | U.3. | JAPAN | E.Co | AUSTREA | SHITZ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| ALL INDUSTRIAL PRODUCTS IEXCL. PETROLEUA: |  |  |  |  |  |  |  |  |  |
| Pre-MTH | $\begin{aligned} & \text {-SIMPLE } \\ & \text { - EIGMTED } \end{aligned}$ | $\begin{array}{r} 13.2 \\ 6.9 \end{array}$ | $\begin{aligned} & 8.5 \\ & 4.2 \end{aligned}$ | $\begin{aligned} & 6.0 \\ & 5.6 \end{aligned}$ | $\begin{array}{r} 18.2 \\ E .3 \end{array}$ | $\begin{array}{r} 10.2 \\ 5.4 \end{array}$ | $\begin{aligned} & 9.1 \\ & 6.5 \end{aligned}$ | $\begin{array}{r} 18.7 \\ 8.8 \end{array}$ | $\begin{aligned} & 3.7 \\ & 2.9 \end{aligned}$ |
| Pest-ATH | -SIPPLE -WEIGHTED | $\begin{array}{r} 11.4 \\ 5.5 \end{array}$ | $\begin{aligned} & 8.7 \\ & 3.1 \end{aligned}$ | $\begin{aligned} & 4=8 \\ & 4.0 \end{aligned}$ | $\begin{aligned} & 6.3 \\ & 4.3 \end{aligned}$ | $\begin{aligned} & 6.0 \\ & 2.7 \end{aligned}$ | $\begin{aligned} & 6.4 \\ & 4.8 \end{aligned}$ | $\begin{aligned} & 8.1 \\ & 7.7 \end{aligned}$ | $\begin{aligned} & 208 \\ & 2.2 \end{aligned}$ |
| OF WHICH: | RAM MATERIALS | IEXCL. PE | OOCEUM |  |  |  |  |  |  |
| Preoritin | -SIMPLE <br> - WEIGRTED | 0.8 0.7 | $\begin{aligned} & 1.3 \\ & 0.0 \end{aligned}$ | $\begin{aligned} & 0.5 \\ & 0.0 \end{aligned}$ | 3.3 0.7 | 2.5 8.4 | 1.8 0.8 | $\begin{aligned} & 2.6 \\ & 0.9 \end{aligned}$ | 1.8 0.2 |
| Post-ITM | -SIMPLE <br> - HEIGHTED | $\begin{aligned} & 0.5 \\ & 0.3 \end{aligned}$ | $\begin{aligned} & 0.9 \\ & 0.0 \end{aligned}$ | $\begin{aligned} & 0.4 \\ & 0.0 \end{aligned}$ | $\begin{aligned} & 1.8 \\ & 0.2 \end{aligned}$ | $\begin{aligned} & 1.4 \\ & 0.4 \end{aligned}$ | $\begin{array}{ll} 100 \\ 0.1 \end{array}$ | $\begin{aligned} & 1.9 \\ & 0.8 \end{aligned}$ | $\begin{aligned} & 1.5 \\ & 0.2 \end{aligned}$ |
|  | SEAI-FINISHED MAMUFACTURES |  |  |  |  |  |  |  |  |
| Pre-hith | -SIMPLE <br> -HEIGATED | $\begin{array}{r} 13.0 \\ 6.7 \end{array}$ | $\begin{aligned} & 6.8 \\ & 1.7 \end{aligned}$ | $\begin{aligned} & 6.0 \\ & 5.2 \end{aligned}$ | $\begin{array}{r} 20.1 \\ 4.4 \end{array}$ | $\begin{aligned} & 9.7 \\ & 6.5 \end{aligned}$ | $\begin{aligned} & 8.9 \\ & 5.5 \end{aligned}$ | $\begin{array}{r} 10.3 \\ 5.7 \end{array}$ | $\begin{aligned} & 3.6 \\ & 1.6 \end{aligned}$ |
| Post-MTM | -SIAPLE <br> -WEIGHTED | $\begin{array}{r} 11.7 \\ 5.8 \end{array}$ | $\begin{aligned} & 5.4 \\ & 1.4 \end{aligned}$ | $\begin{aligned} & 5.1 \\ & 3.2 \end{aligned}$ | $\begin{aligned} & 6.1 \\ & 3.0 \end{aligned}$ | $\begin{array}{r} 6.3 \\ 4.5 \end{array}$ | $\begin{aligned} & 6.2 \\ & 4.2 \end{aligned}$ | 7.3 4.7 | $\begin{aligned} & 2.8 \\ & 1.2 \end{aligned}$ |
|  | FINISHED MANUFACTURES (EXCL. PETROLEIMA |  |  |  |  |  |  |  |  |
| Presitit | -SIMPLE <br> -WEIGHTES | $\begin{array}{r} 14.3 \\ 7.7 \end{array}$ | $\begin{array}{r} 10.0 \\ 5.6 \end{array}$ | $\begin{aligned} & 6.8 \\ & 6.5 \end{aligned}$ | $\begin{array}{r} 13.0 \\ 8.1 \end{array}$ | $\begin{aligned} & 11.5 \\ & 12.4 \end{aligned}$ | $\begin{array}{r} 10.0 \\ 9.7 \end{array}$ | $\begin{aligned} & 13.4 \\ & 18.3 \end{aligned}$ | $\begin{aligned} & 4.0 \\ & 3.9 \end{aligned}$ |
| Post-ITN | -SIMPLE <br> - HEIGHTED | $\begin{array}{r} 12.0 \\ 0.0 \end{array}$ | $\begin{aligned} & 7.8 \\ & 4.2 \end{aligned}$ | $\begin{aligned} & 5.1 \\ & 4.8 \end{aligned}$ | $\begin{aligned} & 7.0 \\ & 5.6 \end{aligned}$ | $\begin{aligned} & 6.9 \\ & 5.9 \end{aligned}$ | $\begin{aligned} & 7.0 \\ & 6.8 \end{aligned}$ | $\begin{array}{r} 9.1 \\ 86.0 \end{array}$ | $\begin{aligned} & 3.0 \\ & 3.0 \end{aligned}$ |

'Basad on imports in 1977 or 1976.
(Source: COM.TO/4/315)

TABLE 4
Importance of m.f.n. tariff bindings in GATT

|  | Share of bindings in <br> Tariff lines <br> m.f.n. Imports |  |  |  |
| :---: | :---: | :---: | :---: | :---: |
|  | $\begin{gathered} \text { Agriculture } \\ \text { (CCCN ch.01-24) } \end{gathered}$ | Industry excl. petroleum (CCCN ch.25-99 excl. 2709-10) | ```Agriculture (CCON ch.01-24)``` | ```Industry excl. petroleum (CCCN ch.25-99 excl. 2709-10)``` |
| United States | 90 | 100 | 96 | 100 |
| Canada | 90 | 97 | 98 | 99 |
| Japan | 64 | 98 | 66 | 79 |
| European Communties | 63 | 99 | 79 | 100 |
| Austria | 65 | 97 | 78 | 93 |
| Finland | 59 | 98 | 88 | 99 |
| Norway | 70 | 90 | 94 | 97 |
| Sweden | 48 | 98 | 79 | 97 |
| Switzerland | 55 | 99 | 66 | 100 |
| Australial | - | - | -• | - |
| Tew Zealand | 56 | 44 | 76 | 63 |
| Ten tariffs combined | 66 | 92 | 81 | 96 |

${ }^{1}$ It has not yet been possible to compile post-MTN data for Australia. On the basis of $1975 / 76$ imports and preهMTN tariff, the bindings were as Eoliows: agriculture, 23 per cent of tariff lines and 30 per cent of m.f.n. imports; industry, 14 per cent and 29 per cent, respectively.

Note: The estimates refer to the post-MTN tariffs and to imports in 1977 or 1976 and cover full and partial bindings. The naeionai tarife nomenclatures have been used. MFN imports include imports entitled to GSP. The sigures are preliminary and will be revised when all consolidated schedules in loose-leaf form are available.
(Source: TAR/W/22)

Current GSP schemes ${ }^{1}$
26. Most developing countries and territories are included in the lists of beneficiaries of the three Nordic GSP schemes. (An important exception is that Finland has not included Hong Kong and certain other dependent territories in its list.) However, some 70 developing countries and territories appearing in the lists of GSP beneficiaries have so far failed to comply with the notification requirements of one or more of the three Nordic countries, and are therefore unable to avail themselves of benefits of the GSP schemes of one or more of these countries. This could be one of the reasons for the relatively fow GSP utilization rates under these schemes, especially for Norway.
27. All products covered by the respective GSP schemes of the three Nordic countries, falling within CCCN Chapters $1-24$ as well as $25-99$, are subject to zero tariff, without any quantitative limitations.
28. With respect to products falling within CCCN chapters $1-24$, products listed in positive lists are covered by their GSP schemes. The positive list of Finland covers 49 CCCN headings, that of Norway covers 70 headings and that of Sweden covers 43 headings. Many of the GSP-covered products are of tropical origin.
29. With respect to products falling within CCCN chapters 25-99, all products except those listed in negative lists are covered by their GSP schemes. The negative list of Finland covers 66 CCCN headings, of which 28 are textile and clothing items. Other items include leather and leather goods (6 items), fcotwear (2), ceramic products (4), electric goods (9), cars and motor cycles (2), dolls and toys (3), tableware, nails of base metals (3), cement, motor spirit, titanium oxide, casein, dextrine, prepared glazings, artificial plastic materials, plastic articles, and rubber tyres (9).
30. The general negative list of Norway covers 35 CCCN headings, of which 23 are textile and clothing items. Other products are leather (1 item), footwear (2), chinaware and glassware (3), motor vehicles and parts (4), and motor cycles and cycles (2). The additional negative list for the Republic of Korea covers 5 items in the leather goods and clothing sectors, and that for Bulgaria and Romania covers 28 CCCN headings, and that for Hong Kong covers 22 headings.

[^1]31. The general negative list of Sweden covers 19 CCCN headings, of which 16 are textile and clothing items. Other products are leather apparel (one item) and footwear ( 2 items). The additional negative list applicable to Bulgaria, Romania and China cover 83 CCCN headings.
32. Norway has accorded imports of all products from least-developed countries duty-free treatment since June 1976. The extra benefits affect mainly textiles and certain agricultural products including some fruits and coffee. The list of least-developed countries for the purpose of this treatment now covers 31 countries. Finland has accorded duty-free treatment on imports of 8 items, including unroasted coffee, over and above the items covered by its GSP scheme, from 31 least-developed countries, since January 1980.
33. The three Nordic countries apply practically the same rules of origin, which are similar to those of other European countries. As the Nordic countries often import goods from developing countries through other European countries, rules on transit shipments are important. In this connexion, it has been notified that a certificate of origin issued by the customs authorities of an EEC or EFTA member country on the basis of a certificate issued by an exporting beneficiary country is valid, provided that the transit country applies similar origin rules for the goods concerned and that the goods have remained under customs surveillance in the intermediary country and that the authorities there assist in verifying the authenticity and accuracy of the certificates of origin (cf. L/4242/Add. 18 and L/3694/Add.12).
34. Under certain other GSP schemes donor country cortent can be counted as originating in the beneficiary country. The Nordic GSP schemes do not, however, contain such a provision.

## Changes in GSP schemes since 1976

35. The lists of beneficiaries of the three Nordic GSP schemes have been gradually expanded to include, notably, Angola, Bulgaria, China, Israel, Malta, Mozambique, Papua New Guinea, Romania, Turkey and Zimbabwe. Norway included Hong Kong in its list of GSP beneficiaries in August 1981.
36. The products covered by the three respective GSP schemes have been gradually increased by the addition of items to the positive lists of agricultural products or by the deletion of items from the negative lists of industrial products. Finland extended its scheme by the addition of 21 agricultural items and the deletion of one industrial item in 1977, and one agricultural item and two industrial items in 1982. Norway extended its scheme by the addition of 27 agricultural items and the deletion of three industrial items in 1976 and 1977 , and four agricultural items and three industrial items in 1978-1982. Sweden extended its scheme by the addition of 11 agricultural items and the deletion of five industrial items in 1977, and two agricultural items and one industrial item in 1980 and 1981. Most of the improvements made in 1976 and 1977 were the results of the Tokyo Round negotiations on tropical products.
37. The Nordic GSP schemes have been highly stable. Available information shows that the negative changes made since 1976 are limited to two cases. In 1977 Norway established an additional exceptions list including five industrial items for GSP imports from the Republic of Korea. In 1980 Finland excluded fishing nets (two tariff items) from its GSP scheme.
38. The Nordic countries have made efforts to harmonize and simplify their rules of origin in many respects. The cumulative treatment is now available to regional economic groupings on their application for such treatment.

Dutiable tariff items of export interest to developing countries
39. In the three Nordic countries, imports of a large majority of tariff items from developing countries have been granted efther m.f.n. or GSP duty-free treatment. Tables 5, 6 and 7 for Finland, Norway and Sweden respectively provide a summary of m.f.n. dutiable tariff lines of export interest to developing countries, not covered by GSP. In addition, Annex 1 provi»es detailed tariff and trade flow data with respect to these tariff lines.

## Finland

40. Among the product groups listed in Table 5, coffee and other agricultural products are the most important ones for developing countries, accounting for 56 per cent and 32 per cent respectively of total imports of listed products from the GSP beneficiary countries in 1980. The remaining 12 per cent are shared by different industrial product groups such as leather goods, electrical goods, textiles and clothing. The table also covers such product groups as plastic and rubber products, and machinery and passenger motor vehicles in respect of which imports from GSP beneficiaries were insignificant in 1980.
41. Table 5 also shows that preferential sources in Europe enjoying duty-free treatment on a wide range of products accounted for 61 per cent of total imports of listed industrial products. The GSP beneficiary countries supplied 10 per cent of the remaining 39 per cent. The share of the GSP beneficiary countries in imports of coffee, other agricultural products and leather goods were 100 per cent, 73 per cent and 47 per cent, respectively. Such shares for other product groups including textiles and clothing ranged between one per cent for machinery and cars and 21 per cent for electrical equipment and measuring instruments.

## Norway

42. Among the product groups listed in Table 6, clothing is the most important one for developing countries, accounting for 52 per cent of total imports of listed products from the GSP beneficiary countries in 1980. Footwear and agricultural products accounted for 19 per cent each and textiles 9 per cent.
Finland - M.f.n. dutiable tariff lines of interest to developing countries, not coverad by GSp.
Notes: 1. Among m.f.n. dutiable tariff lines, not covered by GSP, this table covers those in respect of which iniports from GSP beneficiary countries exceeded $\$ 500,000$ or accounted for more than 30 per cent of inports fron (non-preferential) m.f.n. sources in 1980
Detailed tariff and trade flow data for the, tariff lines covered by this table are provided in Anner 1.
With respect to'other agriculturul products, as well as textiles, clothing and footwear however, some 70 relatively important tariff lines only have beer included in Annex 1. Including imports unidentified by origin.

| CCCN Chapter | Product group | Number of tariff lines | Imports in 1980 ( $\$ 1000$ ) |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  | Total* | MFN treatment |  | Preterential sources |  |  |
|  |  |  |  | $\begin{gathered} \text { GSP } \\ \text { beneficiaries } \end{gathered}$ | Other | EFPI | EEC(10) | Spain and East-Gurope |
| 09 | Corfee | 1 | $\begin{array}{r} 284,020 \\ 100 \% \end{array}$ | $.283,598$ $100 \%$ | 422 | - | - | - |
| 03-22 | Other agricultural products | 49 | 222,490 $100 \%$ | 162,900 $73 \%$ | 42,729 $19 \%$ | 197 | - | 16,419 $7 \%$ |
| 39-40 | Plastic and rubber products | 10 | 23,224 $100 \%$ | 949 $4 \%$ | 909 $4 \%$ | 7,464 $32 \%$ | 11,704 $50 \%$ | 2,198 $9 \%$ |
| 41-42 | Leather goods | 18 | 39,971 $100 \%$ | 18,970 $47 \%$ | 3,746 $9 \%$ | 5,805 $14 \%$ | 10,314 $26 \%$ | 1,136 $3 \%$ |
| 55-59 | Textiles | 27 | 74,772 $100 \%$ | 4,918 $6 \%$ | 3,832 | 23,570 $31 \%$ | 30,736 $41 \%$ | 11,517 $15 \%$ |
| 60-62 | Clothing | 43 | $\begin{array}{r} 65,812 \\ 100 \% \end{array}$ | 9,756 $15 \%$ | 6,868 $10 \%$ | 29,842 | 10,766 $16 \%$ | 8,580 $13 \%$ |
| 64-65 | Footwear | 20 | 42,423 $100 \%$ | 8,075 | 3,061 | 6,637 $16 \%$ | 16,397 $39 \%$ | 8,253 $19 \%$ |
| 85,90 | Electrical equipment and measuring instruments | 20 | $\begin{array}{r} 65,031 \\ 100 \% \end{array}$ | 13,499 $21 \%$ | 31, 41200 | 5,700 $9 \%$ | 13,234 $20 \%$ | $\begin{array}{r} 1,178 \\ 2 \% \end{array}$ |
| 84, 87 | Machinery and passenger motor vehicles | 2 | 267,552 $100 \%$ | 1,468 $1 \%$ | 117,461 | 14,120 $5 \%$ | 93,315 $35 \%$ | 41,188 $15 \%$ |
| $\begin{aligned} & 28,44, \\ & 69,82, \\ & 97 \end{aligned}$ | Miscellaneous industrial products | 7 | $\begin{array}{r} 15,630 \\ 100 \% \end{array}$ | 2,898 $18 \%$ | 2,532 $16 \%$ | 1,865 $12 \%$ | 4,781 $31 \%$ | 3,551 $23 \%$ |
|  | TOTAL | 197 | $1,100,925$ $100 \%$ | 507,031 | 212,980 | 95,200 $9 \%$ | 191,250 $17 \%$ | 94,020 $8 \%$ |
| 03-02 | Agricultural products | 50 | $\begin{array}{r} 506,510 \\ 100 \% \\ \hline \end{array}$ | $\begin{array}{r} 446,498 \\ \quad 88 \% \\ \hline \end{array}$ | $\begin{array}{r} 43,151 \\ 9 \% \\ \hline \end{array}$ | 197 | - | $\begin{array}{r} 16,419 \\ 3 \% \end{array}$ |
| 39-97 | Industrial products | 147 | 594,415 $100 \%$ | $\begin{array}{r}60,533 \\ 10 \% \\ \hline\end{array}$ | $\begin{array}{r}169,829 \\ 20 \% \\ \hline\end{array}$ | 95,003 $16 \%$ | 191,2250 | 77,611 |

TABLE 6
Morway - M.f.n. dutiable tariff lines of interest to developing countries, not covered ly gip
Notes: 1. Amonf, m.f.n. dutiable tariff lines, not covered by GSP, this Lable covers those in respect of which imports from GSP beneficiary countries exceeded $\$ 0,00,000$ or accounted for more than 30 per cent of imports from (non-preferential) m.f.n. sources in 1980.
2. Detailed tariff and trade flow data for the tariff lines covered by this table are provided in Annex 1 . With respect to textiles and clothing however, some 56 relatively important tariff lines only have been included in Annex 1.
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| CCCN <br> Chapter | Product group | Number of tariff lines | Imports in 1980 ( $\$ 1000$ ) |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  | Total ${ }^{\text {\# }}$ | MFN treatment |  | Preferential sources |  |  |  |
|  |  |  |  | $\begin{gathered} \text { GSP } \\ \text { benefi- } \\ \text { ciarles } \end{gathered}$ | Other | EFTA | EEC( 10 ) | Spain | LDC |
| 04-20 | Agricultural products | 19 | $\begin{gathered} 60,702 \\ 100 \% \end{gathered}$ | $\begin{array}{r}27,686 \\ 46 \% \\ \hline\end{array}$ | $\begin{array}{r}13,197 \\ 22 \% \\ \hline\end{array}$ | 194 | $\begin{array}{r}19,622 \\ 32 \% \\ \hline\end{array}$ | 0 | 3 |
| 41 | Leather | 8 | 4.592 $100 \%$ | 568 $12 \%$ | $\begin{array}{r}243 \\ 5 \% \\ \hline\end{array}$ | 2,423 <br> $53 \%$ | $\begin{array}{r}1,344 \\ 29 \% \\ \hline\end{array}$ | 14 | 0 |
| 51-58 | Textiles | 34 | 59,364 <br> $100 \%$ | $\begin{array}{r}12,531 \\ 21 \% \\ \hline\end{array}$ | $\begin{array}{r}7,725 \\ 13 \% \\ \hline\end{array}$ | $\begin{array}{r}14,457 \\ 24 \% \\ \hline\end{array}$ | $\begin{array}{r} 24.604 \\ 41 \% \end{array}$ | 47 | 0 |
| 60-62 | Clothing | 152 | $\begin{gathered} 584,018 \\ 100 \% \\ \hline \end{gathered}$ | $\begin{array}{r}76,188 \\ 13 \% \\ \hline\end{array}$ | $\begin{array}{r}14,818 \\ 3 \% \\ \hline\end{array}$ | $\begin{array}{r} 233,584 \\ 40 \% \\ \hline \end{array}$ | $\begin{array}{r} 258,241 \\ 44 \% \\ \hline \end{array}$ | 1,109 | 78 |
| 64 | Footwear | 11 | $\begin{gathered} 188,230 \\ 100 \% \\ \hline \end{gathered}$ | $\begin{array}{r}28,338 \\ 15 \% \\ \hline\end{array}$ | $\begin{array}{r}6,810 \\ 4 \% \\ \hline\end{array}$ | $\begin{array}{r}60,680 \\ 32 \% \\ \hline\end{array}$ | 90,821 $48 \%$ | 1,580 $1 \%$ | 1 |
| 69. | Ceramic products | $?$ | 12.530 $100 \%$ | $\begin{array}{r}1,039 \\ .8 \% \\ \hline\end{array}$ | $\begin{array}{r}2,555 \\ 20 \% \\ \hline\end{array}$ | 2,078 <br> $16 \%$ | 6,848 <br> $55 \%$ | 10 | 0 |
| 41-69 | TOTAL | 226 | $\begin{gathered} 909,436 \\ 100 \% \\ \hline \end{gathered}$ | $\begin{array}{r} 146,798 \\ 16 \% \\ \hline \end{array}$ | $\begin{array}{r} 45,404 \\ 5 \% \\ \hline \end{array}$ | $\begin{array}{r} 313,416 \\ 35 \% \\ \hline \end{array}$ | $\begin{array}{r} 401,480 \\ 44 \% \\ \hline \end{array}$ | 2,760 | 82 |
| 4-69 | Sub-total of industrial products | $20 \%$ | $\begin{gathered} 848,734 \\ 100 \% \end{gathered}$ | $\begin{array}{r} 119,112 \\ 14 \% \end{array}$ | 32,207 | $\begin{gathered} 313,222 \\ 37 \% \end{gathered}$ | $\begin{gathered} 381,858 \\ 45 \% \end{gathered}$ | 2,760 | 79 |

[^2]TABLE 7
Sweden - M.f.n. dutieble tariff lines of interest to developing countries, not covered by GSP
Notes: 1. Among m.f.n. dutiable tariff lines, not covered by GSP, this table covers those in respect of which imports from GSP beneficiary countries exceeded $\$ 500,000$ or accounted for more than 30 per cent of imports from (non-preferential) m.f n. sources in 1980.
Detailed tariff and trade flow data for the tariff lines covered by this table are provided in Annex 1. With respect to textiles and clothing however, some 100 relatively important tariff lines only have been included in Annex 1.
Imports in 1980 (\$'000)

| CCCN Chapter | Product group | Number of tariff lines | Imports in 1980 (\$'000) |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  | Total* | MFN treatment |  | Preferential sources |  |  |
|  |  |  |  | $\begin{gathered} \text { GSP } \\ \text { beneficiaries } \end{gathered}$ | Other | EFTA | EEC(10) | Spain |
| 06-16 | Agricultural products (cut flowers, vegetables: shrimps) | 12 | 93,917 $100 \%$ | $\begin{array}{r} 14,474 \\ 15 \% \end{array}$ | $\begin{array}{r} 51,913 \\ 55 \% \end{array}$ | $\begin{array}{r} 22,946 \\ 24 \% \end{array}$ | $\begin{array}{r} 4,310 \\ 5 \% \end{array}$ | 274 |
| 42 | Leather goods | 7 | $\begin{array}{r}49,245 \\ 100 \% \\ \hline\end{array}$ | $\begin{array}{r}31,387 \\ 64 \% \\ \hline\end{array}$ | $\begin{array}{r} 7,254 \\ \quad 15 \% \\ \hline \end{array}$ | $\begin{array}{r}5,559 \\ 11 \% \\ \hline\end{array}$ | $\begin{array}{r} 4,665 \\ 9 \% \\ \hline \end{array}$ | $\begin{array}{r} 370 \\ 1 \% \\ \hline \end{array}$ |
| 51-57 | Textiles | 24 | $\begin{array}{r}111,828 \\ 100 \% \\ \hline\end{array}$ | $\begin{array}{r}31,270 \\ 28 \% \\ \hline\end{array}$ | $\begin{array}{r} 13,611 \\ 12 \% \end{array}$ | $\begin{array}{r}31,307 \\ 28 \% \\ \hline\end{array}$ | $\begin{array}{r} 34,930 \\ 31 \% \\ \hline \end{array}$ | 276 |
| 60-62 | Clothing | 166 | $\begin{array}{r}1,201,490 \\ 100 \% \\ \hline\end{array}$ | $\begin{array}{r}336,501 \\ 28 \% \\ \hline\end{array}$ | $\begin{array}{r} 96,584 \\ 8 \% \\ \hline \end{array}$ | $\begin{array}{r} 417,461 \\ \quad 35 \% \\ \hline \end{array}$ | $\begin{array}{r} 345,658 \\ 29 \% \\ \hline \end{array}$ | 5,286 |
| 64 | Footwear | 21 | $\begin{array}{r} 264,325 \\ \quad 100 \% \\ \hline \end{array}$ | $\begin{array}{r} 37,318 \\ 14 \% \\ \hline \end{array}$ | $\begin{array}{r} 19,1.57 \\ 7 \% \\ \hline \end{array}$ | $\begin{array}{r}78,927 \\ 30 \% \\ \hline\end{array}$ | $\begin{array}{r} 124,259 \\ 47 \% \\ \hline \end{array}$ | $\begin{array}{r} 4,664 \\ 2 \% \end{array}$ |
|  | TOTAL | 230 | $\begin{array}{r} 1,720,805 \\ 100 \% \\ \hline \end{array}$ | $\begin{array}{r} 450,950 \\ 26 \% \\ \hline \end{array}$ | $\begin{array}{r} 188,579 \\ 11 \% \\ \hline \end{array}$ | $\begin{array}{r} 556,200 \\ 32 \% \\ \hline \end{array}$ | $\begin{array}{r} 513,822 \\ 30 \% \\ \hline \end{array}$ | $\begin{array}{r} 10,870 \\ 1 \% \\ \hline \end{array}$ |
| 42-64 | Sub-total of industrial products | 218 | $\begin{array}{r} 1,626,888 \\ 100 \% \end{array}$ | $\begin{array}{r} 436,476 \\ \quad 27 \% \\ \hline \end{array}$ | $\begin{array}{\|r} 136,666 \\ 8 \% \end{array}$ | $\begin{array}{r} 533,254 \\ 33 \% \end{array}$ | $\begin{array}{r} 509,512 \\ 31 \% \end{array}$ | $\begin{array}{r} 10,596 \\ 1 \% \end{array}$ |

*Including imports unidentified by origin.
43. Table 6 also shows that preferential sources in Europe enjoying duty-free treatment on a wide range of products accounted for 82 per cent of total imports of listed industrial products. The GSP beneficiary countries supplied 14 per cent of the remaining 18 per cent. The share of the GSP beneficiary countries in imports of listed agricultural products was 46 per cent.

Sweden
44. Among the product groups listed in Table 7, clothing is the most important one for developing countries, accounting for three-quarters of total imports of listed products from the GSP beneficiary countries in 1980. Footwear, leather goods and textiles accounted for 7-8 per cent each and agricultural products 3 per cent.
45. Table 7 also shows that preferential sources in Europe accounted for 65 per cent of total imports of listed industrial products. The GSP beneficiary countries supplied 27 per cent of the remaining 35 per cent. The share of the GSP beneficiary countries in imports of listed agricultural products was 15 per cent.

SECTION III: Imports according to economic groupings, product groups and tariff treatment
46. Tables 8,9 and 10 show 1980 imports of Finland, Norway and Sweden, respectively according to economic groupings and tariff treatment. Table 11 shows imports of the three Nordic countries from GSP beneficiary developing countries in 1977 or 1976 according to industrial product groups and tariff treatment. Such data based on 1980 imports will be circulated when available.

## Finland

47. In 1980 total imports of Finland amounted to $\$ 15.3$ billion, of which imports of products falling within CCCN Chapters 1-24 amounted to $\$ 1.2$ billion or 8 per cent, imports of petroleum, $\$ 3.7$ billion or 24 per cent, and imports of other products falling within Chapters 25-99, \$10.4 billion or 68 per cent. Of imports of products falling within Chapters 1-2.4, 44 per cent was supplied by GSP beneficiary developing countries and 14 per cent by m.f.n. sources. The remaining 42 per cent was supplied by preferential sources in Europe. Of imports of products falling within Chapters 25-99 excluding petroleum, 3 per cent was supplied by GSP beneficiary developing countries, 14 per cent by m.f.n. sources and the remaining 83 per cent by preferential sources in Europe.
48. Import data according to tariff treatment shows that with respect to products falling within Chapters $1-24$, bound m.f.n. duty-free items accounted for 19 per cent of the total. The remaining 81 per cent comprised dutiable items (bound and unbound) and unbound dury-free items. The latter are broken down into imports subject to m.f.n. treatment, from whatever sources - 67 per cent, imports covered by European free-trade arrangements - 11 per cent, and imports covered by GSP - 3 per cent. With respect to products falling within Chapters $25-99$, bound m.f.n. duty-free

FINLAND

| Sources of imports | Total ${ }^{\text {a }}$ | MFN sources | benefi- <br> ciaries | Other <br> preferential sources |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Tariff trearment |  |  |  | EFTA | $\operatorname{EEC}(10)$ | Spain, EThrote |
| Total imports | 15,284.7 | 1,620.5 | 2,045.6 | 2,722.9 | 5,190.2 | 3,705.6 |
| CCCN Chapters 1-24 | 1,198.7 | 171.1 | 520.5 | 182.4 | 259.1 | 65.6 |
| MFN 0\% bound | $\begin{aligned} & 1002 \\ & 232.7 \end{aligned}$ | 59.8 | $100 \%$ 31.5 | 73.1 | 62.3 | 6.1 |
| MFN dutiable (bound or unbound) and $0 \%$ unbound ${ }^{\text {b }}$ | $\begin{gathered} 19 \% \\ 966.0 \\ 81 \% \end{gathered}$ | 111.3 | 6\% 489.0 $94 \%$. | 109.3 | 196.9 | 59.4 |
| Covered by free-trade arrangements | 134.5 | - | - | 79.2 | 34.4 | 20.9 |
| Covered by GSP ${ }^{\text {c }}$ | 31.1 | - | 31.1 | - | - | - |
| Covered by LDC treatment ${ }^{\text {c }}$ | ${ }^{36}$ | - | ${ }^{6 \%}$ | - | - |  |
| Other (MFN treatment) ${ }^{\text {d }}$ | 799.7 | 111.3 | 457.2 | 30.2 | 162.5 | 38.5 |
|  | $67 \%$ |  | 88\% |  |  |  |
| CCCN Chapters 25-99 exc. petroleum | $20,404.7$ | 1,446.4 | $\begin{aligned} & 284.1 \\ & 1008 \end{aligned}$ | 2,535.5 | 4,744.3 | 1,394.4 |
| MFN 0\% bound | $3,422.2$ | 511.0 | $\begin{array}{r} 123.5 \\ 43.5 \% \end{array}$ | 511.6 | 1,273.6 | 1,002.5 |
| MFN dutiable and 0\% unbound | 6,982.5 | 935.4 | 160.6 | 2,023.9 | 3,470.7 | 391.9 |
| Covered by free-trade arrangements | $5,457.5$ | - | 56.59 | 1,921. 8 | 3:186.9 | 348.8 |
| Covered by GSP ${ }^{\text {c }}$ | 78.0 | - | 78.0 | - | - | - |
| Covered by LDC treatment ${ }^{\text {c }}$ | $\begin{aligned} & 1 \% \\ & 0.3 \end{aligned}$ | - | 27.5\% | - | - |  |
| Other (MFN treatment) ${ }^{\text {d }}$ | 1,446.7 | 935.4 | 82.3 | 102.1 | 283.8 | 43.1 |
|  | 14\% |  | $29 \%$ |  |  |  |
| Petroleum (CCCN 2709, 2710) | 3,681.3 | 3.0 | 1,241.0 | 5.0 | 186.8 | 2,245.6 |

a : Including imports unidentified by origin.
$b$ : Including imports of all items subject to import levies.
$c$ : Including imports eligible for GSP but accorded m.f.n. treatment because of the non-utilization of GSP.
d : Including imports of duty-free items unbound or current duty-free items bound at positive rates (ceiling binding).
(Source: 1980 Tariff Study files)
items accounted for one-third of the total. The remaining two-thirds, comprising dutiable items and unbound duty-free items, are broken down into imports subject to m.f.n. treatment - 14 per cent, imports covered by European free-trade arrangements - 52 per cent, and imports covered by GSP - one per cent.
49. With regard to agricultural imports from GSP beneficiary developing countries bound m.f.n. duty-free items accounted for 6 per cent of the total. The remaining 94 per cent consists of imports covered by GSP 6 per cent and imports subject to m.f.n. treatment, not covered by GSP 88 per cent. With regard to industrial imports from GSP beneficiary developing countries, bound m.f.n. duty-free items accounted for 43.5 per cent. The remaining 56.5 per cent consists of imports covered by GSP - 27.5 per cent and imports subject to m.f.n. treatment - 29 per cent.
50. Coffee accounted for 56 per cent of the agricultural imports of Finland from GSP beneficiary countries in 1980. The share of coffee had been 63 per cent in 1977. Table 11 shows that textiles and clothing were the most important industrial imports of Finland from GSP beneficiary developing countries, accounting for 23 per cent of total industrial imports in 1977, followed by machinery, instruments and transport equipment - 20 per cent, ores and metals - 17 per cent, mineral products -

13 per cent, hides and leather - 10 per cent and rubber and rubber products - 7 per cent. The table also shows that while m.f.n. or GSP duty-free treatment has been granted by Finland with respect to a number of industrial product groups, certain products falling within such groups as textiles, leather, rubber tyres and tubes, machinery, instruments and transport equipment are still dutiable for developing countries. These products are not covered by GSP.

## Norway

51. In 1980 total imports of Norway amounted to $\$ 16.9$ billion, of which imports of products falling within CCCN Chapters 1-24 amounted to \$1.3 billion or 8 per cent, imports of petroleum, $\$ 2.5$ billion or 15 per cent, and imports of other products falling within Chapters 25-99, \$13.0 billion or 77 per cent. Of imports of products falling within Chapters 1-24, one-quarter was supplied by GSP beneficiary developing countries and another quarter by m.f.n. sources. The remaining half was supplied by preferential sources in Europe. Of impores of products falling within Chapters $25-99$ excluding petroleum, 5 per cent was supplied by GSF beneficiary developing countries, 19 per cent by m.f.n. sources and the remaining three-quarters by preferential sources in Europe.
52. Import data according to tariff treatment shows that with respect to products falling within Chapters 1-24, bound m.f.n. duty-free items accounted for 55 per cent of the total. The remaining 45 per cent comprised dutiable items (bound and unbound) and unbound duty-free items. The latter are broken down into imports subject to m.f.n. treatment, from whatever sources - 26 per cent, imports covered by European free-trade arrangements - 16 per cent, and imports covered by GSP - 3 per cent. With respect to products falling within Chapters $25-99$, bound m.f.n. duty-free items accounted for 29 per cent of the total. The remaining 71 per cent are broken down into imports subject to m.f.n. treatment - 12 per cent, imports covered by European free trade arrangements - 57 per cent, and imports covered by GSP - one per cent.

## TABLE 9

Imports in 1980 according to economic groupings and tariff treatment
NORWAY

| Sources of imports <br> Tariff treatment | Total ${ }^{\text {a }}$ | MFN sources | GSP beneficiaries | Other <br> preferential sources |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  | EFTA | $\operatorname{EEC}$ (10) | Spain |
| Total imports | 16,857.3 | 2,918.4 | 1,661.2 | 4,021.1 | 7,933.2 | 122.3 |
| CCCN Chapters 1-24 | $1,344.6$ $100 \%$ | 340.4 | $\begin{aligned} & 336.5 \\ & 1000 \end{aligned}$ | 192.5 | 434.1 | 40.9 |
| MFN 0\% bound | 744.0 | 271.7 | 267.4 808. | 52.4 | 138.9 | 13.6 |
| MFN dutiable (bound or unbound) and $0 \%$ unbound ${ }^{\text {b }}$ : | $600.6$ | 68.7 | $\begin{aligned} & 69.1 \\ & 20 \% \end{aligned}$ | 140.1 | 295.2 | 27.3 |
| Covered by free-trade arrangements | 210.3 | - | - | 88.9 | 121.2 | 0.2 |
| Covered by GSP ${ }^{\text {c }}$ <br> Covered by LDC treatment ${ }^{\text {C }}$ | 38.2 38.1 0.04 | - | 38.2 | - | - | - |
| Other (MFN treatment) ${ }^{\text {d }}$ | $\begin{gathered} 352.1 \\ 26 \% \end{gathered}$ | 68.7 | $\begin{aligned} & 30.9 \\ & 98 \end{aligned}$ | 51.2 | 174.0 | 27.1 |
| CCCN Chapters 25-99 exc. petroleum | $\left\|\begin{array}{c} 3,021.4 \\ 1008 \end{array}\right\|$ | 2,440.6 | ${ }_{100 \%} 10$ | 3,648.0 | 6,040.3 | 81.4 |
| MFN 0\% bound | 3,828.7 298 | 1,128.1 | $\begin{gathered} 359.3 \\ 599^{3} \end{gathered}$ | 850.2 | 1,379.6 | 40.7 |
| MFN dutiable and 0\% unbound | $\|9,192.7\|$ | 1,312.5 | 251.0 | 2,797.8 | 4,660.7 | 40.7 |
| Covered by free-trade arrangements | $\left\|\begin{array}{c} 7,440.1 \\ 57 \% \end{array}\right\|$ | - | 41\% | 2,784.8 | 4,617.2 | 38.1 |
| Covered by GSP ${ }^{\text {c }}$ | $107.5$ | - |  | - | - | - |
| Covered by LDC treatment ${ }^{\text {c }}$ | $\begin{aligned} & 1 \% \\ & 1.0 \end{aligned}$ | - | $\begin{aligned} & 18 \% .0 \end{aligned}$ | - | - | - |
| Other (MFN treatment) ${ }^{\text {d }}$ | $\left\|\begin{array}{c} 1,514.0 \\ 12 \% \end{array}\right\|$ | 1,312.5 | ${ }_{23 j^{2}}$ | 13.0 | 43.5 | 2.6 |
| Petroleum (CCCN 2709, 2710) | 2,491.3 | 137.4 | 714.4 | 180.6 | 1,458.8 | - |

a : Including imports unidentified by origin.
b : Including imports of all items subject to import levies.
$c$ : Including imports eligible for GSP but accorded m.f.n. treatment because of the non-utilization of GSP.
d : Including imports of duty-free items unbound or current duty-free items at positive rates.
(Source: 1980 Tariff Study files)
53. With regard to agricultural imports from GSP beneficiary developing countries, bound m.f.n. duty-free items accounted for 80 per cent of the rotal. The remaining 20 per cent are broken down into imports covered by GSP - 11 per cent and imports subject to m.f.n. treatment, not covered by GSP - 9 per cent. With regard to industrial imports from GSP beneficiary developing countries, bound m.f.n. duty-free items accounted for 59 per cent. The remaining 41 per cent consists of imports covered by GSP - 18 per cent and imports subject to m.f.n. treatment - 23 per cent.
54. Coffee accounted for nearly one-half of the agricultural imports of Norway from GSP beneficiary countries in 1980. The share of coffee had been almost two-thirds in 1976. Table 11 shows that chemicals (mostly alumina for refining) were the most important industrial imports of Norway from GSP beneficiary developing countries, accounting for 39 per cent of total industrial imports in 1976, followed by ores and metals 19 per cent, textiles and clothing 11 per cent, machinery, instruments and transport equipment - 11 per cent, wood - 7 per cent, hides and leather 5 per cent and rubber and rubber products - 4 per cent. The table also shows that while m.f.n. or GSP duty-free treatment has been granted by Norway with respect to a number of industrial product groups, certain products falling within such groups as textiles, rubber tyres and tubes, leather and mineral products are still dutiable for developing countries. These products are not covered by GSP or certain GSP beneficiaries are excluded from GSP application by way of additional GSP negative lists.

## Sweden

55. In 1980 total imports of Sweden amounted to $\$ 33.4$ billion, of which imports of products falling within CCCN Chapters $1-24$ amounted to $\$ 2.6$ billion or 8 per cent, imports of petroleum, $\$ 7.7$ billion or 23 per cent, and imports of other products falling within Chapters 25-99, $\$ 23.2$ billion or 69 per cent. Of imports of products falling within Chapters 1-24, 30 per cent was supplied by GSP beneficiary developing countries and 15 per cent by m.f.n. sources. The remaining 55 per cent was supplied by preferential sources in Europe. Of imports of products falling within Chapters 25-99 excluding petroleum, 5 per cent was supplied by GSP beneficiary developing countries, 19 per cent by m.f.n. sources and the remaining 76 per cent by preferential sources in Europe.
56. Import data according to tariff treatment show that with respect to products falling within Chapters l-24, bound m.f.n. duty-free items accounted for 43 per cent of the total. The remaining 57 per cent comprised dutiable items (bound and unbound) and unbound duty-free items. The latter are broken down into imports subject to m.f.n. treatment, from whatever sources - 42 per cent, imports covered by European free-trade arrangements - 14 per cent, and imports covered by GSP - 1 per cent. With respect to products falling within Chapters $25-99$, bound m.f.n. duty-free items accounted for 18 per cent of the total. The remaining 82 per cent, comprising dutiable items and unbound duty-free items, are broken down into imports subject to m.f.n. treatment, from whatever origin - 17 per cent, imports covered by European free-trade arrangements - 63 per cent, and imports covered by GSP - 2 per cent.

TABLE 10
Imports in 1980 according to economic groupings and tariff treatment
SWEDEN

| Sources of imports <br> Tariff trearment | Total ${ }^{\text {a }}$ | $\begin{array}{\|c\|} \hline \text { MFN } \\ \text { sources } \end{array}$ | GSP beneficiaries | Other <br> preferential sources |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  | EFTA | $\operatorname{EEC}$ (10) | Spain |
| Total imports | 33,430.7 | 5,548.3 | 5,728.1 | 5,321.3 | 26,435.4 | 267.3 |
| CCCN Chapters 1-24 | $\begin{gathered} 2,610.6 \\ 1000 \end{gathered}$ | 388.0 | $775.3$ $100 \%$ | 363.3 | 985.2 | 98.8 |
| MFN 0\% bound | 1,218.1 | 177.3 | $\begin{gathered} 619.3 \\ 800 \end{gathered}$ | 93.4 | 178.8 | 49.3 |
| MFN dutiabl" (bound or unbound) and $0 \%$ unbound: | $1,492.5$ $57 \%$ | 210.7 | $\begin{gathered} 156.0 \\ 20 \% \text {. } \end{gathered}$ | 269.9 | 806.4 | 49.5 |
| Covered by free-trade arrangements | 364.4 <br> 148 <br> 18 | - | - | 135.0 | 214.9 | 14.5 |
| Covered by GSP ${ }^{\text {c }}$ | 31.1 | - | 31.1 | - | - | - |
| Other (MFN treatment) ${ }^{\text {d }}$ | 1,097.09 | 210.7 | 124.9 $15 \%$ | 134.9 | 591.5 | 35.0 |
| CCCN Chapters 25-99 exc. petroleum | $\left\|\begin{array}{c} 23,170.1 \\ 100 \% \end{array}\right\|$ | 4,300.1 | $\xrightarrow[1008]{1,229.4}$ | 4,369.1 | 13,013.3 | 131.8 |
| MFN 0\% bound | $\left[\begin{array}{c} 4,113.4 \\ 18 \% \end{array}\right]$ | 1,147.3 | $\begin{gathered} 334.7 \\ 27 \% \end{gathered}$ | 749.1 | 1,878.7 | 38.2 |
| MFN dutiable and 0\% unbound | 19,056.7 | 3,182.8 | 89436 | 3,620.0 | 11,134.6 | 93.6 |
| Covered by free-trade arrangements | $\left\|\begin{array}{c} 14,503.7 \\ 63 \% \end{array}\right\|$ | - |  | 3,577.2 | 10,833.0 | 93.5 |
| Covered by GSP ${ }^{\text {c }}$ | $\begin{gathered} 425.2 \\ 2 \end{gathered}$ | - | $\begin{gathered} 425.2 \\ 35 \% \end{gathered}$ | - | - | - |
| Other (MFN treatment) ${ }^{\text {d }}$ | $\begin{array}{r} 4,008.3 \\ 17 \% \end{array}$ | 3,182.8 | ${ }_{38 j^{4}}^{469}$ | 42.8 | 301.6 | 0.1 |
| Petroleum (CCCN 2709, 2710) | 7,650.0 | 860.2 | 3,723.4 | 588.9 | 2,440.9 | 36.7 |

a : Including imports unidentified by origin.
b : Including imports of all items subject to import levies.
c : Including imports eligible for GSP but accorded m.f.n. treatment because of the non-utilization of GSP.
d : Including imports of duty-free items unbound or current duty-free items bound at positive rates.
(Source: 1980 Tariff Study files)

Table 11 $\frac{\text { Imports (s million) from aSP beneficiary developing countries }}{\text { according to industrial product broups anid tiriff treatment }}$

MFN dutiable $=$ Total minus MFN duty-free imports
No GSP $\quad$ F MFN dutiable minus imports covered by GSP

|  | Finland (1977) |  |  |  | Norway (1976) |  |  |  | Sweden (1977) |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Total | * | $\begin{gathered} \text { MFN } \\ \text { dutiable } \end{gathered}$ | $\begin{array}{\|l\|} \hline \text { Ho } \\ \text { GSP } \\ \hline \end{array}$ | Total | \% | $\begin{gathered} \text { MFN } \\ \text { dutiable } \end{gathered}$ | $\begin{aligned} & \text { No } \\ & \text { GSP } \end{aligned}$ | Total | \% | $\begin{gathered} \text { MFN } \\ \text { dutiable } \end{gathered}$ | $\begin{aligned} & \mathrm{No} \\ & \text { GSP } \\ & \hline \end{aligned}$ |
| Chaptors 25-99 oxcluding petroleuras | 106 | 100.8 | 47 | 22 | 267 | 100.0 | 76 | 34 | 771 | 100.0 | 515 | 315 |
| Rubber and producte | 7.3 | 6.9 | 2.3 | 2.2 | 11.7 | 4.4 | 8.4 | 8.0 | 28.8 | 3.7 | 12.6 | 7.9 |
| Hides, leather and producte; fur | 10.4 | 9.8 | 7.5 | 5.2 | 12.8 | 4.8 | 12.3 | 1.9 | 75.5 | 9.8 | 69.0 | 42.9 |
| Wood and Cork | 6 | 5.7 | 4 | 0 | 18 | 6.7 | 10 | 0 | 44 | 5.7 | 28 | 0 |
| Textilee (fibre, yarn, articles) | 24 | 22.6 | 19 | 12 | 29.0 | 10.9 | 28 | 24 | 309 | 40.1 | 286 | 264 |
| Mineral products and fertilizors | 13.3 | 12.5 | 0.2 | 0.1 | 9.6 | 3.6 | 0.5 | 0.4 | 19.2 | 2.5 | 3.9 | 0 |
| Precious stones and metale | 0.3 | 0.3 | 0.1 | 0 | 0.8 | 0.3 | 0.2 | 0 | 5.8 | 0.8 | 1.3 | 0 |
| Ores and Metals | 18 | 17.0 | 4 | 0 | 50 | 18.7 | 5 | 0 | 122 | 15.8 | 22 | 0 |
| Chemicale | 3.8 | 3.6 | 0.2 | 0.1 | 103.1 | 38.6 | ¢ 0.4 | 0 | 26.4 | 3.4 | 8.7 | 0 |
| Hachinery, instrumente and transport squip. | 21 | 19.8 | 7 | 3 |  | 10.5 | 8 | 0 | 107 | 13.9 | 54 | 0 |
| Miscellaenous manufacturea | 1.5 | 1.4 | 1.5 | 0.4 | 2.1 | 0.8 | 2.1 | 0 | 24.1 | 3.1 | 22.3 | 0 |
| Other products in Chapters 25-99 | 0.9 | 0.8 | 0.7 | 0 | 1.7 | 0.6 | 9 1.3 | 0 | 9.3 | 1.2 | 8.2 | 0 |

57. With regard to agricultural imports from GSP beneficiary developing countries, bound m.f.n. duty-free items accounted for 80 per cent of the total. The remaining 20 per cent are broken down into imports covered by GSP - 4 per cent, and imports subject to m.f.n. treatment, not covered by GSP - 16 per cent. With regard to industrial imports from GSP beneficiary developing countries, bound m.f.n. duty-free items accounted for 27 per cent. The remaining 73 per cent are broken down into imports covered by GSP - 35 per cent and imports subject to m.f.n. treatment 38 per cent.
58. Coffee accounted for 47 per cent of the agricultural imports of Sweden from GSP beneficiary countries in 1980. The share of coffee had been 56 per cent in 1977. Table 11 shows that textiles and clothing were the most important industrial imports of Sweden from GSP beneficiary developing countries, accounting for 40 per cent of total industrial imports in 1977, followed by ores and metals - 16 per cent, machinery, instruments and transport equipment - 14 per cent, hides and leather - 10 per cent and wood - 6 per cent. The table also shows that while m.f.n. or GSP duty-free treatment has been granted by Sweden with respect to a number of industrial product groups, certain products falling within such groups as textiles and clothing, leather, and rubber products are dutiable for developing countries. These products are not covered by GSP or certain GSP beneficiaries are excluded from GSP application by way of additional GSP negative lists.
59. It appears that Ncrdic countries' dependence on supplies from developing countries is greater than indicated by import data in Tables $8-11$. Because of the size of their markets Nordic countries often import from other European markets semi-manufactures and manufactures based on materials supplied by developing countries. In the case of cocoa, for example, Sweden imported in 1980 from developing countries cocoa beans amounting to $\$ 15.2$ million and from the EEC, cocoa paste, butter and powder amounting to $\$ 42.2$ million. The latter imports are based on materials supplied by developing countries such as raw cocoa beans and certain semi-manufactures. Some explanation of this trade situation is provided in paragraph 19 of $\mathrm{COM} . \mathrm{TD} / \mathrm{W} / 329 / \mathrm{Rev} .1$ (cocoa and cocoa products).

## SECTION IV: Quantitative restrictions and other non-tariff measures

## Selective internal taxes on tropical products

60. Among the Nordic countries only Norway maintains selective internal taxes on tropical products. A uniform rate of NKr 7 per kg. has been applied on cocoa paste and cocoa butter since 1 April 1981 (previous rate: NKr 5 per kg.). On the basis of the average import unit value of Norway in 1981, the incidence of the tax was 45.5 per cent on cocoa paste and 25.2 per cent on cocoa butter. (Cf. COM.TD/W/329/Rev.1).

## Import Restrictions

## FINLAND

61. Imports to Finland from countries which are granted a so-called multilateral treatment (a list of these countries is published by the Finnish Licensing Board), or with which Finland has bilateral trading arrangements, are free of licence except for the following cases:
(a) global licensing for the administration of quotas for certain agriculture products, petrol, silver and gold. The values of the global quotas are fixed annually and licences are granted for imports from any country in the above-mentioned groups (provided that the country of origin belongs to the same group as the country of purchase). The global quota programe comprises the following products:

## CCCN Chapter

ex 3 Salmon and certain other fresh and chilled fish
ex 4 Dried milk
ex 8 Certain fruits (seasonal restrictions)
ex 11 Starches excluding potato starch
ex 15 Certain vegetable oils
ex 17 Glucose and certain syrups
ex $20 \quad$ Fruit juices
ex 27 Mineral tar, coal tar distillation products, solvent gasoline and petrol, aviation spirit and bitumen
ex 71
Unwrought silver and gold
(b) individual (discretionary) licensing. Licences are granted for imports from any country belonging to the above-mentioned groups (provided that the country of origin belongs to the same group as the country of purchase). The following products are subject to individual licensing:

CCCN Chapter

| 1 | Live animals |
| :--- | :--- |
| ex 2 | Meat |
| ex 4 | Dairy products |
| ex 6 | Cut flowers (seasonal restrictions) |
| ex 7 | Fresh vegetables |
| ex 8 | Cut fresh bananas |
| ex 10 | Cereals |
| ex 11 | Products of milling industry |
| ex 12 | Mnimal and vegetable fats |
| ex 15 | Sugar and molasses |
| ex 16 | Preparations of vegetables, fruit and other parts <br> of plants |
| ex 20 | Residues and waste from food industry, processed <br> animal fodder |
| ex 23 | Mineral fuels, mineral oils and products of their <br> distillation, bituminous substances |

(c) imports of all products from other countries are subject to individual licensing.
(d) in addition, automatic licensing is operated for surveillance purposes for certain textile and steel products.
62. Imports of grains (wheat, barley, rye and oats) and products of chese grains for human consumption, and of wine and spirits as well as industrial ethyl alcohol are exclusively handled by State-trading organizations.

## NORWAY

63. Imports of certain agricultural products are subject to restrictions with a view to "providing a reasonable amount of protection for Norwegian products against competition from abroad." The following systems are employed to give effect to the regime:
(a) Quantitative import restrictions, to permit imports in limited quantiries to supplement insufficient domestic supplies.
(b) Free impores over limited periods to meet temporary shortages.
(c) Free imports temporarily permitted in the event of prices of domestic products exceeding agreed upper limits. Import restrictions are reintroduced when domestic prices fall to or below agreed levels.
(d) Imports under global quotas, including those under international agreements, e.g. sugar.
(e) Imports subject to requirements test and subject to an assessment in each individual case.
64. Imports under systems (a) and (d) may be further subject to internal charges to equalize the prices of imported products to those of domestic products.
65. Agricultural products falling within the scope of the restrictive regine, and subject to one or more of the above systems, fall under the following produst groups:
(i) Livestock: horses, cattle, pigs, sheep, goats, reindeer and fowls.
(ii) Meat and meat products: canned meat of livestock mentioned under item (i) and poultry. Meat from elk, deer and other wild animals.
(iv) Live plants and parts of plants, including cut flowers, greenery and bulbs.
(v) Fresh potatoes: powder, starch, flakes and grain from potatoes, CCCN headings 11.08 and 19.02.
(vi) Fresh vegetables.
(vii) Fresh fruits and berries: apples, pears, stone fruits and cultivated berries.
(viii) Preserved vegetables, fruit and berries.
(ix) Various other products: sago, manioc, arrow and saleprocts, gluten and glutenmeal, glucose.
66. Apart from quantitative restrictions maintained by Norway under Article XIX on the imports of certain textile products, imports of a number of other textile products are subject to licensing for the purpose of surveillance.
67. The following categories of products are also subject to import licensing, under bilateral agreements, or for the purpose of surveillance and, when considered necessary, quantitative restriction:

- Imports of petrol and oil products, wicker works, certain fabrics, table linen, towels and shot gun cartridges from the East European countries.
- Imports of tyres, certain types of synthetic yarns, some fabrics, table linen, stores, shoes with outer soles of rubber or plastics, radio- and TV-equipment, motorcycles and glide fastners from Japan and Korea.
- In addition to the products mentioned for Japan and Korea, imports of yarn of wool and cotton, carpets, rugs and products of canvas from China, Macao, Mongolia, D.P.R. Korea and Vietnam.

68. Norway has entered into a voluntary export restraint agreement with Korea in respect of leather garments and ski boots.
69. Imports of the following products to Norway are exclusively handled by state trading organizations:
(i) wheat, rye, barley (except barley for breweries) and oats, and milled products thereof as well as feeding stuff
(ii) wine and spirits
(iii) fishing gear and raw materials and semi-manufactures for the domestic production of fishing gear
(iv) Pharmaceutical products.

SWEDEN
70. Imports of the following agricultural products from all sources are subject to import licensing, for the purpose of surveillance of imports, especially low price imports, and when considered necessary, quantitative restriction:

- meat of asses, mules, hinnies, buffalo, wild boar and goats;
- cod and herring, not in fillets, fresh or chilled;
- herring, not in fillets, frozen;
- herring and mackerel, in fillets, fresh or chilled;
- cod, haddock and hake, in fillets, frozen;
- certain kinds of salted, not dried, herring;
- shrimps and prawns, boiled, frozen;
- apples and pears, fresh (seasonal restrictions);
- coffee, whether or not roasted or freed of caffeine;
- coffee husks and skins;
- coffee substitutes containing coffee in any proportion;
- wheat (except durum wheat) and meslin;
- beet sugar and cane sugar, in solid form;
- table syrup, other syrup and other sugar solutions;
- edible molasses;
- extracts, essences or concentrates of coffee.

71. In addition, import licences are also required for the imports of some other kinds of fish and fish-products, certain live animals, meat and meat products, eggs, not in shell, and malt from state-trading countries such as Poland, Romania, Czechoslovakia and Hungary.
72. Apart from quantitative restrictions on the imports of textile products, imports of rubber boots from all sources other than EFTA and EEC countries are subject to global quota restrictions. Imports of certain iron and steel products (CCCN 73.08, 73.09, 73.10, 73.11a, 73.12, 73.13, 73.15) are subject to import licensing for the purpose of surveillance.
73. Imports of wines and spirits to Sweden are exclusively handled by a state trading organization.
74. Annex II contains tariff and trade flow data, including main suppliers and import share of developing countries, with respect to selected products of import interest to developing countries subject to import restrictions in the three Nordic countries.

Textiles trade: trade flows and restrictive measures

## Finland

75. As shown in Table 12, exports of textiles and clothing from Finland maintained a rising trend over the years 1973 to 1980 (the MFA period). Exports of textiles rose from $\$ 65.85$ million in 1973 to $\$ 186.63$ million in 1980, while those of clothing rose from $\$ 193.05$ million in 1973 to $\$ 656.90$ million in 1980. Exports of textiles declined somewhat, to $\$ 164.43$ million, in 1981, while exports of clothing continued their growth, rising to $\$ 696.76$ million. Imports of textiles to Finland rose from $\$ 256.61$ million in 1973 to $\$ 603.88$ miliion in 1980 , declining somewhat, to $\$ 524.59$ million, in 1981. Imports of clothing rose from $\$ 52.20$ million in 1973 to $\$ 198.85$ million in 1980 , declining to $\$ 181.39$ million in 1981. While Finland consistently had a net deficit in the trade in textiles during the period 1973 to 1981 , it consistently maintained a large net surpius in the trade in clothing during this period. The overall net deficit of Finland in the textiles and clothing sector of $\$ 49.91$ million in 1973 had changed to a net surplus of $\$ 155.21$ million in 1981.
76. Developed countries accounted for the larger part of imports of textiles and clothing to Finland. While the share of developing countries in the imports of textiles ranged only between 7.56 per cent and 11.04 per cent during the period 1973 to 1981 , their share in the imports of clothing ranged between 30.52 per cent and 37.80 per cent.
77. Finland is a member of the MFA and maintains quantitative restrictions on the imports of clothing items under the MFA. The product covered by these restraints, during 1981, were mostly clothing items falling in CCCN 60.03, 60.04, 60.05, 61.01, 61.02, 61.03 and 61.09. The sources restrained for all or some of the items in these CCCN groups were Hong Kong, India, Korea, Macao, Pakistan, Romania, Sri Lanka and Thailand.

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TABLE 12
FINLAND
$\frac{\text { Textiles and Clothing Imports }}{\text { Million us\% }}$


## Sweden

78. Exports of textiles and clothing from Sweden maintained a rising trend over the period 1973 to 1980 (see Table 13). Exports of textiles over this period increased from $\$ 179.67$ million in 1973 to $\$ 386.67$ million in 1980 , declining somewhat, to $\$ 348.99$ million in 1981 . Exports of clothing increased from $\$ 121.76$ million in 1973 to $\$ 272.87$ million in 1980 , declining to $\$ 234.67$ in 1981. Imports of textiles to Sweden over this period increased from $\$ 493.28$ million in 1973 to $\$ 924.68$ million in 1980 , declining to $\$ 734.26$ million in 1981. Imports of clothing increased from $\$ 370.15$ million in 1973 to $\$ 1229.29$ million in 1980 , declining to $\$ 1068.48$ million in 1981. Sweden's net trade deficit in this sector increased from $\$ 562$ million in 1973 to $\$ 1502.43$ million in 1980 , declining to $\$ 1219.08$ million in 1981.
79. The share of developing countries in the Swedish market during the above period ranged between 16.30 per cent and 17.85 per cent for textiles, and between 33.19 per cent and 36.68 per cent for clothing.
80. Sweden is a member of the MFA and maintains quantitative restrictions on the imports of a large number of products in the clothing sector as well as items falling under CCCN 62.02 under the MFA. The countries affected by these quant:itative restrictions are Brazil, Hong Kong, India, Indonesia, Korea, Macao, Malaysia, Malta, Mauritius, Pakistan, Philippines, Singapore, Sri Lanka, Thailand and Yugoslavia. Sweden also maintains quantitative restrictions on imports of textiles and clothing products against some East European countries (including Czechoslovakia, Hurgary, Poland and Romania) under bilateral or other arrangements.

## Norway

81. Table 14 shows that exports of textiles and clothing from Norway maintained a rising trend from 1973 to 1980. Exports of textiles increased from $\$ 58.61$ million in 1973 to $\$ 117.98$ million in 1980 . Exports of clothing increased from $\$ 23.60$ million in 1973 to $\$ 68.62$ miliion in 1980. Exports of both textiles and clothing however declined in 1981, to $\$ 93.64$ million and $\$ 57.19$ million respectively. Imports of textiles to Norway increased steadily during this period, from $\$ 218.70$ million in 1973 to $\$ 463.53$ million in 1980 , declining to $\$ 391.73$ million in 1981 . Imports of clothing also maintained a rising trend, from $\$ 189.79$ million in 1973 to $\$ 653.58$ million in 1980 , declining somewhat in 1981 to $\$ 613.72$ million. Norway consistently had a net trade deficit in this sector, rising from $\$ 326.28$ million in 1973 to $\$ 930.51$ million in 1980 , declining somewhat, to $\$ 854.62$ million in 1981. Developed countries accounted for a large proportion of the imports of textiles and clothing by Norway during this period. Their share in the imports of textiles ranged between 85.02 per cent and 87.61 per cent, while their share in the imports of clothing ranged between 74.65 per cent and 81.04 per cent. Developing countries' share of the Norwegian market for textiles ranged between 8.36 per cent and 10.76 per cent, while their share in the clothing market ranged between 16.94 per cent and 22.94 per cent.

## SWEDEN

Textiles and Clothing Imports MiIIIO US


Textiles and Clothing Importa Million us

|  |  | 1973 | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Total Exports | Textiles <br> Clothing | $\begin{aligned} & 58.61 \\ & 23.60 \end{aligned}$ | $\begin{aligned} & 77.59 \\ & 33.74 \end{aligned}$ | $\begin{aligned} & 82.04 \\ & 38.17 \end{aligned}$ | $\begin{aligned} & 84.28 \\ & 41.83 \end{aligned}$ | $\begin{aligned} & 101.92 \\ & 56.15 \end{aligned}$ | $\begin{aligned} & 117.98 \\ & 68.62 \end{aligned}$ | $\begin{aligned} & 93.64 \\ & 57.19 \end{aligned}$ |
|  |  |  |  |  |  |  |  |  |
| Total <br> Imports | Textiles <br> Clothing | $\begin{aligned} & 218.70 \\ & 189.79 \end{aligned}$ | $\begin{aligned} & 301.15 \\ & 339.75 \end{aligned}$ | $\begin{aligned} & 345.29 \\ & 443.97 \end{aligned}$ | $\begin{aligned} & 347.75 \\ & 453.20 \end{aligned}$ | $\begin{aligned} & 399.78 \\ & 547.24 \end{aligned}$ | $\begin{aligned} & 463.53 \\ & 653.58 \end{aligned}$ | $\begin{aligned} & 391.73 \\ & 613.72 \end{aligned}$ |
|  |  |  |  |  |  |  |  |  |
| Imports from Developed countries | Textiles <br> \% share in total imports <br> Clothing <br> \% share in total imports | 191.60 | 259.81 | 299.72 | . 301.72 | 347.48 | 398.96 | 333.07 |
|  |  | 87.61 | 86.27 | 86.80 | 86.76 | 86.92 | 86.07 | 85.02 |
|  |  | 150.88 | 253.64 | 334.77 | 363.83 | 443.49 | 522.51 | 487.75 |
|  |  | 79.50 | 74.65 | 75.40 | 80.28 | 81.04 | 79.95 | 79.47 |
| Imports from Developiag countries | Textiles <br> \% share in total imports <br> Clothing <br> \% share in total imports | 18.29 | 31.11 | 32.94 | 32.86 | 37.82 | 47.35 | 42.14 |
|  |  | 8.36 | 10.33 | 9.54 | 9.45 | 9.46 | 10.22 | 10.76 |
|  |  | 32.17 | 77.94 | 98.39 | 78.77 | 92.69 | 118.54 | 115.18 |
|  |  | 16.25 | 22.94 | 22.16 | 17.38 | 16.94 | 18.14 | 18.77 |

82. Norway maintains quantitative restrictions in respect of a number of textile products. Until 31 December 1977, Norway was a member of the MFA and the restrictions were maintained under the MFA. Thereafter, the restrictions were maintained partly under MFA-type (voluntary export restraint) bilateral agreements with a number of its trading partners, and partly under Article XIX, in relation to the other restricted sources. Two of these bilateral agreements expired on 31 December 1981, and the remaining four on 31 December 1983. Since 1 January 1983 the restraints have been maintained under Article XIX only.
83. Norway submitted the following explanatory statements in regard to these measures in its relevant Article XIX notifications.
"This action has been taken because these products have been imported in such increased quantities and under such conditions as to cause serious injury to domestic producers of like or directly competitive products.
"Norway was a member of the MFA until 31 December 1977. However, the development described above took place despite the endeavours of the Government to establish comprehensive bilateral agreements with relevant exporting countries in order to create an orderly and equitable development of this trade and avoidance of market disruption with particular reference to Article 1, paragraph 2, the Nordic clause.

[^3]"Having thus exhausted all relief measures of the MFA, invocation of Article XIX and the introduction of global quotas became necessary.
"Imports from EFTA and EC countries are not included in the global quotas since Norway has free-trade arrangements with these countries in accordance with Article XXIV of the GATT.
"In conformity with Article XIX:2 consultations have been held with several countries having substantial interests as exporters.
"It is the intention of the Norwegian Government to terminate this temporary measure as soon as possible. Efforts will be made during 1979 to reach a satisfactory solution on the basis of the provisions of the extended MFA."
(L/4692/Add. 1 dated 21 November 1978)


#### Abstract

"The Government of Norway has the intention of acceding to the Arrangement Regarding International Trade in Textiles as extended by the Protocol of 22 December 1981, provided that satisfactory bilateral agreements can be obtained. The intention is to start negotiations on bilateral agreements by the end of April. Since it seems impossilile, however, to enter into a bilateral system already in the second half of 1983, the prolongation of the global quotas has been made necessary."


(L/4692/Add. 12 dated 5 August 1982)
84. The items under restraint, and the quota levels established for the second half of 1983 are:
(1) knitted shirts, blouses and T-shirts $\quad 700.000$ pieces
(2) knitted undergarments
$2,200,000 \quad "$
(3) knitted jackets, jumpers, sweaters,
$2,020,000$
" cardigans and pullovers
(4) jackets of woven material including part
400.000

18 of suits and sets
(5) trousers of woven material including 850.000
" part of suits and sets
(6) shirts of woven material

950,000
(7) blouses of woven material 650,000
(8) bed lizen $160,000 \mathrm{~kg}$.
(L/4692/Add. 13 dated 13 April 1983)
85. Tariff and trade-flow data at the tariff line level in respect of textile and clothing items of major interest to developing countries in the markets of the Nordic countries may be seen in Annex I.

Safeguard, anti-dumping and countervailing duty actions
86. Apart from $\mathrm{Norway}^{\prime}$ s Article XIX action on textiles referred to in paragraphs 82 to 84 above, there are no outstanding safeguard actions taken by the Nordic countries. Furthermore, none of the Nordic countries have taken any anti-dumping or countervailing duty actions.

## Other non-tariff measures

87. The following non-tariff measures notified in regard to the Nordic countries, affecting products of interest to developing countries, have been extracted from the inventories maintained by the NTM and Agriculture Divisions. Relevant documents, which have been indicated, may be referred to for further information in this regard.

## Finland

Product-related notifications

| CCCH | Description | Measures | Notifying country | Document reserenec |
| :---: | :---: | :---: | :---: | :---: |
| Ex 0804 | Fresh grapes | Packaging and labelling regulations | Romania | AG/DOC/T/FIN/ 1 |
| Ex 2001-2002 | Vegetables, prepared or preserved | n | Romania | " |
| 2005 | Jams, fruit jellies; marmelades, fruit puree and fruit pastes | " | Romanja | * |
| 2006 | Fruit prepared or preserved, whether or not containing added sugear | " | Romania | " |
| 3105 | Compound Sertilizer | Permit regarding quality | United States | NTM/INV/III/A/6 |
| 3003 | Medicaments | Other technical barriers to trade | Argentina | NTM/INV/III/A/9 |
| - | Electrical products | Testing standards | Romania | NTM/INV/III/C/2 |
| 3707 | Foreign films | Admission tax | United States | NTM/INV/V/C/11 |
| 8102 | Automobiles | Excise tax | United States | NTM/INV/V/E/21 |
| 2710 | Liquid fuels | Excise tax | United States | NTM/INV/V/E/22 |
| Crap. 94 | Furniture and parts | Supplementary <br> internal tax | Romania | NTM/INV/V/E/24 |

B. Other notifications

| Measures | Notifying country | Document reference |
| :---: | :---: | :---: |
| Rules of origin | Canada | NSM/INV/II/F/1 |
| Labeling in finnish | Hungary | NTM/INV/IV/K/7 |
| Compensatory import charges of 1.5 to 4.5 per cent | Hungary | NTM/INV/V/E/23 |
| Export inflation insurance scheme | United States | NTM/INV/I/A/23 |

Sweden
A. Product-related notifications

| . CCC! | Description |  |  | $\left\{\begin{array}{c} \text { iotifying } \\ \text { country } \end{array}\right.$ | Eocument reference |
| :---: | :---: | :---: | :---: | :---: | :---: |
| 3003 | Ulidicarients | Cther barri | ical <br> trade | frgentina | NIT:/IIV/III/A/9 |
| 8415 | Fefrigerators and refrigerating equipment | Testin | nderds | Fowania | $\pi \mathrm{N}: 1 \mathrm{IIV} / \mathrm{III} / \mathrm{C} / 2$ |
| 8452 | Calculating machines; accounting machines.. | " | " | 11 | 1 |
| 8506 | Flectro-mechanical dcuestic appliances | " | " | 11 | " |
| 8516 | Electric traffic control equiz=ent | " | " | " | " |
| 8519 | ```Electrical apperatus for making or lreak- ins``` | " | " | 1 | " |
| 8523 | Irsulated electric wire, cable, bers, strip | " | \% | " | " |
| 8701 | Tractors | 10 | " | " | " |
| 8702 | !.ctor vehicles for the transport of persons | 11 | 17 | " | 0 |

B. Other notifications

| Heasures | lotifying country | Document referenc |
| :---: | :---: | :---: |
| Rules of oriein | Canada | Inis:Inv/II/F/1 |

## Norway

A. Product-related notifications

| CCCl | Description | Heasures | $\left\lvert\, \begin{gathered} \text { Notifying } \\ \text { country } \end{gathered}\right.$ | Document referene |
| :---: | :---: | :---: | :---: | :---: |
| 0105 | Live poultry | Health and sanitary regulations | Canada | AG/DOC/4/NOR/ 1 |
| $\begin{aligned} & \text { 0101-0104 } \\ & 10201 \end{aligned}$ | Neat and edible offals, fresh, chilled or frozen |  | United States | ${ }^{\circ}$ |
| ex 0804 | Fresh grapes | Phytosanitary regulations | Romania | 18 |
| 3003 | Liedicaments | Other technical barriers to trade | Argentina | INTM/INV/III/A/9 |
| 3707 | Films | Subsidies to film producers | Uniteà States | NTM/INV/I/A/3 |
|  | Products of the engineering industry, machine-tools, | Regulations End special requirements | Hungary | NTM/INV/III/A/10 |
|  | electrical products, electrical appliances | Testing standards Testing procedures | Romania Czechoslovakia | $\begin{aligned} & \text { NTN/INV/III/C/2 } \\ & \text { NTM/INV/III/C/10 } \end{aligned}$ |
| Chap. 87 | Motor vehicles | Excise tax | United States | NTM/INV/V/6/39 |

B. Other notifications

| Measures | Notifying country | Document reference |
| :--- | :--- | :--- |
| Goyernment procurement | Canada, United States | NTM/INY/I/C/19 |
| Rules of origin | Canada | NTM/INV/II/F/1 |
| Traffic tax |  |  |

SECTION V: Other trade policy aspects

## Structural Adjustment Policies

## Finland

88. Information in regard to structural adjustment policies and developments in Finland, submitted by Finland to the Working Party on Structural Adjustment and Trade Policy, is contained in document Spec(82)6 and its Suppl.l.
89. Information in regard to structural adjustment measures and developments in the textiles sector, submitted by Finland to the Working Group on Adjustment Measures appointed by the Textiles Committee, is contained in documents COM.TEX/16 and Add.6, and COM.TEX/21.

## Sweden

90. Information in regard to structural adjustment policies and developments in Sweden, submitted by Sweden to the Working Party on Structural Adjustment and Trade Policy, is contained in document Spec (82)6/Add. 2.
91. Information in regard to structural adjustment measures and developments in the textiles sector, submitted by Sweden to the Working Group on Adjustment Measures appointed by the Textiles Committee, is contained in documents COM.TEX/16 and COM.TEX/21.

## Norway

92. Information in regard to structural adjustment policies and developments in Norway, submitted by Norway to the Working Party on Structural Adjustment and Trade Policy, is contained in document Spec(82)6/Add.8.

## Agricultural policy

## Finland

93. The following general statement on agricultural policy was submitted by Finland in connexion with the updating of the Inventory on Non-Tariff Measures in the field of agriculture (AG/DOC/2/FIN/1).
"Finland is faced with structural difficulties in agriculture, which are particularly pronounced since the agricultural labour force is still large compared with other western and northern European countries. The national food securicy requires a reasonable rate of self-sufficiency in basic food commodities, which are produced in relatively unfavourable climatic and geographical conditions. This requires a certain degree of import protection. Also the very important aspects of regional and employment policies concerning northern and eastern Finland must be taken into account in the national agricultural policy.


#### Abstract

"Within the framework of the GATT, Finland has, however, during the last few years reduced or eliminated import restrictions on many agricultural comodities, especially tropical products of export interest to developing countries. "The main objective of the agricultural production policy, at present, is an attainment of a better balance between agricultural production and domestic consumption. In the last few years the production of dairy products, eggs and meat has in particular exceeded domestic consumption. The Finnish Government has therefore taken several strict measures to curb domestic farm production. "Restrictions on imports of certain agricultural commodities have therefore to be maintained in order not to upset market conditions or to increase difficulties relating to unemployment."


## Norway

94. The following is an extract from the general statement on agricultural policy submitted by Norway in connection with the updating of the Inventory of Non-Tariff Measures in the field of agriculture (AG/DOC/2/NOR/1).
"Due to difficult natural conditions and a short growing season, Norwegian agriculture has limited choices as to number of production branches in agriculture compared with most other countries. For topographical reasons farm land is scattered, partly very hilly and split up in relatively small plots. Relatively large and continuous areas of farm land are found only in the south-east part, the south-west part and in the middle of the country.
"Norway has about 0.910 million hactares of farm land or about 0.23 hectares per inhabitant. This area constitutes oniy 3 per cent of the total area of the country. Approximately 50 per cent of the area is considered suitable for mechanized farming.
"The rate of self-sufficiency in agricultural products is very low, amounting only to 30 per cent of total consumption on a calorie basis. When adding livestock products based on imported feeding stuffs, the percentage, however, increases to 38 per cent, and if maritime products consumed in Norway are added, the percentage of self-sufficiency rises to about 50 per cent. For reasons of preparedness, the Norwegian Government does consider it necessary to maintain the present level of self-sufficiency in agricultural products.
"Due to the natural conditions production costs in the Norwegian agriculture are relatively high. In order to maintain agricultural production at the present level, the Norwegian authorities therefore consider it necessary to protect agriculture against competition from countries with far more favourable conditions.
"Elaboration of the agricultural policy is made in the light of the following main objectives:

- The income objective, aiming at incomes per man-year in agriculture at least equal to incomes in the industrial sector.
- The production target, to maintain for reasons of preparedness an aggregate agricultural production at least at the present level of self-sufficiency and to adapt production of individual commodities to domestic demand.
- The demographic objective, aiming at maintaining a certain settlement for the reason of exploitation of natural resources, protection of the environment, and tourism and recreation purposes in the rural areas and particularly in the remote areas where the primary industries (agriculture, fisheries etc.) are constituting the main sources of livelihood.
- The objective of creating effective, viable farms, large enough to offer a family a reasonable standard of living.
"The objective of maintaining a certain rate of self-sufficiency and adaptation of production to domestic demand, requires measures aiming at limiting production of some products and stimulating production of others.
"Realization of the objectives, and consequently the use of regulation measures, have made it necessary to apply import restrictions."


## Sweden

95. The following general statement on agricultural policy has been extracted from information on measures affecting trade in agricultural products submitted by Sweden to the Committee on Trade in Agriculture (AG/FOR/SWD/1).
"The 1977 (parliamentary decision) reiterates the primary goals for Sweder's agricultural policy as laid down in previous decisions. These goals are to secure as sufficient supply of food in case of emergency (the production objective), to assure people engaged in agriculture in all parts of the country an economic and social standard equivalent to that of comparable groups (the income objective) and to promote efficient farming so that food can be produced at reasonable costs (the efficiency objective).
"Under this decision the existing resources of arable land are to be utilized for agricultural production. The arable area will be maintained at about its present level. This implies that surplus production is obtained at normal harvests. Surpluses should preferably occur in the grains sector, while animal production should balance domestic consumption (taking into account seasonal variations).
"Apart from general price support there are special measures directed at low-income farmers and farmers in northern Sweden in order to attain the income objective. Special support is also directed to efficient farm units in northern Sweden to prevent from depopulation in remote areas heavily dependent on incomes from farming.
"Agricultural price and market regulation in Sweden
"Principles of the agricultural price regulation system
Decisions regarding the agricultural policy constitute the framework within which the principles of the agricultural price regulation system are determined. A Parliamentary resolution concerning these principles normaliy covers a period of more than one year. The current price regulation period extends from 1 July 1982 to 30 June 1984. A resolution of this kind is preceded by deliberations between two delegations representing farmers and consumers under the chairmanship of the National Agricultural Market Board. When the negotiations have been completed the Board submits a proposal to the Government, which in turn presents a Bill to Parliament.
"Adjustments during the price regulation period
During the present price regulation period half-yearly adjustments are made of producer prices, "middle prices" or target prices and import ievies on the basis of changed input costs in agriculture and costs for collection and processing of agricultural products. Such adjustments are also preceded by deliberations in the same way as described above. Furthermore, adjustments are made once a year (July) in order to accomodate farmers' earnings to the income development of comparable occupational groups. When import levies are adjusted, changes in the general development of world market prices are taken into account. The Government finally fixes these helf-yearly and yearly adjustments.

## "Price and market regulation

The domestic price level is supported by import levies and by an internal regulation comprising price and marketing measures. The method of fixing target prices and import levies differs between groups of agricultural products. For a number of products (dairy products, meat, poultry, eggs, potatogs and potatoes starch) upper and lower price limits are fixed. These limits mark the interval within which domestic wholesale prices may vary without requiring changes in import levies. Midway between these limits is the "middle price" or target price, which is principally the desired domestic price. The import levy stays fixed as long as the domestic price remains between the upper and lower price limits.
"Grains and sugar are not subject to any price limits. The Swedish price level is protected by variable import levies which are changed in relation to changes of prices quoted in the world market as well as to the seasonal increases of redemption prices. Price support to oilseed production is financed by a special fee, which is levied on imports and domestic production of all vegetable oils and fats.
"Market regulation measures are applied to balance supply and demand on the domestic market. These measures mostly concern aid to export and storage. These market regulation operations are carried out by special market regulation associations, which operate under the directives of the National Agricultural Market Board. There are seven such associations in the agricultural sector dealing with the marketing of cereals, oil seed, sugar, potatoes, meat and meat products, milk and dairy products and eggs. The members of these associations comprise various organizations and enterprises in the sector concerned. The Government appoints one chairman for all associations. In addition, one member of each board represents consumer interests while another is generally an official from the National Agricultural Market Board.
"The activities of the market regulation associations are financed by internal fees and import levies. Internal fees are levied on agricultural commodities produced within the country. For instance, there are milling fees on cereals, acreage and production fees on potatoes, producrion and sales fees on milk cream and cheese. The distribution of revenues from import levies between the different market regulation associations is determined in the course of the price deliberations.
"Price compensation is applied for agricultural products used in the manufacture of certain processed food.
"Policies and measures affecting consumption
Since 1973 consumer prices for a number of basic foodstuffs have been subsidized from budgetary means. These subsidies were reduced during 1981-1982 due to budgetary restrictions, but certain increases were put into effect from 1 January 1983. Consumer subsidies at present are directed to fresh milk, cheese and meat. Other measures include price rebates granted for butter and cheese consumption at certain public institutions. During 1981 and 1982 price campaigns took place for beef and in 1983 a similar campaign will be carried out for pigmeat and lambmeat."

## Participation in International Commodity Agreements

96. The three Nordic countries are members of the international commodity agreements on coffee, cocoa, rubber, sugar and tin, as importing countries. Finland and Norway are members of the International Wheat Agreement as importing countries and Sweden as an exporting country. The Nordic countries are also members of the international agreements on dairy products and meat.

## Regional Trade Agreements

97. Norway and Sweden are members of the European Free Trade Association (EFTA), established by the Stockholm Convention signed on 4 January 1960. Under the provisions of the Stockholm Convention, member countries of EFTA have abolished customs duties and other charges with an equivalent effect and, with a few exceptions, quantitative restrictions on a ${ }^{1} 1$ industrial products in their mutual trade.

[^4]98. Mutual trade of EFTA countries in agricultural raw materials and goods processed from agricultural raw materials is subject to special rules. In the case of goods processed from agricultural raw materials included in Part I of Annex $D$ of the Stockhoim Convention, any protective duties on the industrial element (value added in the processing) have been abolished, while protection for the agricultural element (cost of the raw materials used) is permitted, to ailow for the fact that manufaciurers of similar products in different EFTA countries may have to pay different prices for their raw materials as a result of differing domestic regimes in regard to the production and sale of the agricultural materials. The protection may take the form of variable or fixed import levies or internal price compensation measures. A similar situation was obtained in respect of agricultural products listed in Part II of Annex D since 1973. Products included in Part III of Annex $D$ are basically excluded from the purview of the free trade provisions of the Stockholm Convention. However, mutual trade of the members in some products in Part III has also been liberalized in consequence of certain bilateral agreements between some of the member sountries.
99. Fish and other marine products, listed in Annex $E$ to the Convention, are also excluded from the free crade regime. Fish and marine products in processed or semi-processed form are, however, subject to the liberalization measures in regard to industrial products.
100. The Convention also contains provisions in regard to other related matters, such as internal taxes and other charges, export duties, rules of origin, rules of competition, government procurement ard safeguards.
101. Under the provisions of an agreement creating an association between the member states of EFTA and Finland, signed at Helsinki on 27 March 1961, the provisions of the Stockholm Convention, with a few exceptions, apply in trade relations between the member countries of EFTA and Finland.

## EFTA's relations with the EEC

102. Under a series of Free Trade Agreements (FTA's) concluded by the EEC with the EFTA countries, that came into force in 1973, customs duties and other charges having an equivalent effect and, with a few exceptions, quantitative restrictions have been eliminated on the mutual trade of the EEC and the EFTA countries on all industrial products. In the case of certain processed agricultural produces (mostly processed foodstuffs) listed in Protocol No. 2 to the FTA's, customs duties have been abolished in regard to the industrial element (value added in processing), while protection is still permitted in respect to the agricultural element (cost of the raw materials used). The protection may take the form of variable or fixed import levies, or internal price compensation measures.
103. EFTA countries as a group and the EEC are each other's most important trading partners. If intra-EEC trade is excluded, EFTA was the market for almost a quarter ( 23.1 per cent) of all EEC exports in 1981. Similarly, if intra-EFTA trade is excluded, three-fifths ( 59.4 per cent) of the combined exports of the EFTA countries went to the EEC.

## EFTA's relations with Spain

104. A multilateral Free Trade Agreement between the EFTA countries and Spain, in effect since May 1980, and providing for progressive elimination of tariffs and non-tariff barriers to mutual trade, governs trade between these countries in industrial products, a number of processed agricultural products and certain fish and fishery products. As a result of the implementation of this Agreement, up to 31 December 1982, the EFTA countries, except for Portugal for which country there are special provisions, had reduced their duties on almost all industrial products imported from Spain by 60 per cent. Spain had reduced its duties by 60 per cent on the imports of the products in List A of Annex II to the Agreement, and by 25 per cent on products in Lists B and C. Furthermore, there had been sizeable tariff reductions on certain processed agricultural goods and on some food products.

Finland's trade relations with Bulgaria, Czechoslovakia, German Democratic Republic, Kungary, Poland, Romania and China
105. Finland has entered into agreements for the reciprocal removal of obstacles to trade with Bulgaria, Czechoslovakia, German Democratic Republic, Hungary and Poland taking into account the provisions of Arisisle XXIV of the General Agreement. Finland has also entered into long-term trade agreements with Romania and China.

## SECTION VI: Trade with the Least-Developed Countries

106. Table 15 shows export and import trade of the three Nordic countries with the least-developed countries in 1980, compared with that in 1976. While the trade of Finland with the least-developed countries as a whole is balanced, Norway and Sweden enjoy substantially favourable balances in their trade with these countries. The situation with regard to individual least-developed countries may however differ from country to country. The table also shows that while the exports of the Nordic countries to the least-developed countries grew fairly fast between 1976 and 1980, more than tripling in the case of Norway and more than doubling in the case of Sweden, imports did not grow as fast. Major trade partners of the three Nordic countries among least-developed countries are shown in Table 16.
107. The import trade of the Nordic countries is dominated by agricultural commodities and industrial raw materials. In the case of Finland, imports of cocoa and coffee alone accounted for about 61.4 per cent of total imports from the least-developed countries in 1Suv; the other food items imported were grapes, spices, fruits and vegetables. Other major imports were raw materials such as hides and skins ( 13.6 per cent) lacs and natural gums, phosphates, raw cotton, and raw tobacco. Various textile semi-manufacturers and finished products are also imported. Imports of calcium phosphates constituted 34.6 per cent of all the imports of Norway from the least--ieveloped countries in 1980; cocoa and coffee imports constituted s.0 per cent, while unmanufactured tobacco, crude vegetable and anime" "sterials, vegetable oflseeds made up another 27.0 per cent. Other imports of Norway were sugars and artificial honey ( 5.0 per cent), spices and fruits, crustaceans and molluscs, and various textile products especially carpets, rugs and other floor covering ( 6.2 per cent). The most

TABLE 15
$\frac{\text { TRADE OF FINLAND，NORWAY AND SWEDEN WITH THE }}{\frac{\text { LEAST－DEVELOPED COUNTRIES（LDCs })}{1976 / 1980}}$

|  |  | Exports（million US\＄） |  |  | Imports（million US\＄） |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Total exports | Exports <br> to LDCs | \％share of LDCs in total exports | Total imports | Imports from the LDCs | \％share of LDCs in total imports |
| Finland | 1976 | 6，348．3 | 12.1 （100） | 0.19 | 7，397．7 | 11.1 （100） | 0.15 |
|  | 1980 | 14，154．2 | 22.9 （189） | 0.16 | 15，616．7 | 19.4 （175） | 0.12 |
| Norway | 1976 | 7，936．0 | 20.9 （100） | 0.26 | 11，086．6 | 7.5 （100） | 0.07 |
|  | 1980 | 18，557．1 | 69.7 （333） | 0.37 | 16，923．5 | 12.6 （168） | 0.07 |
| Sweden | 1976 | 18，393．3 | 52.2 （100） | 0.28 | 19，088．5 | 37.2 （100） | 0.19 |
|  | 1980 | 30，969．7 | 131.5 （252） | 0.42 | 33，484．9 | 42.8 （115） | 0.13 |

Source：National Trade Statistics．

## Finland

Major export markets among least-developed countries (1980)
(Percentage share in total exports to least-developed countries)
Tanzania (35.0); Yemen Arab Republic (12.5); Sudan (10.0);
Bangladesh (5.6); Ethiopia (6.4); Togo (5.1); Malawi (4.9); Niger
(3.7); Afghanistan (3.3); Benin (3.0); Sierra Leone (2.2); Mali
(2.0); Guinea (1.9); Haiti(0.8); Uganda (0.8); Rwanda 0.5).

Major sources of imports from least-developed countries (1980)
(Percentage share in total imports from least-developed countries)
Sudan (21.4); Ethiopia (20.7); Rwanda (15.5); Burundi (13.0); Tanzania (11.4); Afghanistan (5.9); Togo (5.5); Malawi (2.7); Bangladesh (1.5); Sao-Tome and Principe (1.5).

## Norway

Major export markets among least-developed countries (1980)
(Percentage share in total exports to least-developed countries)
Sudan (39.0); Tanzania (17.7); Bangladesh (10.6); Guinea 8.1; Benin 5.9; Afghanistan (2.3); Haiti (2.2); Malawi (2.0); Yemen DPR (1.7); Ethiopia (1.5); Gambia (1.1); Yemen AR (1.1); Ma1i (0.7); Niger (0.6); Guinea Bissau (0.6); Upper Volta (0.5).

Major sources of imports from least-developed countries (1980)
(Percentage share in total imports from least-developed countries)
Togo (45.0); Malawi (15.9); Haiti (11.0); Afghanistan (10.6); Sweden (6.9); Tanzania (3.7); Bangladesh (2.1); Uganda (1.8); Ethiopia (1.4); Nepal (0.6).

## Sweden

Major export markets among least-developed countries (1980) (Percentage share in total exports to least-developed countries)

Tanzania (21.6); Bangladesh (13.7); Yemen Arab Rep. (11.3); Ethiopia (10.0); Sudan (9.4); Guinea (5.3); Somalia (3.3); Guinea Bissau (2.9); Yemen PDR (2.9); Haiti (2.4); Benin (2.0); Malawi (1.9); Sierra Leone (1.8); Afghanistan (1.6); Laos (1.1); Uganda (1.1); Nepal (1.0); Gambia (0.7); Botswana (0.6); Mali (0.6); Rwanda (0.4); Togo (0.4); Niger (0.4).

Major sources of imports from the least-developed countries (1980) (Percentage share of total imports from least-developed countries)

Bangladesh (19.2); Tanzania (15.7); Mali (12.7); Sudan (11.4); Rwanda (8.0); West Samoa (5.8); Upper Volta (5.3); Uganda (5.0); Haiti (4.5); Afghanistan (4.1); Ethiopia (2.5); Benin (1.6); Togo (1.6); Burundi (1.2); Guinea (0.4); Nepal (0.4).
important products imported by Sweden from the least-developed countries in 1980 were refined petroleum products ( 16.6 per cent); coffee and cocoa (23.8 per cent); oilseeds and oleaginous fruits ( 24.1 per cent); animal feeding stuff ( 4.4 per cent); raw hides and skins ( 4.4 per cent); crude vegetable materials ( 4.2 per cent); textile manufacturers ( 9.4 per cent); ores and concentrates of base metals ( 4.0 per cent); coffee waste and syrup n.e.s. ( 4.5 per cent). Other imports by Sweden included fruits, vegetables, fish products, spices and miscellaneous manufacturers.

## Tariff treatment

108. Among the Nordic group of countries, Norway and Finland specifically offer special tariff preferences in favour of the least-developed countries within the framework of their respective GSP schemes. Under the scheme of Norway, imports of all products from least-developed countries enjoy full duty-free access (see Table 17). Under the scheme of Finland the following products, which otherwise do not enjoy GSP treatment when imported into Finland, have been accorded such treatment when imported from the least-developed countries:
ex 07.05 - other leguminous vegetables than peas and beans of a kind suitable for human consumption; ex 08.04-grapes, fresh; ex 09.01coffee, unroasted; ex 20.06 - prepared or processed fruit mixtures and brazil nuts and cashew nuts, roasted; ex 21.02 - coffee extracts; 61.05, 97.02, ex 97.05 - carnival and entertainment articles.

There re, however, still a number of products of export interest to the least-ieveloped countries, which do not enjoy concessions under the GSP of Finland (see Table 18).
109. Sweden does not offer any special tariff concessions to the least-developed countries. The least-developed countrias enjoy the same concessions as other developing countries under the GSP scheme of Sweden. There are thus a number of products of export interest to the least-developed countries mostly textiles which do not enjoy preferential tariff concessions from Sweden (see Table 19).
TABLE 17


| - - - - - - - - - - - - - - - |  |  | ятетләтви әрви－ивш хо <br>  <br>  <br>  s8uţianoo nooty suxik ofnf 407700 mby suypsinj mey sazrydsoud pur s．aztityzoj apnxy оээвяот рә．дпұовлииниип sureq 80003 <br>  <br>  <br>  <br>  <br>  <br>  <br> sosntrou pur suraogzenxy |  |
| :---: | :---: | :---: | :---: | :---: |
|  <br>  | s．eytiddns <br>  | sofx $\ddagger$ anos padotanap－zavet moxj 8fxodal［ezo | uOF7dysiosed 7onpoxd | 8u¢̣ |

TABLE 18
$X=$ dutiablo items (000' U8\$)

TABLE 19

TABLE 19 (cont'd)

| CCCN Heading | Product Description | Total imports from least-developed countries | Main least-developed suppliers | Tariff <br> situation |
| :---: | :---: | :---: | :---: | :---: |
| $\begin{aligned} & 50.09) \\ & 57.10) \end{aligned}$ | Woven textile fabrics, other than of cotton or man-made fibres | 100.47 | BGD | - |
| $\begin{aligned} & 58.01) \\ & 58.02) \end{aligned}$ | Carpets carpeting, rugs, mats, "kalem schumarks", etc. | 1,194.33 | AFG. NPL | - |
| 61.01 | Men's and boys' outer g arments of textile fabrics (other than knitted or crocheted goods) | 1,037.35 | HTI | X |
| 61.02 | Women's, girls' and infants' outer garments | 1,044.00 | AFG, NPL, HPT | X |
| $\begin{aligned} & 61: 03) \\ & 61.04) \end{aligned}$ | Under garments of textile fabrics (not knitted or crocheted) | 39.24 | NPL, HTT | X |
| $\begin{aligned} & 59.04) \\ & 59.05) \end{aligned}$ | Twine, cordage, ropes, cables; and nets and nettings thereof | 216.55 | BGD, TZA | - |
| $\begin{aligned} & 62.01) \\ & 62.02) \\ & 62.03) \\ & 62.05) \end{aligned}$ | Made-up articles, wholly or chiefly of textile materials | 380.38 | BGD | $\begin{aligned} & 62.01 \mathrm{x} \\ & 62.02 \mathrm{x} \\ & 62.03- \\ & 62.05- \end{aligned}$ |
| 74.01 | Copper waste and scrap, n.e.s. | 1,917.97 | UGA | - |


[^0]:    Being issued as an addendum to this document.

[^1]:    Information on the GSP schemes of Finland, Norway and Sweden is available in GATT documents L/3694 and addenda, $L / 4242$ and addenda, and L/4472 and addenda, respectively.
    ${ }^{2}$ GSP utilization rates in 1980:

    |  | Ch. $1-24$ | Ch. $25-99$ |
    | :--- | :---: | :---: |
    | Finland | $73 \%$ | $73 \%$ |
    | Norway | $40 \%$ | $48 \%$ |
    | Sweden | $82 \%$ | $70 \%$ |

[^2]:    *Including imports unidentified by origin.

[^3]:    "With the intention to accede to the Protocol extending the MFA, Norway in 1977 entered into negotiations with several countries. Six comprehensive bilateral arrangements have been concluded. These arrangements came into force from January 1978 having a validity of four to five years. They cannot be suspended by unilateral action. The countries concerned have expressed their wish to continue the arrangements and consequently imports from these sources have not been inciuded in the global quotas.
    "During the negotiations with the most dominant supplier it proved impossible for the Norwegian Government to reach a satisfactory arrangement.

[^4]:    The current members of EFTA are: Austria, Iceland, Norway, Portugal, Sweden and Switzerland. Finland is an associated member of EFTA.

