

GENERAL AGREEMENT ON TARIFFS AND TRADE

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CONTRACTING PARTIES
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SCHEDULE XIV - NORWAY

Transposition of specific into ad valorem duties in Schedule XIV - Norway - as a result of the adoption of the Brussels nomenclature

The following memorandum has been received from the Norwegian Government:

"1. As no general revision of the Norwegian customs tariff has been undertaken for the last thirty years, the present tariff is regarded by the competent Norwegian authorities as an inadequate instrument of modern tariff policy as well as technically out of date. Since 1948, Norway has taken part in the preparation of the Brussels nomenclature. Furthermore the Brussels nomenclature has been accepted by the countries discussing the establishment of a Nordic Common Market, and by the majority of the countries taking part in the discussions on a European Free-Trade Area.

"2. Early in 1958 the Norwegian Government decided to transpose its customs tariff to the Brussels nomenclature of 1955 and if possible to submit to Parliament a proposal for the entry into force of the new tariff by 1 January 1959.

These plans are now so far advanced that the new draft tariff will be submitted to Parliament for approval late this year.

"3. The transition to an entirely new and modern nomenclature naturally presents a customs administration with a number of complex technical problems. Partly as a result of the proposed participation by Norway in the proposed European Free-Trade Area the Norwegian Government has found it preferable to put the tariff into operation at an early date. It is inevitable that the new tariff will contain certain minor shortcomings at the initial stage, but it is hoped that the CONTRACTING PARTIES will consider the tariff in a spirit of understanding and sympathy.

"4. Norway has traditionally pursued a low tariff policy. A great part of its tariff consists of specific duties which, due to the constant increase in the price level, today show a considerably lower incidence than before the last world war and before the tariff negotiations under GATT were initiated. The Norwegian Government will continue its liberal

tariff policy and has at present no intention to raise the level of tariff protection, nor to increase the fiscal duties. The purpose of the transition to the Brussels nomenclature is consequently of a purely technical nature. The minor adjustments of the rates brought about by the rearrangement and reclassification of the various items have sometimes a slight upward sometimes a minor downward effect. These variations, however, must be regarded in the light of the explicit intention to retain the present tariff level.

"5. The new tariff is based on the existing rates of duty and these rates are with a very few exceptions the same as those in force on 1 January 1957. The year 1957 is the base year for the conversion of the specific duties to the equivalent ad valorem rates. It is difficult to get comparable general incidences before and after the transposition, but it can reasonably be assumed that the general incidence of the new tariff is not higher than that of the existing tariff.

"6. As regards the tariff items bound in Schedule XIV the bindings have been respected and every effort has been made to ensure that the value of the concessions is not impaired. No change has been made in the new Schedule as regards the ad valorem rates appearing in the old Schedule. Because of the short time available, the Norwegian customs authorities have not been in a position to convert the major part of the specific duties to ad valorem rates. The question of the conversion of these rates will be considered at a later stage and such conversion will take place in conformity with the same general principles as those guiding the conversion of the other duties. As for the relatively few specific duties which have been converted to ad valorem rates, the incidence has been calculated according to 1957 imports and prices. Except in one or two cases the alternative and maximum ad valorem rates provided for in a number of bindings have not been applied.

"7. According to the rules followed by the CONTRACTING PARTIES in these matters a contracting party wishing to change the nomenclature of its Schedule should resort to the normal rectification procedures except when converting specific into ad valorem rates of duty, which provide for some sort of modification procedure following authorization by the CONTRACTING PARTIES. The Norwegian Government is furnishing copies of the revised Schedule, together with a cross reference list, to the Executive Secretary and directly to the contracting parties and has asked the CONTRACTING PARTIES to place the matter on the agenda for the Thirteenth Session. The Norwegian Government hopes that the CONTRACTING PARTIES will agree to Norway following the established procedure for the transposition of specific duties so that the new Schedule XIV of Norway may be incorporated in the Eighth Protocol of Rectifications and Modifications to the General Agreement.

"As regards the specific rates in Schedule XIV which so far have not been converted into ad valorem duties the Norwegian Government would appreciate it if an arrangement could be made to enable it to carry out the transposition of specific into ad valorem duties when the need arises.

"In order to assist contracting parties in obtaining information in matters relating to the transposition of the Norwegian customs tariff to the Brussels nomenclature, customs experts will be attached to the Norwegian delegation to the Thirteenth Session.

"In this connexion the Norwegian Government would like to point out that a postponement of a decision of the CONTRACTING PARTIES in this matter would cause serious inconveniences for the Norwegian Government."

