

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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GENERALIZED SYSTEM OF PREFERENCES

Notification by Canada

The following communication, dated 21 April 1974, has been received from the delegation of Canada.

With reference to the Decision of the CONTRACTING PARTIES of 25 June 1971, I have the honour to notify you that the Government of Canada will implement a system of tariff preferences for developing countries which will be effective from 1 July 1974.

Set out below for the information of the contracting parties is a press release issued by the Canadian Minister of Finance on 11 April which contains a full description of this system of tariff preferences.

Finance Minister John N. Turner today announced that Canada will implement the Canadian system of tariff preferences for developing countries on 1 July 1974. A similar announcement is being made today by the Honourable Mitchell Sharp at the United Nations Special Session on Raw Materials and Development in New York.

Parliament approved legislation in April 1973, authorizing the government to institute a system of tariff preferences on imports from developing countries. The Canadian measure is part of an international effort to help the developing countries improve their exports of manufactured and semi-manufactured industrial products to world markets. Most other developed countries have already implemented similar measures.

Under the Canadian legislation imports of manufactured and semi-manufactured products from designated beneficiary countries will be subject to the lower of the British Preferential Tariff or the most-favoured-nation tariff less one third. Certain industrial raw materials are also covered by the scheme, but most of these are already duty-free on a most-favoured-nation basis.

Specified tariff reductions are also included in the legislation on a selected list of agricultural products of export interest to developing countries. Since the basic objective of the system is to promote the industrialization of developing countries, it was agreed early in international discussions that developed countries were under no obligation to provide preferential access to their markets for

agricultural products but that each country would be free to do so for selected products. The Canadian list includes such products as cocoa derivatives, spices, rum, brandy, fruit juices and vegetable oils.

Imports from the beneficiary countries and territories listed in Annex 1 amounted to \$1.9 billion in 1973. Close to 75 per cent of these imports were entered on a duty-free basis under existing tariff provisions. An estimated \$150 million of the remaining dutiable imports will be subject to preferential tariff treatment under the Canadian scheme. Dutiable imports from all sources under the tariff items which will be subject to the new preferences amounted to over \$7 billion in 1973. (This figure does not include the textile and other products listed in Annex 2, which will be excluded from the preferential system, nor the few industrial primary products excluded by the legislation.)

Most of the products listed in Annex 2 are, or have been until recently, the subject of special trade arrangements with supplying countries. The list of products also includes footwear and other textile products not covered by any special trade arrangements, which have been entering Canada in such quantities and under such conditions that a tariff reduction would create difficulties for Canadian producers. The list contained in Annex 2 will be reviewed from time to time.

Details of the proposed rules of origin, designed to ensure that only goods produced in the designated beneficiary countries will be allowed entry at the reduced rates of duty, will be published shortly. Generally these rules will specify that at least 60 per cent of the ex-factory price of the goods be accounted for by value added in the beneficiary country, or by materials or components originating in that country or in Canada. The regulations will also require a certificate of origin in a form agreed to internationally.

ANNEX 1

List of Beneficiaries

Algeria	Colombia
American Samoa	Comoro Archipelago
Antigua	Congo
Argentina	Cook Islands
Ascension	Costa Rica
Bahamas	Cuba
Bahrain	Cyprus
Bangladesh	Dahomey
Barbados	Dominica
Belize	Dominican Republic
Bermuda	Ecuador
Bolivia	Egypt
Botswana	El Salvador
Brazil	Equatorial Guinea
British Indian Ocean Territory	Ethiopia
British Solomon Islands	Falkland Islands
British Virgin Islands	Fiji
Brunei	French Polynesia
Bulgaria	French Southern and Antarctic Territories
Burma	French Territory of the Afars and the Issas
Burundi	Gabon
Cameroon	Gambia
Cayman Islands	Ghana
Central African Republic	Gibraltar
Chad	Gilbert and Ellice Islands
Chile	Greece
Christmas Island	Grenada
Cocos Islands	Guam

Guatemala	Morocco
Guinea	Nauru
Guyana	Netherlands Antilles
Haiti	New Caledonia and dependencies
Honduras	Nicaragua
Hong Kong	Niger
India	Nigeria
Indonesia	Norfolk Island
Iran	Pakistan
Iraq	Panama
Israel	Papua New Guinea
Ivory Coast	Paraguay
Jamaica	Peru
Kenya	Philippines
Khmer Republic	Pitcairn
Korea, Republic of	Qatar
Kuwait	Romania
Laos	Rwanda
Lebanon	St. Christopher-Nevis-Anguilla
Lesotho	St. Helena
Liberia	St. Lucia
Madagascar	Saint-Fierre and Miquelon
Malawi	St. Vincent
Malaysia	Senegal
Maldives	Seychelles
Mali	Sierra Leone
Malta	Singapore
Mauritania	Spanish North Africa
Mauritius	Sri Lanka
Mexico	Suriname
Montserrat	Swaziland

Syria
Tanzania
Thailand
Togo
Tonga
Trinidad and Tobago
Tristan da Cunha
Tunisia
Turkey
Turks and Caicos Islands
Uganda

United Arab Emirates
Upper Volta
Uruguay
Venezuela
Viet-Nam, Republic of
Virgin Islands of the United States
Western Samoa
Yemen, People's Democratic Republic
Yugoslavia
Zaire
Zambia

ANNEX 2

List of Products to be Excluded from
Generalized System of Preferences Scheme
at the Outset

Tariff item	Product description
44542-1	Electron tubes except X-ray tubes; Bases, beaded assemblies, cages, guns, mounts, stems and wire-wound grids, all for use in the manufacture of electron tubes, except X-ray tubes.
	Yarns and rovings, including threads, cords and twines, wholly of cotton:
52101-1	Singles, n.o.p.
52107-1	Other, n.o.p.
	Woven fabrics, wholly of cotton:
52201-1	Not bleached, mercerized nor coloured, n.o.p.
52202-1	Bleached or mercerized, not coloured, n.o.p.
52203-1	Coloured, n.o.p.
52205-1	With cut pile
52305-1	Clothing, wearing apparel and other articles, made from woven fabrics wholly of cotton; all textile manufactures, wholly or partially manufactured, the component fibre of which is wholly cotton, n.o.p.
53205-1	Woven fabrics composed wholly or in part of yarns of wool or hair, n.o.p.
53210-1	Woven fabrics composed wholly or in part of yarns of wool or hair and weighing not less than twelve ounces to the square yard.
53215-1	Woven fabrics composed wholly or in chief part by weight of yarns of wool or hair and weighing not more than nine ounces to the square yard, n.o.p.
53305-1	Clothing, wearing apparel and articles made from woven fabrics, and all textile manufactures, wholly or partially manufactured, composed wholly or in part of wool or hair, when the textile component thereof is not more than 50 per cent, by weight, of silk, n.o.p.

Tariff item	Product description
53305-1 (cont'd)	Yarns and rovings, including threads, cords and twines, wholly or in part of vegetable fibres, n.o.p., not containing silk, wool or hair, man-made fibres or filaments nor glass fibres or filaments:
Ex 54108-1	Twines, cords and rope, n.o.p.
	Yarns and rovings, including threads, cords or twines, wholly of jute:
Ex 54116-1	Twines, cords and rope, n.o.p.
54120-1	Cordage, exceeding one inch in circumference, wholly of vegetable fibres, n.o.p.
54125-1	Cordage exceeding one inch in circumference, n.o.p.
Ex 54205-1	Elastic webbing.
54305-1	Clothing, wearing apparel and articles, made from woven fabrics, and all textile manufactures, wholly or partially manufactured, composed wholly or in part of vegetable fibres, n.o.p., when the textile component is not more than 50 per cent, by weight, of silk nor 50 per cent or more, by weight, of man-made fibres or filaments or glass fibres or filaments, not containing wool or hair.
Ex 54320-1	Sheets and pillowcases wholly of flax or hemp.
56105-1	Yarns and rovings, wholly of man-made fibres or filaments or of glass fibres or filaments, not more advanced than singles, not coloured, with not more than seven turns to the inch.
56110-1	Yarns and rovings, wholly or in part of man-made fibres or filaments or of glass fibres or filaments, including threads, cords or twines, not containing wool or hair.
56115-1	Yarns, wholly of man-made fibres or filaments, not more advanced than singles, not coloured, with not more than seven turns to the inch, for use in the manufacture of woven cord tire fabric.
56117-1	Yarns, wholly of glass filaments, whether or not plied, for use in the manufacture of woven tire fabrics.

Tariff item	Product description
56120-1	Yarns and rovings, including threads, cords or twines, wholly or in part of man-made fibres or filaments, not containing silk, wool or hair, for use in the manufacture of fabrics for conveyor or transmission belts or belting containing rubber. Woven fabrics, wholly or in part of man-made fibres or filaments or of glass fibres or filaments, not containing wool or hair, not including fabrics more than 50 per cent, by weight, of silk:
56205-1	Exceeding twelve inches in width.
56206-1	Not exceeding twelve inches in width.
56208-1	Woven fabrics, which otherwise would be classified under tariff item 56205-1, for use in the manufacture of clothing.
56210-1	Woven fabrics with cut pile, wholly or in part of man-made fibres or filaments, or of glass fibres or filaments, not containing wool or hair.
56230-1	Woven cord tyre fabrics, wholly or in chief part, by weight, of man-made fibres or filaments, not to contain silk or wool, for use in the manufacture of pneumatic tyres, n.o.p.
56235-1	Woven cord tyre fabric, wholly or in chief part, by weight, of man-made fibres or filaments, not to contain silk or wool, coated with a rubber composition, when imported by manufacturers of rubber tyres, to be incorporated by them in pneumatic tyres, in their own factories.
56237-1	Woven tyre fabrics, wholly or in chief part of glass filament yarns, whether or not coated or impregnated, for use in the manufacture of pneumatic rubber tyres.
56240-1	Woven fabrics, wholly or in part of man-made fibres or filaments, not containing silk, wool or hair, whether or not coated or impregnated, when imported by manufacturers of conveyor or transmission belts or belting containing rubber, for use in the manufacture of such belts or belting.

Tariff item	Product description
56300-1	Clothing, wearing apparel and articles made from woven fabrics, and all textile manufactures, wholly or partially manufactured, the textile component of which is 50 per cent or more, by weight, of man-made fibres or filaments or of glass fibres or filaments, not containing wool or hair.
Ex 56510-1	Elastic braid, n.o.p. Lace and netting, other than woven, bobbinet, embroideries, n.o.p.:
56610-1	Wholly of vegetable fibres.
56611-1	Wholly or in part of other textile fibres or filaments.
56805-1	Knitted garments, knitted fabrics and knitted goods, n.o.p. Socks and stockings:
56821-1	N.o.p.
61100-1	Boots and shoes, pegged or wire fastened, with unstitched soles close edged.
61105-1	Boots, shoes, slippers and insoles of any material, n.o.p.

