

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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20 June 1969

Limited Distribution

Committee on Trade in Industrial Products

INVENTORY OF NON-TARIFF BARRIERS

Addendum

Supplementary Notification

Following is a notification by Pakistan received after the meeting of the Committee at which the relevant parts of the inventory were first examined; the notification is arranged according to the parts of the inventory (Addenda 1-6) to which it appears to relate.

Country maintaining restriction and description	Products affected	Country notifying and comment
To add to <u>Addendum 1</u>		
C. State trading, government monopoly, etc.		
AUSTRIA		
State trading. (see Item 49)	Bran, unmanufactured tobacco, tobacco refuse and tobacco manufactures.	PAKISTAN: Austria has State trading in bran, unmanufactured tobacco, tobacco refuse and tobacco manufactures. The State monopoly for tobacco encompasses all aspects of trade.
FRANCE		
Monopoly. (see Item 54)	Tobacco, cigaretttes and newsprint	PAKISTAN: Some exportable goods from Pakistan such as tobacco, cigarettes and newsprint are hampered from entering French market due to the fact that imports of these items are completely under the control of two organizations, namely, (i) M/S. SELTA 53 Quai d'Orsay, Paris-7, which is a State-owned Company and is the sole importer of tobacco and cigarcttes and (ii) M/S Société Professionnelle des Papiers de presse, 8, rue Yvon Villarceau, Paris-16, which is the only purchasing group of the press industry which can import newsprint from any source. The imports of these items from Pakistan into France are restricted. The Government of Pakistan would like those restrictions to be removed.
ITALY		
State trading. (see Item 60)	Tobacco and tobacco products, nicotino products, cigarette paper, salt, matches, flints and cigarette lighters	PAKISTAN: Operation of a State monopoly sometimes acts to the disadvantage of exporting countries. The Government of Pakistan would like the import of tobacco to be taken away from State monopoly.

Country maintaining restriction and description	Products affected	Country notifying and comment
To add to Addendum 1 (cont'd)		
C. State trading, government monopoly, etc. (cont'd)		
JAPAN	Salt, tobacco (see Item 61)	<p>PAKISTAN: Trade in certain items like salt, tobacco is controlled by Japan Monopoly Corporation sponsored by the Government. This organization is free to decide the source and the quantity of salt and tobacco to be imported into Japan. Pakistan's tobacco has been kept out by the Monopoly Corporation. Government of Pakistan would wish these monopolies abolished and normal trading channels opened.</p>
To add to Addendum 2		
C. Valuation and associated problems of duty		
G.M.D.	Fair market value. (see Item 92)	<p>PAKISTAN: With reference to the application of the Canadian Anti-dumping Legislation, Pakistan notified as follows: the Canadian authorities have fixed their market values on Pakistan's cotton textiles in a very arbitrary manner. In the case of Pakistan, the fair market value is taken to mean the cost of production in the home market plus 12 per cent gross profit on production cost. In the case of another country, for similar products, the gross profit rate has been fixed at 7.5 per cent. The formula for the fixation of fair market value in respect of textiles shipped to Canada is clearly discriminatory as between Pakistan and the other country as it has been worked out on purely arbitrary basis. The application of this formula is adversely affecting Pakistan's exports of textiles to Canada as it makes Pakistan's prices higher compared to prices of similar products coming from the other country to the Canadian market. This discrimination needs therefore to be removed.</p>

Country maintaining restriction and description	Products affected	Country notifying and comment
To add to Addendum 3		
B. Health and safety standards		
AUSTRIA		
Sanitary regulations.	Many products	PAKISTAN: The health and sanitary regulations are highly stringent with the result that it is almost impossible to introduce a product which is subject to these regulations into the Austrian market. Pakistan would like that the application of health and sanitary regulations are made realistic and should not be applied for stopping the import of products in the Austrian market.
DENMARK, NORWAY, SWEDEN	Food items and other agricultural products	PAKISTAN: A strict health certificate from the veterinary department is required for importation of food items and other such agricultural products. This makes it difficult for other countries to enter the Scandinavian markets with various food products. This requirement is also applicable to fresh and canned fruits. This requirement needs suitable modification to facilitate entry of foreign products.
	Sanitary regulations.	PAKISTAN: Italian regulations do not permit the import of citrus fruit for which "diphenyl" preservative is used. Dry fruit cannot be imported if the quantity of sulphur dioxide (SO ₂) used for its preservation is greater than 600 parts per million. Meat and poultry is not allowed unless it can be certified that the animal was not fed with "estrogen". Those regulations act as barriers to trade. Diphenyl is widely used as preservant of fruit for proper preservation of dry fruit. At least 2,000 parts per million of SO ₂ are used. Estrogen is one of the major poultry feeds. The effect of these
ITALY	Fruit and vegetables meat and poultry	

Country maintaining restriction and description	Products affected	Country notifying and comment
To add to <u>Addendum 3</u> (cont'd)		
B. <u>Health and safety standards</u> (cont'd)		
ITALY (cont'd)		regulations is a discouragement and even a complete barrier to the import of these items. These regulations need revision.
JAPAN		
Sanitary regulations.	Plants, vegetables, fruits, agricultural and animal products	PAKISTAN: Strict quarantine regulations are rigorously administered on imported plants, vegetables, fruits, agricultural and animal products. Import of ripe fruits of all varieties is prohibited. Regulations provide that fruits must come in their green state and that they are to ripen under Japanese supervision in Japan. These laws make imports of fresh fruits from Pakistan to Japan difficult. The quarantine regulations should be liberalized to accommodate fresh fruits from Pakistan.
UNITED KINGDOM		
Sanitary regulations.	Potatoes, neat and neat products	PAKISTAN: The import of potatoes into the United Kingdom from Pakistan is prohibited as a result of the orders imposing restrictions, on plant health grounds, on the imports of plants and plant produce. The reason given is that several bacterial and virus diseases and a few fungus diseases that do not occur in the United Kingdom, are known to occur in other parts of the world. As the distribution of these diseases is not known, the importation of potatoes from most of the countries including Pakistan has been prohibited.
		The Government of Pakistan would wish the establishment of suitable arrangements to permit importation of potatoes from Pakistan.
		The import of neat and neat products from Pakistan is also prohibited on nodical grounds. According to the United Kingdom Ministry of Agriculture, Fisheries and Food, import of this item must be accompanied by an

Country maintaining restriction and description	Products affected	Country notifying and comment
To add to Addendum 3 (cont'd)		
B. Health and safety standards (cont'd)		
UNITED KINGDOM (cont'd)		<p>official certificate, agreed with the exporting countries, as a guarantee that the meat or neat product, and the animal from whom the meat has been taken, were produced or reared in approved premises and under hygienic conditions. In the absence of such an agreement between Pakistan and the United Kingdom the importation of neat and meat products from Pakistan is not allowed. The Government of Pakistan would like to see simplification of these arrangements.</p>
To add to Addendum 4		
A. Quantitative restrictions and licensing		
AUSTRALIA	Many products	PAKISTAN: The quotas and licensing restrictions impede trade.
Quotas and licensing. (see Item 216)		
FRANCE	Licensing and quotas. (see Item 242)	<p>Cotton textiles, cotton articles, canvas shoes, import of cotton textiles is under quota. The cotton handloom products, licensing procedure laid down by France is such that imports from Pakistan are delayed. According to the present arrangement, the quota is administered on 50-50 basis by French and Pakistani authorities. For the part to be administered by Pakistan, France insists that Pakistani exporters must send pro forma invoices in original stamped by Pakistan licensing authorities to French importers who will present it with an application to the French authorities for issuance of necessary import licence. This procedure is time-consuming as exporters have to wait till importers have obtained import licences to ship the goods. Arrangements with other EEC countries are that Pakistani exporters are allowed to ship their goods after obtaining Export Authorizations from</p>

Country maintaining restriction and description	Products affected	Country notifying and comment
		To add to Addendum 4 (cont'd)
1. Quantitative restrictions and licensing (cont'd) FRANCE (cont'd)	Pakistani authorities, whereas in the case of France, the total quota in reality is administered by France. The Government of Pakistan would like that the requirement of sending pro forma invoices to the importer in France for the issuance of import licences against the portion of quota under the administration of Pakistan should be waived and Pakistani exporters should be allowed to despatch their goods immediately after they have received the Export Authorization.	<p><u>Canvas shoes:</u> France has unilaterally fixed a small quota for importation of canvas shoes from Pakistan. There is a large demand for Pakistani canvas shoes in the French market. The Government of Pakistan would therefore like either removal of quota restrictions on canvas shoes or substantial increase in the quota.</p> <p>For import of cotton handloom products, the French importers have to apply for import licences on production of a certificate of origin from Pakistani authorities. This is a time-consuming procedure. The Government of Pakistan would like that the procedure of submission of application for import licences in respect of handloom products from Pakistan should be dispensed with and exporters should be allowed to despatch their goods once they have obtained the certificate of origin from Pakistani authorities. The import of a number of other goods from Pakistan is restricted. At present there is demand for coir carpets, into manufactures, cutlery, etc., but because of restrictions there is no import of these articles from Pakistan. The Government of Pakistan would like to see liberalization of these restrictions.</p>

Country maintaining restriction and description	Products affected	Country notifying and comment
To add to Addendum 4 (cont'd)		
A. Quantitative restrictions and licensing (cont'd)		
ITALY	Licensing, quotas. (see Item 254)	PAKISTAN: Many products
		PAKISTAN: Italy exercises licensing and quota restrictions on a number of products. Items for which an import licence is required are: pineapples, mangoes, some other fresh fruits, fruit juices and vegetable juices except pineapple juice and grapefruit juice, apparel and clothing, other ready-made textiles, articles, pearls, precious and semi-precious stones, articles of jewellery of precious metals, rice, molasses. Import of potatoes can be made from Israel only.
		These restrictions militate against the principle of free trade. In many cases the requirement of import licensing means a complete ban on imports. For example licences are normally not given for fruit juices and rice. Pakistan Government would like that these restrictions are removed to give their products a free access to Italian market.
JAPAN	Import quota system. (see Item 259)	PAKISTAN: Imports of 122 items are subject to import quota system by the Ministry of International Trade and Industry (MITI). The system often acts against the interest of Pakistan's exports to Japan. In spite of being competitive in certain commodities, because of the quota system, Pakistan's exports of these commodities are either restricted or completely eliminated. The affected commodities of export interest to Pakistan are rice, molasses, sugar, oilcake, leather, footwear, etc. The Government of Pakistan would wish abolition of the quota system.

Country maintaining restriction and description	Products affected	Country notifying and comment
To add to Addendum 4 (cont'd)		
A. Quantitative restrictions and licensing (cont'd)		
SWITZERLAND		
Import restrictions. (see Item 296)	Fresh flowers, fresh vegetables, fodder cereals, fodder and many other products	PAKISTAN: Switzerland exercises seasonal quotas against the import of fresh flowers and fresh vegetables, and a global quota for fodder cereals and fodder. Permission is needed for the import of potatoes, bread and animal fats. Other items of interest to Pakistan which need import permission or licence are chestnut wood and products, travelling pigeons, animal fats, animal blood, edible onions, barley, shrimps, shells, mussells, unrendered fats of bone cattle, sheep or goats, other animal and oil fats, for human consumption, juices of seed fruits, vegetable products for animal feed.
UNITED KINGDOM		These quota and licensing restrictions hamper the flow of imports from Pakistan. Pakistan would like to see that these quotas and licensing restrictions are lifted to allow free access of such products to the Swiss market.
Global quota. (see Item 304)	Some jute goods	PAKISTAN: The Board of Trade Jute Control imported some jute goods from Pakistan and re-sold them at enhanced rates, that is, with a percentage addition (a mark-up) to the landed cost of the goods. The mark-up was 35 per cent plus a variable percentage addition. This mark-up has been replaced by a system of global quota. The Government of Pakistan were consulted but ideally the Government would like to have completely a free trade in jute goods.
Cotton restriction. (see Item 306)	and yarn	PAKISTAN: The present restraint arrangements comprise three-tiered system of quotas, (a) global quotas, (b) country quotas, and (c) special country quotas. Under the global quota, importers are allowed to import cotton cloth and yarn from any of the countries

Country maintaining restriction and description	Products affected	Notifying country and comment
To add to Addendum A (cont'd)		
i. Quantitative restrictions and licensing (cont'd) UNITED KINGDOM (cont'd)	<p>included in the scheme. Countries participating in the global quota system have been allocated country quotas also. For shipments against country quotas export authorizations are issued to the countries concerned. In addition to the country quotas, special country quotas up to 500,000 square yards for finished cloth and made-ups are available for certain countries.</p> <p>The present arrangements discriminating against Pakistan as they give undue protection to the cotton industries of India and Hong Kong by giving the large individual quotas. Out of the quantity allowed to be imported from the developing countries about 75 per cent has been allocated to India and Hong Kong only while the remaining 25 per cent is shared by other developing countries included in the global quota arrangements. The Government of Pakistan would like that during the period of current textiles arrangement, equal treatment for all the developing countries should be accorded by abolishing the country quotas and pooling them in one global quota in which all the developing countries could freely participate.</p>	
H. Minimum and maximum prices and price controls		
AUSTRALIA		
Minimum prices. Many products (see Item 311.1)		PAKISTAN: The requirement of minimum prices etc. discourage imports into India.

Country maintaining restriction and description	Products affected	Country notifying and comment
To add to Addendum 5		
A. Prior deposit		
UNITED KINGDOM		
Prior Deposit Scheme. (see Item 408)	Many products	PAKISTAN: The introduction of the Import Deposit Scheme by the United Kingdom will adversely affect about one third of the exports of Pakistan to the United Kingdom. Most important items affected are cotton manufacture, cotton yarn, garments and hosiery, sports goods, surgical goods, synthetic textiles, woollen fabrics, leather tanned and leather goods. The Government of Pakistan would like that the items of export interest to Pakistan should be removed from the purview of the scheme in consonance with the need for special treatment for products of export interest to developing countries.
B. Surcharges, port dues, statistical taxes, etc.		
AUSTRIA		
Supplementary import charges.	Many products	PAKISTAN: The requirements of supplementary import charges etc. discourage imports into Austria.
ITALY		
(1) Administrative tax. all products (see Item 435)		PAKISTAN: Italian Government applies an administrative fee amounting to 0.5 per cent of the c.i.f. value on all imports. In addition, a statistical fee generally of Lit 10 per 100 kgs. of imports is also levied. There is one more tax namely landing tax applicable only in the ports of Civitavecchia, Genoa, Leghorn, Naples, Ravenna and Venice. It affects cereals at the rate of Lit 30 per metric ton.
(2) Statistical tax. (see Item 436)	All products	Those fees and taxes do not correspond to any services rendered and serve merely to inflate the cost of imports and make them uncompetitive with domestic products.
(3) Landing tax.	Cereals	The Government of Pakistan would like to see that these fees and taxes are abolished in respect of all countries.

Country maintaining restriction and description	Products affected	Country notifying and comment description
To add to <u>Addendum 5</u> (cont'd)		
B. <u>Surcharges, port dues, statistical taxes, etc.</u> (cont'd)		
ITALY (cont'd)		
Sanitary tax. (see Item 438)	Live animals, some sea food, livestock, products and some other products	PAKISTAN: The Italian Government apply health inspection fees on products of export interest to Pakistan like fish products, raw skins, casings, internal organs and glands of animals, natural wool, animal bones, horns and nails and animal fat for industrial use. Recently those fees have been considerably increased and range from Lit 600-1000 per quintal. These fees, being very high, increase the cost of imports. The Government of Pakistan would like these to be abolished or substantially reduced.
F. <u>Border tax adjustment</u>		
ITALY		
Border tax adjustment. Cotton (I.G.E.)		PAKISTAN: This tax is applied to the total value of the imports, i.e. invoice value and custom duty and administrative fees. The tax is also applicable to domestic products at the same rates with the exception of raw cotton. While on domestic raw cotton the turnover (I.G.E.) tax is 4.8 per cent, on imported cotton it is 7.2 per cent. Thus the turnover tax on imported cotton is discriminatory and works to the disadvantage of foreign suppliers of cotton.
Compensatory tax. (see Item 553)	Many products	PAKISTAN: On some commodities compensation duties are applied. This tax varies in accordance with commodity. The tax is on the c.i.f. value and custom duty and administrative tax. Live animals, meats, fish, sea food, plants, cereals and oilseeds are exempted. The rate of this tax on other products is 2.4 per cent on vegetables, pulses, most of the citrus fruits and nuts. Prunes and raisins are taxed at 3 per cent or 1.2 per cent (in containers or in bulk); dairy products at 3.6 per cent

Country maintaining restriction and description	Products affected	Country notifying and comment
<u>To add to Addendum 5 (cont'd)</u>		
F. <u>Border tax adjustment (cont'd)</u>		
ITALY (cont'd)		
Compensatory tax. (see Item 553) (cont'd)	to 4.8 per cent; some tallow and seed oils meals at 1.2 per cent; most seed oils at 3.6 per cent; most of preserved fruits and vegetables at 4.2 per cent and tobacco leaf at 1.5 per cent.	
DENMARK, NORWAY, SWEDEN		
Sales tax. (see Item 575)	Carpets	PAKISTAN: There is a luxury tax on carpets in Scandinavian countries. The luxury tax on carpets affects Pakistan's exports of carpets to Scandinavia. The Government of Pakistan would wish removal of this luxury tax at least on hand-woven carpets.
<u>To add to Addendum 6</u>		
G. <u>Local content and mixing requirements</u>		
AUSTRIA,		
Mixing regulations.	Many products	PAKISTAN