

GENERAL AGREEMENT ON
TARIFFS AND TRADE

RESTRICTED

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Multilateral Trade Negotiations

GROUP 3(e) - BASIC DOCUMENTATION

Inventory of Various Non-Tariff Barriers

Addendum

EUROPEAN COMMUNITIES

Customs and Administrative Procedures:

Product: (BTN)	Country or group maintaining measure:	Countries indicating an interest:
Processed products made of fruit and vegetables with added sugar (Chapter 20)	European Communities	Australia Romania United States Yugoslavia

(a) Description:

System of fixing levies

(b) Comments by other countries:

Australia: This arrangement is technically complicated and causes trading uncertainties. A fixed levy would go a considerable way towards removing the uncertain element from the present levy system.

Yugoslavia: The highly complicated system of fixing levies on a basis of sugar content and other administrative procedures, such as declaration of the sugar content of processed products, checking the accuracy of such declaration and determining the quantity of sugar contained in the processed products, with a view to selecting methods for calculating levies, occasion exporters in third countries special difficulties and leave them uncertain as to what the total amount of import duty charged on processed products made of fruit and vegetables with added sugar will be.

United States: The representative of the United States drew attention to the problems this complicated procedure gives rise to and the delays it causes. He expressed the hope that it would be possible to improve this import system, in particular for canned fruit.

(c) Comments by country maintaining the measures:

The representative of the European Communities said that the complexity of the system of fixing levies should not occasion difficulties for exporters. He pointed out that levies were within the terms of reference of Working Group 2.

See item 768 of the Inventory of Non-Tariff Measures (MTN/3B/5).

Product: (BTN)	Country or group maintaining measure:	Countries indicating an interest:
Fish, preserved (16.04)	France	Yugoslavia

(a) Description

Certificates of origin are required.

(b) Comments by other countries:

(c) Comments by country maintaining the measures:

Certificates of origin are not required for imports coming from GATT Member countries.

Product: (BTN)	Country or group maintaining measure:	Countries indicating an interest:
Wine (22.05)	Germany, Fed. Rep.	Switzerland

(a) Description:

High cost of analyzing wine imported in bottles. Admission of wine imports in consignments of more than 20 kgs. is subject to compulsory analyses, the high cost of which is charged to the importer. Certified results of analyses by the exporting countries are not recognized by the German authorities.

(b) Comments by other countries:

(c) Comments by country maintaining the measures:

This procedure is part of customs procedures (wine regulations of 17 July 1909). There exists the possibility of negotiating bilateral agreements to make it possible that the certified results of the analyses of the exporting countries are recognized by the German authorities. In the future this type of procedure may be harmonized through EC regulations. [German exports of kirsch to Switzerland face the same problem.]

Product: (BTN)	Country or group maintaining measure:	Countries indicating an interest:
Foodstuffs	Italy	Switzerland

(a) Description

Customs clearance procedure for foodstuffs:

The analyses some foodstuffs are required to undergo from time to time, which frequently apply to well-known branded products (e.g. chocolate, cheese in boxes, etc.), entail unproductive incidental and other expenses that are particularly irksome in the case of products whose composition remains constant.

(b) Comments by other countries:

(c) Comments by country maintaining the measures:

The analyses are carried out by the customs authorities' laboratories to obtain technical data to make it possible to classify the goods and assess them for duty. These analyses are effected free of charge unless emergency procedure is requested. They are only made from time to time, unless they are rendered necessary by the complex nature of the products or by the fact that the products are new ones. If the composition of an imported product remains constant, and its point of entry into Italy remains the same, the findings of the previous analysis are employed.

Product: (BTN)	Country or group maintaining measure:	Countries indicating an interest:
Tallows, used for technical or industrial purposes (15.02)	Italy	United States

(a) Description:

Guarantee tax.

(b) Comments by other countries:

(c) Comments by country maintaining the measures:

The Italian tariff provides for higher customs duties for fats used for making foodstuffs than for fats used for technical or industrial purposes. Since some doubt has arisen as to the actual use of fats purporting to be used for technical or industrial purposes, it was decided that, provisionally, duty should be levied on these products at the top rate; the difference is reimbursed when it is known what the products are ultimately used for.

Product: (BTN)	Country or group maintaining measure:	Countries indicating an interest:
Mangoes and other fruits (ex Chapter 8)	United Kingdom	Pakistan

(a) Description:

Requirements regarding Certificates of origin

(b) Comments by other countries:

The United Kingdom authorities, for the purpose of applying the Commonwealth preferential tariff, insist on production of a certificate of origin from the Karachi Chamber of Commerce which administers this procedure under instructions of the British High Commission in Pakistan. The Pakistani fruit exporters are not members of the Karachi Chamber of Commerce. They are obliged, under this procedure, to obtain certificates of origin first from the Chamber of Commerce and Industry, Karachi, and on that basis from the Karachi Chamber of Commerce. The Pakistani exporters feel that certification from the Karachi Chamber of Commerce may be dispensed with.

(c) Comments by country maintaining the measures:

Miscellaneous Charges and Taxes:

Product: (BTN)	Country or group maintaining measure:	Countries indicating an interest:
Grass seeds for agriculture (ex 12.03)	France	Austria New Zealand United Kingdom

(a) Description:

Levy of a charge on the importation of grass seeds by the Union Interprofessionnelle des Semences Fourragères, a para-administrative body, with the knowledge and with the evident support of the French Ministry of Agriculture.

(b) Comments by other countries:

United Kingdom: Since August 1965, a charge over and above the ordinary customs duty has been applied on a number of British varieties of grass seeds imported into France. This charge protects French grass seed production and has had the effect of completely stopping British exports of a number of varieties. Memoranda have been sent to the French Ministry of Foreign Affairs to have the charge abolished, but to no avail. The French authorities maintain that the purpose of the charge is to adjust the very low prices that are asked by some foreign exporters. British grass seeds are not subsidized. There has been no dumping.

The United Kingdom representative emphasized that the charge was contrary to Article II of GATT, since the duties of the common external tariff were bound for this item. The charge, which was levied uninterruptedly and frequently modified, affected imports and must be a matter for government authority.

New Zealand: This practice has adversely affected New Zealand export. Endorsing what the United Kingdom representative had said, the New Zealand representative added that the body referred to was responsible for maintaining a register in which all imported seeds had to be entered; entries were not made until after payment of the charge.

Product: (BTN)	Country or group maintaining measure:	Countries indicating an interest:
Grass seeds for agriculture (ex 12.03) (cont'd)	France	Austria New Zealand United Kingdom

(c) Comments by country maintaining the measures:

This charge is not a fiscal levy collected by the Government's financial authorities but an import charge the principles, methods of levy and amounts of which are solely a matter for the trade, and which is not under the control or authority of the administration. It is a trade practice, and not official. The principle of applying such a system has been adopted collectively by the sectors represented in a professional grouping, the Union Interprofessionnelle des Semences Fourragères. This body applies levies with a view to combating trade practices which have an effect similar to dumping. The amount of the charge, based on the official quotations of the produce exchange, is determined by comparing the domestic market price with the prices quoted by exporters. The charge applies to all seeds, whatever their source; it corresponds to certain services rendered and is the equivalent of the charge French producers are required to pay.

The professional body referred to requires French producers to pay a charge known as a "certification" charge for the exercise of supervisory functions over national production. This certification charge is not applied to imported seeds; its rate is a high one by comparison with the charges levied on supplies from foreign countries.

A draft regulation on Community organization of the seeds sector is being prepared by the EC authorities. It is possible that within the context of this new regulation, the system described will be modified.

Product: (BTN)	Country or group maintaining measure:	Countries indicating an interest:
Whisky and other grain spirits (ex 22.09)	France	United States United Kingdom

(a) Description:

An excise tax discriminates against grain spirits (whisky and gin) in favour of other alcoholic beverages.

(b) Comments by other countries:

United Kingdom: In addition to the value-added tax (TVA) alcoholic beverages attract one or more of three other taxes. The first, the consumption tax on alcohol, was increased at the beginning of 1968 at a uniform rate for all types of beverages. However the tax on grain spirits, which applies to all beverages obtained from the distillation of grains, and the surcharge on aperitifs are now being applied to all these products with the exception of cognac and rum. As a result of these measures the combined incidence of the additional taxes on gin, whisky and vodka has increased 73 per cent, as against 37 per cent in the case of rum, 40 per cent in that of vermouth and 56 per cent in that of cognac. These taxes consequently involve discrimination against sales of whisky and gin in France.

The representative of the United Kingdom observed that the question had already been discussed: whisky was not a particularly dangerous beverage and there was no reason to apply a more severe treatment to it than to other beverages.

United States: Products exported by the United States meet with the difficulties referred to, which have been discussed in the Committee on Trade in Industrial Products. If measures in the interests of public health need to be taken, they should relate to alcohol content; the identical treatment should apply to French products.

Product: (BTN)	Country or group maintaining measure:	Countries indicating an interest:
Whisky and other grain spirits (ex 22.09) (cont'd)	France	United States United Kingdom

(c) Comments by country maintaining the measures:

This practice has already, owing to its fiscal and publicity aspects, been considered by the Committee on Trade in Industrial Products and the Working Party on Border Tax Adjustments. It arises from the campaign to control alcoholism. It has been found that alcoholism is particularly rife in connexion with consumption of aperitifs, among which France includes whisky. It is not a question of discriminating against grain spirits: aperitifs based on aniseed are subject to the same treatment. In spite of these measures France's whisky imports are greatly increasing.

See item 796 of the Inventory of Non-Tariff Measures (MTN/3B/5).

See document L/3389 (Consolidated Document on the Examination of Practices of Contracting Parties in Relation to Border Tax Adjustments, pages 73-75 (Working Party on Border Tax Adjustments)).

Product: (BTN)	Country or group maintaining measure:	Countries indicating an interest:
Maize (10.05)	Ireland	United States

(a) Description:

Supplementary charge. Not applicable to United Kingdom. Issuance of corn import licences are contingent upon the agreement of the importer to pay a levy of £1 per long ton (this is used to finance the barley support programme).

(b) Comments by other countries:

(c) Comments by country maintaining the measures:

Payment of £1 in respect of each ton of maize imported is a condition of the granting of a licence to import. Receipts are used to subsidize the transport of feed grain from surplus to deficiency areas in the country. The charge is of indefinite duration and applies to all countries except the United Kingdom. It was introduced in 1963 under Section 21 of the Agricultural Produce (Cereals) Act 1938. Prior to 1963 the charge was operated on a voluntary basis.

Product: (BTN)	Country or group maintaining measure:	Countries indicating an interest:
Coffee extract (ex 21.02)	Italy	Brazil
Banana flour (ex 21.07)		

(a) Description:

Consumption tax on banana flour of Lit 350 per kg. and on coffee extract of Lit 1,500 per kg.

(b) Comments by other countries:

The tax on coffee extract is of particular interest for Brazil because it affects one of Brazil's most important exports.

(c) Comments by country maintaining the measures:

The taxes are fiscal in nature and not discriminatory because they are applied both to national and foreign products. A new calculation method had allowed a reduction to be made in the tax on coffee extract from Lit 2,070 to Lit 1,500 as from 1 January 1970.

See item 813 of the Inventory of Non-Tariff Measures (MTN/3B/5). See document L/3389 Consolidated Document on the Examination of Practices of Contracting Parties in Relation to Border Tax Adjustments pages 75 to 79 (Working Party on Border Tax Adjustment).

Prior Deposits:

Product: (BTN)	Country or group maintaining measure:	Countries indicating an interest:
Whisky and gin (22.09)	France	Canada United Kingdom United States

(a) Description:

Prohibition on advertising

(b) Comments by other countries:

United Kingdom: The advertising of alcoholic beverages distilled from grain is absolutely forbidden, although advertising is allowed in the case of other beverages such as rum and cognac. This measure establishes a discrimination in respect of the selling of British gin and whisky on the French market.

The United Kingdom representative, pointing out that this matter had been already discussed, emphasized that whisky was not a particularly dangerous drink, and that there was no reason to apply a more severe treatment to it than to other drinks. The prohibition on advertising was a matter of particular concern because of the sale, under the name of whisky, of drinks imported in bulk when they were not sufficiently mature, whereas the superior merits of Scotch whisky could not be publicized.

United States: The products exported by the United States meet with the above-mentioned difficulties, which have been discussed in the Committee on Trade in Industrial Products. If measures relating to public health were justified, the factor to be taken into account should be the alcohol content; the treatment of French products should be exactly the same.

Product: (BTN)	Country or group maintaining measure:	Countries indicating an interest:
Whisky and gin (22.09) (cont'd)	France	Canada United Kingdom United States

(c) Comments by country maintaining the measures:

Because of its fiscal and publicity aspects, this practice has already been dealt with by the Committee on Trade in Industrial Products and the Working Party on Border Tax Adjustment. It is part of the campaign against alcoholism. It has been found that alcoholism is particularly prevalent in connexion with the drinking of aperitifs, among which France includes whisky. It is not a matter of discrimination against grain spirits; aniseed aperitifs are treated in the same way. In spite of these measures, French imports of whisky, consisting mainly of Scotch whisky, show a considerable increase.

See item 234 in the Inventory of Non-Tariff Measures (MTN/3B/3).