

GENERAL AGREEMENT ON TARIFFS AND TRADE

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PROTECTIVE ACTIONS BY DEVELOPED COUNTRIES AGAINST IMPORTS FROM DEVELOPING COUNTRIES

Note by the Secretariat

1. In this note, the secretariat has put together available information on a number of recent measures taken by developed countries and affecting the exports of developing countries to serve as background for the Sub-Committee's work at its second session. It will be recalled that it was agreed in the Committee on Trade and Development in March 1980 (COM.TD/104, paragraph 20) and reaffirmed by the Sub-Committee at its first session in July 1980 (COM.TD/SCPM/1, paragraph 21) that there were three possible sources of information for the work of the Sub-Committee: notifications by contracting parties applying new protective measures affecting imports from developing countries; "reverse" notifications by developing countries; and information to be provided by the secretariat on the basis of data available from official sources and as necessary checked with the delegations concerned to ensure accuracy.
2. GATT/AIR/1650 of 1 August 1980 invited notifications by developed countries of protective actions taken against imports from developing countries and also invited "reverse" notifications by developing countries. At the time of preparing this note, no such notifications had been received in response to this Airgram. The secretariat has checked notifications made under other GATT procedures; these have been taken into account in this note.
3. The table on pages 4 and 5 presents in synoptic form the information available to the secretariat on new actions under the Sub-Committee's terms of reference. An addendum containing tariff and trade data relating to these measures at the tariff line level is being issued separately. As indicated in the remarks column of the table, the Australian actions on textiles, clothing and footwear listed are interim measures leading to a more comprehensive modification of the domestic assistance arrangements for this sector to come into effect on 1 January 1982. At the same time as announcing the new assistance programme, the Australian Government also announced new developing country tariff preferences and handicraft concessions applying to textiles, clothing and footwear products. A summary of these new arrangements will appear in the background documentation for the Committee on Trade and Development's meeting in November in connexion with the agenda item dealing with the review of the implementation of Part IV of the General Agreement so that the overall context in which these measures have been taken can be seen. The interim Australian measures on textiles and clothing that have come into effect

have been included in this note because they do not fall under the Multi-Fibres Arrangement. As was the case for the first meeting of the Sub-Committee, measures taken under the Multi-Fibres Arrangement by countries participating in it are not listed in this document. These measures are notified to the Textiles Surveillance Body for examination and subsequent circulation to participating countries.

4. It should be noted that the information in this note is presented in accordance with the understanding reached at the July meeting of the Sub-Committee that the inclusion of measures in secretariat documents for the Sub-Committee would be without prejudice to views delegations might have regarding the desirability of taking up for examination any such measures or on whether they fell within the Sub-Committee's terms of reference (COM.TD/SCPM/1, paragraph 21). It remains open, of course, to delegations to raise for discussion any other measures that they consider fall under the Sub-Committee's mandate. In this connexion, it might be recalled that, when the Sub-Committee met in July, there was a widespread view that the value of discussion in the Sub-Committee would be enhanced if countries taking measures had some advance indication of the points that members might wish to take up for examination (COM.TD/SCPM/1, paragraph 21).

5. In the light of the foregoing, the paragraphs that follow contain some information, additional to that contained in the summary table on pages 4 and 5.

6. Both in the Committee on Trade and Development and in the Sub-Committee itself, some delegations have emphasized the importance of the Sub-Committee having information on protective measures in advance of their implementation, so that the Sub-Committee's work could include an examination of their relevance to the trade of developing countries. In this connexion, it might be noted that the United States delegation has notified, in document L/5027, that the United States International Trade Commission (ITC) has recommended that quantitative restrictions be imposed on United States imports of mushrooms, prepared or preserved, provided for in item 144.20 of the TSUS, for a three-year period commencing 1 July 1980. The notification, L/5027, contains detailed tariff and trade information with regard to United States imports of prepared or preserved mushrooms. Under United States legislation, the President has until 18 October 1980 to make a decision on the ITC's recommendation. It might also be noted that the United States Customs Service issued in August 1980 a formal notice of consideration of tariff reclassification, as ornamented garments, of garments with military-style epaulettes and certain other non-essential features. It is understood that customs release of certain such imports is being blocked pending a final ruling.

7. At its last session, the Sub-Committee also had an exchange of views about the appropriateness of the Sub-Committee as a forum for discussing anti-dumping and countervailing measures. While some delegations expressed doubts

in that such actions were responses in accordance with GATT procedures to unfair trading priorities, most delegations were prepared to go along with the view that, if a developing country believed that a measure was protective and affecting its trade, it could be raised for discussion. In this connexion, it might be noted that under the terms of Articles 14:4 and 2:16 of the Anti-Dumping Code and of the Code on Subsidies and Countervailing Duties respectively, signatories of these agreements report without delay to the relevant Committee all preliminary or final actions taken with respect to anti-dumping or countervailing duties. In addition, they submit, on a semi-annual basis, reports on actions taken within the preceding six months. Reports covering the period January-June 1980 are being circulated in documents ADP/4 and Addenda and SCM/4 and Addenda. Information on anti-dumping and countervailing actions affecting exports of developing countries that has come to the notice of the secretariat since the last background note for the Sub-Committee was prepared is summarized in Annex I, this information being provided subject to the conditions referred to in paragraph 4 above. In addition, it might be noted that recent developments in the steel sector have included the withdrawal of dumping complaints by certain United States steel companies and the presentation of a revised "trigger price" system by the United States administration. With regard to subsidies, notifications pursuant to Article XVI:1 of changes in subsidy practices are being circulated as L/4932 and Addenda.

Developments with respect to protective measures discussed at the Sub-Committee's July meeting

8. At its meeting in July, the Sub-Committee examined a number of measures listed on page 4 of COM.TD/SCPM/W/1, concerning certain EEC measures in the mushroom sector, an Article XIX action by the United States on porcelain-on-steel cooking ware and tariff changes by Australia on certain rubber products. The record of this examination is contained in paragraphs 9 to 16 of the Sub-Committee's Report (COM.TD/SCPM/1). Since that time, the European Economic Community has modified its measure on cultivated mushrooms-in-brine (ex 07.03E) with effect from 9 September 1980 so as to allow the issue of import licences, on certain conditions, for quantities dispatched not later than 20 April 1980, up to an amount corresponding to the difference between those quantities and the quantities in respect of which applicants obtained licences for imports to be carried out during the period 15 April to 30 September 1980. These additional licence allocations for quantities in respect of which import procedures were under way when the Community measure was published are to be deducted from the normal quarterly licence allocations provided for under the measure. The secretariat has no information regarding developments with regard to the other measures examined at the Sub-Committee's July meeting.

New Protective Measures Affecting Imports from Developing Countries
Summary Information

Tariff Item No.	Description	Measure	Date of implementation	Remarks
AUSTRALIA ex 61.01 ex 61.02	Raincoats (including artificial leather coats), overcoats and men's sets	Tariff increase and tariff quota	1.9.80	Part of interim arrangements under new Australian assistance programme for textiles, clothing and footwear industries. The Australian authorities have indicated that a developing country margin of preference will be implemented as soon as administratively possible.
ex 61.01	Overalls (excluding men's industrial overalls)	Activation of tariff quota arrangement	1.9.80	"
ex 61.09	Waist encircling foundation garments	Tariff increase and tariff quota	1.9.80	"
ex 60.05	Certain knitted garments	Tariff increase and tariff quota	1.9.80	"
ex 61.03	Certain woven undergarments	Tariff increase and tariff quota	1.9.80	"
ex 61.04	Certain knitted tights	Tariff increase and tariff quota	1.9.80	"
ex 62.02	Continental quilt covers and bed ruffles	Tariff increase and tariff quota	1.9.80	"
ex 39.07	Certain plastic garments	Tariff increase and tariff quota	1.9.80	"
ex 64.01, ex 64.02 ex 64.03, ex 64.04	High-priced footwear	Import licensing	1.9.80	Previously exempt from footwear licensing. Interim arrangement: tariff quotas to apply from 1.1.1982. ^{1/}
ex 64.01, ex 64.02 ex 64.03, ex 64.04	Specialist footwear, specialist sporting footwear and gum boots	Activation of import licensing control	1.9.80	Licences no longer issued on application, but on basis of previous import performance. Interim arrangement: tariff quotas to apply from 1.1.1982. ^{1/}

^{1/}The Australian authorities have indicated that the special additional revenue duty of 12.5 per cent will not apply.

Tariff Item No.	Description	Measure	Date of implementation	Remarks
ex 58.02, ex 59.02	Certain tufted, woven and needleloom carpet and carpeting	Tariff increase	18.8.80	Part of decision on new programme of assistance for the textiles, clothing and footwear industries
ex 33.01	Certain essential oils, resinoids, etc.	Tariff increase	27.8.80	
<u>EEC</u> ex 08.10A ex 08.11E	Strawberries, frozen without added sugar or provisionally preserved	Import licensing	15.8.80	
<u>JAPAN</u> ex Chapters 50-59	Fabrics of silk and other fibre mixtures (excluding figure textured fabrics and scoured fabrics); woven pile fabrics; twine cordage ropes and cables; bonded fibre fabrics	Prior import permission	26.5.80	Measure applied to those products regarded as raw silk or silk yarn in disguise, i.e. imported with the purpose of being unravelled back to a form of raw silk or silk yarn, which products were restricted under earlier measures. L/4989.
ex 58.04 ex 59.04 ex 59.03-1 <u>NEW ZEALAND</u> ex 58.02	Coir mats and matting	Tariff increase	1.7.80	

ANNEX I

Anti-dumping and countervailing actions and investigations
relating to products from developing countries

Country and product description	Status of investigation	Date
<u>AUSTRALIA</u>		
Certain pigments from the People's Republic of China and/or Singapore, the Republic of Korea and Hong Kong	Initiation of anti-dumping inquiries Imposition of dumping cash securities	July 1980 4.7.1980
General purpose grades of polyvinyl chloride homopolymer from the Republic of Korea and Singapore	Initiation of anti-dumping inquiries	July 1980
C.I. pigment red 53-permanent lake red from India and the Republic of Korea	Initiation of anti-dumping inquiries	August 1980
Certain power hacksaws from India	Imposition of dumping cash securities	29.8.80
Canned ham from Romania and Yugoslavia	Initiation of anti-dumping inquiries	August 1980
	Imposition of dumping cash securities	August 1980
Sodium tripolyphosphate from Israel	Imposition of anti-dumping duties	28.8.80

Country and product description	Status of investigation	Date
<u>EUROPEAN COMMUNITIES</u>		
Furfural from Dominican Republic and People's Republic of China	Initiation of anti-dumping procedure	27.8.80
Tube and pipe fittings of malleable cast iron from Brazil	Initiation of anti-dumping procedure	26.9.80
<u>UNITED STATES</u>		
Grey metal iron castings from India	Provisional countervailing measure	23.5.80
Certain industrial fasteners from India	Imposition of countervailing duties	21.7.80
Fresh cut roses from Israel	Provisional countervailing measure	10.6.80