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GENERAL AGREEMENT ON TARIFFS AND TRADE

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FRENCH TRADE MEASURES

The following communication dated 27 June 1968 from the Government of France to the CONTRACTING PARTIES has been received by the Director-General from the Permanent Delegation of France to the GATT:

"1. The long halt in production during May and June and the immediate and considerable increase in the production costs of enterprises, have led the French Government to decree a series of internal and external measures intended to remedy the difficulties which have thus arisen. In the field of foreign trade, measures concerning the importation and exportation of certain products will take effect, on a temporary basis and under the conditions defined below, as from 1 July 1968. The aim of these measures is to facilitate, during a limited period of time, the adjustments which are indispensable to avoid serious prejudice to certain categories of domestic producers and, more generally, to the economy as a whole. They are all the more necessary because the French Government intends to meet the commitments undertaken during the trade negotiations concluded on 30 June 1967 which, on 1 July 1968, will take the form of an appreciable reduction of the tariff protection enjoyed by French producers. In addition, the French Government, in most of the cases where it has had to have recourse to temporary import controls, has endeavoured to fix import ceilings which, although they do not leave the trade partners of France the possibility of taking undue advantage of circumstances which are clearly exceptional, nevertheless allow them to increase their sales in France to an appreciable extent. In this way, the French Government shows that it is determined to continue its contribution to the expansion of international trade.

2. The measures with respect to imports are as follows¹:

(a) Imposition of a ceiling, for the period from 1 July to 1 November 1968, on imports of motor vehicles from all sources at a level of 15% in the case of private cars, and 10% in respect of industrial vehicles, above the level of such imports in the corresponding period of last year.

(b) Imposition of a ceiling, for 1968 as a whole, on imports of certain electrical domestic appliances from all sources at a level 10% above the level of such imports in the year 1967.

¹A detailed list of the products to which these measures apply is being furnished in a separate communication.

(c) Imposition of a ceiling until 31 December 1968, on imports of iron and steel products from all sources at a level equivalent to the average level of such imports in the first few months of 1968, i.e. 390,000 tons per month.

(d) Imposition of a ceiling for the year 1968 as a whole, on imports of certain categories of textile products from all sources at a level either equal to or slightly higher than the level of such imports in 1967.

3. On the export side, temporary compensation, to be progressively reduced, for wage increases will be granted to exporters of products other than agricultural and energy products. Such compensation will be determined in relation to export turnover. It will be at the rate of 6% for exports registered at the customs between 1 July and 30 October next, and 3% for exports registered at the customs between 1 November and 31 January 1969.

4. The French Government is prepared to take part in any consultations that the CONTRACTING PARTIES may consider it appropriate to hold concerning the measures that it has just adopted, and to answer all pertinent questions on this subject."