

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

COM.TD/W/402
24 May 1984

Limited Distribution

Committee on Trade and Development
Fifty-Third Session
20-22 June 1984

PART IV CONSULTATIONS: BACKGROUND INFORMATION

EEC

Note by the Secretariat

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¹ Being issued as an addendum to this document.

Introduction

1. At their Thirty-Eighth Ministerial Session in November 1982, the CONTRACTING PARTIES, with a view to improving the review and surveillance procedures in regard to the implementation of Part IV, decided that:

- (a) "the Committee on Trade and Development, bearing in mind particularly the special responsibility of the developed contracting parties in this regard, shall adopt a programme of consultations with contracting parties individually or collectively, as appropriate, to examine how individual contracting parties have responded to the requirements of Part IV;
- (b) each such consultation shall be based on information supplied by the contracting party or parties in question and additional factual material prepared by the secretariat;
- (c) the Committee on Trade and Development shall also examine other aspects of existing procedures for reviewing the implementation of Part IV and for dealing with problems relating to the application of its provisions, and prepare guidelines for their improvement."

2. At its forty-ninth session, in March 1983, the Committee on Trade and Development agreed that the Part IV consultations should be carried out in the Committee itself. It also agreed that discussions, in the course of the consultations, could be organized under the following general points:

- (a) overall review of developments in a country's trade flows and factors affecting such trade;
- (b) examination of how a country's economic and trade policies have responded to the objectives and principles contained in Article XXXVI;
- (c) examination of how trade policy measures have responded to the commitments of the countries concerned under Article XXXVII;
- (d) consideration of any matters relating to joint action under Article XXXVIII.

3. In regard to the question of documentation to provide the necessary basis for the consultations, the Committee agreed that the consulting country would be invited to submit a paper containing information relevant to the points mentioned above, and that the secretariat would prepare a factual background paper covering developments in trade and trade policy in regard to the country or group of countries being consulted.

4. At the Fifty-First Session of the Committee on Trade and Development and the Thirty-Ninth Session of the CONTRACTING PARTIES, in November 1983, it was agreed that during 1984, Part IV consultations will be held with the European Economic Community, the United States, Japan, and a group of Latin American developing countries, members of ALADI.

5. The present document contains factual background material covering developments in trade and trade policy in regard to the European Economic Communities. The material has for the most part been drawn from available official and GATT documentation. It is not intended to be exhaustive.

6. While every effort has been made, including consultations with the delegation concerned, to present a clear and factually accurate picture of the situation, the information is subject to verification and correction in the light of any comments or suggestions that might be made by delegations.

SECTION I: Economic Background

Trends in indicators of domestic economic activity

7. The economy of the European Communities grew at an annual average rate, in real terms, of 2.0 per cent during the period 1973 to 1982, as against the average rate of growth of 4.5 per cent for the preceding ten years. The years 1973-82 encompassed two recessionary periods, when output growth either slowed down considerably or actually declined. The first of these recessions, in 1974-75, had a more severe contractionary effect on output, even though it was shorter-lived than the more recent one of 1980-82. The combined GDP of the member states increased by 5 per cent in 1976, after having registered a decline of 1.5 per cent in 1975. By contrast, output growth has been sluggish in all three years during 1980-82 and the incipient recovery in 1983 was much weaker than that experienced in the United States during the same year. At the same time, the decline in GDP in the depth of the recession in 1981 was only 0.5 per cent, as against the 1.5 per cent decline in 1975. Hence both the recession and the subsequent recovery of the 1980's were less pronounced than those of the mid-1970's.

8. The most severe deterioration, among the main components of demand, took place in gross fixed investment and, in particular, residential investment, which declined by 4.5 per cent and 2.0 per cent in 1981 and 1982 respectively. During the same period, private consumption stagnated after having registered an annual average growth rate of over 3 per cent during the period from 1971 to 1980.

9. The performance of industrial output in 1980 was even weaker than that of GNP. Industrial production (in volume) in the Communities declined in all three years by an average of 1.5 per cent, after having registered an increase of over 5 per cent in 1979. The contraction in industrial production was far more pronounced during the depth of the first recession, having registered a decline of 6.6 per cent in 1975. The weakness of industrial production during the recent recession was also reflected in very low capacity utilization levels in manufacturing. The trough in capacity utilization in 1981 and 1982 (77 per cent) almost reached the level registered in 1975 (76 per cent), which had been the lowest since the Second World War.

10. Unemployment rates during the recent recession have been quite high relative to historic levels. The average unemployment rate, which stood at 2.1 per cent during the decade of the 1960's, doubled during the subsequent ten years and has been increasing consistently since 1973.¹ Employment

¹ Unemployment rates for for the EEC (9).

growth in 1981 and 1983 was actually negative, giving rise to unemployment rates of 7.9 per cent and 9.6 per cent respectively for these two years. Preliminary estimates for 1983 indicate a further increase in the unemployment level for the Communities. While most indicators of macro-economic activity show that the recession of 1974-75 had more severe consequences for economic performance in the Communities than the more recent one, employment generation was significantly weaker during the recent recession. This has raised a number of questions about the nature of unemployment in the Communities and the relative importance of cyclical versus structural factors in accounting for the high rates of unemployment observed in recent years.

11. The rate of inflation, which increased sharply in 1974 and 1975, declined substantially thereafter up until 1978, when the trend was reversed. Inflation accelerated once again in 1979 and 1980, though it remained below the high levels reached in 1974 and 1975. Since 1980, when the consumer price index registered an increase of over 14 per cent, there has been an abatement in the rate of inflation. In 1982 the consumer price index increased by 11 per cent and preliminary estimates for 1983 indicate an increase of around 8 per cent.

Trends in International Transactions

12. Throughout the 1970's, changes in the combined current account balance of the Communities reflected steadily increasing surpluses on the service account, increasing outflows of private and official transfers and fluctuations in the trade balance. As the first two trends roughly cancelled each other in terms of their effect on the current account, the deficits in 1974, 1976 and 1979 resulted mainly from the deteriorating trade balance in those three years, reflecting the sudden surges in the value of imports. As shown in Table 1, the current account balance registered a record deficit of US\$36.0 billion in 1980, which was reduced to US\$14.0 billion in 1981 and US\$8.9 billion in 1982. From 1980 to 1982, the US dollar value of both imports and exports declined substantially, and by 1982, the merchandise trade account was roughly in balance, reflecting the more severe contraction in the value of imports. While the recession clearly had an impact on the growth rate of import demand, it is important to note that the value figures reflect the effects of both declining oil prices and the appreciation of the US dollar. In fact, while the volume of imports declined by 3 per cent in 1981, it actually increased by 2.5 per cent in 1982. To demonstrate the effect of the appreciation of the US dollar on the value figures shown in Table 1, it can be noted that the value of imports and exports denominated in SDRs actually increased from 1981 to 1982.

13. The capital account shows that the current account deficits in 1980, and to a lesser extent in 1982, were financed mainly through a large increase in short-term capital inflows. In 1981, on the other hand, other long-term capital inflows and depletion of reserves provided the predominant means of current account financing. An important recent development in the capital account of the European Communities is the large outflows of equity capital registered in 1981 and 1982. While the Communities have traditionally been exporters of long-term capital, direct and portfolio investment outflows increased from \$US9.5 billion in 1980 to US\$23.8 billion in 1981, presumably reflecting the increasing attractiveness of investments in the United States during this period.

TABLE 1

EEC Balance-of-Payments, 1980, 1981, 1982
(in billions of U.S. dollars)

	1980	1981	1982 ^{4/}
Exports, f.o.b.	632.5	589.4	559.6
Imports, f.o.b.	666.4	596.6	560.3
Net Services	19.2	13.4	12.5
Private and Official Transfers	-21.4	-20.2	-20.7
Current Account Balance	-36.1	-14.0	-8.9
Direct Investment, Net	-5.0	-14.0	-6.1
Portfolio Investment, Net ^{1/}	-4.5	-9.8	-9.2
Other Long-term Capital, Net ^{1/}	8.9	14.5	1.4
Short-term Capital, Net ^{1/}	38.2	9.4	23.5
Net Errors and Omissions	-2.4	-0.9	-7.6
Other Transactions ^{2/}	12.8	3.1	0.6
Total Change in reserves ^{3/}	-11.9	11.6	6.2

^{1/} Includes exceptional financing and liabilities constituting foreign authorities' reserves.

^{2/} Includes monetization/demonetization of gold, allocation of SDRs and valuation changes in reserves.

^{3/} A negative sign (-) implies an increase in reserves.

^{4/} Figures for 1982 exclude Ireland.

Source: IMF, Balance-of-Payments Yearbook, 1983.

14. Table 2 shows the broad geographic distribution of EC trade in 1980, 1981 and 1982. While the interpretation of the absolute magnitude of these figures is subject to the consideration of exchange rate movements referred to above, an analysis of the relative magnitude of the trade flows with respect to origin and destination and of respective trade balances is still possible. Table 2 shows that the value of exports of the Communities to all groups of countries, except the oil-exporting developing countries, declined from 1980 to 1982. The largest declines in this period were registered in exports to countries in the Eastern trading area (17 per cent) and to developed countries (13.4 per cent), with intra-EEC trade showing a decline of 14.8 per cent.

15. On the import side, imports from all groups of countries contracted in value from 1980 to 1982. The most significant decrease was in the value of imports from the oil-exporting developing countries reflecting the decline in both the volume and the price of imported oil. Imports from other developing countries and from developed countries also decreased significantly from 1980 to 1982, by 16.5 per cent and 14.9 per cent respectively.

16. Although the trade deficit with the oil-exporting developing countries has been substantially reduced from - US\$42 billion in 1980 to US\$15.3 billion in 1982 - these trade flows still account for a large part of the EC deficit on total trade. The deficit on trade with developed countries also declined, from US\$17.8 billion in 1980 to US\$6.6 billion in 1982, while the deficit with the Eastern trading area widened somewhat during the same period. Trade with other developing countries, on the other hand, moved from a small deficit in 1980 to a small surplus in 1982.

17. A longer term overview of the geographic distribution of EC trade shows that there has been little change in either origin or destination of trade from 1973 to 1982. On the export side, the share of EC exports to all developed countries declined from 81.7 per cent in 1973 to 76.6 per cent in 1982. The share of intra-EEC trade in total exports declined by a smaller amount from 53.6 per cent in 1973 to 51.9 per cent in 1982. The declining share of the developed countries in terms of markets for EC exports was made up by the oil-exporting developing countries whose share increased from 3.8 per cent in 1973 to 9.3 per cent in 1982. Other developing countries accounted for 10 per cent of EC exports in 1982, which represented an increase of one percentage point over 1973.

18. On the import side, the trends were quite similar, though even less pronounced. Imports from developed countries as a share of total EC imports declined slightly from 77.7 per cent in 1973 to 76.6 per cent in 1982. This small decline, however, incorporated a 1 per cent increase in the share of imports from Japan and a 3 per cent drop in the share of intra-EEC trade. While the share of imports accounted for by non-oil developing countries remained constant at 9.4 per cent, that of the oil-exporting developing countries increased from 8.8 per cent in 1973 to 11.4 per cent in 1982.

19. These figures clearly indicate that trade with developed countries in general, and intra-EEC trade in particular still dominates the distribution of EC trade flows. In 1982, all developing countries accounted for approximately 20 per cent of total EEC trade. The corresponding figures for all developed countries and for intra-EEC trade are 75 per cent and 50 per cent, respectively.

TABLE 2

Balance and Direction of EEC Trade, 1980, 1981, 1982
(In billions of U.S. dollars; exports f.o.b., imports c.i.f.)

	1980			1981			1982		
	Exports	Imports	Trade Balance	Exports	Imports	Trade Balance	Exports	Imports	Trade Balance
Total trade ^{1/}	662.4	725.3	-62.9	605.6	637.5	-31.9	583.3	608.9	-25.6
Developed countries	514.5	532.3	-17.8	456.2	465.5	-9.3	446.6	453.2	-6.6
of which: EEC	355.2	350.6	-	308.2	304.9	-	302.9	299.2	-
Oil exporting developing countries	51.6	93.5	-41.9	59.0	82.8	-23.8	54.2	69.5	-15.3
Other developing countries	65.1	67.4	-2.3	63.6	60.1	3.5	58.7	56.3	2.4
ETA	26.0	30.3	-3.7	21.6	27.0	-5.4	19.0	28.1	-9.1

^{1/} Individual components do not add up to totals because small amounts of trade have been specified as to origin or destination. It may also be noted that these trade figures do not correspond exactly with those reported in Table 1 because different statistical sources have been used for the two tables.

Source: GATT, International Trade, 1982/83

SECTION II: M.f.n. duties and the hand-made products schemeThe level of m.f.n. duties

20. Table 3 shows pre- and post-Tokyo Round m.f.n. tariff averages (simple and weighted) of eight industrialized markets with respect to industrial products, i.e. products falling within CCCN Chapters 25-99 (excluding petroleum) and, amongst these products separately for industrial raw materials, semi-manufactures and manufactures. As the table indicates, the EEC made significant tariff concessions on industrial products in the Tokyo Round. In the industrial sector, post-Tokyo Round tariff levels of the EEC and the United States are very similar to each other, at 6.4 per cent and 6.3 per cent in the simple average, and 4.6 per cent and 4.3 per cent in the weighted average. As a result of the Tokyo Round, EEC duties on industrial raw materials, semi-manufactures and manufactures are being reduced from 1.9 per cent, 8.9 per cent and 10.0 per cent respectively to 1.6 per cent, 6.2 per cent and 7.0 per cent in the simple average, and from 0.1 per cent, 5.5 per cent and 9.7 per cent respectively to 0.1 per cent, 4.1 per cent and 6.8 per cent in the weighted average.

21. While most industrial products have been covered by the EEC's GSP scheme, the level of post-Tokyo Round m.f.n. duties (most of which will be fully in force by 1987) continues to be of interest and relevant for developing countries to the extent that GSP rates do not always apply to imports from developing countries because of the quota or ceiling limitations and origin rule limitations, and because of the consequent uncertainty of the continued application of GSP to the volume of trade now benefitting from it.

22. Table 4 shows post-MTN m.f.n. duty averages according to the stage of processing with respect to a number of industrial product groups, and imports of these product groups from GSP beneficiary developing countries according to tariff treatment (m.f.n. duty-free, GSP covered and no GSP). In the table, "No GSP" indicates imports of the products excluded from the GSP scheme, and "GSP covered" is inclusive of imports covered by GSP but not actually accorded GSP treatment due to quota, ceiling and origin rule limitations, or for various other reasons.¹

23. While post-MTN m.f.n. duty averages for many product groups are less than 6 per cent, higher averages are recorded for a number of product groups of export interest to developing countries, e.g. rubber and leather footwear, travel goods and handbags, other finished leather manufactures, wood based panels, paper semi-manufactures and manufactures, textile yarns and fabrics, textile made-up articles, clothing and clothing accessories, glass and glassware, dyeing, tanning and colouring extracts, plastic materials and articles, and finished chemical products.

24. Table 5 shows pre- and post-MTN m.f.n. duty averages (simple and weighted) of the EEC, the United States and Japan with respect to some agricultural product groups in respect of which tariffs appear to be the major measure affecting imports. With respect to other agricultural product groups, other measures such as variable levies, quantitative

¹ It may be noted that the GSP schemes of the EEC and the United States are quite different in their structure and that GSP import data for these markets are not comparable for technical reasons.

TABLE 3

Pre- and post-MTN w.f.n. duty averages (simple and weighted)¹
industrial products excluding petroleum and according to stages of processing

		U.S.	JAPAN	E.C.	AUSTRIA	SWITZERL.	FINLAND	NORWAY	SWEDEN
ALL INDUSTRIAL PRODUCTS (EXCL. PETROLEUM)									
Pre-MTN	-SIMPLE	11.2	10.2	9.1	11.7	3.7	13.2	8.5	6.0
	-WEIGHTED	2.3	5.4	6.5	8.9	2.9	6.9	4.2	5.6
Post-MTN	-SIMPLE	6.3	6.0	6.4	8.1	2.9	11.4	6.7	4.8
	-WEIGHTED	4.3	2.7	4.6	7.7	2.2	5.5	3.1	4.0
OF WHICH: RAW MATERIALS (EXCL. PETROLEUM)									
Pre-MTN	-SIMPLE	3.3	2.5	1.9	2.6	1.8	0.8	1.3	0.5
	-WEIGHTED	0.7	1.4	0.1	0.9	0.2	0.7	0.0	0.0
Post-MTN	-SIMPLE	1.8	1.4	1.6	1.9	1.5	0.5	0.9	0.4
	-WEIGHTED	0.2	0.4	0.1	0.8	0.2	0.3	0.0	0.0
SEMI-MANUFACTURES									
Pre-MTN	-SIMPLE	10.1	9.7	8.9	10.3	3.6	13.0	6.7	6.0
	-WEIGHTED	4.4	6.5	5.5	5.7	1.6	6.7	1.7	5.2
Post-MTN	-SIMPLE	6.1	6.3	6.2	7.3	2.8	11.7	5.4	5.1
	-WEIGHTED	3.0	4.5	4.1	4.7	1.2	5.8	1.4	3.2
MANUFACTURES (EXCL. PETROLEUM)									
Pre-MTN	-SIMPLE	13.0	11.5	10.0	13.4	4.0	14.3	10.0	6.6
	-WEIGHTED	8.1	12.4	9.7	18.3	3.9	7.7	5.6	6.5
Post-MTN	-SIMPLE	7.0	6.4	7.0	9.1	3.0	12.0	7.8	5.1
	-WEIGHTED	5.6	5.9	6.8	16.0	3.0	6.0	4.2	4.8

¹Based on imports in 1977 or 1976.

TABLE 4

EEC - Post-MTN m.f.n. duty averages and imports from GSP beneficiary developing countries according to industrial product groups

Product groups	Post-MTN m.f.n. duty averages according to industrial product groups and stages of processing S = simple average W = weighted average, based on 1987 imports				1977 imports from GSP beneficiary developing countries according to tariff treatment GSP covered: includes imports actually accorded m.f.n. treatment due to quota and ceiling limitations and non-utilization of GSP.			
	% ad valorem				Total (\$ million)	M.f.n. duty-free	M.f.n. dutiable	
	All products	Raw materials	Semi-finished manufactures	Finished manufactures			GSP covered	No GSP
All industrial products (Ch. 29-99) excluding petroleum	S 6.4 W 4.6	1.6 0.1	6.2 4.1	7.0 6.8	14,651 100%	5,369 37%	8,975 61%	308 2%
As above pre-MTN	S 9.1 W 6.5	1.9 0.1	8.9 5.5	10.0 9.7				
Rubber and rubber articles	S 4.0 W 2.2	1.3 0.0	3.4 3.4	5.1 ^{1/} 5.2 ^{1/}	693 100%	595 86%	98 14%	0
Hides, leather and products, fur	S 4.9 W 5.1	0.0 0.0	2.5 2.8	7.8 ^{2/} 8.0	1,042 26%	273.5 26.5%	732.5 70%	36 3.5%
Wood and cork	S 5.1 W 2.5	0.8 0.0	3.5 0.6	5.4 ^{3/} 5.1	1,410 100%	842 60%	561 40%	1
Pulp, paper and printed matter and other articles	S 5.9 W 2.9	0.3 0.0	7.2 6.8	8.9 ^{4/} 9.6	126 100%	76 60%	50 40%	0
Textiles	S 10.2 W 8.5	2.8 0.6	5.2 7.0	9.7 (fabrics) 10.6	4,767 100%	561 12%	4,103 86%	103 2%
Made-up articles	S			9.0 7.6	666 100%	0	665 100%	1)
Clothing and clothing accessories	S			12.5 13.3	2,641 100%	1	2,640 100%	0)
Mineral products and fertilizers	S 4.2 W 3.0	1.3 0.1	-	5.1 6.8 ^{5/}	178 100%	51 29%	126 71%	1
Precious stones and precious metals	S 2.5 W 0.2	1.5 0.0	1.9 0.0	4.0 1.5	645 100%	584 90.5%	61 9.5%	0
Ores and metals	S 4.9 W 2.2	0.0 0.0	See below	5.6 5.8	2,664 100%	2,064 78%	437 16%	163 6%
Iron and steel	S	(3.6 ^{6/}) (4.9)	4.7 4.8		(307 100%	44 14%	159 52%	104) 34%
Non-ferrous metals	S	1.7 ^{7/} 0.6	5.3 4.6		(1,104 100%	976 89%	69 6%	59) 5%
Chemicals	S 7.0 W 5.6	7.1 4.3	5.2 ^{8/} 3.5	6.7 ^{8/} 6.3	378 100%	84 22%	292 77%	2 1%
Machinery, transport equipment and scientific instruments	S 5.1 W 5.9				1,971 100%	195 10%	1,777 90%	0
Miscellaneous manufactures	S 5.5 W 6.6				375 100%	1 0.3%	373 99.4%	1 0.3%

^{1/} Rubber manufactures other than the following:
rubber tyres and tubes S 4.0, W 2.9
rubber footwear S 20.0, W 20.0.

^{2/} Leather manufactures other than the following:
travel goods and hand bags S 8.5, W 5.6;
leather footwear S 8.2, W 12.1.

^{3/} Wood and cork manufactures other than the following:
wood based panels S 6.7, W 8.2;
furnitures of wood and other materials S 5.2, W 5.5.

^{4/} Manufactured articles other than printed matter.

^{5/} Mineral manufactures other than the following:
manufactured fertilizers S 4.9, W 4.7;
glass and glassware S 5.9, W 7.4.

^{6/} Ferro-alloys

^{7/} Unwrought non-ferrous metals

^{8/} Chemicals other than the following:
dyeing, tanning and colouring materials S 6.0, W 7.8;
medical and pharmaceutical products S 6.5, W 5.9
plastic materials and articles thereof S 8.6, W 10.0
essential oils, toilet preparations, etc. S 5.6, W 3.6.

TABLE 5

EEC, US and Japan - Pre- and post-MTN m.f.n. duty averages
with respect to some agricultural product groups

- Notes: 1. This table covers agricultural product groups for which tariffs are the major measure affecting imports in the three markets.
2. The averages of duties being actually applied to developing countries are lower than those indicated: a number of products covered by this table enjoy GSP duty rates lower than m.f.n. duties.

Product group	Averages of m.f.n. duties ^{1/}					
	EEC		USA		Japan	
	Pre-MTN	Post-MTN	Pre-MTN	Post-MTN	Pre-MTN	Post-MTN
Coffee, tea, cocoa (0901, 0902, 2102, Ch. 18)	S 12.6	11.1	2.0	1.6	22.6	19.9
	W 7.4	4.9	0.1	0.0	2.1	1.8
Spices (0904-0910)	S 9.4	8.6	1.8	1.3	5.2	3.8
	W 13.2	6.9	0.3	0.1	6.4	6.4
Vegetables and fruit ^{2/}	S 14.0	13.5	11.0	9.2	21.2	19.9
	W 13.3	13.1	8.5	n.a.*	20.6	20.1
Unprocessed (Chs. 07, 08)	S 11.3	10.8	10.0	8.6	13.8	12.3
	W 12.5	12.2	6.3	n.a.	19.1	18.7
Processed (Ch. 20)	S 21.8	21.2	12.6	10.2	26.4	25.1
	W 22.1	22.0	13.9	12.3	26.7	25.6
Vegetable oilseeds and oils ^{2/}	S 7.9	7.8	5.3	3.8	4.3	3.6
	W 3.9	3.9	4.4	0.8	4.5	3.9
Seeds (1201)	S 0.0	0.0	5.7	4.2	1.4	1.1
	W 0.0	0.0	0.1	0.1	2.2	1.8
Oils (1507, 1510-12)	S 8.3	8.2	5.2	3.6	6.2	5.2
	W 7.8	7.8	4.6	0.8	7.4	6.4
Plants, flowers, wax (Ch. 06, 1207, Chs. 13, 14, 1515, 1516)	S 5.6	5.3	2.6	1.9	3.8	3.7
	W 3.9	3.7	2.9	1.7	3.1	2.9
Fishery products	S 12.9	12.2	6.0	5.0	9.3	8.6
	W 16.4	15.8	0.5	0.5	6.5	5.1
Unprocessed (Ch. 03)	S 12.4	11.6	1.5	1.2	7.9	7.1
	W 13.7	12.7	0.0	0.0	6.0	4.5
Processed (1504, 1604, 1605)	S 15.2	15.1	8.7	7.3	13.7	13.1
	W 20.3	20.3	5.0	4.2	14.9	14.8
Miscellaneous animal products (0106, 0204, Ch. 05)	S 3.0	2.8	2.4	1.9	1.1	1.1
	W 1.3	1.1	5.5	2.8	0.9	0.9

^{1/} Average of all tariff items (i.e. duty-free as well as dutiable items) weighted by imports of such items from GSP beneficiary countries.

^{2/} EEC data for these product groups do not cover variable levies on sugar content in preserved fruit and on olive oil.

* Not available

restrictions, State-trading and subsidies, appear to be playing an important role in one or more of these markets. Reference may be made to Sections V and VI for information in regard to EEC measures. While the averages of duties being actually applied to developing countries are lower than those indicated in the table owing to lower GSP rates applying to these countries on a wide range of products, it may be felt that there is still considerable scope for the reduction of EEC duties with respect to most product groups listed in the table including those covering tropical products.

Bindings of m.f.n. duties

25. Table 6 shows the extent to which a number of developed countries have bound their m.f.n. tariffs in the GATT. The EEC has bound 63 per cent of its tariff lines covering agricultural products, accounting for 79 per cent of 1976/77 imports of these products. In the case of industrial products excluding petroleum, the EEC has bound 99 per cent of the relevant tariff lines. While the percentages for industrial products are amongst the highest in developed country markets, the percentages for agricultural products are much lower than those of the United States and Canada. In many cases where tariffs on agricultural products have not been bound, imports are subject to variable levies under the EEC's Common Agricultural Policy.

26. The tariff bindings of GATT member countries represent the results accumulated in a series of GATT trade negotiations since the end of World War II and may be considered as one of the most important aspects of a multilateral (GATT) trading system. Their value and importance to developing countries is certain to increase progressively as they continue to diversify their economies and to increase their participation in international trade.

Hand-made products scheme

27. While some other developed countries operate their hand-made products schemes within the framework of the GSP, the EEC administers its hand-made products scheme separately. The scheme is applied to those countries which have concluded certification arrangements with the EEC. All the countries which have so far concluded certification arrangements are developing countries which are also beneficiaries of the EEC GSP scheme. Argentina, Bolivia, Chile, El Salvador, Iran, Laos, Panama and Paraguay are benefitting from the hand-made products scheme, even though they are excluded from the application of the EEC GSP in regard to MFA products.

28. All products covered by the hand-made products scheme also fall within the scope of the GSP. However, a number of these products are included in the list of sensitive products and their imports under GSP are subject to quotas or ceilings for individual beneficiary countries. Thus, for the countries benefitting from these arrangements, the scheme provides additional duty-free access, within global quotas, to that available under the EEC GSP.

29. The outline of the scheme for 1984 is provided below on the basis of information in EEC Official Journal No. L 298, dated 19 October 1983.

30. The EEC grants special tariff treatment (duty-free, except for Greece) within specified tariff quotas to two categories of hand-made products:

TABLE 6

Importance of m.f.n. tariff bindings in GATT

(%)

	Share of bindings in			
	Tariff lines		m.f.n. Imports	
	Agriculture (CCCN ch.01-24)	Industry excl. petroleum (CCCN ch.25-99 excl. 2709-10)	Agriculture (CCCN ch.01-24)	Industry excl. petroleum (CCCN ch.25-99 excl. 2709-10)
United States	90	100	96	100
Canada	90	97	98	99
Japan	64	98	66	79
European Communities	63	99	79	100
Austria	65	97	78	93
Finland	59	98	86	99
Norway	70	90	94	97
Sweden	48	98	79	97
Switzerland	55	99	66	100
Australia ¹
New Zealand	56	44	76	63
Ten tariffs combined	66	92	81	96

¹It has not yet been possible to compile post-MTN data for Australia. On the basis of 1975/76 imports and pre-MTN tariff, the bindings were as follows: agriculture, 23 per cent of tariff lines and 39 per cent of m.f.n. imports; industry, 14 per cent and 29 per cent, respectively.

Note: The estimates refer to the post-MTN tariffs and to imports in 1977 or 1976 and cover full and partial bindings. The national tariff nomenclatures have been used. MFN imports include imports entitled to GSP. The figures are preliminary and will be revised when all consolidated schedules in loose-leaf form are available.

(Source: TAR/W/22)

(a) hand-loom silk and cotton textiles, and (b) other hand-made products.

(a) Hand-loom textiles

Definition: "Fabrics, pile and chenille, woven on looms moved exclusively by hand or foot."

Beneficiaries: India, Pakistan, Thailand, Indonesia, Bangladesh, Laos, Sri Lanka, El Salvador, Guatemala and Argentina (10 countries).

Tariff quotas: 2.244 million ECU for handwoven silk fabrics falling within CCCN 50.09 and 2.04 million ECU for handwoven cotton fabrics falling within CCCN 55.07, 55.09 and 58.04.

These tariff quotas are divided into first instalments of 1.14 million ECU and 1.56 million ECU respectively, which are allocated among the member States in set proportions, and Community reserves of 1.1 million ECU and 0.48 million ECU, which may be used by any member State whose initial share is exhausted.

Certification: Special tariff treatment under this scheme is extended only to goods accompanied by a prescribed certificate of manufacture endorsed by one of the recognized authorities of the country of manufacture bearing a prescribed stamp, and carried directly from the country of manufacture to the EEC (including movement through a third country while covered by a single transport document from the country of origin).

(b) Other hand-made products

Definition: Hand-made products falling within a list of products under 35 CCCN headings.

Beneficiaries: India, Pakistan, Thailand, Indonesia, Philippines, Iran, Sri Lanka, Bangladesh, Laos, Ecuador, Paraguay, Panama, El Salvador, Malaysia, Uruguay, Bolivia, Honduras, Peru, Chile, Guatemala, Argentina and Mexico (22 countries).

Tariff quotas: 10.2 million ECU with a maximum of 1.2 million ECU for each item in the list. Of the 10.2 million ECU, a first instalment of 6.58 million ECU is allocated among the member States in set proportions, while the balance of 3.62 million ECU constitutes the Community reserve which may be used by any member State whose basic quota is exhausted. Member States are expected to return the unused portions of their initial shares to the reserve by 1 October in order to allow for flexible administration.

Certification: Special treatment is extended only to goods "accompanied by a certificate recognized by the competent authorities of the Community ... issued by one of the recognized authorities of the country of origin and certifying that the goods in question are hand-made. The goods must in addition be accepted as hand-made by the competent authorities of the Community". However, unlike handloomed textiles, other hand-made products do not have to bear special stamps.

¹ Including non-plastic travel goods, certain wood products including toys, certain textile products and garments, parts of footwear, certain copper articles, carved stones and articles of animal, vegetable and mineral carving materials.

SECTION III: GSP

Introduction

31. The EEC (six members) introduced its system of generalized preferences on 1 July 1971. This system was extended to Denmark, Iceland and the United Kingdom in 1974 and to Greece in 1981 on their accession to the EEC. In late 1980, the EEC Council of Ministers decided to continue the GSP for a further period of ten years, in a somewhat modified form.

32. The new GSP policy of the EEC for 1981-1990 is summarized in a publication of the EEC as follows:

"During the 1980's, the GSP will be governed by two new objectives: simplification of the system and differentiation between the beneficiary countries. These changes are based on the policy which the Commission had outlined to the Council in their paper dated 7 March 1975.

"So far, above all in the industrial field, the countries which are more economically advanced and enjoy more developed commercial networks have been found to use the preferential advantages more rapidly to the detriment of the weaker developing countries. Furthermore, in recent years some of the beneficiary developing countries have been seen to develop more rapidly and in certain fields their exports are liable to cause difficulties in certain sectors of the Community production.

"It is essentially a question of extending the benefits of the preferences in favour of the developing countries, above all those which are the least advanced, and to limit for certain products, the preferences which the countries that are already regarded as highly competitive, have enjoyed."

(Source: Europe Information - External Relations, February 1981)

33. In December each year details of the EEC GSP scheme for the following calendar year are published in the Official Journals of the EEC (about 225 pages), and these Journals have been circulated as GATT documents to the contracting parties. Hence, it has been a difficult, laborious exercise for those interested in the scheme to identify precisely modifications made to it. In July 1983, the EEC notified for the first time an outline and explanation of the changes made in its GSP scheme for 1983, thus facilitating the identification of modifications in the scheme. It would appear that an early and regular notification of this kind would facilitate the understanding of the scheme by developing countries.

Current (1984) GSP scheme

- Beneficiary countries and territories

34. The list of beneficiaries of the EEC GSP scheme covers (i) 89 independent countries, (ii) 38 least-developed developing countries,¹ and

¹EEC's list of least-developed countries, which includes 28 ACP countries, is larger than the UN list of least-developed countries. Among the 38 countries on the EEC list, Seychelles and dependencies and Tonga have not been included in the UN list.

(iii) 22 dependent countries and territories. The following beneficiaries of the EEC GSP also enjoy special preferential treatment in the EEC market: the ACP countries, members of the Lome Convention, Algeria, Egypt, Jordan, Syria, Lebanon, Morocco, Tunisia, Cyprus and Yugoslavia. However, Spain, Portugal, Turkey, Israel and Malta are not included in the list of GSP beneficiaries.

- Agricultural products (CCCN Chapters 1-24)

35. A general list of agricultural GSP items covers 334 items falling within 90 CCCN four-digit headings. Zero GSP rate is applied to 88 of these items and positive GSP rates to 246 items. There are in practice no quantitative limitations for the GSP entry of these items: the safeguard clause has never been invoked for these items. In addition, six items under four CCCN headings, i.e. unmanufactured tobacco (2401), cocoa butter (1804), soluble coffee (2102) and preserved pineapples in slices or not (2006), are listed separately for different GSP treatment. With respect to these items, positive GSP rates are applied to imports within global quota or ceiling limitations.

- Product coverage and GSP rates on industrial products
(CCCN Chapters 25-99)

36. Most industrial products have been covered by the EEC GSP scheme. However, a limited number of products, including the following, are excluded from the scheme:

<u>Tariff No.</u>	<u>Product Description</u>	<u>Post-MTN m.f.n.duty</u>	<u>Imports 1981 from developing countries \$'000</u>
2501.1200)	Common salt	5.0%	1,036
2501.1400)		17.4%	1,560
2503.9000	Sulphur, not crude	3.2%	1,095
2511.3000	Barium carbonate	1.0%	113
2516.3100	Granite and similar hard rocks	3.5%	920
2518.5000	Agglomerated dolomite	2.2%	3
4103.9100	Tanned sheep and lamb skin leather	2.5%	23,531
4104.9100	Tanned goat and kid skin leather	2.9%	69,387
4105.3000	Tanned miscellaneous leather	3.2%	5,432
5305	Carded or combed wool and other animal hair	2.5%	151,369
5504	Carded or combed cotton	1.4%	161
6203.1100	Used jute bags	5.3%	525
7301.2000	Haematite pig iron and cast iron (EGSC)	3.2%	25,499
7302.3000	Ferro-silicon	6.2%	19,379
7302.5100	Ferro-chrome	8.0%	113,462
7302.5500	Ferro-silico-chrome	4.9%	7,095
7302.9000	Other ferro-alloys	4.9%	44,151
	Total		464,718

37. GSP rates on industrial products, including textiles and steel products, are invariably zero, except for Greece which applies positive rates at present.

- Non-sensitive industrial products

38. Industrial products other than textiles and steel products are divided between non-sensitive products and sensitive products. Imports of all industrial products under GSP are in principle subject to ceiling or quota limitations. However, imports of non-sensitive products are normally subject only to statistical supervision. Only in cases where an increase in imports under GSP exceeds a reference figure and where such imports cause or threaten to cause economic difficulties in the Community, imports under GSP may be suspended. The reference figure for 1984 is, as a general rule, 150 per cent¹ of the highest maximum amount valid for 1980 under each preferential ceiling opened that year.²

39. Since 1982 the Commission has had the power to suspend GSP imports, or in other words, to reintroduce m.f.n. duties on non-sensitive products. Previously, member States had the power to reintroduce m.f.n. duties in their own territories, in certain circumstances. Romania is excluded from the application of GSP on 23 non-sensitive items and China on two items.

- Sensitive industrial products

40. The list of sensitive products for 1984 includes 132 items. GSP imports of these products are subject to quota and/or ceiling limitations, mostly in terms of the European Currency Unit (ECU). With respect to 58 of these items, individual beneficiary country ceilings for the Community as a whole are established on an item-by-item basis. As soon as the individual ceilings are reached at Community level, GSP treatment may be suspended at any time for the countries or territories concerned.

41. With respect to the remaining 74 of these items, individual country quotas allocated among EEC member States are established for certain specified GSP beneficiaries considered most competitive, and individual country ceilings for the Community as a whole are established for other GSP beneficiaries. The GSP beneficiaries specified for the application of quota limitations in 1981-1984 are indicated in Table 7 with information on the number of items involved.

42. The amounts of ceilings are uniform among beneficiaries subject to ceiling limitations and the amounts of quotas are also uniform among beneficiaries subject to quota limitations (with three exceptional cases where a country is given a larger quota than other beneficiaries subject to quotas). However, for nearly three quarters of the items subject to quota/ceiling limitations, the amounts of quotas (for specified competitive beneficiaries) are smaller than the amounts of ceilings for other beneficiaries, often significantly.

¹ This figure was 102 per cent in 1981, 120 per cent in 1982 and 138 per cent in 1983. The two per cent added in 1981 was due to the application by Greece of the EEC GSP scheme.

² In 1980 the global ceilings were equal, for each product, to the sum of c.i.f. imports from GSP beneficiaries plus 5 per cent of total imports from other countries, in 1977.

Table 7

Industrial products other than textiles and steel products - GSP
beneficiaries specified for quota limitations in 1981-1984
and the number of items involved

	1981	1982	1983	1984
Korea, Rep. of	27	27	28	29
Hong Kong	24	24	24	23
Brazil	9	10	14	16
China	7	13	16	16
Romania	6	15	16	12
Singapore	3	3	5	6
Libya	2	2	2	3
Argentina	2	2	2	2
Malaysia	2	2	2	2
Mexico	-	-	1	2
Chile	2	2	1	1
India	1	1	1	1
Indonesia	1	1	1	1
Kuwait	-	-	-	1
Morocco	-	-	1	1
Pakistan	1	1	1	1
Philippines	1	1	1	1
Venezuela	2	1	2	-
Uruguay	1	1	1	-
Total	91	106	119	118

Source: EEC Official Journals (relevant years).

43. Eighty per cent of quotas are allocated initially to EEC member States as "first tranche" and the remaining 20 per cent are kept as "reserve". The first tranche is allocated to different member States, generally according to the following percentage shares: Germany, F.R. 27.5 per cent, UK 21 per cent, France 19 per cent, Italy 14.5 per cent, Benelux 10.5¹ per cent, Denmark 5 per cent, Greece 2 per cent and Ireland 0.5 per cent. GSP imports may not be suspended simply because a national share for the first tranche has been used up. The Community reserve, on which member States are obliged to draw, must also have been used up. However, the member States may, subject to informing the Commission, limit the aggregate total of their drawings from the reserve to 40 per cent of their initial shares.

- Textile products

44. Three lists have been established for the application of the GSP on textile products, i.e. (a) list of MFA textile products, (b) list of non-MFA textile products and (c) list of jute and coir manufactures. With respect to MFA textile products, eligibility for GSP benefits is conditional except for least-developed countries. Thus, GSP treatment on² these products applies to 22 specified developing countries or territories and 38 least-developed countries. Specified countries or territories are those which have signed bilateral restraint agreements with the EEC within the framework of the MFA or which have given similar undertakings. GSP treatment on jute products applies only to India, Thailand and 38 least-developed countries and that on coir mats and matting applies only to India, Sri Lanka and 38 least-developed countries.³ There is no such country restriction for the application of GSP on non-MFA textile products.

45. With regard to certain items on lists (a) and (b), certain GSP beneficiaries considered as being highly competitive have been specified and these beneficiaries are subject to ceilings allocated among EEC member States according to the following percentage shares:

- Germany, F.R. 28 per cent, UK 23 per cent, France 18 per cent, Italy 15 per cent, Benelux 10 per cent, Denmark 3 per cent, Greece 2 per cent and Ireland 1 per cent.

GSP beneficiaries not specified are subject to ceilings not allocated among member States. The amount of ceilings given to individual beneficiary countries and territories are significantly different in a number of cases.

¹One exception from this general rule is plywood (4415) for which 78.5 per cent in volume of the first tranche is allocated to the United Kingdom, 7.8 per cent to Germany, F.R., 6.0 per cent to Denmark, 4.4 per cent to Benelux, 0.9 per cent to Italy, 0.3 per cent to France and 0.2 per cent to Greece.

²China, Republic of Korea, Hong Kong, Macao, Romania, Bolivia, Brazil, Colombia, Ecuador, Guatemala, Honduras, India, Indonesia, Malaysia, Mexico, Pakistan, Peru, Philippines, Singapore, Sri Lanka, Thailand and Uruguay. Bolivia and Ecuador have been included since 1983 and Honduras as from 1984.

³Until 1983 eligibility for GSP benefits had been conditional on bilateral agreements or similar agreements except for least-developed countries. Bilateral agreements on jute expired at the end of 1983.

- Steel products

46. In this sector GSP items are divided between six sensitive product groups and five non-sensitive product groups. Certain beneficiaries considered competitive are specified with respect to each sensitive product group. These beneficiaries are subject to quotas allocated to different EEC member States (without the first tranche and reserve mechanism). In the 1984 scheme one or more of the following beneficiaries have been specified for such quota limitations in the relevant product groups: Argentina, Brazil, Republic of Korea and Venezuela. Imports of sensitive product groups from unspecified countries are subject to individual country ceilings. With respect to two sensitive product groups, the amount of individual country quotas is smaller than the amount of individual country ceilings.

47. Imports of non-sensitive products are subject to individual country ceilings for the Community as a whole. The amount of ceilings are equal to the highest maximum amount valid for 1980 under each of the preferential ceilings opened for that year, increased by 2 per cent to take account of the application by Greece of the EEC GSP scheme.

- Special tariff treatment for least-developed countries

48. Since 1979 the EEC has applied special tariff treatment to least-developed countries within the framework of its GSP scheme. With respect to agricultural products, these countries enjoy duty-free¹ and limitation-free² tariff treatment not only on GSP items but also on a large number of additional items identified for special treatment. Since 1983 the number of such additional items has been significantly increased.

49. With respect to industrial products, including textiles, quantitative limitations for GSP duty-free treatment do not apply to least-developed countries. This means that these countries are in a position to enjoy duty-free treatment without quantitative limitations on the industrial products covered by the EEC GSP scheme.

Modifications in GSP

- Agricultural products

50. The GSP scheme of the Community initially covered only some 150 agricultural items, as against some 340 items covered in the 1984 scheme. The scheme has been continuously improved in the agricultural sector by adding new items or reducing the GSP rates of duty. Such improvements include those made on tropical products as a result of the Tokyo Round (cf. COM.TD/W/310 and Addenda).

¹"Without prejudice to the levying of additional duties which may be applicable in the Common Customs Tariff" such as variable components and duties on sugar content in food items.

²With the exception of unmanufactured tobacco and preserved pineapples, in respect of which least-developed countries are given duty-free treatment within the limits of ceilings or quotas.

51. A number of improvements have been made in the post-Tokyo Round period. Annex I lists 122 items (including some 70 tropical products) identified as having enjoyed GSP improvements in 1981-1984, with information on GSP rates and trade flows. The number of tariff items which were the subject of GSP improvements are indicated below according to the type and year of improvement.

	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>Total</u>
Addition of new products	4	11	9	0	24
Reduction of GSP rates	44	35	16	51	146

Note: Some items were the subject of GSP improvements more than once during the period.

52. With regard to the agricultural items subject to quota or ceiling limitations (tobacco, instant coffee, cocoa butter and preserved pineapples), there have been no changes in the amount of quotas and ceilings expressed by volume during the period 1980-1984 except for a 2 per cent increase in 1981 because of the accession of Greece to the Community.

53. The EEC GSP scheme has been stable in the agricultural sector. There have been no negative modifications (e.g. product withdrawal or increase of GSP rate) in the sector, at least during the period 1981-1984.

- Industrial products - reforms made in 1981

54. In 1981 the EEC GSP scheme was modified significantly in the industrial sector in accordance with a new GSP policy of the Community in the 1980's (see "introduction" above). The modifications covered various aspects of the scheme. First, the categorization of products according to sensitivity was simplified by reducing the number of lists from four to two, i.e. the list of sensitive products and the list of non-sensitive products. Secondly, global quotas and ceilings were abolished and individual country quotas or ceilings were introduced on the basis of the maximum country amounts, which had existed before. Explaining the new regime, it was stated that each beneficiary would have the chance of using ceilings or quotas, which were now allocated separately to each beneficiary. Previously, GSP treatment had been suspended for all beneficiaries when overall quotas or ceilings had been reached by one or more beneficiaries. A publication by the EC Commission stated that this reform paved the way for differentiation between the beneficiary countries. Thirdly, the method for calculating the ceilings or quotas was changed. The original automatic formula for ceilings or quotas is now subject to more and more exceptions. The EEC Commission stated that this was because the automatic formula based on import figures did not reflect the degree of sensitivity regarding the sector in question.

- Industrial products - sensitive items

55. An examination of 132 items included in the 1984 list of sensitive industrial products (excluding textiles and steel products) has revealed the following developments.

- (i) Thirty-two items were transferred from the list of non-sensitive items to the list of sensitive items during the period 1982-1984 (see Table 8 for details). During the same period, 22 items were transferred from the list of sensitive items to the list of non-sensitive items (See Table 9 for details).
- (ii) The amounts of individual country ceilings remained unchanged for 17 per cent of sensitive items¹ between 1981 and 1982, for 20 per cent between 1982 and 1983, and for 26 per cent between 1983 and 1984. With respect to most other items those ceilings were increased by 5-15 per cent a year. For 1984, an individual country ceiling for quartz watches from other beneficiaries than Hong Kong has been reduced from about 23 million ECU to 8 million ECU.
- (iii) With respect to 74 of the 132 items, individual country quotas have been established for certain specified countries considered most competitive. For three of these items, a separate larger quota has been set up for a country (one each for India, Pakistan and Thailand). An examination of the above 77 quotas has shown that the amount of individual country quotas remained unchanged for 48 per cent of these quotas¹ between 1981 and 1982, 51 per cent between 1982 and 1983, and 61 per cent between 1983 and 1984. As most ceilings and quotas are expressed in European Currency Unit (ECUs), an unchanged amount of ceiling or quota means a decrease in real value in step with inflation. With respect to a majority of other items, the quotas were increased by 5 per cent a year, and for some other items by 10 per cent or more. For 1984, the quota for quartz watches from Hong Kong has been reduced from about 22 million ECU to 8 million ECU.

- Textile products

56. The regime introduced in 1980 was continued in 1981 and 1982 with minor technical changes and some increase of ceilings in 1981 owing to the accession of Greece to the Community. Since ceilings are expressed in volume (tonnes or pieces), this means that the provisions in regard to these products in the EEC GSP scheme maintained a status quo during this period.

57. Under the regime for 1980-1982, ceilings had been allocated among EEC member States for sensitive items and not for non-sensitive items. Under the new regime introduced in 1983, the lists of sensitive and non-sensitive items have been integrated for both MFA and non-MFA textile products and certain specified countries considered highly competitive are subject to ceilings allocated among EEC member States and other beneficiaries are subject to ceilings for the Community as a whole.

58. EEC's notification in regard to its 1983 GSP scheme (L/5116/Add.3) provides the following explanation of GSP modifications in the textiles sector.

¹ A notification by the EEC stated that the values of quotas and ceilings were maintained in 1983 for certain extremely sensitive crisis-hit sectors, e.g. footwear and most leather items and a number of chemical products.

TABLE 8

Industrial products (other than textile and steel products) transferred from the list of non-sensitive products to the list of sensitive products in 1982, 1983 and 1984.

Note: Import figures within parenthesis denote imports from countries enjoying both GSP and special preferences. These imports are included in the figure above.

Tariff Number	Product Description	Transfer Year	Imports in 1981 \$ '000		
			Total	from developing countries	Main developing country suppliers
28.30	Ammonium chloride	1984	3,599	991 (8)	IND, CHN, ROM
28.42AexVIII	Carbonate of barium	1983	n.a.		
29.01DII	Styrene	1982	106,959	9,165 (210)	ARG, BRA
29.02AIIexb	Trichloroethylene	1983	n.a.		
29.02AIIexb	Tetrachloroethylene	1983	n.a.		
29.04GexI	Pentaerythritol	1983	n.a.		
29.06BII	Hydroquinone	1984	17,022	182	CHN
29.15AI	Oxalic acid, its salts and esters	1982	5,092	1,896 (45)	CHN, BRA
29.15AIII	Maleic anhydride	1982	3,287	1,102 (474)	BRA, KOR, ROM
29.22DexI	Aniline and its salts	1983	32,805	705 (1)	ROM, IND, CHN
29.24exB	Choline Chloride	1984	n.a.		
29.26BIIa)	Methenamine	1982	n.a.		
29.36	Sulphonamides	1983	75,348	20,411 (2,389)	CHN, KOR, ROM, IND, BRA
31.05	Other fertilizers	1983	486	467 (467)	
38.08	Resin and resin acids and derivatives	1984	22,830	134 (13)	HND, PAN, ARG
38.19exE	Dodecylbenzene	1984	n.a.		
39.03BIIb)	Regenerated Cellulose, other	1984	4,936	64	HKG, KOR
39.06exB	Heparine	1982	n.a.		
39.07BVexd	Bags, sachets and similar articles of polyethylene	1983	n.a.		
43.03	Articles of furskin	1984	396,630	258,001 (27,445)	KOR, HKG, CHN, URY, ARG
64.04	Footwear with outer soles of other materials	1983	54,628	42,926 (44)	CHN, KOR, HKG, ARE, URY
69.12B	Tableware and other articles; Stoneware	1982	60,977	30,949 (27)	KOR, CHN, IND, MYS, BRA
69.13	Statuettes and other ornaments	1982	174,216	37,900 (436)	MEX, THA, CHN, PHL, KOR, HKG, MAC, URY
73.10BCDI 11	Bars and rods of iron or steel	1982	28,207	4,204 (619)	ROM, BRA, MEX, SAU, KOR
73.15	Alloy steel and high carbon steel	1982	n.a.		
73.25	Stranded wire, cables, cordage, robes, etc. b) other	1984	n.a.		
82.03exB	Pliers (including cutting ones) pincers, tweezers and the like	1983	145,046	26,729 (1,343)	CHN, IND, ROM, KOR, HKG
82.04	Hand tools including glazier's diamonds	1982	153,749	35,098 (2,073)	CHN, HKG, IND, KOR, ROM
85.19	Electrical apparatus for making and breaking electr.circuits	1984	1,151,428	80,026 (21,858)	SGP, HKG, MYS, MEX, BRA
87.02AIIexb)	Motor vehicles, of a cylinder capacity, not exceeding 1500 cm ³	1983	n.a.		
90.03	Frames, and mountings and parts thereof	1983	86,105	4,054 (578)	HKG, KOR, SGP, IND, DOM
92.01AexI	Upright pianos, new	1984	85,261	10,056 (31)	KOR, CHL, ROM, IRN
	TOTAL (20 items only)		2,608,611	565,060 (58,061)	

Sources: Extractions from Official Journals (relevant years)
GATT Tariff Study

TABLE 9

Industrial products (other than textile and steel products) transferred from the list of sensitive products to the list of non-sensitive products in 1982, 1983 and 1984.

Note: Import figures within parenthesis denote imports from countries enjoying both GSP and special preferences. These imports are included in the figure above.

Tariff Number	Product Description	Transfer Year	Imports in 1981 \$ '000		
			Total	from developing countries	Main developing country suppliers
ex29.44	Other Antibiotics	1983	336,615	14,904 (3,804)	CHN,ROM,IND,KOR,PAK
29.16B(a)	Salicylic acid	1984	1,102	887	ROM,CHN
ex29.15CexIII	Diocetyl Phtalates	1982	n.a.		
41.06	Chamois dressed leather	1983	3,637	523 (63)	IND,IDN,CHN,ARG,BRA
44.14	Wood sawn lengthwise	1984	239,019	106,004 (72,318)	BRA,THA,SGP,PHL,IND
44.24	Household utensils of wood	1982	n.a.		
44.25	Wooden tools, tool bodies etc.	1984	17,658	11,167 (91)	BRA,MYS,SGP,IDN,HND
46.02	Plaits and similar products of plaiting material	1982	35,210	27,734 (516)	HKG,CHN,PHL,KOR,ROM,IDN,THA,VNM,IND
48.01	Paper and Paperboard etc.	1983	1,422,588	19,890 (5,511)	BRA,ROM,COL,CUB,CHL
67.02	Artificial flowers	1984	76,305	66,940 (1)	HKG,KOR,CHN,THA,PHL,MAC,PAK
67.04	Wigs, false beards, eyebrows etc.	1983	13,994	13,484 (12)	KOR,HKG,PHL,CHN,MAC
68.13	Fabricated Asbestos etc.	1983	22,309	6,494 (2,662)	KOR,CHN,IND,SGP,ROM
70.05	Unworked or blown glass	1982	52,204	6,483 (2,445)	IDN,ARE
71.12	Articles of jewelry and parts	1982	324,490	107,639 (11,388)	HKG,THA,SGP,BHR,IND,KOR,BRA
74.03	Wrought bars, rods, angles etc.	1982	90,105	8,897 (5,026)	PER,CHL,HKG,MEX,SGP
83.07	Lamps and lighting fittings	1983	112,058	10,660 (1,165)	HKG,IND,CHN,PAK,ROM
84.41 III	Parts, furniture for sewing mach.	1984	31,112	1,044 (453)	ROM,BRA,KOR,PHL,HKG
84.52	Calculating machines	1982	417,995	69,806 (1,904)	SGP,HKG,KOR,ARG,BRA,MEX,PAK
85.21	A. valves and tubes	1983	143,834	20,535 (4,498)	MYS,SGP,SLV,KOR,HKG,OMN,IND,ARG
	B. photocells				PER,KWT
85.23	Insulated electric wire cables, strip	1984	336,613	42,187 (32,496)	HKG,SGP,KOR,BRA,URY
91.11	Other clock and watch parts	1983	65,169	5,205 (716)	HKG,VIR,IND,KOR,SGP,PHL,THA
98.15	Vacuum flasks and other vessels complete with cases	1984	25,344	1,293 (5)	CHN,HKG,KOR,IND,SGP,PHL
	Total (19 items only)		3,767,361	541,776 (145,074)	

Sources: Extractions from Official Journals (relevant years)
GATT Tariff Study

- Products of cotton, wool or man-made fibre

- Volume of offer: Following the successful renegotiation of the MFA and the attendant bilateral agreements, some modest improvements were made for countries other than the three dominant suppliers i.e. Hong Kong, Republic of Korea, Macao, and two State trading countries - Romania and China - on a scale related to improvements on MFA volumes: while the most sensitive categories Group 2 and 13, 21, 26 and 73 remain frozen, ceilings for all other Group II products were increased by 2.5 per cent and for Group III products by 5 per cent. For products on which there is a minimum offer,¹ these offers were recalculated on the basis of 1980 instead of 1977 reference figures, subject to the necessary corrective factors according to sensitivity/country as for the significant trade items referred to above.

- Administration: Following three years' experience of the regime, most of the ceilings allocated among member States were abolished on minimum offers except for the five dominant and state-trading countries and a few highly sensitive categories.

- Products made from other fibres

- In 1983 a system of individual country ceilings replaced the old regime of global ceilings/butoirs (maximum country amounts); as on industrial products, ceilings were allocated among EC member States for imports from competitive suppliers.

- Volumes of new individual country ceilings are based on former butoirs, but the reference year was updated to 1980 from the 1977 base previously used in calculations.

59. In 1984 the regime introduced in 1983 continues to be applied basically unchanged, with increases of ceilings for certain beneficiary countries and for certain items. According to an EEC Press Release, GSP on MFA textile products has been improved in 1984 by updating the base year for calculating ceilings from 1977 to 1981. However, ceilings for 1983 have been maintained for countries regarded as dominant suppliers and for all countries whose exports to the Community remained at a standstill or declined. The number of ceilings allocated among member States has been reduced by replacing these by the more flexible system of non-allocated Community ceilings.

- Steel products

60. With respect to steel products, there were no changes in the amount of individual country ceilings and quotas during the period 1981-1984. As these ceilings or quotas are expressed in terms of European Currency Units (ECUs), the real value of GSP on these products has decreased in step with inflation.

¹Minimum offer: standard volume calculated for beneficiaries on categories in respect of which imports had been zero or negligible.

61. In 1984, one item on the list of sensitive steel products and two items on the list of sensitive industrial products have been transferred to the list of non-sensitive steel products.

Rules of origin

62. The EEC primarily uses the process criterion based on the CCC Nomenclature and uses the value-added criterion supplementarily for certain metal products, certain electrical and other machinery, certain precision instruments, etc. The main advantage of the process criterion is that to the extent that the CCC Nomenclature can be used as a basis, conditions determining origin can be formulated simply and precisely and therefore, the fulfilment of the conditions can be easily proved and verified.

63. On the other hand, experience has revealed some problems of the CCCN-based process criterion. Because the CCC Nomenclature was not originally conceived for origin rules, there are products for which the use of a general rule - a change in the CCCN headings - is not appropriate. Therefore, there is a need to establish lists of exceptions from the general rule. However, it is not considered feasible to establish such exceptions exhaustively on an objective and permanent basis, given the variety of products entering into international trade and constant technical developments. Thus, different countries or markets using the CCCN-based process criterion have established their own lists of exceptions, having regard to the sensitivity of the products concerned in their markets. A major problem of this type of rules of origin is that it is difficult to apply them without discrimination between products and that it is difficult to prevent such a technical instrument as rules of origin from being used for protective purposes or for limiting the value of tariff concessions or contributions.

64. The following provisions in List A of the EEC rules of origin may be noteworthy:

- (i) sewing machines - the thread tension, crochet and zigzag mechanisms have to be originating products.
- (ii) microphones, radios, gramophones, record players, tape-decks, etc., - all the transistors have to be originating products.
- (iii) products listed above plus compound optical microscopes, gas, liquid and electricity meters, clocks, clock movements, refracting telescopes, cameras, motor cycles and refrigerators - the value of the non-originating products used should not exceed 40 per cent of the value of the product obtained and at least 50 per cent in value of the materials and parts used have to be originating products (in many other cases where the value-added criterion is used, foreign input of 50 per cent is permissible).
- (iv) interchangeable tools, knives, boilers, most machinery and mechanical appliances in Chapter 84, most electrical machinery and equipment in Chapter 85, railway and tramway locomotives and rolling stock, vehicles, precision instruments and musical instruments - value of the non-originating inputs used should not exceed 40 per cent of the value of the product obtained.

- (v) Knitted and crocheted goods (Chapter 60) - manufacture from carded or combed natural fibres, man-made fibres, chemical products or textile pulp is required.
- (vi) Rubberized textile fabrics consisting of fabric of continuous synthetic textile fibres - manufacture from chemical products is required.
- (vii) Garments and certain other textile products in Chapter 61 - manufacture from yarn is required.

65. With respect to processed agricultural products, it is often required that they be manufactured from locally available materials. This means that GSP on processed agricultural products often does not benefit exporting countries processing imported materials.

66. Cumulative origin is recognized for such regional groups as Andean Group, ASEAN and CACM. Under the GSP schemes of Australia, Canada, Japan and New Zealand, donor country content can be counted as originating in the beneficiary country. The EEC GSP scheme does not have this rule.

SECTION IV: Imports according to economic groupings, product groups and tariff treatment

67. Table 10 shows 1980 imports of the EEC(9) according to economic groupings and tariff treatment. In 1980 total imports of the EEC amounted to \$379 million, of which imports of agricultural products, i.e. products falling within CCCN Chapters 1-24 amounted to \$44 billion or 12 per cent, imports of petroleum, \$111 billion or 29 per cent, and imports of industrial products, i.e. products falling within Chapters 25-99 except petroleum amounted to \$224 billion or 59 per cent.

Imports of agricultural and industrial products according to economic groupings

68. Of the total imports of agricultural products, 60 per cent were supplied by countries enjoying GSP and/or special preferences in the EEC market (31 per cent by developing countries enjoying GSP, 18 per cent by developing countries enjoying both special preferences and GSP, i.e. ACP and certain Mediterranean countries, 11 per cent by countries enjoying special preferences - Israel, Malta, Spain, Turkey and Greece¹). Of the remaining 40 per cent, 5 per cent was supplied by EFTA countries and 35 per cent by m.f.n. sources. Of imports of industrial products excluding petroleum, about one quarter were supplied by countries enjoying GSP and/or special preferences (13 per cent by developing countries enjoying GSP, 5 per cent by developing countries enjoying both special preferences and GSP and 6 per cent by countries enjoying special preferences). EFTA countries supplied 24 per cent and m.f.n. sources 42 per cent. The remaining 10 per cent was from unspecified sources.

¹ Greece acceded to the EEC in 1981.

TABLE 10

Imports of the EEC(9) in 1980 according to economic groupings and tariff treatment

(\$ million)

Sources of imports Tariff treatment	Total	MFN sources	GSP beneficiaries ^d	Other preferential sources			Unspecified
				Special pref. +GSP ^e	Special pref. only ^f	EFTA	
Total imports	378,893	117,995	115,884	41,867	18,404	60,136	24,609
CCCN Chapters 1-24	44,151 100%	15,617 35%	13,425 31%	7,939 18%	4,600 11%	2,333 5%	237
MFN 0% bound	10,804 24.5%	6,225	3,484	706	105	264	20
MFN dutiable (bound or unbound) and 0% unbound ^a	33,347 74.5%	9,392	9,941	7,233	4,495	2,069	217
Covered by free-trade arrangements	826 2%	-	-	-	-	826))) 111
Covered by special preferences	10,513 24%	-	-	7,016	3,497	-)
Covered by GSP ^b	4,074 9%	-	4,074	-	-	-	-
Covered by LDC treatment	105 0.2%	-	105	-	-	-	-
Other (MFN treatment) ^c	17,718 40%	9,392	5,762	217	998	1,243	106
CCN Chapters 25-99 excl. petroleum	224,072 100%	94,066 42%	28,019 13%	11,586 5%	13,210 6%	53,588 24%	23,603 10%
MFN 0% bound	77,227 35%	33,768	10,195	6,181	2,001	12,711	12,371
MFN dutiable and 0% unbound	146,845 65%	60,298	17,824	5,405	11,209	40,877	11,232
Covered by free-trade arrangements	39,256 17%	-	-	-	-	39,256	11,132
Covered by special preferences	14,964 7%	-	-	4,483	10,481	-	-
Covered by GSP ^b	15,995 7%	-	15,995	-	-	-	-
Covered by LDC treatment ^b	170	-	170	-	-	-	-
Other (MFN treatment) ^c	65,398 29%	60,298	1,659	922	728	1,621	100
Petroleum (CCCN 2709, 2710)	110,670 100%	8,312 7.5%	74,440 67%	22,342 20%	594 0.5%	4,215 4%	769

a : Including imports of all items subject to import levies.

b : Including imports eligible for GSP or LDC treatment but accorded m.f.n. treatment because of quota and ceiling limitations and the non-utilization of GSP or LDC preferences.

c : Including imports of duty-free items unbound or current duty-free items bound at positive rates (ceiling binding).

d : Excluding countries enjoying both the GSP and special preferences. These countries are included in the next column.

e : ACP countries, Algeria, Cyprus, Egypt, Jordan, Lebanon, Morocco, Syria, Tunisia and Yugoslavia.

f : Israel, Malta, Spain, Turkey and Greece.

(Source: 1980 Tariff Study files)

Imports according to tariff treatment irrespective of sources of imports

69. With respect to agricultural products, imports of bound m.f.n. duty-free items accounted for about one quarter of the total. The remaining three quarters comprised dutiable items (bound and unbound) and unbound duty-free items including those subject to variable import levies. This is broken down into imports subject to m.f.n. treatment, from whatever origin (40 per cent), imports covered by European free-trade arrangements (2 per cent), and imports covered by special preferences (24 per cent) and imports covered by GSP (9 per cent). With respect to industrial products, bound m.f.n. duty-free items accounted for 35 per cent of the total. The remaining 65 per cent, comprising dutiable items and unbound duty-free items, are broken down into imports subject to m.f.n. treatment from whatever origin (29 per cent), imports covered by European free-trade arrangements (17 per cent), imports covered by special preferences (7 per cent), imports covered by GSP (7 per cent) and imports from unspecified sources (5 per cent).

Imports from developing countries benefitting from GSP but not from special preferences (see column "GSP beneficiaries" in Table 10)

70. Imports of agricultural products originating in GSP beneficiaries not benefitting from special preferences amounted to \$13.4 billion in 1980. Bound m.f.n. duty-free items accounted for 26 per cent of the total. The remaining 74 per cent consisted of imports covered by GSP (30 per cent), imports covered by least-developed country treatment (1 per cent), and imports subject to m.f.n. treatment, not covered by GSP (43 per cent). Imports of industrial products other than petroleum originating in GSP beneficiaries not benefitting from special preferences amounted to \$28 billion in 1980. Bound m.f.n. duty-free items accounted for 36 per cent. The remaining 64 per cent consisted of imports covered by GSP (57 per cent), imports covered by least-developed country treatment (1 per cent), and imports subject to m.f.n. treatment, not covered by GSP (6 per cent).

71. According to a 1983 OECD publication on the GSP, imports into the EEC actually accorded GSP treatment amounted to \$9,341 million in 1980 (agricultural products - \$1,880 million and industrial products - \$7,461 million). This represents somewhat less than one half of the "imports covered by GSP" indicated in Table 10. It means that somewhat more than one half of the "imports covered by GSP" did not actually enjoy GSP because of the quota, ceiling or origin rules limitations for GSP treatment and the non-utilization of GSP for one reason or another. (It may be noted that "imports covered by GSP" indicated in Table 10 include imports eligible for GSP treatment but not actually accorded GSP treatment because of such limitations or the non-utilization of GSP). It might be stated that roughly two-thirds of the imports of industrial products from GSP beneficiaries not benefitting from special preferences are accorded duty-free treatment on an m.f.n. basis or under the GSP.

72. It is estimated that more than one-half of EEC imports (excluding those of petroleum) from GSP beneficiaries not benefitting from special preferences enjoy either m.f.n. duty-free or GSP duty-free treatment. Table 11 covers (i) m.f.n. dutiable items not covered by GSP, (ii) GSP items subject to quota or ceiling limitations and (iii) unbound m.f.n. duty-free items, among EEC tariff items in respect of which imports from GSP beneficiary developing countries or territories accounted for more than 20 per cent of imports from all sources or exceeded \$5 million in 1981.

TABLE 11

Tariff treatment of selected products of interest to developing countries

Note: Bound m.f.n. duty-free items and GSP duty-free items not subject to quota or ceiling limitations are not covered by this table. From among unbound m.f.n. duty-free items including those subject to variable levies, m.f.n. dutiable items not covered by GSP and m.f.n. dutiable items covered by GSP duty-free treatment but subject to GSP quota or ceiling limitations, the following items have been selected for an analysis: items in respect of which imports from GSP beneficiary developing countries accounted for more than 20 per cent of imports from all sources or exceeded \$5 million in 1981.

CCCN chapters	Product groups	Number of tariff lines	Imports from all sources	Imports according to tariff treatment in 1981 (\$ million)					
				MFN		GSP	LDC	Special preferences	Intra-zone for EFTA
				GSP beneficiaries	Other				
(1) 01-04, 10, 11, 16, 19, 21, 23	Meat, fishery products, dairy products and cereals	53	2,120 100%	88 4%	654 31%	855 40%	13 1%	393 18.5%	114 5.5%
(2) 07, 08, 20	Vegetables, fruits and nuts and their products	88	2,983 100%	348 12%	684 23%	691 23%	20 1%	1,230 41%	1
(3) 17, 22, 24	Sugar, tobacco, alcoholic beverages	17	408 100%	47 12%	138 34%	17 4%	-	154 38%	32 8%
(4) 06, 09, 12, 14, 15, 18	Flowers, coffee, cocoa, spices, oils and fats	47	3,095 100%	138 5%	344 11%	1,009 34%	1	1,513 50%	1
Ch. 1-24	Sub-total of agricultural products	205	8,516 100%	621 7%	1,819 21%	2,572 30%	34 1%	3,290 39%	148 2%
(5) 40, 6401	Rubber, rubber products incl. footwear	2	811 100%	6 1%	261 32%	100 12%	-	268 33%	175 22%
(6) 41, 42, 43, 6402-6405	Leather and leather products including footwear	16	3,012 100%	118 4%	680 23%	1,189 39%	26 1%	602 20%	397 13%
(7) 44, 48, 94	Wood and wood products; paper	13	4,432 100%	168 4%	1,315 30%	444 10%	-	415 9%	2,067 47%
(8) 50-59, 62	Textiles, made-up articles	99	5,817 100%	423 7%	1,348 23%	1,660 29%	41 1%	893 15%	1,434 25%
(9) 60, 61, 65	Clothing	234	8,130 100%	8 -	1,262 16%	4,231 52%	15 -	1,536 19%	1,051 13%
(10) 25, ex 27, 69, 70, 71	Mineral products; precious stones and metals	17	739 100%	18 3%	136 4%	170 23%	-	126 17%	107 14%
(11) 73-83 except 8304-05	Metals	26	3,547 100%	139 4%	1,296 36.5%	215 6%	-	333 9.5%	1,556 44%
(12) 28-39	Chemicals	20	1,656 100%	10 1%	875 53%	126 8%	-	106 6%	461 28%
(13) 84-91	Machinery, transport equipment and scientific instruments	27	8,961 100%	5 -	4,525 52%	1,727 20%	-	299 3%	1,852 21%
(14) 66, 67, 68, 8304, 05	Miscellaneous	19	3,225 100%	-	2,160 67%	761 24%	-	130 4%	137 5%
Ch. 25-99 excl. petroleum	Sub-total industrial products	473	40,251 100%	904 2%	14,159 35%	10,623 27%	85 -	4,710 12%	9,236 23%
(15) 2710	Petroleum	13	11,446 100%	1,010 9%	4,278 37%	2,368 21%	36 -	2,400 21%	1,332 12%
	Total	691	60,216 100%	2,535 4%	20,257 34%	15,563 26%	155 -	10,399 17%	10,717 18%

Source: 1980 Tariff Study Files

The above tariff items have been broken down into several agricultural and industrial product groups. With respect to these product groups, the number of tariff lines and imports in 1981 have been indicated according to different tariff treatment (m.f.n., GSP, least-developed country treatment - LDC, special preferences and tariff treatment under intra-zone free trade agreements with EFTA countries).

73. Among the agricultural product groups listed, Group 4 covering flowers, coffee, cocoa, spices, oils and fats is most important in the value of imports from GSP beneficiaries, followed by Group 2 covering vegetables fruits and nuts and their products. Total imports of the 205 agricultural items examined amounted to \$8.5 billion in 1981, of which imports from GSP beneficiaries not benefitting from special preferences accounted for 37 per cent (m.f.n. treatment - 7 per cent and GSP treatment - 30 per cent), imports from countries benefitting from special preferences - 39 per cent, and imports benefitting from least-developed country treatment - 1 per cent. Details at the tariff line level may be seen in the Addendum to this document.

74. Among the industrial product groups listed, Group 9 covering clothing was most important for GSP beneficiaries not benefitting from special preferences, followed by Group 8 covering textiles and other made-up articles, Group 13 covering machinery, transport equipment and scientific instruments and Group 6 covering leather and leather products including footwear. Total imports of the 473 industrial items examined amounted to \$40.3 billion in 1981, of which imports from GSP beneficiaries not benefitting from special preferences accounted for 29 per cent (m.f.n. treatment - 2 per cent and GSP treatment - 27 per cent), and imports from countries benefitting from special preferences - 12 per cent. Details at the tariff line level may be seen in the Addendum to this document.

SECTION V: Quantitative restrictions and other trade measures

Selective Internal Taxes

75. Internal taxes imposed specifically on such tropical products as coffee, cocoa, tea and bananas are a legacy of the time when these products had been considered as "easily taxable luxury items". Such taxes have been gradually reduced or removed in a number of developed countries as these products have become ordinary consumer goods. Moreover, with the increasing importance of general internal taxes such as the value-added tax, governments have come to rely less on taxes on tropical products as a source of revenue.

76. Selective taxes on tropical products have drawn particular attention in the work of GATT for developing countries since 1959. A report of Committee III in 1959 stated that "in regard to coffee, tea and cocoa, the taxes impinge exclusively on imports from the less-developed countries as there is no domestic production in the country imposing the taxes" (BISD, Eighth Supplement, page 138). The Ministerial Declaration of 1961 stated that "fiscal charges, whether imposed as tariff duties or internal taxes may inhibit efforts directed towards increasing consumption of particular products important in the trade of less-developed countries and, even where applied equally to imports and to competing domestic products, can be a

serious obstacle to the expansion of trade" (BISD Tenth Supplement, page 30). One of the results of GATT activities in this area was the adoption of the provisions of GATT Article XXXVII:l(c) in Part IV with respect to "fiscal measures which would hamper, or which hamper, significantly the growth of consumption of primary products, in raw or processed form wholly or mainly produced in the territories of less-developed contracting parties, and which are applied specifically to those products". Having regard to these GATT provisions and their other international commitments, certain countries have refrained from increasing the rates of their taxes on coffee and tea in spite of proposals to do so for fiscal reasons. In the Tokyo Round negotiations, some member countries of the EEC made statements with regard to selective internal taxes on tropical products (see COM.TD/W/328, Annex 3).

77. Most selective internal taxes of developed countries on tropical products are maintained by EEC member States. The rates of their taxes and ad valorem incidences of specific rates on c.i.f. value are indicated below. These ad valorem incidences were obtained on the basis of the average import unit value of the country concerned in 1981. By nature of a specific rate, its incidence increases when import prices in terms of the currency of the country concerned decrease, and vice versa. Such import prices have fluctuated in recent years as a result of fluctuations in prices on the world market and in exchange rates. For example, reduced prices as well as revaluations of a currency bring about increases in the incidence of a specific tax rate, as was the case in certain countries in recent years. It may be noted that the incidence also varies according to the quality of imported products.

(Source: COM.TD/W/328/Add.2, 329/Rev.1, 330/Rev.1 and 331/Rev.1)

<u>CCCN</u>	<u>Description</u>	<u>Belgium/ Luxembourg per kg.</u>	<u>Denmark per kg.</u>	<u>F.R. Germany</u>	<u>Italy per kg.</u>
0901	Unroasted coffee not freed of caffeine	BF 8 (8.1%)	DKr 4.35 (23.8%)	DM 3.60 (57.6%)	Lit 500 (16.5%)
	Unroasted coffee freed of caffeine	BF 8 (7.0%)	DKr 4.25 (15.9%)	DM 3.80 (51.4%)	Lit 525 (16.3%)
	Roasted coffee not freed of caffeine	BF 10 (6.2%)	DKr 5.4 (20.1%)	DM 4.30 (35.3%)	Lit 625 (13.6%)
	Roasted coffee freed of caffeine	BF 10 (5.4%)	DKr 5.4 (15.1%)	DM 4.55 (38.1%)	Lit 656.25 (13.9%)
2102	Instant coffee	BF 28 (8.1%)	DKr 13.05 (17.3%)	DM 9.35 (70.5%)	Lit 500 (3.2%)
	+Free of caffeine			DM 9.90 ⁺ (n.a.)	

Note: Belgium and Luxembourg introduced new taxes on coffee on 1 September 1981.

<u>CCCN</u>	<u>Description</u>	<u>Denmark</u>	<u>France</u>	<u>Italy</u>
1801	Cocoa beans	-	FF 0.07/kg (0.6%)	Lit 180/kg* (6.8%)
1803	Cocoa paste	KDr 6/kg (32.9%)	FF 0.085/kg (0.9%)	Lit 225/kg (7.8%)
1804	Cocoa butter	DKr 6/kg (17.1%)	FF 0.085/kg (0.3%)	Lit 280/kg (4.9%)
1805	Cocoa powder unsweetened	DKr 6/kg (55.0%)	FF 0.085/kg (0.9%)	Lit 170/kg ⁺ Lit 225/kg (12.2%)

*The rate of tax on unroasted cocoa beans. The rates on roasted beans are as follows:

roasted, not shelled: Lit 200/kg (incidence not available)
roasted, not shelled, crushed: Lit 225/kg (incidence not available)

+cocoa powder containing less than one per cent of cocoa butter.

	<u>Denmark</u>	<u>Germany, F.R.</u>	<u>France</u>
09.02 Tea: In packages over 3 kg.	DKr 5/kg. (31.3%)	DM 4.15/kg _{**} (54.9%; 91.2%)	F 0.23/kg. (1.5%)
In packages less than 3 kg.	DKr 5/kg. (14.3%)	DM 4.15/kg. (31.6%)	F 0.23/kg. (0.8%)
ex21.02 instant tea	DKr 12.5/kg. (93.4%)*	DM 10.40/kg. (74.1%)	F 0.828/kg. (1.8%) not soluble F 0.51/kg. (n.a.)

*The average import unit value of instant tea is normally much higher than that of bulk tea. However, in Denmark the average import unit value of instant tea was not higher than that of bulk tea in both 1980 and 1981.

**Incidence based on the average world market price of tea and the average exchange rate of the German Mark in 1981 (see paragraph 30).

77. The consumption taxes of Italy on fresh and processed bananas were introduced in 1965 with a view to offsetting the loss of government revenue due to abolition of the State monopoly of banana imports. The rates of these taxes remained unchanged between December 1970 and May 1978 but they have been modified three times since then, as indicated below.

<u>Effective Date</u>	<u>Dec. 1970</u>	<u>19 May 1978</u>	<u>Oct. 1979</u>	<u>Aug. 1982</u>
Fresh bananas	Lit 110/kg.	Lit 250/kg.	Lit 350/kg.	Lit 525/kg.
Dried bananas	Lit 350/kg.	Lit 800/kg.	Lit 1,000/kg.	
Banana flour				

78. Ad valorem incidences of the above Italian specific tax rates have fluctuated in step with changes in three factors, i.e. banana prices, exchange rates of the Italian lire and tax rates. With respect to fresh bananas, developments in tax incidences in 1974-1982 are indicated below on the basis of annual average import unit values in Italian lire.

<u>Year</u>	<u>1974</u>	<u>1977</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1982</u>
Tax rate, Lit/kg.	110	110	250	350	350	350	525
Average import unit value, Lit/kg.	141	276	331	400	525	534	534
Tax incidence on import value	78%	40%	76%	88%	67%	66%	98%

Import Restrictions

79. Quantitative import restrictions maintained by the EEC, and in some cases by its individual member countries, and affecting exports of developing countries mainly relate to some agricultural products, textiles and clothing and footwear. Quantitative import restrictions maintained by the EEC or by individual states affecting selected items currently of export interest to developing countries have been indicated in the Addendum.

Textiles Trade: Trade Flows and Restrictive Measures

80. As shown in Table 12, exports of textiles and clothing from the European Economic Community, in US\$ terms, maintained a rising trend during the period 1973 to 1980, declining somewhat during 1981 and 1982 in relation to the levels reached in 1980. Exports of textiles, valued at US\$4,523 million in 1973, rose to US\$8,786 million by 1980, declining somewhat to US\$8,166 million in 1981 and US\$7,785 million in 1982. Exports of clothing, valued at US\$1,452 million in 1973, rose to US\$4,374 million in 1980, declining slightly, to US\$4,315 million in 1981 and US\$4,170 million in 1982.

81. A similar trend was observable in imports. Textile imports which amounted to US\$2,546 million in 1973, had risen to US\$8,077 million by 1980, declining to US\$6,606 million in 1981 and US\$6,277 million in 1982. Imports of clothing, valued at US\$2,146 million in 1973, rose to US\$9,003 million by 1980, falling to US\$8,455 million in 1981 and US\$8,077 million in 1982.

82. Imports of textiles and clothing from developing countries exceeded imports from developed countries throughout the period 1973-1982. The share of developing countries in the total imports of textiles remained at a more or less constant level, ranging between 51.26 per cent in 1973 and 50.37 per cent in 1982. Their share in the total imports of clothing similarly ranged between 73.45 per cent in 1973 and 78.92 per cent in 1982 (see Table 12).

EUROPEAN COMMUNITIESTrade in Textiles and Clothing

(US\$ '000 million)

		1973	1976	1977	1978	1979	1980	1981	1982
Total Exports	Textiles	4,523	5,212	5,941	6,770	7,877	8,786	8,166	7,485
	Clothing	1,452	2,099	2,708	3,167	3,862	4,374	4,315	4,170
Total Imports	Textiles	2,546	3,900	4,418	5,383	7,299	8,077	6,606	6,277
	Clothing	2,146	4,199	4,694	5,582	7,559	9,003	8,455	8,077
Imports from Developed Countries	Textiles	1,035	1,532	1,707	2,129	2,949	3,348	2,775	2,536
	% share in total imports	40.66	39.28	38.64	39.55	40.40	41.45	42.00	40.41
	Clothing	325	540	644	795	1,093	1,377	1,177	960
	% share in total imports	15.13	12.85	13.74	14.24	14.47	15.29	13.92	11.99
Imports from Developing Countries	Textiles	1,305	2,060	2,357	2,812	3,742	3,994	3,227	3,162
	% share in total imports	51.26	52.82	53.36	52.24	51.27	49.45	48.85	50.37
	Clothing	1,576	3,262	3,599	4,242	5,741	6,787	6,492	6,319
	% share in total imports	73.45	77.67	76.67	76.00	75.95	75.38	76.78	78.92

Source: UN Trade Data Tapes

83. Table 13 shows imports of textiles and clothing into the EEC market and exports of the EEC as a percentage of the total apparent consumption (gross output plus external imports minus external exports) in the EEC. Imports of textiles and clothing by the EEC from the developing countries in 1978-1979 (the latest period for which published figures are available) constituted 4.07 per cent and 10.36 per cent respectively of the total apparent consumption (in other words the domestic market) of the EEC, and the value of these imports was less (less than one-third in the case of textiles) than that of the total external exports of the EEC itself.

84. The bilateral restraint agreements entered into by the EEC under the MFA cover all MFA products. The number of products under specific restraint in each agreement vary. Products not under specific restraint are subject to consultation provisions. The countries with whom agreements have been entered into are Brazil, Colombia, Czechoslovakia, Hong Kong, Hungary, India, Indonesia, Republic of Korea, Macao, Malaysia, Mexico, Pakistan, Peru, Philippines, Poland, Romania, Singapore, Sri Lanka, Thailand, Uruguay, Bulgaria and the Peoples Republic of China. Bilateral consultation agreements are in force with Bangladesh, Guatemala and Haiti.

Safeguard actions

85. Table 14 below lists all Article XIX actions by the European Communities since 1978, or notified before that date and still in force.

Voluntary Export Restraints and Orderly Marketing Arrangements

86. Table 15 contains information available to the secretariat on Voluntary Export Restraints and Orderly Marketing Arrangements entered into by the European Communities with developing countries since 1978.

Anti-dumping actions

87. Information concerning anti-dumping actions taken by the EEC between October 1983 and March 1984 may be found in the document prepared by the secretariat for the Council review, on 15-16 May 1984, of developments in the trading system (document C/W/437, p.19). Notifications by the EEC of anti-dumping actions taken since 1980 may be found in the following documents: ADP/4, ADP/7/Add.7, ADP/10/Add.2, ADP/11/Add.2, ADP/13/Add.2, ADP/14/Add.2, ADP/15/Add.3, and ADP/20/Add.5.

Countervailing duty actions

88. Information concerning countervailing actions taken by the EEC between October 1983 and March 1984 may be found in the document prepared by the secretariat for the Council review, on 15-16 May 1984, of developments in the trading system (document C/W/437, p.19). Notifications by the EEC of countervailing duty actions taken since 1980 may be found in the following documents: SCM/4, SCM/5/Add.7, SCM/7/Add.3, SCM/15/Add.1, SCM/34/Add.4, SCM/39/Add.2, SCM/44/Add.5, and SCM/48/Add.4.

Other non-tariff measures

89. Table 16 lists notifications by other contracting parties of non-tariff measures maintained by the EEC, affecting products of export interest to developing countries. Notifications under the relevant procedures do not however necessarily establish the existence of non-tariff barriers to trade in these cases. Relevant documents, which have been indicated, may be referred to for further information on these measures.

Table 13Trade in Textiles and Clothing as a Percentage of
Apparent Consumption in the EEC

	1974- 1975	1976- 1977	1978- 1979
<u>Textiles</u>			
Apparent consumption (\$ mil.)	40284	44872	60278
Trade as % of consumption:			
External imports	8.29	9.63	10.93
Imports from:			
Developing countries	2.86	3.76	4.07
Socialist countries	0.81	0.95	1.00
Developed market economy countries	4.29	4.63	5.52
External exports	13.20	12.93	12.82
<u>Clothing</u>			
Apparent consumption (\$ mil.)	31858	36533	51064
Trade as % of consumption:			
External imports	14.52	18.62	20.41
Imports from:			
Developing countries	6.65	9.61	10.36
Socialist countries	2.12	2.40	2.50
Developed market economy countries	4.92	5.70	6.47
External exports	10.88	12.57	13.58

* Source: UNCTAD Handbook of Trade and Development Statistics.

TABLE 14
Article XIX actions

Product	Measure	Duration	Reference
1. Hard coal and hard coal products	Repeal of general licensing (individual ^{1/} licensing introduced) (Federal Republic of Germany only)	September 1958 - now	L/855, L/920
2. Raw silk	Increased tariff (tariff quota) (Italy only)	May 1969 - now (Action terminated on silk waste in August 1969)	L/3231 + Add.1
3. Preserved cultivated mushrooms (CCCN 20.02A) ^{2/}	Suspension of import licences	May 1978 - May 1980	L/4678, L/4994, L/5105
4. Yarn of synthetic fibres (CCCN ex. 51.01A)	Quantitative restriction (United Kingdom only)	February 1980 - December 1980	L/4942 + Add.1-6
5. Cultivated mushrooms ^{3/} in brine (CCCN 07.03E) ^{3/}	Import licences (quantitative restriction)	April 1980 - now	L/4994 + Add.1
6. Preserved cultivated mushrooms (CCCN 20.02) ^{3/}	Import licences (embargo)	May 1980 - December 1980	L/4994 + Add.1

TABLE 14 (cont'd)

Product	Measure	Duration	Reference
7. Dried grapes	Compensatory charge	October 1982 - now	L/5399 + Add.1-1G
8. Tableware and other articles of a kind commonly used for domestic or toilet purposes, of stoneware	Global quota (United Kingdom and France)	January 1983 - April 1983	L/5447 + Add.1
9. Certain quartz watches	Global quota (France)	April 1984 - December 1986	L/5645

1/ For non-ECSC countries

2/ see also items 5 and 6

3/ see also item 3

TABLE 15

Voluntary Export Restraints and Orderly Marketing Arrangements

Country	Product	Duration	Reference
1. Korea, Rep. of	Footware (United Kingdom only)	January 1978 - now	News Review, 31.10.1981 Information from country concerned
2. Korea, Rep. of	Flatware (cutlery) (United Kingdom only)	January 1978 - now	Information from country concerned
3. Korea, Rep. of	Flatware (cutlery) (Benelux only)	July 1978 - now	Information from country concerned
4. Argentina	Apples	1979 season	L/5047
5. Korea, Rep. of	Footwear (Ireland only)	January 1980 - now	Information from countries concerned
6. Korea, Rep. of	Black and white TV (United Kingdom only)	January 1980 - December 1984	Information from countries concerned, News Review 12.11.83
7. India	Jute products	January 1980 - December 1983	L/5000/Rev.1
8. Bangladesh	Jute products	January 1980 - December 1983	L/5000/Rev.1
9. Argentina	Sheep meat and goat meat	October 1980 - March 1984	L/5154
10. Uruguay	Sheep meat and goat meat	October 1980 - March 1984	L/5154

TABLE 15 (cont'd)

Country	Product	Duration	Reference
11. Spain	Cheese	January 1981 - now	L/4978/Add.2
12. Thailand	Jute yarn	January 1981 - December 1983	COM.TD/SCPM/3
13. Romania	Sheep meat and goat meat	April 1981 - March 1984	L/5154
14. Yugoslavia	Sheep meat and goat meat	April 1981 - March 1984	L/5154
15. Thailand	Manioc/Tapioca	January 1982 - December 1986	EC Official Journal L219/52 28.7.82
16. Korea, Rep. of	Tableware and other articles of a kind commonly used for domestic or toilet purposes, of stoneware (France and United Kingdom)	January 1983 - December 1985	EC Commission Regulation No. 873/83 12.4.83

TABLE 16

Other non-tariff measures affecting the trade to Developing Countries
(extracted from inventories maintained by NTM and Agriculture Division)

European Communities

A - Product - related notification

CCCN	Description	Maintaining Country	NTM	Notifying Country	Reference
2704	Coking coal	EEC	Subsidies	USA	NTM/INV/I.A.8
Chapter 30	Pharmaceutical products	EEC	Quality control	USA	NTM/INV/III.A.2
ex7612	Stranded wire, cables, ropes, cordage	EEC	High Revenue Tax	Romania	NTM/INV/V.E.11
ex8501	Electrical generators and motors	EEC	"	Romania	"
ex8503	Primary cells and primary batteries	EEC	"	Romania	"
ex8523	Insulated electric wire	EEC	"	Romania	"
3707	Films	Belgium	Subsidies to film producers	USA	NTM/INV/I.A.9
Chapter 85	Electrical products	Denmark	Testing standards	Romania	NTM/INV/III.C.2
3003	Pharmaceuticals	France	Pharmaceutical regulations	Israel	NTM/INV/III.C.5
Chapter 30	Pharmaceuticals	France	Pharmaceutical regulations	USA	NTM/INV/III.B.5
3707	Films	France	Subsidies to film producers	USA	NTM/INV/I.A.12
4701	Wood pulp	France	Transfer to wood pulp producers of 75% of proceeds of special tax on domestic and imported papers and board (ex. Newsprint) consumed in France	Canada	NTM/INV/I.A.3
Chapter 85	Electronic components	France	Tripartite Accord-harmonization of electronic component systems	USA	NTM/INV/III.A.4
Chapter 89	Ships	France	Subsidy to ship building	Poland	NTM/INV/I.A.11

TABLE 15 (cont'd)

Other non-tariff measures affecting the trade to Developing Countries
(extracted from inventories maintained by NTM and Agriculture Division)

European Communities

A - Product - related notification

COCN	Description	Maintaining Country	NTM	Notifying Country	Reference
3707 Chapter 44	Films	Germany	Subsidies to film producers	USA	NTM/INV/I.A.10
Chapter 85	Building codes and plywood	Germany	Standards	Canada USA	NTM/INV/III.B.4
Chapter 85	Electrical consumer goods	Germany	Standards	Canada USA	"
Chapter 85	Electronic components	Germany	Tripartite accord- harmonization of electronic component systems	Canada USA	NTM/INV/III.A.4
3707 2516	Films Granite	Greece Italy	Subsidies to film producers Landing tax	USA Brazil	NTM/INV/I.A.5 NTM/INV/V.B.12
Chapter 30	Pharmaceuticals	Italy	Administration of drug regulation, a source of delays	Canada Hungary	NTM/INV/III.A.5
Chapter 30	Pharmaceuticals	Italy	Maximum prices, lack of patent protection	Hungary USA	NTM/INV/IV.H.5
3707	Films	Italy	Subsidies to producers and distributors of films	USA	NTM/INV/I.A.17
3707	Films	Italy	Rebate of admission tax	USA	NTM/INV/V.C.9
Chapter 89	Ships	Italy	Subsidy to ship building	Poland	NTM/INV/I.A.16

TABLE 16 (cont'd)
Other non-tariff measures affecting the trade to Developing Countries
(extracted from inventories maintained by NTM and Agriculture Division)

European Communities

A - Product - related notification

CCCN	Description	Maintaining Country	NTM	Notifying Country	Reference
1/	-	Italy	Turnover Tax	Brazil	NTM/INV/V.E.17
2/	-	Italy	Compensatory Tax	Brazil	NTM/INV/V.E.18
3/	-	Italy	Border Tax adjustments Remission of Turnover, Tax on exports	Brazil	NTM/INV/V.E.19

1/ CCCN Number indicated in this notification: 2601, 2710, 2916, 2944, 3201, 3301, 4011, 4101, 4102, 4104, 4105, 4202, 4301, 4405, 4413, 4414, 4415, 5301, 5305, 5501, 5502, 5704, 6202, 6402, 7102, 7301, 7302, 7310, 7313, 7315, 7318, 8212, 8410, 8445, 8452, 8518, 9401

2/ CCCN number indicated in this notification: 2710, 2916, 2944, 3201, 3301, 4011, 4102, 4104, 4105, 4202, 4301, 4405, 4413, 4414, 4415, 5501, 5509, 5704, 5804, 5809, 5904, 6005, 6202, 6402, 7302, 7310, 7313, 7315, 7318, 8212, 8410, 8445, 8452, 8518, 9401, 9403

3/ CCCN numbers indicated in this notification: 4011, 4202, 5505, 5509, 5904, 6005, 6202

TABLE 16 (cont'd)

Other non-tariff measures affecting the trade to Developing Countries
(extracted from inventories maintained by NTM and Agriculture Division)

European Communities

A - Product - related notification

CCCN	Description	Maintaining Country	NTM	Notifying Country	Reference
3707	Films	Netherlands	Subsidies to film producers	USA	NTM/INV/I.A.19
3707	Films	United Kingdom	Subsidies to film producers	USA	NTM/INV/I.A.20
7112 to 7116	Gold, silver or platinum articles	"	Hallmarking procedures	Canada	NTM/INV/IV.K.5
Chapter 85	Electronic components	"	Tripartite accord- harmonization of electronic component systems	Canada, USA	NTM/INV/III.A.4

TABLE 16 (cont'd)
B - Other Notifications

Maintaining Country	NTM	Notifying Country	Reference
EEC	Rules of origin	Canada	NTM/INV/II.F.1
Belgium	Government procurement Transmission Tax	USA Brazil	NTM/INV/I.C.6 NTM/INV/V.E.12
Denmark	Government procurement	USA	NTM/INV/I.C.7
France	Export inflation insurance scheme	USA	NTM/INV/I.A.14
France	Government procurement	USA Canada	NTM/INV/I.C.8
France	Technical visas	Hong Kong, USA	NTM/INV/III.A.3
France	Compulsory use of the French language in transactions, offers of transaction and importation	Philippines	NTM/INV/IV.K.6.1
Germany	Value-Added-tax	Brazil	NTM/INV/V.E.14
Greece	Government procurement	Canada USA Japan	NTM/INV/I.C.9
Greece	Health, safety and other standards and regulations	Czechoslovakia	NTM/INV/III.B.6
Greece	Regulations restricting import financing	Hungary	NTM/INV/IV.D.3
Greece	Issue of import licence refused for specific price reasons	Czechoslovakia	NTM/INV/IV.H.4
Greece	Prior deposit	Hungary	NTM/INV/V.A.2
Greece	Drawback system	Hungary	NTM/INV/V.A.3
Greece	Advance cash deposits	Japan USA	NTM/INV/V.A.4
Greece	Exchange control	Czechoslovakia	NTM/INV/V.D.9
Greece	Turnover tax	Brazil	NTM/INV/V.E.15
Greece	Luxury tax, consumption tax	Brazil	NTM/INV/V.E.16
Italy	Export inflation insurance scheme	USA	NTM/INV/I.A.18
Italy	Government procurement	Canada USA	NTM/INV/I.C.10
	Exchange control	Czechoslovakia	NTM/INV/IV.D.4
	Administrative duty	Brazil	NTM/INV/V.B.11

B - Other Notifications

Maintaining Country	NTM	Notifying Country	Reference
Luxembourg	Government procurement	USA	NTM/INV/I.C.11
Luxembourg	Transmission tax	Brazil	NTM/INV/V.E.12
Netherlands	Turnover tax	Brazil	NTM/INV/V.E.20
United Kingdom	Export insurance scheme	USA	NTM/INV/I.A.21
	Government procurement	USA Canada	NTM/INV/I.C.12
	Marks of origin	Brazil Japan	NTM/INV/IV.K.6

SECTION VI: Other Trade Policy AspectsStructural adjustment policies

90. Information in regard to structural adjustment policies and developments in the European Economic Community, contributed by the EEC to the Working Party on Structural Adjustment and Trade Policy, is contained in the document Spec(82)6/Add.17. The record of the discussions on this contribution in the Working Party is contained in the document Spec(83)29/Add.27.

91. Information in regard to structural adjustment policies and developments in the European Economic Community in the textiles sector, submitted by the EEC to the Sub-Committee on Adjustment appointed by the Textiles Committee, is contained in document COM.TEX/Add.4, and in document COM.TEX/33.

Agricultural policy

91. The following information in regard to the objectives, coverage and operation of the Common Agricultural Policy of the EEC has been drawn from "European File" 10/83 (an official publication of the Directorate General for Information of the Commission of the European Communities), and the Communities notification to the secretariat in regard to agricultural subsidies (L/5449/Add.10, dated 27 June 1983).

"Principles and mechanisms

Article 39 of the Treaty of Rome lays down five fundamental and inalienable principles of the common agricultural policy: to increase productivity by promoting technical progress and the rational development of agricultural production, partly through an optimum use of resources, including labour; to ensure a fair standard of living for the agricultural community; to stabilize markets; to guarantee food supplies; to provide food for consumers at reasonable prices. "The different markets for agricultural products have been gradually organized to meet these objectives. Other factors taken into account have been the Community's position as the world's largest importer of agricultural produce and its determination to cooperate in the development of the Third World. Consideration has also been given to the need to develop less-favoured regions and to protect the environment and the consumer. The organization of markets has been based on three principles: the single market, Community preference and joint financial responsibility.

- "The single market means a total liberalization of trade through abolition of customs duties and non-tariff barriers and the harmonization of the administrative, health and veterinary regulations which protect the consumer. It also means common rules of market management, common prices, identical competition laws and uniform protective arrangements at the Community's external frontiers. Although applied uniformly throughout the Community, market management rules vary according to the characteristics of different products."¹

¹European File 10/83.

92. Market management mechanisms employed in pursuance of these principles include both subsidization of domestic production and protective measures against outside imports.

Subsidies

93. The following types of price support measures are employed in regard to domestic production.

Export refunds

For certain of the sectors governed by a market organization, the Common Agricultural Policy provides for the possibility of granting export refunds.

The purpose of export refunds is to cover, as far as possible and in order to enable exports to be effected at international trade prices, the difference between those prices and Community prices.

The refund is the same for the whole of the Community;¹ a differential may be applied according to destination or time (months of delivery). The amount of the refund is fixed periodically. The periodicity of the fixing is different for each sector because of the special characteristics of each sector. In order to facilitate export operations, in the case of the majority of products a system has been introduced whereby refunds can be fixed in advance. The refund is paid to the exporter.

Export refunds were granted to products in the following sectors in recent years:

- Cereals
- Rice
- Dairy products
- Fats and oils
- Sugar²
- Bovine meat
- Pigmeat
- Eggs and poultry
- Fruit and vegetables
- Wine
- Tobacco
- Fishery products
- Products of agri-foodstuff industries

¹ During the transitional period, however, the refund on Greek products may in some cases differ from that granted on products of other member States.

² Starting with the 1980/1981 marketing year, the export refunds on domestic sugar have been entirely financed out of producer contributions by producers of sugar and isoglucose and sugar-beet and sugar-cane producers of the Community.

Measures in the internal market

94. Subsidy measures in the internal market under the Common Agricultural Policy include the following intervention and aid measures:

(a) Intervention measures

Each year, common single intervention prices are fixed for a certain number of products which carry a guarantee of support and sale. When market prices fall below the fixed levels, the intervention authorities are obliged to buy up the produce offered to them and stock or sell it according to certain rules. The intervention prices are fixed for given standard qualities and are subject to adjustments for quality. The prices fixed at the beginning of the year are increased monthly to take account of warehousing and interest costs. Special intervention measures are sometimes adopted to deal with extraordinary situations in particular regions such as prices being depressed by the size of a harvest or of regional stocks.

(b) Aid to production

Flat rate aid is granted on the production of certain products, either on a per hectare basis or on the quantity produced, in order to promote production of these particular products within the Community.

(c) Compensatory allowance

A compensatory allowance is granted for some products remaining in stock at the end of the marketing year. Its purpose is to bridge the gap between the highest prices at the end of the marketing year and the generally lower prices at the beginning of the new market year.

(d) Production refunds

A "refund" is granted on the production of certain agriculture-based manufactured products in order to encourage processing of certain agricultural products and to enable the industries manufacturing these products to remain competitive vis-a-vis the prices of such products manufactured outside the Community and the prices of substitute products.

(e) Aid to private storage

A system of aid to private storage of certain products is operated in order to reduce the quantities offered for intervention buying-in or to deal with certain temporary market imbalances.

95. Since 1969, over and above the common intervention and aid measures, a system of "monetary compensation" has been introduced in order to compensate farmers in some of the regions of the Community for the effect on common prices of fluctuations in national currencies.

96. The following sectors of production have received support through the intervention and aid measures in recent years:

- Cereals (common wheat, durum wheat, rye, barley, maize)
- Rice
- Dairy products (butter, skimmed milk, cheese)
- Fats and oils (olive oil; colza, rape and sunflower seeds; soyabeans; flax seed; castor seed)
- Sugar
- Bovine meat
- Pigmear
- Sheepmeat
- Eggs and poultry
- Fruit and vegetables (including processed fruit and vegetable products)
- Wine
- Tobacco
- Fishery products
- Flax and hemp
- Seeds
- Hops
- Silkworms
- Dehydrated fodder
- Peas, broad beans and horse beans
- Cotton

Variable levies

"Community preference is an indispensable corollary to the single market. Protection of the European market against low-price imports and fluctuations in the world market is achieved by variable customs duties and/or levies which act as a 'sluice gate' at Community frontiers. In some cases this protection applies for only part of the year. The levy apparatus works as follows: if the prices of imported products are lower than those in the Community, a levy is imposed to close the gap between the two prices. Free access is maintained without distorting competition in the common market. If, on the other hand world prices are higher than those in the Ten, an export levy is imposed to discourage Community producers from exporting to the detriment of Community consumers."¹

97. With a few exceptions, products which are supported by export refunds or internal intervention and aid measures are also, in the case of imports, subject to variable customs duties and/or levies. Tariff lines subject to variable duties and/or levies have been identified in the Annex, under the column NAT, with the symbol V.

European Agricultural Guidance and Guarantee Fund (EAGGF)

"Joint financial responsibility arises logically from the two preceding principles. In practice it means that all common agriculture policy spending and receipts throughout the Ten are directly accounted for in the Community budget. Expenditure is channelled through the two sections of the European Agricultural Guidance and Guarantee Fund (EAGGF):

¹ European File 10/83.

- "The Guarantee Section finances all public expenditure arising from the common organization of the market. This, also, breaks down into two sections. Expenditure on the internal market, amounting to about 7,100 million ECU in 1982, covers purchases by intervention boards, storage costs, income aids and marketing subsidies. Expenditure on external sales, about 6,200 million ECU in 1982, covers the export rebates which bridge the gap between Community and world prices.

- "The Guidance Section helps to finance Community policy on agricultural structures, mainly through funding projects involving the improvement of farms, rural facilities, processing and marketing. Since 1981 increased priority has been given to improving productivity, balancing markets and reducing regional disparities. A variety of programmes have been introduced for lesser favoured regions in all Member States. These include mountainous and hilly areas, where it is vital to keep a certain number of farmers on the land, as well as parts of the Mediterranean regions which face increased competition through the Community's enlargement to the south. The programmes include training schemes for farmers, aids to drainage, irrigation and afforestation, the improvement of product quality and incentives to switch to alternative crops, especially in wine-growing areas. These aids have a five yearly budget of 3,800 million ECU. They cover between 25% and 60% of the cost of a project, with the remainder funded by the national authorities."¹

Participation in International Commodity Agreements

98. The member countries of the EEC have acceded to the international commodity agreements on coffee, cocoa, jute, rubber, wheat and tin. The EEC is also a member of the international agreements on dairy products and meat. Amongst the member countries of the EEC, Denmark, France, Ireland, Netherlands and the United Kingdom have signed and ratified the Agreement on the Common Fund for Commodities, while the others have signed but not yet ratified this agreement.

Regional trade agreements

99. The EEC maintains preferential trade arrangements with a large number of countries. These arrangements fall into the following groupings:

- (i) Free Trade Agreements with the EFTA countries;
- (ii) Agreements with the Mediterranean countries; and
- (iii) Preferential Trade Arrangements with the ACP countries under the Lome Convention

¹ European File 10/33.

Free trade agreements with EFTA countries

100. Under a series of Free Trade Agreements (FTA's) concluded by the EEC with the EFTA countries (Austria, Finland, Iceland, Norway, Portugal, Sweden and Switzerland), that came into force in 1973, customs duties and other charges having an equivalent effect and, with a few exceptions, all quantitative restrictions have been eliminated on the mutual trade of the EEC and the EFTA countries on all industrial products. In the case of certain processed agricultural products (mostly processed foodstuffs) listed in Protocol No. 2 to the FTA's, customs duties have been abolished in regard to the industrial element (value added in processing), while protection is still permitted in respect of the agricultural element (cost of the raw materials used). The protection may take the form of variable or fixed import levies, or internal price compensation measures.

101. Under additional protocols to these FTA's adopted on the accession of Greece to the EEC on 1 January 1981, special provisions of a transitional nature were made for the gradual extension of the free trade provisions of the FTA's as between Greece and the EFTA countries.

102. EFTA countries as a group and the EEC are each other's most important trading partners. If intra-EEC trade is excluded, EFTA was the market for almost a quarter (23.1 per cent) of all EEC exports in 1981. Similarly, if intra-EFTA trade is excluded, three-fifths (59.4 per cent) of the combined exports of the EFTA countries went to the EEC.

Agreement between EEC and Spain

103. The European Economic Community and Spain entered into an agreement in 1970 for the gradual reduction of tariffs and elimination of quantitative restrictions in regard to "substantially all" their mutual trade. Through the progressive implementation of the stages envisaged in the agreement, by 1983, the bulk of Spain's industrial products enter the Community without quantitative restrictions. In respect of nearly all of its industrial imports from Spain, the Community applies a tariff reduction of 60 per cent. Most Spanish agricultural products enjoy a tariff reduction upon imports into the Community, varying between a 25 per cent reduction and duty-free admission.

104. Spain, for its part, applies tariff reductions between 29 and 60 per cent in respect of the bulk of its imports of industrial products originating in the Community. For products under quantitative restrictions, Spain grants annual quotas to the Community.

105. For certain agricultural products, listed in Annex II of the Agreement, Spain grants the Community tariff reductions of between 25 and 60 per cent. Spain has also undertaken to purchase, on normal market terms, a part of its total global annual imports of butter and dairy products.

106. Since 1979 the European Economic Community has been engaged in negotiations with Spain and Portugal in regard to the terms of their admission to the EEC. The negotiations are advanced to the point of being close to conclusion.

Agreements with Mediterranean Countries

107. Starting in the 1960's, the EEC has entered into agreements with a number of European and Mediterranean countries (Algeria, Cyprus, Egypt, Israel, Jordan, Lebanon, Malta, Morocco, Syria, Tunisia, Turkey and Yugoslavia), providing, inter alia, for mutual trade preferences. Some of these agreements aim at the elimination of obstacles to substantially all trade between the parties, with a view to the eventual establishment of Free Trade Areas or Customs Unions, while others are "association" agreements aiming simply at the liberalization and expansion of mutual trade between the parties. Details with respect to the preferential provisions and the product and trade coverage, which vary from agreement to agreement, appear in their respective legal instruments, in the documentation of the respective working parties established by the Council to examine them, and in the periodic reports¹ submitted by the parties to these agreements to the CONTRACTING PARTIES.

Lome Convention

108. In 1975, the European Economic Community and its member States and forty-six African, Caribbean and Pacific (ACP) States signed the first Lome Convention, aimed, inter alia, at promoting trade between the EEC and the ACP States, taking account of their respective levels of development and also between the ACP States themselves. The trade arrangements established by the Lome Convention replaced and enlarged upon those formerly existing between the EEC of Six and certain ACP States on the one hand, and on the other, between the United Kingdom and certain other ACP States. On the expiry of the first Lome Convention, the second Lome Convention (concluded in October 1979) between the EEC and fifty-eight ACP countries, came into effect on 1 January 1981 for a period of five years.

109. Under the trade arrangements established by the Lome Convention the EEC abolished customs duties and all other charges having an equivalent effect and eliminated any quantitative restrictions on all products originating in the ACP countries, except for some agricultural products covered by the Common Agricultural Policy. For the latter products, the Community undertook to grant the ACP countries more favourable conditions of access (such as reductions in levies). The Community reserved to itself the right to adopt appropriate safeguard measures if the application of the trade provisions of the Convention resulted in serious disturbance in a sector of the economy of the Community or any one or more of its members. The ACP States, on their part, in deference to the level of their economic development, were committed only to the granting of MFN treatment to the Community, and to avoid discrimination among its member States. The granting of MFN treatment, however, did not preclude preferential arrangements between ACP States or between one or more ACP States and other developing countries.

¹The latest biennial reports submitted by the parties to the CONTRACTING PARTIES in accordance with the calendar of biennial reports (L/5502) have been circulated as follows: EC/Algeria (L/5030), EC/Cyprus (L/5379), EC/Egypt (L/5029), EC/Israel (L/5531), EC/Jordan (L/5029), EC/Lebanon (L/5029), EC/Malta (L/5378), EC/Morocco (L/5030), EC/Spain (L/4973), EC/Syria (L/5029), EC/Tunisia (L/5030), EC/Turkey (L/5389) and EC/Yugoslavia (L/5604).

110. The Convention also contained special undertakings on the access under favourable conditions of rum, bananas and sugar from the ACP countries to the Community. Under the special undertaking on sugar, the Community is committed to purchase specific quantities of cane sugar from the ACP countries, at guaranteed prices.

111. With a view to helping the ACP States to overcome and counteract the harmful and destabilizing effects of fluctuating commodity prices in the international market, the Lome Convention set up a special mechanism (STABEX) to guarantee the stabilization of earnings derived from ACP exports to the Community of certain products which are of particular importance to the economies of the ACP States and which are affected by fluctuations in price or quantity or both these factors.

112. The following products are presently covered by STABEX:

- Products covered by the Lome Convention from the beginning.
 - groundnuts, shelled or not
 - groundnut oil
 - cocoa beans
 - cocoa paste
 - cocoa butter
 - raw or roasted coffee
 - extracts, essence or concentrates of coffee
 - cotton, not carded or combed
 - cotton linters
 - coconuts
 - copra
 - coconut oil
 - palm oil
 - palm nuts and kernels
 - raw hides and skins
 - bovine cattle leather
 - sheep and lamb skin leather
 - goat and kid skin leather
 - wood in the rough
 - wood roughly squared or half squared, but not further manufactured
 - wood sawn lengthwise, but not further prepared
 - fresh bananas
 - tea
 - raw sisal
 - iron ore (ores, concentrates and roasted iron pyrites)
- Products added during the life of the Lome Convention
 - vanilla
 - cloves (whole fruit, cloves and stems)
 - sheep's or lamb's wood, not carded or combed
 - fine animal hair of Angora goats mohair
 - gum arabic
 - pyrethrum (flowers, leaves, stems, peel and roots; saps and extracts from pyrethrum)
 - essential oils, not terpenes, of cloves, or niaouli and of ylang-ylang
 - sesame seed

- Products added by Lome Convention II

- cashew nuts
- pepper
- shrimps and prawns
- squid
- cotton seeds
- oil-cake
- rubber
- peas
- beans
- lentils

113. Under another special mechanism set up by Lome II, the Community has created an "insurance" or guarantee facility to support and stabilize the earnings of ACP States, whose economies are largely dependent on the exports of the following minerals:

- copper
- phosphates
- bauxite
- alumina
- manganese
- iron Ore
- tin

114. The Lome Convention also provides for trade promotion assistance and development assistance in general from the Community to the ACP States.

115. Table 17 gives some data in regard to the trends of trade between the ACP States and the EEC since 1973.

116. Negotiations are currently in progress between the Community and the ACP countries regarding trade and economic arrangements after the expiry of the second Lome Convention.

SECTION VII: Trade with least-developed countries

117. Table 18 analyses the evolution of trade between the European Economic Community and the thirty-six countries which make up the least-developed countries. It shows that the dollar value of EEC exports to these countries, which had reached about US\$5.5 billion in 1980, had declined by 6.5 per cent to about US\$5.18 billion in 1982. In terms of the ECU however, exports showed a consistent rise. A more dramatic decline is observable with regard to Community imports from the least-developed countries. These fell by about 23 per cent from US\$3.21 billion in 1980 to US\$2.48 billion in 1981, and although there was a rise to US\$2.60 billion in 1982, this was still 19 per cent below the level of 1980 (even though the ECU value showed a rise). On the average the exports of the EEC to the least-developed countries between 1980 and 1982 constituted about 1.8 per cent of their total exports while imports from the least-developed countries constituted 0.8 per cent of their total imports. The balance of trade has been consistently in the favour of the EEC by a wide margin; the ratio of EEC imports to exports was 58 per cent in 1980, 47.8 per cent in 1981 and 50.3 per cent in 1982.

Table 17

Trends in EEC-ACP Trade

	'000 million EUA					
	1973	1974	1975	1976	1977	1978
EEC imports from the developing countries	31.9	61.4	55.0	70.0	75.2	71.2
of which OPEC	15.3	38.9	33.4	41.8	42.3	38.2
of which ACP	6.2	10.5	8.4	10.5	12.5	11.9
ACP annual growth rate	+28%	+70%	-17%	+20%	+19%	-5%
EEC imports from ACP as % of extra-EEC imports	7.4%	8%	6.7%	6.6%	7.3%	6.7%
EEC exports to the developing countries	22.9	35.2	44.1	50.9	61.8	66.5
of which OPEC	6.6	11.4	18.4	24.1	29.7	31.1
of which ACP	4.4	6.1	8.1	9.8	12.5	12.7
ACP annual growth rate	+10%	+37%	+33%	+22%	+27%	+2%
EEC exports to ACP as % of extra-EEC exports	5.5%	5.3%	6.7%	7%	7.6%	7.3%
EEC-ACP trade balance	-1.7	-4.4	-0.6	-0.6	0.0	0.8

Source: SOEC (Statistical Office of the European Communities)

TABLE 18

EEC^{1/} Trade with the Least-Developed Countries (1980-1982)

(US\$ million)

Country	Year	EEC Exports ^{2/} to:			EEC Imports ^{2/} from:		
		1980	1981	1982	1980	1981	1982
Afghanistan		80.7	69.0	68.3	127.2	111.8	85.4
Bangladesh		461.2	478.9	443.5	189.7	124.5	160.1
Benin		296.6	318.3	304.0	61.6	22.6	22.5
Bhutan		0.45	1.1	0.5	0.07	0.2	0.1
Botswana		17.7	22.1	94.5	10.1	46.4	111.6
Burundi		57.6	56.5	78.5	65.0	47.3	78.9
Cape Verde		40.0	23.8	26.1	1.0	0.7	2.6
Central African Republic		67.1	54.4	50.8	80.5	39.9	80.4
Chad		17.2	26.9	33.9	30.0	28.9	15.8
Comoros		19.3	19.2	17.1	6.2	15.3	15.7
Democratic Peoples Rep. of Yemen		199.7	238.1	246.3	106.0	78.4	306.0
Djibouti		101.6	119.0	124.1	9.1	2.4	1.4
Equatorial Guinea		5.5	13.1	10.8	16.7	16.5	13.6
Ethiopia		239.1	265.7	263.8	157.3	131.3	136.9
Gambia		74.8	55.5	47.7	17.2	14.6	17.7
Guinea		208.2	193.2	143.6	139.6	153.9	136.0
Guinea Bissau		25.1	16.6	21.1	5.3	9.3	3.0
Haiti		51.3	83.2	52.0	88.1	55.2	63.6
Lao P.D.R.		18.5	12.4	10.5	14.0	0.3	0.4
Lesotho		9.8	11.6	14.6	6.5	5.6	5.7
Malawi		112.9	37.6	83.8	173.6	131.5	141.0
Maldives		6.6	8.7	4.7	1.1	1.6	0.6
Mali		199.4	170.0	156.9	110.1	93.4	71.1
Nepal		23.5	17.3	26.6	17.1	17.0	18.8
Niger		298.9	281.9	232.9	458.2	273.5	245.9
Rwanda		80.6	72.8	97.1	58.4	43.0	38.9
Western Samoa		3.9	2.1	1.8	9.0	7.2	1.9
Sao Tome and Principe		10.4	6.7	11.1	19.6	11.7	6.9
Sierra Leone		169.7	122.4	96.0	219.1	163.3	97.2
Somalia		291.9	199.9	222.6	26.2	14.1	25.2
Sudan		658.9	653.1	687.3	230.1	197.9	161.6
Togo		345.7	292.2	301.2	208.7	178.0	127.2
Uganda		161.6	159.7	177.2	199.4	114.5	151.5
United Republic of Tanzania		549.4	461.8	374.3	294.2	221.3	210.0
Upper Volta		157.8	152.7	131.8	44.1	45.2	38.2
Yemen Arab Republic		472.9	477.7	521.1	9.2	6.1	9.7
TOTALS, EEC/LLDC TRADE		5536.5	5185.7	5178.6	3215.7	2477.7	2603.5
TOTALS, EEC TRADE		307821.9	297712.3	280671.2	375723.6	339176.3	314972.1
LLDC SHARE OF TOTAL EEC TRADE		1.8%	1.7%	1.8%	0.8%	0.7%	0.8%

^{1/} The trade figures for 1980 are those for the European Economic Community of nine member countries while those for 1981 and 1982 represent the European Economic Community of ten member countries.

^{2/} These trade figures are the dollar equivalents of figures originally quoted in ECU, using the following exchange rates:

1980 (718.221 ECUs = 1000 US\$) 1981 (895.696 ECUs = 1000 US\$) 1982 (1020.710 = 1000 US\$).

Source: Eurostat, NINEYE, 1980, 1981, 1982.

118. While the overall trade balance is in the favour of the EEC, the balance of trade situation vis-a-vis individual least-developed countries differs from country to country. Thus, over the period under consideration about nine least-developed countries have consistently had a positive balance-of-trade with the EEC. The major export markets for the EEC among the least-developed countries were, in 1982, Bangladesh, Benin, Ethiopia, Niger, Sudan, Togo, Tanzania, Yemen Arab Republic, Yemen Peoples Democratic Republic, Somalia, Uganda. Least-developed countries whose exports to the EEC in 1982 amounted to over US\$100 million were Bangladesh, Botswana, Democratic Peoples Republic of Yemen, Ethiopia, Guinea, Malawi, Niger, Sudan, Uganda and Tanzania.

119. Agricultural food products and raw materials, mineral fuels, mineral ores and metals, semi-precious and precious stones constitute the bulk of the imports of the European Economic Community from least-developed countries. Coffee, tea, spices, cocoa and cocoa products, oilseeds and oleaginous fruits, animal and vegetable fats and oils, edible fruits and nuts, edible vegetables roots and tubers, meat and edible meat offals, fish, crustaceans and molluscs, sugar and sugar confectionery, and animal feed are the main food products imported from the least-developed countries. Agricultural raw materials imported from the least-developed countries include tobacco, gums, lacs, dyeing and tanning products, cotton and its semi-manufactured products, hides, skins and leather, furskin, wood and articles of wood, and essential oils. The most important minerals, metals and metallic ores which the least-developed countries supply to the EEC are petroleum and its products, phosphates, iron ores, bauxite, alumina, uranium, tin, copper, gold, diamonds and other semi-precious and precious stones. In the manufacturing sector, textile goods ranging from yarns, ropes, twine and cordage, carpets, mats and matting to woven fabrics and garments constitute the most important category of products imported from the least-developed countries. (Table 19)

Tariff and non-tariff measures affecting imports from least-developed countries

120. Twenty-six countries among those considered here are signatories to the Lome Convention concluded between the EEC and the ACP countries and as such enjoy not only the preferential tariff and non-tariff treatment emanating from it, but also special concessions given to the least-developed countries within the framework of the Convention. Thus as ACP countries almost all exports of these countries into the EEC are free from import duties and charges having equivalent effect, and from quantitative restrictions. The few exceptions are certain agricultural products which are subject to special charges within the framework of the Common Agricultural Policy of the EEC affecting selected agricultural products and products subject to a common organization of the market. The Community has nevertheless given an undertaking that in these cases it would, as a general rule, grant the ACP countries more favourable treatment than that generally applicable to third countries. Imports from least-developed countries which are not signatories to the Lome Convention enjoy special preferential treatment within the GSP scheme of the EEC. This implies that in the agricultural sector these countries receive for practically all dutiable products, not further protected by a levy or

TABLE 19

IMPORTS OF THE EEC FROM LEAST-DEVELOPED COUNTRIES - BY BROAD PRODUCT GROUPS - (1982)

CCCN Chapters	Product Description	Total Imports (million US\$)	Imports from LLDCs (million US\$)	Major LLDC Suppliers
01	Live animals	615.2	1.1	TZA, ETH, TGO, MLI
02	Meat and edible meat offals	2076.4	39.4	BGD, BWA, UGA
03	Fish, crustaceans and molluscs	1653.4	36.3	BGD, MWI, TZA, SOM, BEN, SLE, TGO, GMB, GNB, GIN, CPV
05	Products of animal origin n.e.s.	503.0	6.5	CAF, SDN, BGD, AFG, HTI, BWA, TZA, ETH
06	Live trees and other plants; bulbs, roots and the like; cut flowers and ornamental foliage	255.1	1.5	ETH, TGO, RWA
07	Edible vegetables and certain roots and tubers	2222.9	23.4	BGD, NPL, MWI, TZA, ETH, RWA, NER, SDN, MLI, HVO
08	Edible fruits and nuts; peel of melons or citrus fruit	3882.3	41.3	AFG, HTI, TZA, SOM, UGA, BEN, TGO, GIN, MLI, HVO
09	Coffee, tea and spices	4558.2	566.9	BDI, ETH, RWA, BEN, CAF, SLE, TGO, BGD, YEM, HTI, COM, MWI, TZA, UGA, GIN
10	Cereals	2333.1	2.9	GMB, SDN
12	Oilseeds and oleaginous fruit; miscellaneous grains, seeds and fruit; industrial and medicinal plants; straw and fodder	4106.3	73.0	GNB, GIN, SDN, MLI, HVO, WSM, BGD, NPL, AFG, HTI, MWI, SLE, TZA, BDI, ETH, RWA, TGO, GMB
13	Raw materials of a kind suitable for use in dyeing or in tanning; lacs, gums, resins and other vegetable saps and extracts	167.2	28.7	YMD, TZA, SOM, UGA, ETH, RWA, SDN, MLI
14	Vegetable plaiting and carving materials; vegetable products, n.e.s.	84.8	0.8	TZA, SLE
15	Animal and vegetable fats and their cleavage products, prepared edible fats; animal and vegetable waxes	1812.0	31.5	HTI, TZA, SOM, ETH, BEN, CAF, TGO, GMB, GIN, SDN, MLI, HVO
16	Preparations of meat, fish, crustaceans or molluscs	1080.0	7.3	ETH, MOV, CPV, BWA
17	Sugars and sugar confectionery	908.4	26.7	BGD, HTI, MWI, TZA, SOM, ETH, DJI, SDN, HVO
18	Cocoa and cocoa preparations	1454.1	49.5	WSM, HTI, TZA, UGA, GMB, STP, BEN, SLE, TGO, GIN
20	Preparations of vegetables, fruits or other parts of plants	1273.1	0.7	HTI, SDN
21	Miscellaneous edible preparations	321.3	1.0	TZA
23	Residues and waste from the food industries; prepared animal fodder	4438.0	41.1	HVO, TGO, GMB, GIN, TCD, CPV, SDN, MLI, HTI, WSM, BGD, TZA, UGA, ETH, BEN
24	Tobacco	1430.1	91.0	BGD, MWI, TZA, UGA, CAF, TGO
25	Salt, sulphur; earths and stones; plastering materials, lime and cement, (i.e phosphate)	2032.5	63.4	BDI, CAF, TGO
26	Metallic ores, slag and ash (iron ore, aluminium ores; tin ores, tungsten ores, ilmenite; titanium; niobium and tantalum)	5367.3	117.0	NPL, TZA, BDI, RWA, BEN, SLE, GIN, NER
27	Mineral fuels, mineral oils and products of their distillation; bituminous substances and mineral waxes	103916.4	329.4	YMD, TZA, SOM, SDN
28	Inorganic chemicals; organic and inorganic compounds of precious metals, or rare earth metals etc. (i.e. selenium 28.04; aluminium oxide 28.20, natural uranium and compounds 28.50)	2926.5	267.0	TZA, BEN, TGO, GIN, NER

IMPORTS OF THE EEC FROM LEAST-DEVELOPED COUNTRIES - BY BROAD PRODUCT GROUPS - (1982)

CCCN Chapters	Product Description	Total Imports (million US\$)	Imports from LLDCs (million US\$)	Major LLDC Suppliers
29	Organic chemicals	4518.4	0.1	BDI
30	Pharmaceutical products	1014.9	0.2	UGA
31	Fertilizers	815.0	0.2	GNQ
33	Essential oils and resinoids; perfumery, cosmetics and toilet preparations	418.3	5.4	HTI, COM, GIN
35	Albuminoidal substances; glues	154.2	0.3	UGA
37	Photographic and cinematographic goods	965.1	0.1	YMD
39	Artificial resins and plastic materials, cellulose esters and ethers; articles thereof	3112.8	0.6	HTI
40	Rubber, synthetic rubber, factice and articles thereof	2063.9	0.3	CAF, SDN
41	Raw hides and skins (other than furskins) and leather	1455.6	107.8	MLI, HVO, SOM, UGA, BDI, ETH, RWA, DJI, BEN, HTI, BGD, YEM, NPL, AFG, YMD, COM, MWI, BWA, TZA, CAF, TGO, NER, TCD, SDN
42	Articles of leather; saddlery and harnesses; travel goods, handbags and the like; articles of animal gut etc.	1077.1	0.9	BGD, AFG
43	Furskin and artificial fur; manufactures thereof	1282.3	20.6	AFG
44	Wood and articles of wood; wood charcoal	6763.4	14.5	NPL, TZA, SOM, BDI, GNQ, CAF, GMB, GIN, SDN
46	Manufactures of straw, esparto and of other plaiting materials; basketware and wickerwork	172.1	1.1	BGD, HTI, HVO
48	Paper and paperboard; articles of paper pulp, of paper or of paperboard	5337.8	0.3	BDI, CAF
51	Manmade fibres (continuous)	718.6	0.1	SLE
53	Wool and other animal hair	1699.5	3.6	AFG, CAF
55	Cotton	2915.3	141.2	BGD, YEM, AFG, YMD, HTI, MWI, BWA, TZA, UGA, BDI, ETH, BEN, CAF, TGO, GMB, GNB, GIN, TCD, SDN, MLI, HVO
57	Other vegetable textile materials; paper yarn and woven fabrics of paper yarn	157.6	47.1	BGD, NPL, TZA, SOM
58	Carpets, mats, matting and tapestries; pile and chenille fabrics; narrow fabrics; trimmings, tulle and other net fabrics	1131.9	38.3	FGD, NPL, AFG, HTI, ETH
59	Wadding and felt; twine, cordage, ropes and cables; special fabrics, impregnated and coated fabrics, textile articles of a kind suitable for industrial use	495.1	7.0	BGD, TZA
60	Knitted or crocheted goods	2945.1	2.1	BGD, NPL, AFG, HTI, ETH
61	Articles of apparel and clothing accessories of textile fabric, other than knitted or crocheted goods	4984.0	14.3	BGD, NPL, AFG, LSO, HTI, MLI
62	Other made up textile articles	761.4	24.5	BGD, AFG, HTI
64	Footwear, gaiters and the like; parts of such articles	1613.8	0.1	AFG
71	Pearls, precious and semi-precious stones, precious metals etc. and articles thereof; imitation jewellery	8875.5	118.2	MLI, HVO, BWA, CAF, SLE, TGO, GMB, GNB, GIN, LAO, AFG, LSO, TZA, BDI, GNQ, BEN
72	Coins	481.9	0.1	ETH
73	Iron and steel and articles thereof	7300.5	0.4	HTI

TABLE 19 (cont'd)

IMPORTS OF THE EEC FROM LEAST-DEVELOPED COUNTRIES - BY BROAD PRODUCT GROUPS - (1982)

CCCN Chapters	Product Description	Total Imports (million US\$)	Imports from LLDCs (million US\$)	Major LLDC Suppliers
74	Copper and articles thereof	3222.2	6.7	ZA, ETH, BEN, NER
79	Zinc and articles thereof	162.3	0.1	TZA
80	Tin and articles thereof	492.7	1.8	RWA, NER
81	Other base metals employed in metallurgy and articles thereof	396.3	0.3	TZA
83	Miscellaneous articles of base metals	559.4	0.3	NPL, AFG
84	Boilers, machinery and mechanical appliances; parts thereof	22022.9	16.2	BGD, YEM, NPL, YMD, COM, TZA, UGA, ETH, BEN, TGO, GIN, NER, SDN, MLI
85	Electrical machinery and equipment; parts thereof	12038.2	2.9	BGD, YEM, NPL, BWA, SOM, UGA, ETH, BEN, TGO, NER, SDN, HTI
87	vehicles, other than railway or tramway rolling stock and parts thereof	9499.3	0.7	BGD, BEN, TGO, NER, SDN
88	Aircrafts and parts thereof; parachutes; catapults and similar aircraft launching gear; ground and flying trainers	1923.9	7.4	YEM, NPL, YMD, COM, BWA, TZA, UGA, ETH, RWA, MLI
90	Optical, photographic, cinematographic, measuring, checking, precision, medical and surgical instruments and apparatus; parts thereof	6589.0	3.6	BGD, YEM, NPL, YMD, TZA, ETH, GNO, BEN, SLE, NER, SDN
91	Clocks and watches and parts thereof	1082.6	0.1	HTI
94	Furniture and parts thereof; bedding, mattresses, mattress supports, cushions and similar stuffed furnishings	1227.7	1.2	LSO
95	Articles and manufactures of carving or moulding material	42.0	0.1	SOM
97	Toys, games and sports requisites; parts thereof	1672.2	0.9	AFG, HTI
99	Works of art, collectors' pieces and antiques	3145.6	6.3	BGD, YEM, NPL, AFG, YMD, HTI, MWI, TZA, SOM, UGA, ETH, GNO, DJI, BEN, SLE, TGO, TCD, SDN

Source: NIMEXE 1982

similar device, terms of access broadly equivalent to those for ACP countries under the Lome Convention. Imports from the non-ACP least-developed countries of all industrial products other than textiles are not only duty-free, but are also exempt from quotas and ceilings under the GSP. Imports of textiles, including jute and coir products, from the non-ACP least-developed countries are duty-free within the framework of the GSP and are not subject to the condition of the signing of bilateral agreements with the EEC. Imports of products of fibres other than cotton, wool and man-made fibres from least-developed countries under GSP are not subject to any quantitative limitations.

ANNEX I

Tariff items having enjoyed GSP improvements
in 1981-1984

No = No GSP; vc = variable component; ads = additional duty on sugar content; adf = additional duty on flour content.

Import figures within parentheses denote imports from countries enjoying both GSP and special preferences. These imports are included in the figure indicated above

CCT heading No	Description	GSP rate					Imports 1981 US\$'000 from	
		1984	1983	1982	1981	1980	Total	GSP * origin
02.04	Other meat and edible meat offals, fresh, chilled or frozen: ex A. Of domestic pigeons	6%	6%	6%	7%	7%	n.a.	
03.03	A. Crustaceans:							
	II. Lobsters (Homarus spp):							
	a) Live	5%	7%	7%	7%	7%	16,017	585 (545)
	b) Other							
	1. Whole	5%	7%	7%	7%	7%	12,729	12(12)
	2. Other	5%	7%	7%	7%	7%	559	62(19)
	III. Crabs and freshwater crayfish	5%	7%	7%	7%	7%	1,214	15(15)
	IV. Shrimps and prawns:						182,048	152,710 (55,607)
	a) Prawns and shrimps of the Pandalidae family	5%	6%	6%	6%	6%		
	c) Other (coverage widened in 1983)	5%	6%	6%	6%	6%		
	V. Other:							
	ex b) Other:							
	— Peurullus spp	5%	7%	7%	7%	7%	n.a.	
	B. Molluscs:							
	II. Mussels	6%	7%	7%	7%	7%	13,681	206 (30)
	IV. Other:							
	a) Frozen:							
	1. Squid:							
	bb) Todarodes sagittatus	4%	4%	NO	NO	NO	n.a.	
04.07	Edible products of animal origin, not elsewhere specified or included	4%	4%	4%	6%	6%	821	187
06.02	Other live plants, including trees, shrubs, bushes, roots, cuttings and slips:							
	A. Unrooted cuttings and slips:							
	II. Other	8%	8%	10%	NO	NO	19,245	7,362 (1,824)
	ex D. Other:							
	— Yuccas and cactuses, not planted in pots, tubs, boxes or the like	8%	9%	12%	12%	12%	n.a.	
	— Trees and shrubs, excluding fruit- and forest-trees and shrubs; other live plants, cuttings and roots, excluding azaleas, roses, perennial plants and mushroom spawn	12%	12%	12%	NO	NO	n.a.	

ANNEX I (cont'd)

CCT heading No	Description	GSP rate					Imports 1981 US\$'000 from	
		1984	1983	1982	1981	1980	Total	GSP* origin
06.03	Cut flowers and flower buds of a kind suitable for bouquets or for ornamental purposes, fresh, dried, dyed, bleached, impregnated or otherwise prepared: ex B. Other than fresh — Cut flowers, not further prepared than dried — Cut flowers, dyed, bleached, impregnated or otherwise prepared	7%	7%	7%	NO	NO	2,148	272 (13)
		15%	16%	17%	NO	NO		
06.04	Foliage, branches and other parts (other than flowers or buds) of trees, shrubs, bushes and other plants, and mosses, lichens and grasses, being goods of a kind suitable for bouquets or ornamental purposes, fresh, dried, dyed, bleached, impregnated or otherwise prepared: B. Other: L. Fresh	7%	7%	8%	NO	NO	28,947	3,885 (662)
07.01	Vegetables, fresh or chilled: G. Carrots, turnips, salad beetroot, salsify, celeriac, radishes and similar edible roots: III. Horse-radish (<i>Cochlearia armoracia</i>)	13%	13%	NO	NO	NO	1,911	28
07.02	Vegetables (whether or not cooked), preserved by freezing: ex B. Other: — Okra (<i>Hibiscus esculentus</i> L. or <i>Abelmoschus esculentus</i> (L.) Moench)	13%	13%	NO	NO	NO	n.a.	
07.04	Dried, dehydrated or evaporated vegetables, whole, cut, sliced, broken or in powder but not further prepared: ex B. Other: — Okra (<i>Hibiscus esculentus</i> L. or <i>Abelmoschus esculentus</i> (L.) Moench)	11%	11%	NO	NO	NO	n.a.	
		12%	12%	NO	NO	NO	n.a.	
08.01	Dates, bananas, coconuts, brazil nuts, cashew nuts, pineapples; avocados, mangoes, guavas and mangosteens, fresh or dried, shelled or not: ex A. Dates: — For industrial transformation, excluding the manufacture of alcohol, or for conditioning for retail sale in immediate packings with a net capacity of 11 kg or less (a)	8%	8%	NO	NO	NO	n.a.	
	ex B. Bananas: — Dried	Free	2%	2%	6%	6%	n.a.	
	H. Other: — Mangoes	4%	4%	5%	5%	5%	n.a.	

ANNEX I (cont'd)

CCT heading No	Description	GSP rate					Imports 1981 US\$'000 from	
		1984	1983	1982	1981	1980	Total	GSP origin
08.08	Berries fresh:							
	C. Bilberries (fruit of the species <i>Vaccinium myrtillus</i>)	Free	2%	NO	NO	NO	1,381	563
	E. Papaws	Free	2%	2%	NO	NO	1,370	1,097 (220)
	F. Other	5%	5%	5%	6%	6%	5,370	2,755 (393)
08.10	Fruit (whether or not cooked), preserved by freezing, not containing added sugar:							
	ex B. Bilberries (fruit of the species <i>Vaccinium myrtillus</i>), blackberries (brambleberries), mulberries and cloudberry	8%	8%	8%	9%	9%	29,862	3,419
	C. Fruit of the species <i>Vaccinium myrtilloides</i> and <i>Vaccinium angustifolium</i>	7%	7%	7%	8%	NO	5,296	43 (2)
	ex D. — Fruit falling within heading Nos 08.01, 08.02 D, 08.08 B, E and F and 08.09, excluding pineapples, melons and watermelons	6%	7%	7%	7%	8%	n.a.	
	— Rose-hips fruit	Free	Free	NO	NO	NO	n.a.	
08.11	Fruit provisionally preserved (for example, by sulphur dioxide gas, in brine, in sulphur water or in other preservative solutions), but unsuitable in that state for immediate consumption):							
	D. Bilberries (fruit of the species <i>Vaccinium myrtillus</i>)	3%	3%	3%	4%	4%	134	38
08.12	Fruit, dried, other than that falling within heading Nos 08.01, 08.02, 08.03, 08.04 or 08.05:							
	ex G. Other:							
	— Rose-hips fruit	Free	Free	7%	7%	7%	n.a.	
09.01	Coffee, whether or not roasted or free of caffeine: coffee husks and skins: coffee substitutes containing coffee in any proportion:							
	A. Coffee:							
	I. Unroasted:							
	b) Free of caffeine	9%	9%	9%	9%	10%	17,172	15,996 (5,314)
	II. Roasted:							
	b) Free of caffeine	13%	13%	13%	13%	15%	132	88(1)
	B. Husks and skins	8%	8%	8%	8%	10%		
	C. Coffee substitutes containing coffee in any proportion	14%	14%	14%	14%	15%	64	46 (35)
09.04	Pepper of the genus 'Piper': pimento of the genus 'Capsicum' or the genus 'Pimenta':							
	A. Neither crushed nor ground:							
	L. Pepper:							
	b) Other	4%	4%	4%	5%	5%	8,712	7,271 (4,838)
	B. Crushed or ground:							
	L. Pimento of the genus 'Capsicum'	5%	5%	5%	5%	7%	13,509	7,550 (252)
	II. Other than Pimento of the genus 'Capsicum'	4%	4%	4%	5%	7%	1,756	834 (116)

ANNEX I (cont'd)

CCT heading No	Description	GSP rate					Imports 1981 US\$'000 from	
		1984	1983	1982	1981	1980	Total	GSP origin*
09.06	Cinnamon and cinnamon-tree flowers:							
	A. Ground	Free	2%	2%	3%	5%	228	203 (45)
	B. Other	Free	2%	2%	3%	4%	5,155	5,015 (453)
09.07	Cloves (whole fruit, cloves and stems)	10%	10%	10%	10%	12%	11,125	11,075 (10,336)
09.08	Nutmeg, mace and cardamoms:							
	A. Neither crushed nor ground:							
	II. Other:							
	a) Nutmeg	Free	Free	Free	Free	2%	6,528	6,520 (1,329)
	B. Crushed or ground:							
	I. Nutmeg	Free	Free	Free	Free	2%	85	62 (7)
09.09	Seeds of anise, badian, fennel, coriander, cumin, caraway and juniper:							
	A. Neither crushed nor ground:							
	II. Badian seed	7%	7%	7%	9%	11%	527	521 (2)
	B. Crushed or ground:							
	I. Badian seed	7%	7%	7%	10%	12%	7	4
09.10	Thyme, saffron and bay leaves; other spices:							
	A. Thyme:							
	I. Neither crushed nor ground:							
	b) Other	11%	11%	11%	11%	NO	1,326	170 (138)
	II. Crushed or ground	13%	13%	13%	13%	NO	181	48 (35)
	B. Bay leaves	12%	12%	13%	13%	NO	1,093	1,019 (996)
	F. Other spices, including the mixtures referred to in Note 1 (b) to this Chapter:							
	I. Neither crushed nor ground	Free	Free	Free	3%	4%	715	584 (58)
	II. Crushed or ground:							
	b) Other	3%	3%	3%	4%	5%	1,583	1,485
11.04	Flour of the dried leguminous vegetables falling within heading No 07.05 or of the fruits falling within any heading in Chapter 8; flour and meal of sago and of roots and tubers falling within heading No 07.06:							
	A. Flour of the dried leguminous vegetables falling within heading No 07.05	3%	3%	3%	4%	5%	265	100 (34)
	B. Flour of the fruits falling within any heading in Chapter 8:							
	I. Of bananas (other than denatured)	Free	2%	2%	4%	6%	943	942 (25)
	II. Other:						9,691	6,880 (6,763)
	— Not specified	3%	3%	3%	5%	5%		
15.03	Lard stearin, oleostearin and tallow stearin; lard oil, oleo-oil and tallow oil, not emulsified or mixed or prepared in any way:							
	A. Lard stearin and oleostearin:							
	II. Other	Free	2%	2%	3%	3%	906	60

ANNEX I (cont'd)

CCT heading No	Description	GSP rate					Imports 1981 US\$'000 from	
		1984	1983	1982	1982	1980	Total	GSP origin
15.10	Fatty acids; acid oils from refining; fatty alcohols:							
	A. Stearic acid	Free	2%	2%	2%	2%	2,250	276
	B. Oleic acid	3%	3%	5%	5%	5%	398	(267) 2
16.02	Other prepared or preserved meat or meat offal:							
	B. Other:							
	III. Other:							
	b) Other:							
	2. Other:							
	aa) Of sheep or goats:							
	Of goats	16%	16%	16%	16%	18%	n.a.	
16.03	Meat extracts, meat juices and fish extracts, in immediate packings of a net capacity of:							
	B. More than 1 kg but less than 20 kg	Free	Free	Free	1%	1%	53	29
	C. 1 kg or less	5%	5%	5%	9%	9%	204	190
16.05	Crustaceans and molluscs, prepared or preserved:							
	ex B. Other, excluding shrimps of the Crangon spp type and snails other than seasnails	6%	6%	NO	NO	NO	157,842	78,389 (2,478)
17.04	Sugar confectionery, not containing cocoa:							
	B. Chewing gum	2%+vc with a max. of 23%	3%+vc with a max. of 23%	same	for 1983		10,300	1,123 (630)
	C. White chocolate	4%+vc with a max. of 27% +ads	5%+vc with a max. of 27%	same	for 1983		n.a.	
	D. Other	6%+vc with a max. of 27% +ads	7%+vc with a max. of 27% +ads	same	for 1983		42,115	4,327 (1,647)
18.05	Cocoa powder, unsweetened	9%	9%	9%	9%	11%	1,112	841 (569)
18.06	Chocolate and other food preparations containing cocoa:							
	C. Chocolate and chocolate goods, whether or not filled; sugar confectionery and substitutes therefor made from sugar substitution products, containing cocoa	9%+vc with a max. of 27% +ads	9%+vc with a max. of 27% +ads	10%+vc with a max. of 27% +ads	same for 1982		164,310	20,560 (20,342)

ANNEX I (cont'd)

CCT heading No	Description	GSP rate					Imports 1981 US\$'000 from	
		1984	1983	1982	1981	1980	Total	GSP origin
19.02	Malt extract; preparations of flour, meal, starch of malt extract, of a kind used as infant food or for dietetic or culinary purposes, containing less than 50 % by weight of cocoa: B. Other: I. Containing malt extract and not less than 30 % by weight of reducing sugars (expressed as maltose) II. Other: Other than below — Preparations based on flour of leguminous vegetables in the form of sun-dried discs of dough, known as 'papad'	Free + vc	Free + vc	Free + vc	Free + vc	3% + vc	252	1
		Free + vc	Free + vc	Free + vc	Free + vc	3% + vc	n.a.	
ex 19.04	Tapioca and sago, excluding tapioca and sago substitutes obtained from potato or other starches	2% + vc	4% + vc	4% + vc	4% + vc	4% + vc	2,693	2,657 (667)
19.05	Prepared foods obtained by the swelling or roasting of cereals or cereals products (puffed rice, corn flakes and similar products)	Free + vc	Free + vc	Free + vc	Free + vc	2% + vc	3,837	222 (167)
19.07	Bread, ships' biscuits and other ordinary bakers' wares, not containing added sugar, honey, eggs, fats, cheese or fruit, communion wafers, empty cachets of a kind suitable for pharmaceutical use, sealing wafers, rice paper and similar products: A. Crispbread	vc with a max of 24% + adf	3% + vc with a max. of 24% + ads	same	same	for 1983	n.a.	
	D. Other	4% + vc	5% + vc	5% + vc	5% + vc	5% + vc	2,316	209 (163)
19.08	Pastry, biscuits, cakes and other fine bakers' wares, whether or not containing cocoa in any proportion: A. Gingerbread and the like	2% + vc	5% + vc	5% + vc	5% + vc	5% + vc	393	192 (190)
20.01	Vegetables and fruit, prepared or preserved by vinegar or acetic acid, with or without sugar, whether or not containing salts, spices or mustard: ex C. Other, excluding 'mixed pickles' and sweet peppers	14%	14%	14%	15%	15%	14,935	6,797 (754)
20.02	Vegetables prepared or preserved otherwise than by vinegar or acetic acid: E. Sauerkraut	15%	15%	15%	15%	16%	691	70 (1)
20.03	Fruit preserved by freezing, containing added sugar: ex A. With a sugar content exceeding 13 % by weight: — Fruit falling within heading Nos 08.01, 08.02 D, 08.08 B, E and F and 08.09, excluding pineapples, melons and watermelons	9% + ads	10% + ads	10% + ads	11% + ads	12% + ads	1,073	44 (20)
	ex B. Other: — Fruit falling within heading Nos 08.01, 08.02 D, 08.08 B, E and F and 08.09, excluding pineapples, melons and watermelons	9%	10%	10%	11%	12%		

ANNEX I (cont'd)

CCT heading No	Description	GSP rate					Imports 1981 US\$'000 from	
		1984	1983	1982	1981	1980	Total	GSP * origin
20.04	Fruit, fruit-peel and parts of plants, preserved by sugar (drained, glacé or crystallized): B. Other: ex I. With a sugar content exceeding 13 % by weight: — Fruit falling within heading Nos 08.01, 08.02 D, 08.08 B, E and F and 08.09, excluding pineapples, melons and watermelons	6% + ads	6% + ads	6% + ads	7% + ads	8% + ads	n.a.	
	ex II. Other: — Fruit falling within heading Nos 08.01, 08.02 D, 08.08 B, E and F and 08.09, excluding pineapples, melons and watermelons	6%	6%	6%	7%	8%	n.a.	
20.05	Jams, fruit jellies, marmalades, fruit purée and fruit pastes, being cooked preparations, whether or not containing added sugar: C. Other: I. With a sugar content exceeding 30 % by weight: ex b) Other: — Fruit falling within heading Nos 08.01, 08.08 B, E and F and 08.09, excluding pineapples, melons and watermelons	9% + ads	11% + ads	11% + ads	11% + ads	12% + ads	n.a.	
	ex II. With a sugar content exceeding 13 % but not exceeding 30 % by weight: — Fruit falling within heading Nos 08.01, 08.08 B, E and F and 08.09, excluding pineapples, melons and watermelons	9% + ads	11% + ads	11% + ads	11% + ads	12% + ads	n.a.	
	ex III. Other: — Fruit falling within heading Nos 08.01, 08.08 B, E and F and 08.09, excluding pineapples, melons and watermelons	9%	11%	11%	11%	12%	n.a.	
20.06	Fruit, otherwise prepared or preserved, whether or not containing added sugar or spirit: B. Other: II. Not containing added spirit: a) Containing added sugar, in immediate packings of a net capacity of more than 1 kg: 2. Grapefruit segments	10% + ads	10% + ads	10% + ads	11% + ads	11% + ads	6,277	596
	ex 8. Other fruits: — Fruit falling within heading Nos 08.01, 08.08 B, E and F and 08.09, excluding pineapples, melons and watermelons	6% + ads	7% + ads	7% + ads	8% + ads	8% + ads	n.a.	
	— Tamarind (pods, pulp)	7% + ads	7% + ads	7% + ads	8% + ads	8% + ads	n.a.	
	9. Mixtures of fruit: ex aa) Mixtures in which no single fruit exceeds 50 % of the total weight of the fruits: — Mixtures of two or more fruits falling within heading Nos 08.01, 08.08 B, E and F and 08.09, excluding melons and watermelons	9% + ads	11% + ads	11% + ads	12% + ads	12% + ads		

ANNEX I (cont'd)

CCT heading No	Description	GSP rate					Imports 1981 US\$'000 from	
		1984	1983	1982	1982	1980	Total	GSP origin
20.06 (cont'd)	B. II b) Containing added sugar, in immediate packings of a net capacity of 1 kg or less:							
	2. Grapefruit segments	10% + ads	10% + ads	10% + ads	11% + ads	11% + ads	71,975	4,141 (4,135)
	3. Mandarins (including tangerines and satsumas); clementines, wilkings and other similar citrus hybrids	19% + ads	19% + ads	20% + ads	20% + ads	20% + ads	52,000	6,514 (717)
	ex 8. Other fruits:							
	— Fruit falling within heading Nos 08.01, 08.08 B, E and F and 08.09, excluding pineapples, melons and watermelons	7% + ads	8% + ads	8% + ads	8% + ads	8% + ads	n.a.	
	9. Mixtures of fruit:							
	ex aa) Mixtures in which no single fruit exceeds 50% of the total weight of the fruits:							
	— Mixtures of two or more fruits falling within heading Nos 08.01, 08.08 B, E and F and 08.09, excluding melons and watermelons	7% + ads	8% + ads	8% + ads	12% + ads	13% + ads	n.a.	
	c) Not containing added sugar, in immediate packings of a net capacity:							
	1. Of 4,5 kg or more:							
ex dd) Other fruits:								
— Fruit falling within heading Nos 08.01, 08.08 B, E and F and 08.09, excluding pineapples, melons and watermelons	6%	7%	7%	7%	8%	n.a.		
ex ee) Mixtures of fruit:								
— Mixtures of two or more fruits falling within heading Nos 08.01, 08.08 B, E and F and 08.09, excluding melons and watermelons, in which no single fruit exceeds 50% of the total weight of the fruits	9%	11%	11%	11%	12%	n.a.		
2. Of less than 4,5 kg:								
ex bb) Other fruit and mixtures of fruit:								
— Fruit falling within heading Nos 08.01, 08.08 B, E and F and 08.09, excluding pineapples, melons and watermelons	6%	7%	7%	7%	8%	n.a.		
— Mixtures of two or more fruits falling within heading Nos 08.01, 08.08 B, E and F and 08.09, excluding melons and watermelons, in which no single fruit exceeds 50% of the total weight of the fruits	10%	12%	12%	12%	12%	n.a.		

ANNEX I (cont'd)

CCT heading No	Description	GSP rate					Imports 1981	
		1984	1983	1982	1981	1980	Total	US\$'000 from GSP origin
20.07	Fruit juices (including grape must) and vegetable juice, whether or not containing added sugar, but unfermented and not containing spirit:							
	A. Of a density exceeding 1,33 g/cm ³ at 20° C:							
	III. Other:							
	ex a) Of a value exceeding 30 ECU per 100 kg net weight:							
	— Fruit falling within subheading 08.01 A	Free	Free	14%	14%	15%) 1,121	396 (60)
	— Fruit falling within heading Nos 08.01, 08.08 B, E and F and 08.09, excluding dates, pineapples, melons and watermelons	8%	14%	14%	14%	15%		
	b) Of a value not exceeding 30 ECU per 100 kg net weight:							
	ex 1. With an added sugar content exceeding 30% by weight:							
	— Fruit falling within heading Nos 08.01, 08.08 B, E and F and 08.09, excluding pineapples, melons and watermelons .	8% + ads	14% + ads	14% + ads	14% + ads	15% + ads	28	28
	ex 2. Other:							
	— Fruit falling within heading Nos 08.01, 08.08 B, E and F and 08.09, excluding pineapples, melons and watermelons	8%	14%	14%	14%	14% + ads	20	3 (2)
	B. Of a density of 1,33 g/cm ³ or less at 20° C:							
	II. Other:							
	a) Of a value exceeding 30 ECU per 100 kg net weight:							
	4. Pineapple juice:							
	aa) Containing added sugar	17% + ads	17% + ads	18% + ads	NO	NO	2,843	2,500 (1,416)
	bb) Other	17%	17%	19%	NO	NO	13,550	9,411 (4,213)
	6. Other fruit and vegetable juices:							
	ex aa) Containing added sugar:							
	— Fruit falling within heading Nos 08.01, 08.08 B, E and F and 08.09, excluding pineapples, melons and watermelons	8%	9%	9%	9%	10%	n.a.	
	ex bb) Other:							
	— Fruit falling within heading Nos 08.01, 08.08 B, E and F and 08.09, excluding pineapples, melons and watermelons	8%	9%	9%	9%	10%	n.a.	

ANNEX I (cont'd)

CCT heading No	Description	GSP rate					Imports 1981	
		1984	1983	1982	1981	1980	US\$'000 Total	US\$'000 from GSP origin
20.07 (cont'd)	B. II. b) Of a value of 30 ECU or less per 100 kg net weight:							
	5. Pineapple juice							
	aa) With an added sugar content exceeding 30 % by weight	17% + ads	17% + ads	18% + ads	NO	NO	24	4 (4)
	bb) With an added sugar content of 30 % or less by weight	17%	17%	18%	NO	NO	196	195 (135)
	cc) Not containing added sugar	17%	17%	19%	NO	NO	1,430	1,322 (942)
	7. Other fruit and vegetable juices:							
	ex aa) With an added sugar content exceeding 30 % by weight:							
	— Of fruit falling within heading Nos 08.01, 08.08 B, E and F and 08.09, excluding pineapples, melons and watermelons	8%+ ads	9% + ads	9% + ads	9% + ads	10% + ads	n.a.	
	ex bb) Within an added sugar content of 30 % or less by weight:							
	— Of fruit falling within heading Nos 08.01, 08.08 B, E and F and 08.09, excluding pineapples, melons and watermelons	8%	9%	9%	9%	10%	n.a.	
	ex cc) Not containing added sugar:							
	— Of fruit falling within heading Nos 08.01, 08.08 B, E and F and 08.09, excluding pineapples, melons and watermelons	8%	9%	9%	9%	10%	n.a.	
21.02	Extracts, essences or concentrates, of coffee, tea or maté and preparations with a basis of those extracts, essences or concentrates; roasted chicory and other roasted coffee substitutes and extracts, essences and concentrates thereof:							
	D. Extracts, essences and concentrates of roasted chicory and other roasted coffee substitutes:							
	II. Other	5%+vc	6% + vc	6% + vc	6% + vc	6% + vc	n.a.	
21.03	Mustard flour and prepared mustard:							
	B. Prepared mustard	8%	8%	8%	9%	9%	238	22
21.04	Sauces; mixed condiments and mixed seasonings:							
	ex C. Other:							
	— Products with a tomato ketchup basis	7%	7%	7%	8%	8%	n.a.	
	— Other, excluding sauces with a vegetable oil basis	5%	5%	5%	6%	6%	n.a.	

CCT heading No	Description	GSP rate					Imports 1981 US\$'000 from	
		1984	1983	1982	1981	1980	Total	GSP origin
21.06	Natural yeasts (active or inactive); prepared baking powders:							
	A. II. Baker's yeast:							
	a) Dried	4%+vc	5%+vc	5%+vc	5%+vc	5%+vc	1,634	282
	b) Other	4%+vc	5%+vc	5%+vc	5%+vc	5%+vc		(279)
	B. Inactive natural yeasts:							
	(i). Other than in tablet, cube or similar form, or in immediate packings of a net capacity of 1 kg or less	Free	Free	Free	Free	3%	5,678	326 (7)
21.07	Food preparations not elsewhere specified or included:							
	A. Cereals in grain or ear form, pre-cooked or otherwise prepared:							
	III. Other than Maize and Rice	2%+vc	4%+vc	4%+vc	4%+vc	4%+vc	83	25 (10)
23.07	Sweetened forage; other preparations of a kind use in animal feeding:							
	C. Other	3%	3%	3%	6%	6%	n.a.	
24.02	Manufactured tobacco; tobacco extracts and essences:							
	A. Cigarettes	82% (*)	87%	87%	87%	87%	10,867	718 (549)
	B. Cigars	41% (*)	42%	42%	42%	42%	25,927	19,947 (6,234)
	C. Smoking tobacco	100% (*)	110%	110%	110%	110%	4,364	32 (3)
	D. Chewing tobacco and snuff	45% (*)						
	E. Other, including agglomerated tobacco; in the form of sheets or strip	18% (*)	19%	19%	19%	19%	8,163	136
	TOTAL						955,628	396,239 (136,180)