

**GENERAL AGREEMENT ON
TARIFFS AND TRADE**

RESTRICTED

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DEVELOPMENTS IN THE TRADING SYSTEM
APRIL 1985 - SEPTEMBER 1985

Corrigendum

Subsequent to the completion of the background document prepared for the special session of the Council on developments in the trading system (C/W/485), the following factual, corrective or supplementary information has been received by the secretariat.

Page 8, new paragraph (on the EC):

Add new paragraph: "In July 1985, the European Commission published a Green Paper entitled "Perspectives for the Common Agricultural Policy". A series of tentative proposals focus on several basic options for the future development of the EC's agricultural policy including direct income aids, balancing agricultural markets and the elaboration of a more market-oriented policy. The consultative document is being considered by the EC's Council of Ministers."

Page 9, paragraph on Japan:

Last sentence: delete "quantity agreed to with the United States in 1984" and replace by "minimum annual quota decided on in the External Economic Measures of 27 April 1984".

Page 12, sixth paragraph (on Japan):

Delete rest of paragraph from "abandon" and replace by "change its policy on imports of gasoline. Although Japan is one of the world's largest importers of petroleum products, gasoline has not been imported so far. The Council's report stated that the Government should make efforts to establish the necessary arrangements to enable imports to take place at the earliest possible moment. The report did not suggest what quantities of such products might be imported."

Page 12, last paragraph (on Japan and Canada):

First line: replace "quota" by "export forecast". Add to end of last sentence "so as to avoid disruption of the Canadian market".

Page 14, first paragraph on Japan:

Replace "have announced in July" by "were reported in July to have announced".

Second paragraph to be replaced entirely by: "The Government of Japan was reported to have agreed, in principle, to unilaterally remove tariffs on computer parts, peripherals and central processing units as a result of the "MOSS" meeting held earlier between Japanese and United States officials".

Page 15, paragraph on Japan:

Add to end of first sentence: "in the light of the difficulties facing some of her textile markets and the consequential hardships of the Japanese industries".

Page 15, new paragraphs:

Before item on the United States and Portugal, insert three new paragraphs:

"The Republic of Korea informed GATT that Japan has called for an extension of voluntary restrictive arrangements (1983-1986) on cotton yarns".

"Japan is reported to have expressed its wish, on several occasions, that China should voluntarily limit its export of textiles to the Japanese market given their rapid growth in recent years, and to have indicated that, in the absence of such an undertaking, restrictive measures might be taken against such exports. According to Chinese sources, China has long been implementing an export licensing system for shipments of cotton and cotton polyester yarn, and on cloth made from cotton and cotton/polyester, and does not expect growth on any substantial scale given the quantitative control that is being exercised by the Chinese authorities".

"In the context of its cotton yarn exports to Japan, Pakistan reported that discussions had taken place between the two countries' authorities and that Japan had indicated that it would be in the long-term interests of Pakistan to devise some mechanism so as to ensure that its cotton yarn exports did not disrupt the Japanese market."

Page 16, seventh paragraph (on the United States):

Add a footnote to the end of the first sentence: "The Bill was passed by 262-159 votes, below the two-thirds majority which would be needed for any possible override of a Presidential veto. The Senate voted 54-42 for a Bill that would place a severe limit on textile and footwear imports."

Page 17, sixth paragraph (on Sweden):

Delete: "has proposed" and substitute "intends to propose".

Page 18, paragraph on Japan:

Second line, replace "1,860" by "1,850".

Lines six and seven: delete "with interested countries, in the context of GATT and other fora" and replace by "under GATT as well as through consultations with the countries concerned".

Page 19, first paragraph:

First line should read "Section VI" and not "Section VII".

Page 21, third paragraph (on the United States):

In first sentence delete "has" and add to final sentence: "On 21 October, the ITC ruled that imports of table wines from Italy, France and West Germany were not such as to cause injury to US wine producers and wine-grape growers."

Page 24, new paragraph after item on EEC:

Add: "It is reported that Japan might be considering to extend GSP beneficiary status to Hungary. Such an act, which would be subject to legal procedures, would only take effect from the next fiscal year, beginning 1 April 1986.

Page 24, paragraph on Japan:

Delete paragraph except for the final sentence and replace by:

"Japan: effective April 1985, tariff cuts on 33 agricultural, forestry and fishery products of export interest to developing countries, and on 1,132 industrial and mining products were brought forward by two years and those on 40 other agricultural, forestry and fishery products by one year. The decision was taken in the context of the agreement to advance tariff reduction instalments negotiated during the Tokyo Round. In addition, the 15 per cent duty on certain bovine and equine leather was rescinded. On 30 July, Japan also announced that measures would be taken under the Action Programme to eliminate or reduce tariffs on about 80 per cent of the total dutiable items at the earliest possible moment in 1986 (in April 1987, for some products). In this context, due consideration would be given to the requests of other trading partners. The tariff rates on a total of 72 agricultural and industrial products will also be eliminated or reduced. Tariff rates on a total of about 1,800 processed agricultural and industrial products are to be reduced, in principle, by 20 per cent. Approximately, thirty-two products with concession rates at or below 2 per cent are also scheduled for elimination with a view to implementation by 1 April 1987".

Page 26, paragraph on Chile:

First sentence: delete the remaining part of the sentence after "20 per cent".

Page 31, new paragraph:

Following second paragraph, add new paragraph:

"Also as part of the Action Programme, and with the intention of equalizing the benefits among countries covered by its GSP Scheme, Japan will improve the ceiling system and expand the quotas for industrial and mining products, with the aim of implementing these changes as from April 1987. Japan has also stated that it intends to take the initiative in proposing to other major donor countries the need to make fundamental improvements in the GSP with respect to industrial and mining products, in accordance with the principle of international joint action advocated in the Action Programme. In relation to the implementation of the announced across-the-board cuts for some 1,800 tariff lines (see Section B I), Japan will also proportionately reduce GSP duty rates".

Page 32, paragraph on the Republic of Korea:

Replace: "This raised Korea's import liberalization ratio to 87.7 per cent;" by a new penultimate sentence: "As a result, a total of 6,945 items out of 7,915 CCCN tariff lines at the eight digit level are free from import restrictions, thus increasing the ratio of import liberalization from 84.7 per cent in 1984 to 87.7 per cent during the second half of 1985".

Page 36, paragraph on Portugal:

Add a new sentence at the end of line nine: "A further Decree (number 188/85) published on 7 June sets out a number of import quotas to be eliminated in 1985."

Page 40, item on the Republic of Korea:

Add to second sub-paragraph, after "refrigerated oysters", "smoked bai tap shell".

Page 40, paragraph on Rwanda:

Replace existing item by: "Imports of cement into Rwanda have been temporarily suspended as of 12 March 1985, in pursuance of Article XVIII, paras. 1, 2, 3 and 4a, in order to encourage a newly established cement works."

Page 47, paragraph Article XI(b):

Add to list of countries in last sentence: Australia, Finland, India, Pakistan, Portugal and Sweden.

Page 50, last paragraph:

Add final sentence: "Since 30 September a notification has been received from the EC Commission containing information on DPG legislation in the EC (Belgium, Denmark, Germany, Fed. Rep., France, the Netherlands and the United Kingdom)."

Page 51, Annex to Appendix I:

Add to table: Indonesia 1985³

Add footnote: ³Full notification; Indonesia acceded to the Subsidies Code on 4 March 1985.

Page 63, paragraph iv:

Amend final sentence so that section after semi-colon reads: "the terms of reference, on which agreement was not reached in the Committee, were finally decided by the Chairman of the Committee."