

RESTRICTED

AG/FOR/W/PHL/1
27 September 1983

Special Distribution

GENERAL AGREEMENT ON TARIFFS AND TRADE

Committee on Trade in Agriculture

INFORMATION ON MEASURES AFFECTING TRADE SUBMITTED BY PHILIPPINES

Note by the Secretariat

1. This note has been prepared by the secretariat with a view to facilitating discussion in the Committee, notably with respect to "Exercise A" as was suggested by the Chairman at the meeting in June 1983 (AG/M/2, paragraph 23). It provides a summary of the information on measures affecting trade set out in document AG/FOR/PHL/1.

2. In principle, all of the products included in CCCN Chapters 1 through 24, or 164 headings at the four-digit level of the CCCN, are covered by the AG/FOR/- tabulations. AG/FOR/PHL/1 provides, in terms of CCCN headings, full coverage of Chapters 1 through 24 but, in terms of various non-tariff measures which may affect trade, it is relevant to note that the information submitted by the Philippines was related in some cases to CCCN Chapters rather than the different four-digit headings and did not cover all of the products or product categories classifiable in Chapters 1 to 24 (cf. the Introductory Note on page 2 of AG/FOR/PHL/1). It will be appreciated that the information in the format tables in AG/FOR/PHL/1 and the summary thereof attempted in this note are presented as subject to amendment, correction and completion, as may be required.

3. Out of the 164 four-digit headings in CCCN Chapters 1 to 24, 96 headings could be considered as being covered in some way by the information submitted by the Philippines for the AG/FOR/ documentation or by information supplied earlier in connection with its accession to the General Agreement or in relation with consultations on balance-of-payments import restrictions or through notifications on import licensing.

Measures affecting exports

4. Column 2 - Subsidies, column 3 - Non-commercial credit, column 4 - other forms of assistance: the information supplied so far by the Philippines, and that available to the secretariat, has not permitted the annotation of these columns in the format tables. Column 5 - charges, prohibitions and other restrictions: the column, as now presented, shows the annotation "ex P" (prohibition of exports of part

of the products in that heading) against five headings namely: 01.06 (for Tamara, Philippine eagle, mouse deer, sea turtle and its eggs), 03.02 (for milk-fish fry, eel fry - with a quota for breeding purposes), 03.03 (for Sabalo and live gravid shrimp of genus *Peneaus*), 12.07 (copra plants) and 14.01 (rattan poles). The GATT Article cited against the measure under 14.01 is XX(g) and the classifying criterion for column 16 is (b). The measure on position 03.03 is applied under the provisions of Article XX(b) and the measure is classified as (a). While the annotations for the other provisions are not as specifically defined, it may be assumed, by analogy, that they are also applied under the provisions of Article XX(b) or XX(g), as appropriate. Also in this category of measure may be the export restrictions on coral (heading 05.12). There are quotas on exports of coffee and sugar, applied in accordance with obligations under the ICA and the ISA, with a reference to GATT Article XX(h). Finally, there are export taxes (XTX) on ex 08.01 (bananas and desiccated coconuts), on ex 12.01 (copra), ex 15.07 (coconut oil), ex 17.01 (centrifugal sugar), 17.03 (molasses), ex 20.06 and ex 07 (pineapple sliced, crushed, -juice and concentrates), ex 23.04 (copra meal and -cake), and ex 24.01 (various types of tobacco). No specific GATT Article or Articles are listed against the XTX measures but certain XTX inscriptions are cross-referenced in column 15 to other GATT documents. Column 16 - State trading enterprises: exports of maize (10.05), rice (10.06), copra (ex 12.01), coconut oil (ex 15.07) and sugar (17.01) are under State trading. Column 7 - Other measures affecting exports: the entry "SN" (sanitary regulation) is shown against six headings for fishery products in Chapters 03, and 16.

Measures affecting imports

5. Column 8 - Tariffs, bindings: information on m.f.n. duty rates is provided for all of the 164 four-digit positions in CCCN Chapters 1 through 24. The level of applicable import duties currently ranges from 5 per cent to 70 per cent ad valorem, but - according to tariff data published by the Bureau International des Tarifs Douaniers - some of the higher duty rates are being reduced progressively so that by 1985 the highest applicable duty rate will be 50 per cent. Currently, 17 headings carry duties of 10 per cent or less, for 21 headings the maximum rate, is above 10 per cent but not more than 20 per cent, for 11 headings the maximum is 30 per cent, for 5 headings 40 per cent, while for 85 headings the rate is set at 50 per cent or the maximum rate is 50 per cent. This leaves 15 headings with rates ranging up to 60 or 70 per cent. There are two instances where the entire four-digit heading is subject to a GATT binding and for ten other headings one or more sub-positions are GATT bound; GATT reference: Schedule LXXV. There are five instances where "Other preferences" are granted for the entire four-digit heading, while in the case of 11 other headings part of the respective heading is subject to "Other preferences": the GATT provision invoked is the "Enabling Clause". Column 9 - Levies and other charges: a selective tax on imports is shown against 29 headings; GATT reference is document L/5232/Rev.1 and Corr.2. Column 10 - Licensing and import restrictions: against 38 headings the symbol "L" (i.e. licensing, unspecified) is shown (sometimes relevant to part of the

heading only while other parts may be subject to different regulations also classifiable under column 9). Reference in column 16 against the measure "L" is "AILP", which stands for Arrangement on Import Licensing Procedures". See also footnote 1 on page 3 of AG/FOR/PHL/1. Discretionary licensing, "DL" is shown against 55 headings. In most, but not in all, cases, Article XVIII:B justification is inscribed in column 16. In 13 out of the 55 "DL" instances, the applicability of quotas for part of the item is shown. Imports of certain fresh vegetables (ex 07.01), certain varieties of coffee (ex 09.01), rice (10.06), certain plants (ex 12.07) and tobacco (24.01) are prohibited. Column 11 - Sanitary and phytosanitary regulations: the symbol "SN" is inscribed against 39 headings. In many of the cases specific reference is made to Article XX(b) and the measure is classified as (a). Column 12 - Marketing standards, packaging and labelling regulations: no entry. Column 13 - State trading enterprises: the symbol "ST" is shown against positions 10.01, 10.03-10.07 (cereals other than rye); see also pages 16 and 25 to 27 of AG/FOR/PHL/1 as regards feedgrain substitutes), and 17.01 (sugar). Column 14 - Other measures affecting imports: reference is made against 22.05 (wine), 22.06 (vermouth), and manufactured tobacco (24.02) to "NTX" (for internal taxes) with an annotation to the measure on 24.02 products that the tax will be phased-out in 1984. Against 24.01 the existence of a Bilateral Supply Agreement for leaf tobacco is noted.

Reference to GATT documents

6. Column 15 - The following GATT documents have been listed in column 15 as being relevant to specific headings, as appropriate: Schedule LXXV, L/3841, L/3888, L/4668, L/4724 and Add.1, L/4732, L/5232/Rev.1 and Corr.1 and Corr.2, L/5455, BOP/208 and BOP/227.

References to GATT Articles, provisions and classification criteria as in paragraph 7(a) through (f) of document AG/1

Column 16 - References to GATT Articles, to the extent that they were contained in the submission by the Philippines, are listed in column 16 and are also noted in paragraphs 4 and 5 above. Only in a few cases have classification symbols been selected by the Philippines. Where this was the case it is also noted in paragraphs 4 and 5 above.