

GENERAL AGREEMENT ON
TARIFFS AND TRADE

RESTRICTED

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ARTICLE XIX - ACTION BY AUSTRALIA

Fixed Resistors

The following communication, dated 22 November 1977, has been received from the Permanent Mission of Australia.

The Australian Government wishes to advise the Contracting Parties, in accordance with the provisions of Article XIX of the General Agreement, that it has decided to introduce import licensing controls with effect from 10 November 1977 on fixed resistors falling within item 85.19.6 of the Australian customs tariff.

Import licences will be determined on the following basis:

- (A) For the six-month period from 10 November 1977, the base for the purposes of determining importers entitlements shall be one unit of import quota for each unit purchased or irrevocably committed for delivery, from Australian production prior to the close of that period.
- (B) For the period from six months to eighteen months after implementation of the measures, the base shall be one unit of import quota for each two units purchased or irrevocably committed for delivery, from Australian production prior to the close of that period.

Proposed imports covered by irrevocable commitment as at 22 September 1977 will be allowed entry on special licences valid for a period of sixty days from 10 November 1977. In addition, goods in transit or in bond will be allowed entry against special licences provided that such goods are entered for home consumption within twenty-one days of the date of the announcement in the case of goods in bond, or within twenty-one days of arrival in the case of goods in transit.

The import licences will be transferable between individual importers under certain circumstances.

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The decision to introduce these arrangements was taken in the light of a finding by the Temporary Assistance Authority (TAA) that urgent action was necessary to protect the Australian fixed resistor industry against the importation of certain types of fixed resistors. Following a public inquiry at which evidence was presented by all interested parties, the TAA reported, inter alia, that imports rose to 156 million in 1976/1977, an increase of nearly 19 per cent over the average for the preceding three years, and an increase of nearly 27 per cent over the quantity of less than 123 million imported in 1975/1976. Employment levels in the Australian industry declined sharply in the two years from June 1975 to June 1977, when the number of direct operatives employed on fixed resistors, fell by more than 50 per cent.

The future usage of fixed resistors in the Australian colour television industry is expected to decline in the order of 14 per cent per annum with the decrease in demand for colour television sets. The demand for use in telecommunication equipment is believed to be stable and no real change is anticipated in the next two or three years. Overall, the growth in other parts of the non-colour television sector is expected to offset the contraction in the colour television sector so that resistor demand may be expected to remain more or less steady.

The temporary measures referred to above will allow imports to continue at non-disruptive levels pending inquiry and report by the Industries Assistance Commission on the matter of possible assistance to be accorded the production in Australia of fixed resistors falling within item 85.19.6 of the Customs Tariff.

The Government of Australia is ready to enter into consultations under Article XIX with any contracting party having a substantial interest as exporter of the product concerned.

