

GENERAL AGREEMENT ON TARIFFS AND TRADE

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REPORT SUBMITTED BY THE DELEGATIONS OF INDIA, THE UNITED ARAB REPUBLIC AND YUGOSLAVIA ON THE OPERATION OF THE TRADE EXPANSION AND ECONOMIC CO-OPERATION AGREEMENT, 1968/69

In accordance with paragraph 1(c) of the Decision adopted by the CONTRACTING PARTIES in November 1968, the delegations of India, the United Arab Republic and Yugoslavia have submitted the following report on the operation of the Trade Expansion and Economic Co-operation Agreement since its entry into force.

1. Although the Agreement came into force on 1 April 1968, it took some time before the administrative and other arrangements were completed in all the three countries in order to actually give effect to special tariff concessions. The margin of special tariff concessions which was initially equivalent to 40 per cent of the effective most-favoured-nation rate of customs duties, was with effect from 1 April 1969, increased to 50 per cent.
2. Detailed statistical information containing imports of the items in the Common List in each one of the participating country has been furnished to the CONTRACTING PARTIES and already circulated in GATT document Spec(69)140 dated 18 November 1969. The information pertains to the first year of the operation of the Agreement, namely, 1 April 1968 to 31 March 1969 and for purposes of assessment corresponding information for the previous twelve-month period has also been given. (In case of Yugoslavia the information is for calendar year 1967.)
3. While submitting this report, it may be stated that in entering into the Agreement, it was the intention of the participating States to create to a maximum extent new and additional trade possibilities especially in non-traditional products and to avoid undue injury to the trading interest of other contracting parties. The following information will show that there has been progress along the lines of that intention and the expected beneficial impact on trade exchanges of the three countries is evident. Moreover there does not seem to have been any adverse effect on trade interest of any contracting party.
4. Trade impact on imports of each one of the three countries in regard to items in the Common List is described below:

SECTION A

India's Imports from the United Arab Republic and Yugoslavia

India's total imports and imports of items in the Common List from the United Arab Republic and Yugoslavia for the years 1967-68 and 1968-69 were:

(\$'000)

	All commodities	Common List items
<u>Imports from the United Arab Republic</u>		
1967-68	35,863	905
1968-69	55,208	1,097
Percentage change	54 per cent	21 per cent
<u>Imports from Yugoslavia</u>		
1967-68	26,639	1,611
1968-69	11,855	1,052
Percentage change	-56 per cent	-34 per cent

While during 1968-69 there was decline in the overall imports from Yugoslavia into India, the rate of decline was less in the case of Common List items. In fact some of the items included in the Common List newly featured in India's imports from Yugoslavia; for example, vitamins and their derivatives (ex 29.38), pigments with ferrocynide and ferricynide (ex 32.07), rubber tyres and tubes (40.11), bars and rods of iron and steel (73.10), and compressed gas cylinders (73.24).

SECTION B

Yugoslavia's Imports from India and the United Arab Republic

Yugoslavia's total imports and imports of items in the Common List from India and the United Arab Republic for the years 1967-68 and 1968-69 were:

(\$'000)

	All commodities	Common List items
<u>Imports from India</u>		
1967	22,300	3,733
1968-69	20,200	4,625
Change in percentage	-9.5 per cent	24 per cent

SECTION B (cont'd)

(\$'000)

	All commodities	Common List items
<u>Imports from the United Arab Republic</u>		
1967	17,900	2,343
1968-69	15,700	2,386
Change in percentage	-12.4 per cent	1.8 per cent

While Yugoslavia's imports of all commodities from India and the United Arab Republic declined in 1968-69 as compared with 1967 the import of Common List items increased from both India and the United Arab Republic. The share of the Common List items in Yugoslavia's imports as compared to all commodities from these two countries increased from 0.3 per cent in 1967 to 0.4 per cent in 1968-69, the rate of increase being greater in the case of India. Several items included in the Common List featured for the first time in Yugoslavia's imports from India and the United Arab Republic: for example in the case of India, dried dehydrated vegetables (07.04), crustaceans and molluscs prepared or preserved (16.05), luminophores (ex 32.05), varnishes and lacquers (32.09), other carpets, carpeting, rugs etc. (ex 58.02), undergarments of cotton (ex 60.04), handtools (82.03) and pumps for liquids (84.10); similarly in the case of the United Arab Republic, dried dehydrated vegetables (07.04), cosmetics and toilet preparations (33.06), and domestic articles and sanitary ware of iron or steel (73.38).

SECTION C

United Arab Republic's Imports from India and Yugoslavia

(\$'000)

	All commodities	Common List items
<u>Imports from India</u>		
1967-68	32,400	3,673
1968-69	26,107	4,565
Percentage change	-19 per cent	24 per cent
<u>Imports from Yugoslavia</u>		
1967-68	23,386	680
1968-69	16,436	659
Percentage change	-30 per cent	-3 per cent

While the United Arab Republic's imports for the year 1968-69 from India of all commodities have shown a decline by nearly 19 per cent as compared to the previous year, imports of items in the Common List have shown increase by about 24 per cent over the same period. Some new and non-traditional products have shown significant increases: for example, cosmetic and toilet preparations (33.06), rubber tyres and tubes (40.11), bars and rods of iron and steel (73.10), internal combustion engines (84.06), pumps for liquids (84.10), air pumps, vacuum pumps etc. (84.11), air-conditioning machines (84.12), mechanical appliances (84.21) and primary cells and batteries (85.03). Some items in the case of Yugoslavia were: phenoplasts etc. (ex 39.01), stranded wire, cable cordage etc. of iron and steel (73.25), saws and blades for hand or machine saws (82.02), handtools (82.03), internal combustion engines and machine tools (84.45), etc.

5. The Standing Committee (referred to in Article VIII of the Agreement), met in Cairo in July 1969 and reviewed the working of the Agreement and considered procedures for quick settlement of customs problems and other procedural matters connected with the implementation of the Agreement. It was agreed that further attention should be paid to payment and financing arrangements.

6. The trade regulations and import régimes in the three participating States continue to be applied on a non-discriminatory basis.