

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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## LUXEMBURG IMPORT RESTRICTIONS

### Second Annual Report by the Government of Luxemburg pursuant to the Decision of 3 December 1955

Under the Decision of 3 December 1955 granting a waiver to the Government of Luxemburg in connexion with import restrictions on certain agricultural products, the Luxemburg Government is required to communicate at least once a year relevant information for circulation to the contracting parties. The following communication, dated 15 July 1957, has been received from the Luxemburg Government.

#### I

"During their examination of Luxemburg's request for a waiver, the CONTRACTING PARTIES recognized that no easy, rapid, or perhaps even complete solution to the problem of that country's agriculture could or should be expected, with a view to the elimination of existing restrictions on the importation of agricultural products.

"In present circumstances, the Government is not yet in a position to eliminate the restrictions on any of the products for which the waiver was granted. Protection at the frontier is still an important part of the agricultural policy which the Government follows in order to effect the structural and technical reforms which will place Luxemburg agriculture in a better competitive position. In implementing this policy, the Luxemburg Government is fully aware of the danger which might be caused by completely eliminating the competitive element, and the Government is therefore careful to maintain sufficient flexibility in the application of the restrictions to avoid any such harmful effects.

"In its first annual report, the Luxemburg Government stressed the importance of its Benelux commitments regarding the progressive liberalization of trade in agricultural products. In the Treaty establishing the European Economic Community, signed on 25 March 1957, these commitments are not only maintained but are carefully defined. Thus, the partner countries will decide, by the prescribed majority, whether the exceptional measures which Luxemburg was granted temporarily shall be maintained, modified or abolished. Luxemburg thus has clearly defined international obligations which will require that country to make strenuous efforts in order progressively to raise the competitive power of its agriculture.

"During the discussion in Parliament of the budget of public expenditure for 1957, the Minister for Agriculture made a statement on measures of improvement and rationalization which would gradually remedy the adverse conditions of Luxemburg agriculture. Following this statement, it was possible to increase the 1957 budgetary allotments for agriculture. Similarly, a promise was given of further credits for 1958, pending the acceptance by Parliament of a general plan for the improvement of agriculture. Such a plan is currently being studied, and it makes provision for the active participation of official representatives of agriculture and the professional interests concerned.

## II

"The statistics for 1956 show that the restrictions on the import of "protected" agricultural products were applied with some degree of flexibility. Although imports of some products were lower than in previous years, as can be seen from the annex, imports of other products continued to increase. That is the case with regard to cattle for breeding, preserved meat, canned milk, potatoes and apples. The only products not imported at all were fresh milk, butter and bread.

"Exports of Luxemburg agricultural products continued at the same level as in 1955. Exports of butter showed a slight increase over 1955 because the heavy rainfall during the summer months of 1956 resulted in larger production. The incidence of this increase on international trade is virtually insignificant, since Belgium alone, which has been Luxemburg's economic partner since 1921, traditionally absorbs Luxemburg's butter surplus."

ANNEX

The application of import restrictions on certain  
agricultural products in 1955

<u>Tariff Item No.</u>	<u>Description of products</u>		<u>1954</u>	<u>Imports 1955</u>	<u>1956</u>
(Units: t: thousands of tons h: thousands of head)					
<u>A. Animals and meat</u>					
3 a	Bovine cattle for breeding	(h)	0.91	1.62	1.79
3 b)	Bovine cattle for slaughter				
13 a)	Beef and veal	(t)	0.98	1.23	1.5
6 a	Swine for breeding	(h)	0.035	0.035	0.039
6 b)	Swine for slaughter				
13 c)	Pork	(t)	0.33	--	--
17 )	Bacon				
18 ab	Prepared meat	(t)	0.26	0.28	0.2
116	Sausages	(t)	0.14	0.15	0.15
117 c	Preserved meat	(t)	0.31	0.36	0.45
<u>B. Milk and dairy products</u>					
22	Milk	(t)	--	--	--
23	Milk cream		--	--	--
24 a	Milk and cream, canned	(t)	<del>2.36</del>	<del>0.375</del>	0.45
25	Butter	(t)	--	0.04	--
<u>C. Miscellaneous</u>					
27 ab	Eggs	(t)	0.68	0.79	0.75
49 b	Seed potatoes	(t)	3.8	3.8	3.9
49 c	Potatoes	(t)	2.5	2.6	4.2
59 a	Apples	(t)	1.2	1.5	2.7
<u>D. Cereals and derivatives</u>					
68	Wheat	(t)	6.--	12.--	5.3
69	Rye	(t)	--	--	--
75 ab	Flour	(t)	--	--	--
76	Groats and semolina	(t)	--	0.1	0.2
134	Macaroni, spaghetti and the like	(t)	0.54	0.55	0.87
135	Bread	(t)	--	--	--