

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

L/1640

23 November 1961

Limited Distribution

CONTRACTING PARTIES
Nineteenth Session

PROPOSED ANNUAL REPORT ON TRADE RESTRICTIONS

Note by the Uruguayan Delegation

1. The Government of Uruguay proposes that the secretariat be instructed to prepare a detailed annual report on all forms of trade restrictions and discrimination, and suggests that the report might be similar in scope and coverage to the Annual Report on Exchange Restrictions published by the International Monetary Fund. The present note sets out certain relevant points which the CONTRACTING PARTIES might wish to take into account in considering this proposal by Uruguay.

Procedural basis for an annual report on import restrictions

2. It is felt that the nature of the questions considered by the CONTRACTING PARTIES and dealt with under the General Agreement is such that the availability of an annual report as proposed will contribute substantially to a clearer understanding of existing international trade problems. Indeed, this proposal is not entirely new, since the GATT secretariat has been putting out a publication on "Developments in Commercial Policy", giving information in condensed form of major developments in the application of trade restrictions by contracting parties. This publication, which replaces a part of the previous annual report on "International Trade" could be readily absorbed by the proposed annual report.

3. It is suggested that the annual report on trade restrictions could very well be an annex, or form Part II, to the current annual publication "International Trade". In this manner the secretariat would put at the disposal of the contracting parties and of other interested circles a thorough report both on trends in international trade and on the factual basis which would support the conclusions reached in the report.

4. It would probably be impracticable at the beginning for the annual report on trade restrictions to be as fully comprehensive as might be desirable in principle, and some flexibility should be left to the secretariat in deciding on the scope of the report in the light of availability of material. However, some indication would naturally be required at this stage, in the event that the proposal were acceptable to the CONTRACTING PARTIES. As a basis for discussion it is suggested that the report should include material on the following subjects:

- (a) Quantitative restrictions: An overall description of the restrictive system and of items still subject to restriction, including information on bilateral agreements, mixing regulations and State trading. The description should contain a broad indication of the methods employed in administering the restrictions and should emphasize any major changes which have taken place, either in the system itself, in the methods by which it is administered or in the provision of access to the market under bilateral agreements.
- (b) Subsidies and income and price support schemes operated through subsidies: An overall review of major changes or innovations in the field of subsidies, including information on major changes in income and price support schemes. The review should include information concerning individual commodities and should indicate as far as possible the degree of subsidization and whether or not the subsidies are production or export subsidies.
- (c) Tariffs: Major changes in the tariff systems of individual contracting parties, including information on systems of variable duties, together with information on internal taxes on commodities which have been listed by Committee III.

5. In this connexion, it may be noted that under the provisions of the General Agreement or as a result of procedures agreed to by the CONTRACTING PARTIES, a considerable body of information is already being supplied to the CONTRACTING PARTIES and to the secretariat. Thus, in relation to quantitative restrictions information is currently being supplied regularly in relation to restrictions maintained under Articles XII and XVIII or under individual waivers from the provisions of Article XI. More information may be needed, however, in relation to bilateral agreements. Similarly, information is supplied under Articles XVI and XVII on subsidies and State trading respectively. As regards tariffs, it will be noted that paragraph 1 of Article X requires that contracting parties should publish certain information "pertaining to the classification or the valuation of products for customs purposes, or to rates of duty, taxes or other charges ...".

It is emphasized that in making a proposal for an annual report, the Uruguayan delegation is not proposing that the report should include material of a secret or confidential nature, but only such material as is already published or which contracting parties agree may be published.

6. It is evident that information additional to that set out above will be required by the secretariat if they are to prepare a report which covers adequately the subjects referred to in paragraph 4. To some extent this can be drawn on from official publications or communications. It is essential, however, that the information published in the report should be complete and correct; as there may well be some gaps or flaws in the information obtained from the sources referred to above or some doubts and uncertainties in

connexion with its interpretation, it is suggested that contracting parties should be invited to supply information which is lacking and correct or clarify available material. It is also suggested that the secretariat should prepare drafts of the report and should circulate such drafts to the contracting parties concerned for their approval.

7. It is further suggested that the Executive Secretary be requested to report to the CONTRACTING PARTIES on the feasibility of this proposal as well as on its administrative and financial implications.