

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

L/2134

24 February 1964

Limited Distribution

CONTRACTING PARTIES
Twenty-first Session
24 February-20 March 1964

Original: English

PROVISIONAL ACCESSION OF ICELAND

Statement by the Government of Iceland on Its Foreign Trade Régime¹

A. Background information

1. During the second world war and the first post-war years Iceland's national product and national income increased greatly. For the greatest part, however, this increase resulted from special and temporary conditions. At the end of the war, efforts were made to increase the productive capacity of the country in order to maintain the high level of income under the different post-war conditions. Failures of fish catches and a fall in export prices reduced the impact of these efforts, and it was not until about ten years after the war that national product and income per capita had again reached their previous high level. Since 1953 output and productivity have on the whole been growing, although the progress has been uneven. The annual average increase in the gross national product during the years 1954-1963 is estimated at about 4 per cent in constant prices, corresponding to a per capita increase of 2 per cent. The annual fluctuations have been rather sharp, with rapid growth those years when fish catches and terms of trade have been most favourable. This applies especially to the years 1955, 1958 and 1962. For the other years, growth has on the whole not significantly exceeded population increase. The 1963 gross national product is estimated to have reached about IKr. 13,000 million, implying a per capita level comparable with that of the industrialized Western European countries.

2. The Icelandic economy depends highly upon foreign trade. The growth of national product has consequently been closely linked to the development of exports. From 1955 through 1962 the volume of commodity exports rose on average by 5.3 per cent annually. There were, however, strong fluctuations from year to year, which had an important impact upon the national product. Tables 1 and 2 in Annex I show

¹ A copy of an English translation of the Icelandic customs tariff will be made available to each contracting party. Further, imports in 1963 are being grouped according to the present tariff rates and this information will also be made available.

the structure and geographical distribution of commodity exports. Fish and fish products constitute more than 90 per cent of commodity exports which in turn account for about 30 per cent of the country's gross national product. The volume of commodity imports increased annually from 1955 through 1962 by 4.1 per cent. The structure and distribution of imports are shown in Tables 3 and 4 in Annex I. In 1963 about 29 per cent of the total resources available were goods imported from abroad. Out of total imports over 80 per cent in 1962 came from the contracting parties of the GATT which also received about the same share of exports.

3. During most of the post-war years up to 1960, Iceland's balance of payments of goods and services was in deficit. In combating the deficit the authorities resorted to a complicated system of differentiated import levies and export subsidies and extensive quantitative import restrictions. In early 1960 the Icelandic Government adopted a comprehensive Stabilization Programme intended to create internal and external balance in the economy. The Programme included a major reform of the exchange system with a unitary exchange rate of IKr. 38.00 per US\$1 replacing the multiple currency system. The Stabilization Programme provided also for the elimination of the largest part of the quantitative import restrictions. Non-liberalized imports were restricted either to bilateral quotas in case of imports from countries with which Iceland has bilateral payments agreements or to global quotas in the case of imports from other countries. Moreover, three out of ten existing bilateral payments agreements were discontinued (Finland, Israel and Spain). Until the beginning of 1963 the freeing of imports continued as new commodities were annually added to the free list. In August 1961 a further devaluation followed excessive wage increases. The new par value was set at IKr. 43.00 = US\$1.

B. Imports and import regulations

4. The Ministry of Commerce has ultimate decision in matters concerning control of foreign trade and on payments for invisibles. Issuing of import and exchange licences is delegated to the two largest commercial banks in consultation with the Ministry of Commerce. According to the Law on Import Trade and Foreign Exchange Transactions of 1960 commodity imports are free of quantitative restrictions unless otherwise decided by the Government. Under the 1963 import régime, liberalization represented 69.4 per cent of the value of total commodity imports from all sources on a 1962 basis (see Annex I, Table 5). These imports comprised all goods not included on the restricted list shown in Annex II and for those imports no licence is required. Imports of goods included on the restricted list are subject to licensing under global quotas and special bilateral import arrangements.

(a) Global quotas

5. Global quotas for a number of goods are established each year for imports of non-liberalized goods in specified amounts from countries with which Iceland carries on trade in convertible currencies. Licences for global quota goods can be utilized without discrimination for purchases from the countries to which global quotas apply. The global quotas for 1964 which are shown in the attached Annex III have a total value of IKr. 276.9 million. The list comprises two groups of commodities: Group one (27 quotas with a total value of IKr. 230.7 million) includes commodities for which import and exchange licences are to be allocated three times during the year (i.e. in January-February, June and October), and group two (29 quotas with a total value of IKr. 46.2 million) for which licences are to be allocated throughout the year as deemed necessary. The issue of licences is made according to the following general rules. (1) To industrial enterprises and other direct users of imported goods, licences are issued in accordance with their requirements as estimated by the licensing authorities. (2) To regular importers licences are issued according to their imports in a previous period with due account being taken of new firms. In 1963 8.6 per cent of the value of total imports on a 1962 basis entered under global quotas.

(b) Imports from bilateral trade agreements countries

6. Imports of most of the goods included in Annex II are admitted from the countries with which Iceland has bilateral trade and payments agreements on the basis of individual licences which are in practice granted freely. A number of the commodities listed in Annex II may be imported from bilateral payments agreements countries only. The value of imports under bilateral arrangements amounted to about 21 per cent of total imports in 1962. Iceland has bilateral trade and payments agreements with Brazil, Czechoslovakia, Hungary, Poland, Rumania and the Soviet Union and a private barter agreement with Eastern Germany.

(c) State trading

7. State trading in Iceland is limited to tobacco, wine and liquor, perfumes, industrial alcohol, matches, fertilizers, radio receivers, telegraphs and other telecommunications apparatus, young trees and bushes for rearing and a few other minor products. In addition fresh vegetables and potatoes are imported by a monopoly operated by the Agricultural Production Board under authorization from the Government. Goods subject to State trading are imported on a non-discriminatory basis according to demand. In 1962 total imports of commodities subject to State trading amounted to IKr. 225.4 million or approximately 6 per cent of total imports.

(d) Special import procedures

8. Special import procedures apply to imports under surplus agricultural commodity agreements with the United States (PL-480). As a general rule, the commercial banks are authorized to confine, through licensing, the import of certain commodities to those available under these agreements. In 1962 imports of PL-480 commodities amounted to IKr. 103.3 million or less than 3 per cent of total imports.

(e) Payments procedures

9. For imports of liberalized goods foreign exchange is sold automatically by the two State Banks authorized to deal in foreign exchange. For imports subject to licence, a letter of credit is opened or foreign exchange is sold in accordance with the terms stipulated by the licence. All import credits of a duration of more than one year are subject to approval by the Government on recommendation by a committee of senior civil servants and banking officials. The approval of import credits of less than one-year's duration can be granted by the commercial banks within the framework of rules established by the Ministry of Commerce. At present credits for 90 days or less are freely granted for all commodities except those listed in Annex IV.

C. Invisible transactions

10. The liberalization of current invisible operations has been extended gradually in recent years. In the attached Annex V, List A shows items which are fully liberalized in the sense that residents of Iceland are automatically permitted to conclude transactions with and make transfers to residents of other countries without prior permission, subject only to the right of the authorities to check the authenticity of any operation. The item in List B - tourism - is liberalized as the items in List A but subject to the limitation of an annual allocation of \$280 per person. The items in List C of Annex V are not liberalized. Application has to be made for each operation and authorization is granted on the merits of the case. Iceland as a member country of the OECD meets the requirements of that Organization's Current Invisible Code with specific reservations in conformity with the above under Article 2(b)(iii) of that Code.

D. Exports and current receipts

11. All commercial exports are subject to licences issued by the Ministry of Commerce. Export controls are used primarily to regulate the enforcement of the bilateral trade and payments agreements and are not generally used to restrict exports payable in convertible currencies. Exchange receipts from exports and from invisibles must be surrendered without undue delay but no definite period is established.

E. Customs tariffs

12. Iceland has a non-discriminatory customs tariff. The new customs tariff under a Tariff Law, which went into effect 1 May 1963, is based on the Brussels Tariff Nomenclature. The previous multiple tariff and import levies are generally embodied in a single ad valorem rate. For only a few positions, however, specific tariff rates have been maintained. The ad valorem duty rates are generally high as Iceland relies to an important extent on customs tariffs for revenue purposes. About 50 per cent of the Central Government's revenue is derived from customs duties. While domestic production is limited in scope diversification of industry in recent years has meant that duties which were designed for revenue purposes have in some instances become protective duties.

ANNEX ITable 1Structure of Exports - 1961 and 1962
(Million US Dollars and Per Cent)

	1961		1962	
	Mill. \$	%	Mill. \$	%
Fish on ice	4.76	6.6	4.47	5.5
Fish, frozen	17.24	24.1	21.45	25.5
Herring, frozen	1.77	2.5	3.09	3.7
Salted fish, dried	2.22	3.1	1.49	1.8
Salted fish, uncured	7.60	10.6	7.08	8.4
Stockfish	6.45	9.0	6.55	7.8
Herring, salted	7.95	11.1	10.92	13.0
Fish meal	3.06	4.3	2.95	3.5
Herring meal	4.92	6.9	7.32	8.7
Redfish meal	0.42	0.6	0.06	0.1
Codliver oil	1.16	1.6	0.95	1.1
Herring oil	3.17	4.4	5.63	6.6
Redfish oil	0.12	0.2	-	-
Other sea products	<u>4.60</u>	<u>6.4</u>	<u>5.16</u>	<u>6.1</u>
Total fishery products	65.44	91.4	77.12	91.5
Agricultural products	4.72	6.6	5.79	6.9
Other commodities ¹	1.42	2.0	1.35	1.6
Total exports \$ mill.	71.59		84.26	
Total exports IKr. mill.	3,074.72		3,618.85	
IKr. per \$	42.95		42.95	

¹Includes some fish products.

Table 2

Distribution of Exports - 1961 and 1962
(Million US Dollars and Per Cent)

	1961		1962	
	Mill.	%	Mill.	%
	\$	-	\$	-
European OECD countries	43.4	60.6	47.9	56.8
<u>of which</u>				
EFTA countries	(31.0)	(43.3)	(32.9)	(39.0)
EEC countries	(12.2)	(17.0)	(14.6)	(17.3)
Other European OECD countries	(2.4)	(3.4)	(3.2)	(3.8)
USA and Canada	10.3	14.4	13.5	16.0
Eastern Europe	10.0	14.0	15.6	18.5
<u>of which</u>				
USSR	(5.1)	(7.1)	(10.9)	(12.9)
Other Eastern Europe	(4.9)	(6.8)	(4.7)	(5.6)
Other countries	<u>5.6</u>	<u>7.8</u>	<u>4.5</u>	<u>5.3</u>
Total	71.6	100.0	84.3	100.0

Table 3

Structure of Imports - 1961 and 1962
(Million US Dollars)

<u>SITC Sections/Divisions</u>	<u>1961</u>	<u>1962</u>
0. Food	8.3	9.3
<u>of which</u>		
04 Cereals	(2.7)	(3.3)
1. Beverages and tobacco	1.4	1.9
2. Crude materials, inedible, except fuels	4.2	4.8
<u>of which</u>		
24 Lumber etc.	(2.2)	(2.7)
3. Mineral fuels etc.	10.5	11.4
4. Oils and fats	0.7	0.7
5. Chemicals	4.4	5.2
6. Manufactures	20.9	25.4
<u>of which</u>		
65 Textiles	(8.3)	(8.9)
7. Machinery and transport equipment	19.7	23.9
<u>of which</u>		
73 Transport equipment	(9.0)	(11.1)
8. Miscellaneous manufactures	5.1	6.7
9. Miscellaneous	-	-
	<u>75.0</u>	<u>89.2</u>

Table 4

Distribution of Imports - 1961 and 1962
(Million US Dollars and Per Cent)

	1961		1962	
	Mill. \$	%	Mill. \$	%
European OECD countries	38.0	50.7	49.8	55.8
<u>of which</u>				
EFTA countries	(24.0)	(32.0)	(32.9)	(36.9)
EEC countries	(14.8)	(19.7)	(18.6)	(20.9)
Other European OECD countries	(0.9)	(1.2)	(1.0)	(1.1)
USA and Canada	12.2	16.3	12.7	14.2
Eastern Europe	17.2	22.9	17.1	19.2
<u>of which</u>				
USSR	(10.9)	(14.5)	(10.3)	(11.5)
Other Eastern European countries	(6.2)	(8.3)	(6.8)	(7.6)
Other countries	<u>5.7</u>	<u>7.6</u>	<u>6.8</u>	<u>7.6</u>
	<u>75.0</u>	<u>100.0</u>	<u>89.2</u>	<u>100.0</u>

Table 5

Import Régime in 1963
(On the Basis of 1962 Imports)

	Million Icelandic Kronur						
	Total Imports	Imports of Liberalized Commodities (a)	Percentage	Imports of Commodities under global Quotas	Percentage	Imports of other Licensed Commodities	Percentage
OECD countries	2,779.5	2,391.6	86.0	265.7	9.6	122.6(b)	4.4
Eastern European countries	736.8	92.6	12.6			644.2	87.4
Other countries	326.0	181.4	55.6	66.5	20.4	78.1(c)	24.0
Total	3,842.7	2,665.6	69.4	332.2	8.6	844.9	22.0

(a) Includes State trading and "PL 480" imports:

	State Trading M. IKr.	PL 480 Commodities M. IKr.
OECD countries	215.4	103.3
Eastern Europe	8.8	-
Other countries	1.2	-
	<u>225.4</u>	<u>103.3</u>

(b) Whereof petroleum products IKr. 29.3 million and barrels IKr. 82.8 million.

(c) Whereof coffee from Brazil IKr. 58.4 million and petroleum products from Venezuela IKr. 19.8 million.

ANNEX II

Licensed Commodities

<u>Customs</u> <u>Tariff No.</u>	<u>Commodity</u>
01.01.00-) 01.06.20)	Live animals
02.01.10-) 02.01.50)	Meat and edible offals falling within heading No. 01.01-01.04, fresh, chilled or frozen
02.02.00	Dead poultry (that is to say, fowls, ducks, geese, turkeys and guinea fowls) and edible offals thereof (except liver), fresh, chilled or frozen
02.03.00	Poultry liver, fresh, chilled, frozen, salted or in brine
02.04.01) 02.04.09)	Other meat and edible meat offals, fresh, chilled or frozen
02.05.00	Unrendered pig fat free of lean meat and unrendered poultry fat, fresh, chilled, frozen, in brine, dried or smoked
02.06.10) 02.06.20)	Meat and edible meat offals (except poultry liver), salted, in brine, dried or smoked
04.01.00-) 04.05.00)	Dairy produce; birds' eggs
07.01.10	Potatoes, fresh or chilled
07.01.20	Tomatoes, fresh or chilled
09.01.11-) 09.01.20)	Coffee, whether or not roasted or freed of caffeine; coffee husks and skins; coffee substitutes containing coffee in any proportion
11.01.25) 11.01.26)	Ryemeal, excluding ryeflour
11.07.00	Malt, roasted or not
11.08.01) 11.08.02)	Potato starch
12.05.00	Chicory roots, fresh or dried, whole or cut, unroasted
12.06.00	Hop cones and lupulin

<u>Tariff No.</u>	<u>Commodity</u>
15.01.00	Lard and other rendered pig fat; rendered poultry fat
15.02.00	Unrendered fats of bovine cattle, sheep or goats; tallow (including "premier jus"), produced from those fats
15.03.00	Lard stearin, oleostearin and tallow stearin; lard oil, oleo-oil and tallow oil, not emulsified or mixed or prepared in any way
15.04.00	Fats and oils, of fish and marine mammals, whether or not refined
15.06.00	Other animal oils and fats (including neat's-foot oil and fats from bones or waste)
15.13.00	Margarine, imitation lard and other prepared edible fats
15.14.00	Spermaceti, crude, pressed or refined, whether or not coloured
16.01.00	Sausages and the like, of meat, meat offal or animal blood
16.02.00	Other prepared or preserved meat or meat offal
ex 16.04.00	Prepared or preserved fish, excluding fish roes
16.05.00	Crustaceans and molluscs, prepared or preserved
17.01.21)	Cube sugar
17.01.22)	
17.01.23)	Granulated sugar
17.01.24)	
17.01.27	Candy sugar
17.02.01	Glucose
17.04.01-)	Sugar confectionery, not containing cocoa
17.04.09)	
18.06.01	Chocolate and other food preparations, containing cocoa, excluding cocoamalt
ex 18.06.09	
19.07.00	Bread, ships' biscuits and other ordinary bakers' wares, not containing sugar, honey, eggs, fats, cheese or fruit
19.08.00	Pastry, biscuits, cakes and other fine bakers' wares, whether or not containing cocoa in any proportion
20.03.00	Fruit preserved by freezing, containing added sugar

<u>Customs</u> <u>Tariff No.</u>	<u>Commodity</u>
ex 20.04.00	Fruit, fruit-peel and parts of plants, preserved by sugar (drained, glacé or crystallized), excluding candied peel
20.06.01	Fruit pulp, not containing added sugar, in containers of 50 kilogrammes or more
20.07.01	Fruit juices (including grape must) and vegetable juices, unfermented, not containing added sugar, in containers of 50 kilogrammes or more
21.01.00	Roasted chicory and other roasted coffee substitutes; extracts, essences and concentrates thereof
22.02.00	Lemonade, flavoured spa waters and other non-alcoholic beverages
22.03.00	Beer made from malt
22.04.00	Grape must, in fermentation or with fermentation arrested otherwise than by the addition of alcohol
23.01.00	Flours and meals, of meat, offals, fish, crustaceans or molluscs, unfit for human consumption; greaves
23.02.00	Bran, sharps and other residues derived from the sifting, milling or working of cereals or of leguminous vegetables
25.20.01	Gypsum; anhydrite; calcined gypsum, and plasters with a basic of calcium sulphate, whether or not coloured but not including plasters specially prepared for use in dentistry
25.23.00	Portland cement, ciment fondu, slag cement, supersulphate cement and similar hydraulic cements, whether or not coloured or in the form of clinker
27.01.10	Steam coal
27.04.00	Coke and semi-coke of coal, of lignite or of peat
27.05.00	Gas carbon
27.09.00	Petroleum and shale oils, crude
27.10.10	Partly refined petroleum, including topped crudes
27.10.29	Motor gasoline, excluding aviation gasoline
27.10.40	Gas oil(distillate fuel)
27.10.50	Fuel oil(residual fuel oil)
34.06.00	Candles, tapers, night-lights and the like

<u>Customs</u> <u>Tariff No.</u>	<u>Commodity</u>
36.06.00	Matches (excluding Bengal matches)
40.08.02	Plates and sheets of unhardened, vulcanized rubber, excluding strip, rods and profile shapes
ex 40.06.00	Rubber floor coverings
40.08.03	
ex 42.02.00	Travel goods (for example, trunks, suitcases, hat-boxes, travelling-bags, haversacks, knapsacks, rucksacks, kitbags), handbags, wallets, purses, satchels, brief-cases, collar-boxes, dressingcases, pouches, toilet-bags, tool-cases and similar containers of leather or of composition leather and paperboard, but excluding those articles made of vulcanized fibre, of artificial plastic sheeting or textile fabric
42.03.02	Gloves of leather and composition leather
42.03.09	Other articles of apparel and clothing accessories, excluding belts
43.03.00	Articles of furskins
44.05.19	Coniferous wood, sawn lengthwise, sliced or peeled, but not further prepared, of a thickness exceeding 5 mm., excluding deck boards of oregon pine, pitch pine or douglas fir, 3 x 5 in. or thicker
44.13.19	Coniferous wood, planed, tongued, grooved, rebated, chamfered, V-jointed, centre V-jointed, beaded, centre-beaded or the like, but not further manufactured, excluding deck boards of oregon pine, pitch pine or douglas fir, 3 x 5 in. or thicker
44.15.00	Plywood, blockboard, laminboard, battenboard and veneered panels, whether or not containing any material other than wood; inlaid wood and wood marquetry
44.16.00	Hollow or cellular panels of wood, whether or not faced with base metal
44.18.00	Reconstituted wood, being wood shavings, wood chips, sawdust, wood flour or other ligneous waste agglomerated with natural or artificial resins or other organic binding substances, in sheets, blocks or the like
44.22.00	Casks, barrels, vats, tubs, buckets and other coopers' products, excluding staves and parts
44.23.01	Doors, windows and window frames

<u>Customs Tariff No.</u>	<u>Commodity</u>
44.23.02	Ready cut wood for building
ex 46.03.09	Basketwork, wickerwork and other articles of plaiting materials, excluding baskets; articles of loofah
48.01.20	Printing and writing paper
48.01.53	Wall and floor paperboard
48.03.09	Parchment and greaseproof paper and paperboard and imitations thereof and glazed transparent paper, in rolls or sheets, excluding oiled paper and white parchment paper weighing up to 100 grs./m ²
48.05.00	Paper and paperboard, corrugated (with or without flat surface sheets), créped, embossed or perforated, in rolls or sheets
48.07.10	Printing and writing paper, impregnated, coated etc.
48.07.23	Roof cardboard
48.09.00	Building board of wood pulp or of vegetable fibre, whether or not bonded with natural or artificial resins or with similar binders
48.12.00	Floor coverings prepared on base of paper or of paperboard, whether or not cut to size, with or without a coating of linoleum compound
48.14.01-) 48.14.09)	Writing blocks, envelopes, letter cards, plain postcards, correspondence cards; boxes, pouches, wallets and writing compendiums, of paper or paperboard, containing only an assortment of paper stationery
ex 48.15.03	Writing paper, unprinted
48.16.01	Cardboard containers
48.17.00	Box files, letter trays, storage boxes and similar articles, of paper or paperboard, of a kind commonly used in offices, shops and the like
48.18.00	Registers, exercise books, note books, memorandum blocks, order books, receipt books, diaries, blotting-pads, binders (loose-leaf or other), file covers and other stationery of paper or paperboard; sample and other albums and book covers, of paper or paperboard
55.07.10) 55.07.20)	Cotton gauze

Customs

<u>Tariff No.</u>	<u>Commodity</u>
55.08.10)	Terry towelling and similar terry fabrics, of cotton
55.08.20)	
55.09.13-)	Other woven fabrics of cotton, excluding sail and tarpaulin cloth
55.09.19)	
55.09.23)	
55.09.29)	
58.01.00	Carpets, carpeting and rugs, knotted (made up or not)
58.02.00	Other carpets, carpeting, rugs, mats and matting, and "Kelem", "Schumacks" and "Karamanie" rugs and the like (made up or not)
58.03.00	Tapestries, hand-made, of the type Gobelins, Flanders, Aubusson, Beauvais and the like, and needle-worked tapestries (for example petit point and cross stitch) made in panels and the like by hand
58.04.11	Moleskin of cotton
58.04.19	Other pile fabrics and chenille fabrics of cotton
59.02.01	Felt
59.04.01	Fishing lines and cords
59.04.02	Ropes, excluding grass ropes
ex 59.07.01)	Bookbinding linen
59.08.02)	
ex 59.09.09	Oil cloth
59.10.00	Linoleum and materials prepared on a textile base in a similar manner to linoleum, whether or not cut to shape or of a kind used as floor coverings; floor coverings consisting of a coating applied on a textile base, cut to shape or not
60.02.01	Gloves, mittens and mitts, knitted or crocheted of wool, not elastic nor rubberized
60.02.02	Gloves, mittens and mitts, knitted or crocheted of cotton, not elastic nor rubberized
60.03.01	Ladies' stockings of silk or artificial fibres
60.03.02	Stockings, understockings, socks, ankle-socks, sockettes and the like, knitted or crocheted, not elastic nor rubberized, of silk or artificial fibres

<u>Customs Tariff No.</u>	<u>Commodity</u>
60.03.04	Stockings, understockings, socks, ankle-socks, sockettes and the like, knitted or crocheted of cotton
60.04.02	Under garments, knitted or crocheted of cotton, not elastic nor rubberized
60.05.00	Outer garments and other articles, knitted or crocheted, not elastic nor rubberized, excluding outer garments of silk, artificial fibres and wool
61.03.01-) 61.03.09)	Men's and boys' under garments, including collars, shirt fronts and cuffs of cotton
61.04.01	Women's, girls' and infants' under garments of cotton woven fabrics
62.01.10-) 62.01.30)	Travelling rugs and blankets
62.02.00	Bed linen, table linen, toilet linen and kitchen linen; curtains and other furnishing articles
62.04.02) 62.04.09)	Awnings, sunblinds, tents and camping goods
64.01.09	Footwear with outer soles and uppers of rubber or artificial plastic material, excluding seamen's rubber boots and similar rubber boots
ex 64.02.01-) 64.02.09)	Footwear with outer soles of rubber, excluding footwear with uppers of leather or skin
68.06.00	Natural and artificial abrasive powder or grain, on a base of woven fabric, of paper, of paperboard or of other materials, whether or not cut to shape or sewn or otherwise made up
68.07.00	Slag wool, rock wool and similar mineral wool
68.08.00	Articles of asphalt or of similar material (for example, of petroleum bitumen or coal tar pitch)
68.09.00	Panels, boards, tiles, blocks and similar articles of vegetable fibre, of wood fibre, of straw, of wood shavings or of wood waste (including sawdust) agglomerated with cement, plaster or with other mineral binding substances
ex 68.11.01) ex 68.11.09)	Articles of cement (including slag cement), of concrete or of artificial stone (including granulated marble) agglomerated with cement, reinforced or not, excluding rollers

Customs

<u>Tariff No.</u>	<u>Commodity</u>
68.12.01) 68.12.09)	Articles of asbestos-cement, of cellulose fibre-cement or the like
ex 68.13.09	Fabricated asbestos and articles thereof (for example asbestos board), reinforced or not, other than goods falling within heading No. 68.14; mixtures with a basis of asbestos and mixtures with a basis of asbestos and magnesium carbonate and articles of such mixtures, excluding engine packings, woven fabrics and thread
68.16.01-) 68.16.09)	Articles of stones or of other mineral substances (including articles of peat), not elsewhere specified or included
69.06.00	Piping conduits and guttering (including angles, bends and similar fittings)
69.11.00	Tableware and other articles of a kind commonly used for domestic or toilet purposes, of porcelain or china (including biscuit porcelain and parian)
69.12.00	Tableware and other articles of a kind commonly used for domestic or toilet purposes, of other kinds of pottery
69.14.00	Other articles of ceramic, excluding not ornamented flower pots and water pans and pots for radiators
70.03.00	Glass in balls, rods and tubes, unworked (not being optical glass)
70.04.00	Unworked cast or rolled glass (including flashed or wired glass), whether figured or not, in rectangles
70.05.00	Unworked drawn or blown glass (including flashed glass), in rectangles
70.06.00	Cast, rolled, drawn or blown glass (including flashed or wired glass) in rectangles, surface ground or polished, but not further worked
70.07.00	Cast, rolled, drawn or blown glass (including flashed or wired glass) cut to shape other than rectangular shape, or bent or otherwise worked (for example, edge worked or engraved), whether or not surface ground or polished; multiple-walled insulating glass; leaded lights and the like
70.09.00	Glass mirrors (including rear-view mirrors), unframed, framed or backed

<u>Customs</u> <u>Tariff No.</u>	<u>Commodity</u>
70.10.01) 70.10.09)	Carboys, bottles, jars, pots, tubular containers and similar containers, of glass, of a kind commonly used for the conveyance or packing of goods; stoppers and other closures, of glass
70.11.00	Glass envelopes (including bulbs and tubes) for electric lamps, electronic valves or the like
70.13.00	Glassware of a kind commonly used for table, kitchen, toilet or office purposes, for indoor decoration, or for similar uses
70.21.09	Other articles of glass, excluding net balls
73.10.11-) 73.10.22) 73.15.67-) 73.15.71)	Bars and rods (including wire rod), of iron or steel, alloy steel or high carbon steel, hot-rolled, forged, extruded, cold-formed or cold-finished.
73.11.10-) 73.11.20) 73.15.72-) 73.15.75)	Angles, shapes and sections of iron or steel, alloy steel and high carbon steel, hot-rolled, forged, extruded, cold-formed or cold-finished; sheet piling of iron or steel, whether or not drilled, punched or made from assembled elements
73.13.10) 73.15.76) 73.15.77)	Sheets and plates of iron or steel, alloy steel and high carbon steel, hot-rolled or cold-rolled, more than 4.75 mm. in thickness, excluding tinned and corrugated plates and sheets
73.13.20) 73.15.78) 73.15.79)	Sheets and plates of iron or steel, alloy steel and high carbon steel, hot-rolled or cold-rolled, 3 mm. or more, but not more than 4.75 mm. in thickness, excluding tinned and corrugated plates and sheets
73.13.30) 73.13.40) 73.15.81) 73.15.82)	Sheets and plates of iron and steel, alloy steel and high carbon steel, hot-rolled or cold-rolled, less than 3 mm., excluding plated, coated or clad and stainless and acidproof chrome steel plates and sheets
73.13.59) 73.15.83) 73.15.84)	Sheets and plates of iron and steel, alloy steel and high carbon steel, hot-rolled or cold-rolled, less than 3 mm., plated, coated or clad, excluding corrugated sheets and plates
ex 73.14.00) ex 73.15.87) ex 73.15.88)	Iron and steel wire, whether or not coated, but not insulated, excluding welding wire

Customs

<u>Tariff No.</u>	<u>Commodity</u>
73.17.00	Tubes and pipes of cast iron, excluding nickel and chromium coated tubes and pipes
ex 73.18.29-)	Tubes and pipes of iron (other than of cast iron) or steel, excluding electrical and nickel and chromium coated pipes
ex 73.18.30)	
73.20.00	Tube and pipe fittings (for example, joints, elbows, unions and flanges), of iron or steel
73.21.01-)	Structures, complete or incomplete, whether or not assembled, and parts of structures (for example hangars and other buildings, bridges and bridge-sections, lock-gates, towers, lattice masts, roofs, roofing frameworks, door and window frames, shutters, balustrades, pillars and columns), of iron or steel; plates, strip, rods, angles, shapes, sections, tubes and the like, prepared for use in structures, of iron or steel
73.21.09)	
73.22.00	Reservoirs, tanks, vats and similar containers, for any material, of iron or steel, of a capacity exceeding three hundred litres, whether or not lined or heat-insulated, but not fitted with mechanical or thermal equipment
73.23.01	Drums of sheet or plate iron or steel
73.26.00	Barbed iron or steel wire; twisted hoop or single flat wire, barbed or not, and loosely twisted double wire, of kinds used for fencing, of iron or steel
73.27.01	Reinforcing fabric of iron or steel wire
73.31.01	Galvanized nails
ex 73.31.09	Other nails and pins, excluding horse nails, nails for cobbling, hooks and box hooks and drawing pins
73.35.00	Springs and leaves for springs, of iron or steel
73.37.01-)	Central heating boilers (excluding steam-generating boilers of heading No. 84.01), air heaters, unit heaters and radiators, for central heating, not electrically operated, and parts thereof, of iron or steel
73.37.09)	
73.38.29	Other builders' sanitary ware for indoor use and parts thereof, excluding enamelled kitchen sinks
73.40.43	Fence posts of iron or steel
73.40.47	Drinking tubs for animals

<u>Customs Tariff No.</u>	<u>Commodity</u>
ex 73.40.49	Roof gutters and parts thereof
ex 76.02.09	Wire, not insulated, and barbed wire of aluminium
84.43.00	Converters, ladles, ingot moulds and casting machines, of a kind used in metallurgy and in foundries
84.44.00	Rolling mills and rolls therefor
84.45.00	Machine tools for working metal or metallic carbides, not being machines falling within heading No. 84.49 or 84.50
84.47.01	Machine tools for working wood, other than machines falling within heading No. 84.49
ex 84.48.00	Accessories and parts suitable for use solely or principally with the iron and woodworking machines
ex 84.51.00	Typewriters excluding electrical typewriters
ex 85.01.00	Electrical motors and transformers, excluding ballasts for fluorescent lamps
85.04.00	Electrical accumulators
85.23.01	Electrical cables, subterranean and submarine
ex 87.02.12-)	Used cars, with a carrying capacity of less than 3 tons
87.02.32)	
ex 87.02.35-)	
87.02.39)	
93.01.00-)	Arms and armuniticn; parts thereof; excluding life saving guns and whaling guns and parts thereof
93.03.00)	
93.04.03-)	
93.07.29)	
94.01.00)	Furniture and parts thereof; bedding, mattresses, mattress supports, cushions and similar stuffed furnishings, excluding medical furniture and filing cabinets of iron and steel
94.03.00)	
94.04.00)	
96.01.00	Brooms and brushes, consisting of twigs or other vegetable materials merely bound together and not mounted in a head, with or without handles
ex 96.02.01-)	Other brooms and brushes, excluding brushes of a kind used as parts of machines; paint rollers; squeegees and mops
96.02.09)	

Customs

<u>Tariff No.</u>	<u>Commodity</u>
96.04.00	Feather dusters
97.01.00-) 97.03.00)	Toys and working models of a kind used for recreational purposes
97.04.01 97.04.09	Equipment for parlour, table and funfair games for adults or children (including billiard tables and pin-table and table-tennis requisites); excluding playing cards
97.05.00	Carnival articles; entertainment articles (for example, conjuring tricks and novelty jokes); Christmas tree decorations and similar articles for Christmas festivities (for example, artificial Christmas trees, Christmas stockings etc.)
97.06.02	Skates (including roller skates)
97.08.00	Roundabouts, swings, shooting galleries and other fairground amusements; travelling circuses, travelling menageries and travelling theatres
98.05.00	Pencils (other than pencils of heading No. 98.03), pencil leads, slate pencils, crayons and pastels, drawing charcoals and writing and drawing chalks; 'billiards' and billiards chalks
99.01.00-) 99.06.00)	Works of art, collectors' pieces and antiques

ANNEX III

Global Quotas for 1964

The Ministry of Commerce announced on 30 December 1963, the global quotas for imports to Iceland in 1964. The global quotas cover imports from all countries except those with which Iceland has bilateral trade and payments agreements (i.e. Brazil, Czechoslovakia, Eastern Germany, Hungary, Poland, Rumania and the Soviet Union).

The global quotas are stated in the following two lists. List I covers commodities for which import and foreign exchange licences will be issued periodically in January/February, June and October, whereas licences for commodities on List II will be issued irregularly according to seasonal demand.

List I

<u>Customs Tariff No.</u>	<u>Commodity</u>	<u>Kronur</u>
19.07.00	Bakers' wares, n.e.s., excluding	
19.08.00	chocolate biscuits	3,300,000.-
20.06.01	Fruit pulp and fruit and	
20.07.01	vegetable juices, not containing added sugar, in containers of 50 kilogrammes or more	3,500,000.-
25.23.00	Portland cement, ciment fondu, slag cement and other hydraulic cements, whether or not coloured or in the form of clinker	1,200,000.-
42.02.00	Travel goods (for example, trunks, suit-cases, hat-boxes, travelling-bags, haversacks, knapsacks, rucksacks, kitbags), handbags, wallets, purses, satchels, brief-cases, collarboxes, dressing- cases, pouches, toilet-bags, tool- cases and similar containers of leather, composition leather and paperboard, but excluding those articles made of vulcanized fibre, artificial plastic sheeting or textile fabric	300,000.-
42.03.02	Gloves and other articles of apparel	
42.03.09	and clothing accessories of leather and composition leather, excluding belts	1,200,000.-

<u>Customs</u> <u>Tariff No.</u>	<u>Commodity</u>	<u>Kronur</u>
43.03.00	Articles of furskins	500,000.-
44.05.19 44.13.19	Coniferous wood, n.e.s., sawn lengthwise sliced or peeled, but not further prepared, of a thickness exceeding 5 mm.; coniferous wood, n.e.s., planed tongued, grooved, rebated, chamfered, V-jointed, centre V-jointed, beaded, centre beaded or the like, but not further manufactured	30,000,000.-
44.15.00 44.16.00 44.18.00	Plywood, blockboard, laminboard, batten-board and veneered panels, whether or not containing any material other than wood; inlaid wood and wood marquetry; hollow or cellular panels of wood, whether or not faced with base metal; reconstituted wood etc.	9,000,000.-
48.09.00	Building board of wood pulp or of vegetable fibre, whether or not bonded with natural or artificial resins or with similar binders	6,000,000.-
48.01.20) 48.07.10) 48.14.01-) 48.14.09) 48.15.03)	Printing paper, writing paper and other stationery articles	12,000,000.-
48.17.00) 48.18.00)	Miscellaneous paper articles	2,000,000.-
55.07.10) 55.07.20) 55.08.10) 55.08.20) 55.09.13-) 55.09.19) 55.09.23) 55.09.29) 58.04.11) 58.04.19)	Cotton woven fabrics, excluding sail and tarpaulin cloth	34,000,000.-
59.02.01) 59.07.01) 59.08.02) 59.09.09)	Felt, bookbinding linen, oil cloth	800,000.-

<u>Customs Tariff No.</u>	<u>Commodity</u>	<u>Kronur</u>
59.10.00	Linoleum prepared on a textile base whether or not cut to shape or of a kind used as floor coverings; floor coverings consisting of a coating applied on a textile base, cut to shape or not	5,000,000.-
60.02.01 60.02.02	Gloves, mittens and mitts, knitted or crocheted of wool or cotton, not elastic nor rubberized	200,000.-
60.03.01 60.03.02	Ladies' stockings, stockings, understockings, socks, ankle-socks, sockettes and the like, knitted or crocheted, not elastic nor rubberized, of silk or artificial fibres	10,000,000.-
60.05.00	Outer garments and other articles, knitted or crocheted, not elastic nor rubberized, excluding outer garments and other knitted or crocheted articles of silk, artificial fibres and wool	400,000.-
64.01.09	Footwear with outer soles and uppers) of rubber or artificial plastic) material, excluding seamen's rubber) boots and similar rubber boots)	4,500,000.-
64.02.01- 64.02.09	Footwear with outer soles of rubber) excluding footwear with uppers of) leather or skin)	
68.06.00) 68.08.00) 68.09.00) 68.11.01) 68.11.09) 68.12.01) 68.12.09) 68.13.09) 68.16.01-) 68.16.09)	Articles of stone, asphalt, gypsum, cement, asbestos-cement and such substances, excluding rollers and engine packings, woven fabrics and thread of asbestos	2,000,000.-

<u>Customs</u> <u>Tariff No.</u>	<u>Commodity</u>	<u>Kronur</u>
69.11.00	Tableware and other articles of a kind) commonly used for domestic or toilet) purposes of porcelain or china (inclu-) ding biscuit porcelain and parian) and) other kinds of pottery)	
69.12.00		
69.14.00	Other articles of ceramic, n.e.s.) excluding not ornamented flower pots) and water pans and pots for radiators)	3,000,000.-
70.03.00)		
70.04.00)		
70.05.00)		
70.06.00)	Glass, glass mirrors, excluding rear-) view mirrors; carboys, bottles, jars,) etc. of glass)	13,500,000.-
70.07.00)		
70.09.00)		
70.10.01-)		
70.10.09)		
73.10.11-)		
73.10.22)		
73.15.67-)		
73.15.71)		
73.11.10-)		
73.11.20)		
73.15.72-)		
73.15.75)		
73.13.10)		
73.15.76)		
73.15.77)	Bars and rods of iron and steel,) profiles, iron and steel plates and) sheets, excluding stainless and) acid-proof chrome steel plates and) sheets; iron and steel wire,) excluding welding wire; iron and) steel pipes and fittings)	55,000,000.-
73.13.20)		
73.15.78)		
73.15.79)		
73.13.30)		
73.13.40)		
73.13.59)		
73.15.81)		
73.15.82)		
73.15.83)		
73.15.84)		
73.14.00)		
73.15.87)		
73.15.88)		
73.17.00)		
73.18.29-)		
73.18.30)		
73.20.00)		

<u>Customs Tariff No.</u>	<u>Commodity</u>	<u>Kronur</u>
73.21.01-)		
73.21.09)		
73.22.00)		
73.23.01)		
73.26.00)		
73.27.01)		
73.31.01)	Other articles of iron and steel	
73.31.09)	falling within customs tariff numbers	
73.35.00)	not liberalized	12,500,000.-
73.37.01-)		
73.37.09)		
73.38.29)		
73.40.43)		
73.40.47)		
73.40.49)		
85.01.00	Electrical motors and transformers, excluding ballasts for fluorescent lamps	7,000,000.-
85.04.00	Electrical accumulators and material for their manufacture	3,000,000.-
85.23.01	Electrical cables, subterranean and submarine	10,000,000.-
98.05.00	Pencils (other than pencils of heading No. 98.03), pencil leads, slate pencils, crayons and pastels, drawing charcoals and writing and drawing chalks; tailors' and billiards chalks	<u>800,000.-</u>
		Kr. <u><u>230,700,000.-</u></u>

List II

<u>Customs Tariff No.</u>	<u>Commodity</u>	<u>Kronur</u>
01.01.00-		
01.06.20	Live animals	10,000.-
04.01.00-		
04.05.00	Dairy produce; birds' eggs	100,000.-
07.01.10	Potatoes, fresh or chilled	2,000,000.-

<u>Customs</u> <u>Tariff No.</u>	<u>Commodity</u>	<u>Kronur</u>
11.07.00	Malt, roasted or not	150,000.-
15.01.00- 15.04.00 15.06.00	Animal fats and oils, excluding wool grease and fatty substances derived therefrom (including lanolin)	250,000.-
17.01.21- 17.01.24	Cube sugar and granulated sugar	25,000,000.-
17.01.27) 17.02.01) 17.04.01-) 17.04.09)	Candy sugar, glucose and sugar confectionery, not containing sugar	250,000.-
25.20.01- 25.20.09	Gypsum, anhydrite, calcined gypsum and plasters with a basis of calcium sulphate, but not including plasters specially prepared for use in dentistry	100,000.-
27.01.10	Steam coal	700,000.-
27.04.00	Coke and semi-coke of coal, of lignite or of peat	300,000.-
34.06.00	Candles, tapers, night-lights and the like	25,000.-
40.08.02	Plates and sheets of unhardened, vul- canized rubber, excluding strips, rods and profile shapes	200,000.-
40.06.00) 40.08.03)	Rubber floor coverings	150,000.-
44.23.01) 44.23.02)	Doors, windows and door and window frames; ready cut wood for building	500,000.-
46.03.09	Basketwork, wickerwork and other articles of plaiting material	50,000.-
48.01.53) 48.03.09) 48.05.00) 48.07.23) 48.12.00)	Wall and floor paperboard, parchment) paper, corrugated paper and paperboard,) roof cardboard, floor coverings prepared) on base of paper or paperboard))	2,000,000.-
48.16.01	Cardboard containers)

<u>Customs</u> <u>Tariff No.</u>	<u>Commodity</u>	<u>Kronur</u>
58.01.00 58.02.00 58.03.00	Carpets, carpeting, rugs (including runners and mats); tapestries, hand-made	1,200,000.-
60.03.04 60.04.02	Stockings, understockings, socks, anklesocks, sockettes and the like, knitted or crocheted of cotton; undergarments, knitted or crocheted of cotton, not elastic nor rubberized	1,500,000.-
61.03.01-) 61.03.09) 61.04.01) 62.01.10-) 62.01.30) 62.02.00) 62.04.02) 62.04.09)	Under garments and miscellaneous articles of apparel of woven fabrics	
70.11.00 70.13.00 70.21.09	Glass envelopes (including bulbs and tubes) for electric lamps, electronic valves or the like; glass-ware of a kind commonly used for table, kitchen, toilet or office purposes; other articles of glass n.e.s., excluding net balls	900,000.-
76.02.09	Wire, not insulated, and barbed wire of aluminium	500,000.-
84.48.00	Accessories and parts suitable for use solely or principally with iron and woodworking machines	4,000,000.-
93.01.00- 93.07.29	Arms and ammunition, parts thereof, excluding life saving guns and whaling guns and parts thereof	2,000,000.-
94.01.00 94.03.00 94.04.00	Furniture and parts thereof; bedding mattresses, mattress supports, cushions and similar stuffed furnishings, excluding medical furniture (No. 94.02.00) and filing cabinets of iron and steel	800,000.-

<u>Customs Tariff No.</u>	<u>Commodity</u>	<u>Kronur</u>
96.01.00	Brooms and brushes, excluding brushes	
96.02.01-	of a kind used as parts of machines,	
96.02.09	paint rollers, squeegees and mops	1,000,000.-
96.04.00		
97.01.00-	Toys and working models of a kind	
97.03.00	used for recreational purposes;	
97.04.01	equipment for parlour, table and	
97.04.09	funfair games for adults or children	
97.05.00	excluding playing cards; carnival articles; entertainment articles (for example, conjuring tricks and novelty jokes); Christmas tree decorations and similar articles for Christmas festivities	1,500,000.-
99.01.00-	Works of art, collectors' pieces and	
99.06.00	antiques	500,000.-
	Commodities falling within other customs tariff numbers, which are not liberalized	<u>500,000.-</u>
		Kr. <u>46,185,000.-</u>
59.04.01	Fishing lines and cords	300 tons
59.04.02	Ropes, excluding grass ropes	600 tons

ANNEX IV

Excerpt from an Announcement by the Ministry of Commerce,
16 September 1963, Concerning Imports
Against Suppliers' Credit

According to Articles 8 and 9 of Regulation No. 79, 1950 on the foreign exchange and imports régime etc. the Ministry of Commerce has made the following decision:

Imports of all goods, except those listed below, are permitted on the basis of up to three months' suppliers' credit provided the National Bank of Iceland or the Fisheries Bank of Iceland have in advance agreed to the terms of payment:

Customs Tariff

Ch. No.

84.15.30	Electric household refrigerators and refrigerating equipment
84.18.21	Household clothes dryers
84.19.01	Household dish-washing machines
84.40.12	Household ironing machines
84.40.20	Household washing machines
85.06.01	Vacuum cleaners
85.06.02	Mixers
85.06.09	Other electrical household appliances
85.07.02	Shavers, with self-contained electric motor
85.12.01-	Electric cooking ranges, electrical heaters and heating
85.12.03	plates, electric hairdressing appliances and other electric
85.12.05	heating appliances
85.12.09	
85.15.10	Television broadcast receivers whether or not combined with gramophone and/or radio
85.15.20	Radio broadcast receivers, whether or not combined with gramophone
87.02.11	New and used passenger cars except taxis
87.02.12	

Customs Tariff

Ch. No.

87.02.36	Pick-up cars except for professional drivers
87.02.37	Jeeps four-wheel drive cars
87.02.39	
87.09.00	Motor-cycles, auto-cycles and cycles fitted with an auxiliary motor, with or without side-cars; side-cars of all kinds
92.11.01	Gramophones and record-players
92.11.02	Sound recorders and reproducers

ANNEX V

Liberalization of Current Invisible Operations

LIST "A"

Items Fully Liberalized

Repair and assembly
Processing, finishing, etc.
Technical assistance
Contracting
Authors royalties. Patents, designs, trademarks and inventions
Salaries and wages
Participation by subsidiary companies and branches in overhead expenses of parent companies situated abroad, and vice-versa
Business travel
Commission and brokerage, banking commissions and charges
Differences, margins and deposits due in respect of operations on commodity terminal markets in conformity with normal bona fide commercial practice
Charges for documentation of all kinds incurred on their own account by authorized dealers in foreign exchange
Warehousing and storage charges, etc.
Transit charges
Customs duties and fees
Maritime freights (including chartering, harbour expenses, disbursements for fishing vessels, etc.)
Inland waterway freights, including chartering
Road transport: passengers and freights, including chartering
Air transport
Transport services
Social security and social insurance
Insurance relating to goods in international trade
Transactions and transfers in connexion with reinsurance and retrocession
Printed films
Profits from business activity

Dividends and shares in profits
Interest (including interest on debentures, mortgages, etc.)
Rent
Travel for private reasons (education)
Travel for private reasons (health)
Travel for private reasons (family)
Immigrants' remittances
Pensions and other income of a similar nature
Maintenance payments
Current maintenance and repair of private property abroad
Transfer of minor amounts abroad
Subscriptions to newspapers, periodicals, books, musical publications
Newspapers, periodicals, books, musical publications and records
Sports prizes and racing earnings
Taxes
Government expenditure
Settlements in connexion with public transport and postal telegraphic and telephone services
Consular receipts
Advertising
Court expenses
Damages
Fines
Membership fees
Professional services
Refunds
Registration of patents and trademarks

LIST "B"

Items Liberalized Subject to Specific Limitations

Scope of restriction

Tourism	Automatic allocation of amounts up to \$280 per person per year
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LIST "C"

Items not Liberalized

Repair of ships

Repair of means of transport other than ships and aircraft

Transactions and transfers in connexion with direct insurance (other than social security, social insurance and insurance relating to goods in international trade)

Insurance business operations abroad

