

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

L/753

26 November 1957

Limited Distribution

CONTRACTING PARTIES  
Twelfth Session

## BELGIAN IMPORT RESTRICTIONS

### Report by the Working Party on Agricultural Waivers

1. The Working Party was instructed to examine the statement submitted by the Belgian Government (L/640) pursuant to the Decision of 3 December 1955, on measures to be developed for the elimination of the restrictions, and the Second Annual Report (L/672) also submitted under that Decision and pursuant to the terms of the hard-core waiver of 5 March 1955. It will be recalled that a government which has been granted a concurrence under this waiver is required to submit an annual report showing, inter alia, the progress made in the relaxation of the restrictions authorized, the measures taken to assure the elimination of the restrictions, and the reasons for further maintenance of the restrictions. The two reports submitted by the Government of Belgium have been examined accordingly.

#### I

### Progress made in the relaxation of restrictions

2. The Government of Belgium has reported that since the Eleventh Session it has removed the import restrictions from asparagus, water cress, chervil and parsley and the representative of Belgium informed the Working Party that his Government intends to eliminate the restrictions on sprats and horseflesh in the near future. The Working Party regrets that so little progress had been made in the relaxation of the restrictions during the past year and emphasizes that the progressive relaxation of the restrictions is an essential condition of the hard-core waiver and that the annual reports should give a clear indication of the programme for further action in this direction.

3. It is noted that some progress has been made in the intra-Benelux liberalization of certain products. In this connexion the Belgian representative explained that it had not yet been possible to proceed to a plan for progressive relaxation of restrictions towards third countries, but it was his Government's intention to do so as soon as possible. The Working Party wishes to recall that one of the considerations on which the CONTRACTING PARTIES granted the waiver at the Tenth Session was the Belgian Government's statement to the effect that the process of harmonization agreed on with the Government of the Netherlands constituted a safeguard for the removal of restrictions against imports from other

contracting parties. The CONTRACTING PARTIES then considered that in view of this statement it could be expected that restrictions against imports from other contracting parties would be reduced and removed as rapidly as the restrictions against similar imports from the Netherlands. The Working Party hopes that more rapid progress in this direction will be made in the near future.

4. The ultimate objective of the final elimination of the restrictions would be more effectively furthered if the period of seasonal prohibitions for particular products could be relaxed from time to time to expose Belgian producers to more external competition. The representative of Belgium stated that seasonal prohibitions are already administered with as much flexibility as possible and that during the past year the import periods for apples and pears were extended. The Belgian Government considers that circumstances are not yet favourable for a general reduction of the prohibition periods, due to variations in production, and that the best approach is to wait until the restrictions on the products concerned can be entirely removed. It appears to some members of the Working Party that the policy of the Belgian Government reflects an intention to assist producers through the incidental protective effect of the quotas. However, it would be more in accordance with the objectives of the waiver if rationalization of production were encouraged by a gradual relaxation of quotas.

## II

### Measures to be developed for the elimination of the restrictions

5. The Waiver of 3 December 1955 was granted on the understanding that the Belgian Government would submit more precise and detailed information on measures to be developed for the elimination of the restrictions after working plans had been developed in consultation with the Government of the Netherlands. It was understood that the first report on these plans would be submitted by May 1956. The Working Party regrets to record that the information submitted by Belgium indicates that little has been done in the direction of drawing up a detailed programme for the removal of the restrictions; although two years have elapsed no programme has been submitted. It is understood that extensive studies are being undertaken for the implementation of general arrangements for the equalization of competitive conditions as between the Benelux countries and that appropriate measures are being examined for the elimination of quantitative restrictions on a product-by-product basis, but the Belgian representative has explained that, owing to continued difficulties in the agricultural situation, his Government is at present unable to draw up a precise programme.

6. The Working Party reached the conclusion that it cannot evaluate the results of the measures so far taken to ensure the elimination of the restrictions until a more detailed programme is submitted. The Belgian representative gave an assurance that it is the intention of his Government to proceed as soon as possible with the elimination of the restrictions which remain in force, and the Working Party considers that the submission of a firm programme is an urgent matter. It would be a matter of grave concern to the CONTRACTING PARTIES and particularly to contracting parties exporting agricultural products if the "hard-core" Decision were to prove an ineffective method of dealing with transitional measures of protection for agriculture after balance-of-payments difficulties have disappeared.

### III

#### Reasons for further maintenance of the restrictions

7. In justifying the maintenance of the restrictions the Belgian Government has used the criteria of the relationship between costs of production and sales returns. The representative of Belgium stated in the Working Party that this unfavourable relationship, which had led his Government to request the concurrence of the CONTRACTING PARTIES in the maintenance of restrictions on imports, had remained unchanged; even though this situation were to continue the restrictions would be removed as pledged but in that event methods of protection other than quantitative restrictions might have to be used against imports from third countries and his Government was attempting to avoid this if at all possible. The Working Party, nevertheless, considers that it would be more helpful if the Belgian Government could in future reports develop in greater detail the specific reasons for the maintenance of the restrictions on each product.

### IV

#### Export trade in restricted products

8. The trade statistics for 1955 and 1956 provided by the Belgian Government show that Belgium has continued to be a net exporter of eggs and pork, and the Working Party was informed that some exports of eggs have been subsidized. The Belgian representative explained that the phenomenon of temporary surpluses was a result of the vicissitudes of any agricultural system and was not peculiar to Belgium. He assured the Working Party that it was neither the policy of his Government to encourage surplus production nor to subsidize the exports of any surpluses that might arise. The recent subsidies on exports of eggs had been granted following a slump in prices and had been discontinued on 30 July. The Working Party considers that a combination of internal price support measures and quantitative restrictions, by providing an incentive to domestic production, is very likely to lead to the creation of an export surplus and considers that the Belgian Government should take into account the serious effects such policies may have on the traditional export interests of other agricultural countries.

### V

#### Conclusions

9. While members of the Working Party were willing to accept the assurances of the Belgian Government that it was making every effort to conform with the provisions of the Waiver, some of them consider that on the basis of the information made available it is impossible to make judgments as to whether the action taken or to be taken by the Government of Belgium complies fully with its obligations under the waiver and whether there is a reasonable prospect of all the restrictions being removed within the period specified in the Waiver.

10. The Working Party recommends that, in taking note of the Second Annual Report and of the information submitted by the Government of Belgium on the measures to be developed for the elimination of the restrictions and in informing the Government of Belgium of the opinions recorded in the preceding paragraph, the CONTRACTING PARTIES should express the expectation that future reports will show clear evidence of substantial progress towards fulfilment of the intention of the Waiver. Further, the Working Party wishes to recall the request made by the CONTRACTING PARTIES at the Eleventh Session that future annual reports should include more detailed information on

- (a) the future programme of progressive relaxation,
- (b) the reasons for maintaining particular restrictions,
- (c) commitments under bilateral agreements regarding the import into Belgium of products covered by the Waiver, and
- (d) import quotas and relevant administrative regulations. (In this connexion the necessity for giving advance information to importers is emphasized.)

For the most part this information is lacking in the reports submitted. The Working Party therefore recommends that the Belgian Government be asked to comply with this request in the report to be submitted to the Thirteenth Session.

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Points for Decision

Paragraph 10 - Recommendations.