

THIRD COMMITTEE: COMMERCIAL POLICY

SUB-COMMITTEE E (ARTICLES 20 AND 22)

REPORT OF WORKING PARTY NO.6 ON ITEM 24 (GENEVA DRAFT NOTE)

(Reference E/CONF.2/C.3/3/7 and E/CONF.2/C.3/E/W.16)

1. The following note to paragraph 2 (c) of Article 20 appears in the Geneva text:

The term "in any form" in this paragraph covers the same products when in an early stage of processing and still perishable, which compete directly with the fresh product and if freely imported would tend to make the restriction on the fresh product ineffective.

2. The Working Party accepted as valid the criticism put forward by the United States delegate that the introduction of the term "perishable" which is inapplicable to many types of agricultural products had unduly narrowed the scope of sub-paragraph 2 (c). It considered, therefore, that some clarification of the text was required and accordingly recommends to the Sub-Committee the following rewording, which, in view of the general directive of the General Committee about the elimination of footnotes, might now be included as a new sub-paragraph in the text of the Article:

The term "agricultural or fisheries product, imported in any form" means product in the form in which it is originally sold by its producer and such processed forms of the product the importation of which, without restrictions would make ineffective the restrictions on the importation of the product in its original form.

3. The Working Party however wishes to make clear that the omission of the phrase "when in an early stage of processing and still perishable" is dictated solely by the need to permit greater flexibility in taking into account the differing circumstances that may relate to the trade in different types of agricultural products, having in view only the necessity of not making ineffective the restriction on the importation of the product in its original form and is in no way intended to widen the field within which quantitative restrictions under Article 20 paragraph 2 (c) may be applied. In particular, it should not be construed as permitting the use of quantitative restrictions as a method of protecting the industrial processing of agricultural or fishery products.