

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

L/3152

29 November 1968

Limited Distribution

CONTRACTING PARTIES
Twenty-Fifth Session

Original: French

LUXEMBOURG - IMPORT RESTRICTIONS ON AGRICULTURAL PRODUCTS

Report by the Luxembourg Government

In accordance with its commitments, the Luxembourg Government have the honour to submit to the Contracting Parties of GATT the report concerning the 1967 application of the authorization granted to it by the decision of 3 December 1955 to maintain quantitative import restrictions on certain agricultural products and foodstuffs.

The figures annexed hereto show that the effective imports of the various products covered by the waiver granted to Luxembourg have shown considerable fluctuations in the last few years. In particular, as regards the 1967 figures, the decrease in certain imports on their slow growth might imply increased protection of Luxembourg agriculture. However, such is not the case.

In 1967, the Luxembourg Government did everything in its power to put Luxembourg agriculture as far as possible in competitive conditions as they occur in an open import market.

For instance, the Luxembourg Government has authorized the free import of certain prime cuts of beef, all cuts of pork, all prepared and preserved meat, sausages, unsweetened condensed milk, eggs, wheat and rye, bran, reserving the authorization of recourse to quantitative restrictions to the case of a very serious market crisis, which did not prove necessary in 1967. For these products, the fluctuations of imports thus reflect only the variable market conditions.

As regards products still subject to quantitative restrictions, the opening of the Luxembourg market is subordinated to the implementation of the economic infrastructure enabling agriculture to stand competition with imported products. This infrastructure is now being implemented. The installations for storing, processing and marketing agricultural products undertaken by the agricultural profession are now being concluded.

It will thus be possible in the fairly near future to open the whole of the animal sector to competition with imported products.

The agricultural policy of the Luxembourg Government in 1967 reflects the continuous efforts that have been made to improve the competitive position of Luxembourg agriculture. These efforts fall within the law on agricultural orientation of 23 April 1965. They cover aid to investments of agricultural communities, with a view to creating modern instruments of processing and marketing agricultural products, and help to individual holdings to enable them to make the requisite adaptations. At the same time the first operations under the law of 25 May 1964 on the consolidation of rural holdings are being carried out and will be concluded within one year.

To meet the considerable investment needs implied by the adaptation and modernization of Luxembourg agriculture, the Government have continued to provide substantial resources by entering in the 1968 budget supplementary credits of Lux F 120 million for collective investments and Lux F 50 million for individual investments.

ANNEX

Imports of Agricultural Products Subject
to Quantitative Restrictions into
the Grand Duchy of Luxembourg in 1960, 1965, 1966 and 1967

(in tons)

Product	1960	1965	1966	1967
<u>A. Animals and meats</u>				
Bovine cattle for breeding (head)	42	68	32	51
Bovine meat	1,500	1,837	2,079	1,691
Swine for breeding (head)	60	7	40	15
Pig meat (including bacon)	11	233	209	338
Preserved meat, prepared meat, sausages	500	667	617	677
<u>B. Milk and dairy products</u>				
Milk	-	-	-	-
Cream	-	-	-	-
Milk and cream, tinned	530	689	675	683
Butter	-	-	-	-
<u>C. Miscellaneous</u>				
Eggs, in the shell	850	416	383	397
Eggs, not in the shell	liberal- ized	liberal- ized	liberal- ized	liberal- ized
Seed potatoes	1,400	2,321	2,719	1,513
Ware potatoes	4,800	10,330	8,589	8,246
Apples	4,600	liberal- ized	liberal- ized	liberal- ized

Product	1960	1965	1966	1967
D. Cereal and cereal products				
Wheat (amber durum)	3,500	5,272	7,855	6,842
Soft wheat	-	6,517	14,490	8,465
Rye	-	-	-	-
Wheat flour	-	-	-	-
Groats and semolina, of wheat	90	241	22	2
Bran and sharps, of wheat	-	4,809	4,092	3,945
Special bread	-	86	106	120
Macaroni products	liberal- ized	liberal- ized	liberal- ized	liberal- ized