

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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Committee on Trade and Development

## SUMMARY OF THE RESULTS OF THE KENNEDY ROUND FOR DEVELOPING COUNTRIES

### Revision

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## INTRODUCTION

1. Shortly after the conclusion of the Kennedy Round, the secretariat prepared a preliminary study of the results of the negotiations with respect to products of interest to developing countries. The study was presented as COM.TD/46 to the ninth session of the Committee held in Geneva last July. The Committee took note of the intention of the secretariat to make available at a later stage additional data that would assist governments to assess the significance of the reductions on individual items in terms of the trade involved. In October, the secretariat circulated its further study, as COM.TD/48, which took account of the discussions at the July meeting of the Committee and carried forward certain aspects of the analysis contained in the preliminary study in COM.TD/46.

2. The new study in COM.TD/48 was used as the basis of deliberations by the Ad Hoc Group on the Assessment of Kennedy Round Results when it convened 26-31 October 1967. The Group requested that the secretariat study in COM.TD/48 be revised to take account of information and factual comments presented by delegations in the course of the discussion in the Group as well as information supplied by governments. The present revised version incorporates certain new information and a number of additional commodity notes. The study remains the responsibility of the secretariat.

3. The preliminary study in COM.TD/46 consisted of a general survey of tariff reductions made by the six major industrialized participants in the negotiations, namely the European Economic Community, Japan, Sweden, Switzerland, the United Kingdom and the United States, on a list of selected products of particular interest to developing countries. These six markets account for more than 90 per cent of all imports by the industrialized countries from the developing countries and the 367 tariff headings covered in the study embraced almost all actual imports into the major developed countries from developing countries (with the exception of cereals, meat and dairy products). The items were chosen either because there were significant imports from developing countries into the major developed markets in a given year or because there was mention of the product in the priority list submitted by developing countries in connexion with their requests for advance implementation or deeper cuts (a complete list of the 367 headings is given on pages 147-163 of COM.TD/46). For these 367 headings, the study showed changes resulting from the Kennedy Round in tariff levels and in their distribution in twenty-three commodity sectors without, however, indicating the significance of these changes in terms of trade.

4. The present study contains the following:

- (a) data on total imports into the six developed country markets from developing countries and the proportion of such imports by sectors;

- (b) analysis of the changes in tariff rates in terms of tariff item numbers and in terms of imports into the six developed markets from developing countries in 1964 (in one instance, in 1965), as well as factual comments on individual products, in respect of seven selected sectors of particular interest (see Chapters I-VII), viz.:
  - (i) tropical products;
  - (ii) processed foodstuffs;
  - (iii) non-ferrous metals and products;
  - (iv) cotton yarn and fabrics;
  - (v) clothing;
  - (vi) other textiles, and
  - (vii) leather and leather products;
- (c) analysis in terms of tariff item numbers, together with factual comments on individual products, for sectors other than the above seven (see Chapter VIII);
- (d) notes discussing developments relating to temperate-zone agricultural products, particularly grains (see Chapter IX).

5. Following the practice established for the preliminary study in COM.TD/46, the tariff rates have been grouped into five percentage point ranges for rates up to 35 per cent ad valorem and a final range of rates above that level. The depth of cuts have been grouped into six categories, namely: (i) less than 20 per cent; (ii) by 20 per cent or more but less than 50 per cent; (iii) by 50 per cent; (iv) by more than 50 per cent but less than 100 per cent; (v) complete elimination of duties and (vi) no reduction.

6. It may be noted that the analysis of tariff changes in terms of tariff item number as well as in terms of actual imports has not taken account of the mere binding of nil or other legal rates (i.e. where there is no reduction in the legal rate), which may be significant as part of the concessions granted or obtained. While it has been possible to give information in the commodity notes on such bindings with respect to certain products, the time available has not been sufficient for a thorough review of the bindings existing prior to the Kennedy Round so that the new bindings may be clearly identified.

7. In the study only most-favoured-nation rates have been taken into consideration and changes in preferential margins have not been shown. Consequently, imports from preferential sources (United Kingdom imports from developing

countries in the Commonwealth, EEC imports from the Associated Countries in Africa, etc.) have not been taken into account in the statistical calculations.

8. The tariff data used in the analysis have been abstracted from the final schedules of concessions for the countries in question. National tariffs have been used for items not included in those lists. Wherever possible, ad valorem incidences of specific duties have been calculated on the basis of 1964 trade data, to facilitate comparison. (Except for Switzerland where 1965 statistics have been used.)

9. The present study is concentrated on changes in the customs tariff. Actions relating to non-tariff measures are however also taken into account in the commodity chapters, especially where they are essential to the evaluation of the tariff changes. In a general evaluation of the results, however, account should be taken of the agreements reached in several non-tariff fields, notably the following:

- (a) The most significant arrangement in the non-tariff field was that concluded in respect of cereals. This arrangement is described in Chapter IX of this paper.
- (b) Imports of cotton textiles into the major industrial markets are regulated not only by tariffs, but also by quotas applied under cover of the Long-Term Arrangement on Cotton Textiles. The reduction of tariffs in the context of the Kennedy Round was accompanied by an agreement to renew the validity of the Long-Term Arrangement for a period of three years, from the end of 1967 to the end of 1970. The details of the changes in the treatment of cotton textiles have been given in Chapter IV of this paper.
- (c) A supplementary agreement relating principally to chemicals was also reached in the negotiations. Under this agreement, the United States President has undertaken to use his best efforts to obtain legislation aimed at eliminating the American Selling Price system of valuation. This system applies principally to Benzenoid chemicals (and to rubber-soled footwear and canned clams). In return the EEC, the United Kingdom and Sweden made concessions which should take effect simultaneously with the abolition of the American Selling Price system.
- (d) During the course of the Kennedy Round, an agreement on implementation of Article VI of the GATT was also reached. The main objective of this agreement is to ensure that national procedures for dealing with cases of alleged dumping are made more equitable and uniform, and anti-dumping practices are not permitted to constitute an unjustifiable impediment to international trade.

GENERAL OBSERVATIONS ON THE TARIFF REDUCTIONS

10. Total imports into the six developed participants from developing countries, excluding preferential sources, amounted to approximately \$20,080 million in 1964. Excluding the figures for cereals, meat and dairy products (which amounted to \$870 million in 1964) and fuels (on which the customs duty and levy would seem to constitute only a secondary factor in regulating trade which amounted to \$7,000 million in 1964) the extent to which the exports of developing countries into the six developed markets were affected by tariff reductions negotiated during the Kennedy Round may be described as follows:

11. Of the total of \$12,210 million worth of such imports into the six participants in 1964 \$7,140 million, or 58 per cent, had been admitted duty free before the Kennedy Round. (The Kennedy Round resulted in a number of new bindings of zero duty but the amount of trade covered by the bindings was not calculated.) Of the dutiable imports of \$5,076 million, duty reductions applied to about \$2,980 million, again 58 per cent of this total.

12. Of the total of \$12,210 million, imports of the order of \$6,189 million fell in the seven commodity sectors (i.e. tropical products, processed foodstuffs, non-ferrous metals and products, cotton yarn and fabrics, clothing, other textiles, leather and leather manufactures) picked out for more detailed study. Of this total of \$6,189 million, \$2,843 million, or 47 per cent, had been admitted duty free before the Kennedy Round; of the dutiable \$3,346 million, reductions were made on \$1,935 million. Of the \$1,406 million worth of trade that received no reductions, over 70 per cent, amounting to \$994 million, was accounted for by tropical products. Similarly, of the dutiable imports of \$1,730 million in products falling outside the seven sectors, tariff reductions of a varying magnitude applied to \$1,040 million. Of the \$690 million receiving no tariff cuts, 52 per cent, amounting to \$360 million, was accounted for by "other unprocessed foodstuffs".

13. In the seven sectors the duty cuts, covering \$1,935 million worth of imports from developing countries, were distributed as follows: reductions of less than 50 per cent, \$1,120 million; reductions of 50 per cent or more, \$490 million; and duty eliminations, \$325 million.

14. The following table summarizes the statements in paragraphs 10-13 above. It shows 1964 imports into the six developed countries from developing countries (excluding preferential sources) affected by tariff action taken during the Kennedy Round, embracing all products covered in the secretariat studies (COM.TD/46 and 48) other than cereals, meat and dairy products, and fuel.

(dollars million)

	No reduction <sup>1</sup>	By less than 50%	By 50% or more	Duty elimination	Total dutiable before Kennedy Round	Duty free before Kennedy Round <sup>2</sup>
Tropical products	994	685	167	125	1,971	2,070
Processed foodstuffs	185	55	145	39	424	150
Non-ferrous metals	125	89	112	7	333	570
Cotton yarn and fabrics	20	66	4	-	90	-
Clothing	33	127	12	-	172	-
Other textiles	37	86	21	153	297	40
Leather and goods	12	12	29	1	54	20
Sub-total seven sectors	1,406	1,120	490	325	3,346	2,843
Crude foodstuffs	360		200		560	290
Beverages and tobacco	110		180		290	-
Raw materials	120		210		330	3,760
Chemicals	20		90		110	80
Other manufactures <sup>4</sup>	80		360		440	160
Sub-total of other sectors	690		1,040		1,730	4,290
Total	2,096		2,980 <sup>3</sup>		5,076	7,140
% in total dutiable imports	42%		58%		100%	
% in total imports					42%	58%

<sup>1</sup> Bindings of existing legal rates have been included as "no reduction".

<sup>2</sup> This includes both bound and unbound free entry items.

<sup>3</sup> Including .5 million with no precise classification as to duty action.

<sup>4</sup> Include iron and steel, footwear, wood manufactures, glassware and machinery.

15. As noted in paragraph 4 above, whilst all product sectors are dealt with in that study, seven selected sectors are given somewhat more detailed treatment. As may be seen from the following table, imports of products in these seven sectors from developing countries constitute about 53 per cent of the six developed participants' total imports from all most-favoured-nation services.

VALUE OF IMPORTS INTO SIX INDUSTRIAL MARKETS<sup>1</sup> FROM ALL  
MOST-FAVoured-NATION ORIGINS AND FROM DEVELOPING COUNTRIES<sup>1</sup>  
THE SEVEN SECTORS AND OTHER COMMODITIES, 1964 OR 1965

(billion dollars c.i.f.)

	<u>Total</u> (\$ billion)	<u>Of which from</u> <u>developing countries</u> (\$ billion)
Tropical products	4.20	4.04
Processed food	1.81	0.57
Non-ferrous metals	2.89	0.90
Cotton yarns and fabrics	0.37	0.09
Clothing	0.82	0.18
Other textiles	1.20	0.34
Leather and leather manufactures	0.41	0.07
<u>Total seven sectors</u>	<u>11.70</u>	<u>6.20</u>
Fuels	9.30	7.00
Raw materials	12.40	4.10
Crude foodstuffs <sup>2</sup>	8.70	2.00
Other manufactures	22.20	0.80
<u>Total all commodities</u>	<u>64.30</u>	<u>20.10</u>

<sup>1</sup>European Economic Community, United States, Japan, United Kingdom, Sweden and Switzerland.

<sup>2</sup>Include chemicals as well as iron and steel, footwear, wood manufactures, glassware and machinery.

Sources: Data supplied by national authorities and published trade returns.

I. TROPICAL PRODUCTS

Imports of products falling within this sector into the six major developed country markets from developing countries under most-favoured-nation terms amounted to \$4,040 million in 1964, accounting for a third of their total imports from developing countries excluding fuels, cereals, meat and dairy products. By comparison their imports of these products from preferential sources amounted to \$1,490 million.

As a result of the Kennedy Round, duty-free entry now applies to 34 per cent of tropical products in terms of tariff items. In terms of base year imports, it now applies to \$2,200 million, or 54.5 per cent of the total value of \$4,040 million. The corresponding percentages before the Kennedy Round were 14 per cent in terms of tariff item number and 51.5 per cent in terms of imports from developing countries.

Duties on tropical products show a widespread distribution. However, it may be noted that among the dutiable items 18 per cent in terms of item number and 5.5 per cent in terms of trade are subject to duties of 5 per cent ad valorem or less. Of the remainder, 28 per cent in terms of imports from developing countries are now subject to a medium range of duties (5.1-15 per cent) and 9 per cent remain subject to duties above 35 per cent. This 9 per cent of imports is made up largely of sugar into the EEC and Japan.

In the Kennedy Round, duty elimination was made for 23 per cent of the dutiable items in terms of tariff item number and 7 per cent in terms of imports from developing countries. Duty cuts by 20-50 per cent of existing rates were made for 32 per cent in terms of number and 36.5 per cent in terms of imports. No duty reduction was made for 41 per cent in terms of number and 50.5 per cent in terms of imports.

TROPICAL PRODUCTS

Distribution of Tariff Rates and Reductions in the Kennedy Round:  
Aggregates for Six Developed Country Markets

(A) Distribution of rates before and after the negotiations

Duty categories (per cent ad valorem)		Free	0.1 -5	5.1 -10	10.1 -15	15.1 -20	20.1 -25	25.1 -30	30.1 -35	Above 35	n.a. and levy	Total
Pre-KR distrib- ution of tariff rates	By number of tariff items	14%	23%	20%	10%	12%	9%	4%	3%	3%	2%	100%
	By imports from ldc's (\$ million)	2,068.1 51.5%	197.3 5%	302.3 7.5%	460.5 11.5%	611.4 15%	14.8 0%	13.3 0.5%	3.4 0%	341.8 3.5%	20.5 0.5%	4,038.4 100%
Post-KR distrib- ution of tariff rates	By number of tariff items	34%	18%	18%	11%	9%	3%	2%	1%	2%	2%	100%
	By imports from ldc's (\$ million)	2,193.2 54.5%	223.8 5.5%	695.4 17%	451.2 11%	95.7 2.5%	12.2 0.5%	1.3 0%	3.3 0%	341.3 3.5%	20.5 0.5%	4,038.4 100%

(B) Distribution according to depths of reduction

	No reduction	Cut less than 20%	Cut less than 50% but 20% or more	Cut by 50%	Cut exceeding 50%	Duty elimination	Total dutiable before KR
By number of tariff items	41%	2%	10%	22%	2%	23%	100%
By imports from ldc's (\$ million)	995.5 50.5%	47.3 2.5%	637.4 32.5%	78.5 4%	88.6 4.5%	125.0 6%	1,970.3 100%

Although in the Kennedy Round negotiations important progress was made in this sector, there is no doubt that the final results were below the expectations of at least a number of developing countries. The problems encountered in the negotiations on tropical products appear to vary in nature for different countries and commodities. The most common reasons for maintaining duties appear to have been (i) the need to maintain a preferential margin for certain preferential suppliers; (ii) protection of domestic production against direct competition from, or substitution by, imported tropical products; and (iii) fiscal considerations.

(i) Preferences

A number of developed countries have special trade and economic links with certain developing countries and operate a special import régime for imports from those developing countries. Special trade arrangements are maintained, for example, between members of the Commonwealth; between the EEC and its associated States and between the United States and the Philippines with regard to certain products.

One of the limiting factors to the concessions made in the Kennedy Round negotiations, in particular on tropical products, was the need to take into account the trade interests of developing countries at present enjoying such special links or preferential arrangements. Some developed countries affording preferential treatment to developing countries made offers on tropical products conditional on adequate joint action by other developed countries so that the loss of preferential benefits in their markets sustained by the developing countries concerned could be compensated by the opening of markets in other developed countries. At the ultimate stage of the negotiations some developed countries withdrew part of their original offers in some cases for the reason that adequate joint action was not obtained.

(ii) Protection

In a number of cases, the duty on tropical products is maintained to protect domestic production against imports of the same product or against substitution by similar tropical products. For instance, sugar, in the form of beet sugar, is produced in all industrialized countries and generally, enjoys heavy protection through tariff and non-tariff measures. These considerations appear to have affected results in respect of certain fruits, rice, vegetable seeds and vegetable oils, certain semi-processed products, etc.

The protective element to the duties can have a very high incidence where there is differentiation between the duties on a primary commodity and those on processed or semi-processed products derived from it. Such duty differentials generally decreased in the Kennedy Round, although there are instances in which a reduction was made only for a raw material but not, or only to a smaller extent, for the processed products.

(iii) Fiscal reasons

In some cases, import duties are applied for revenue purposes, especially where a product has in the past been considered non-essential or of a luxury nature or where the demand for a product is considered to have a very low price elasticity. While a number of countries in fact made important unilateral and immediately effective concessions on duties of this nature, in other instances consideration relating to the part played by revenue duties in national budgets and assumptions regarding the direct benefits to developing countries in relation to these considerations would appear to have influenced decisions. It may be significant in this connexion that in the final stage of the negotiations, the Danish Government withdrew its offer of a 50 per cent reduction on coffee and coffee products and arranged for the transfer of up to a half of the customs receipts from coffee and certain coffee products to a fund to be used for the promotion of investment in developing countries.

Very similar, at least in their effects, to customs duties imposed for revenue purposes, are internal taxes. Several industrialized countries apply internal fiscal charges on tropical products such as coffee, tea, cocoa and bananas. Although internal taxes fell within the scope of the negotiations and the developing countries made efforts to obtain reduction in these taxes, no such concessions were granted.

The following sections present some factual comments on certain major products in this sector.

(1) Coffee and instant coffee

Raw coffee accounts for nearly 99 per cent of the trade of developing countries in coffee in all forms. In the Kennedy Round, Japan, Canada and Norway removed their duties on raw coffee. The United States had already granted duty-free treatment on this product before the Kennedy Round. The United Kingdom, Sweden and Finland made reductions by 50 per cent or more. As a result the United Kingdom and Swedish duties on raw coffee are now 2 and 4 per cent respectively. The duty of the EEC was consolidated at the level of 9.6 per cent, denoting a reduction by 40 per cent from the level in the original common external tariff. The Swiss rate was decreased to 13 per cent.

On roasted coffee no full elimination was conceded, the United States being the only country importing this item duty free. A reduction of 50 per cent or more was granted by the United Kingdom, Sweden, Canada and Norway. The EEC reduced its duties by 40 per cent, Finland by about 35 per cent and Switzerland by 10 per cent. No concession was granted by Japan.

As regards instant coffee, the United States and Swedish duties were eliminated. Finland and Norway halved their duties. The United Kingdom reduced its duty by 29 per cent, the EEC by 25 per cent, Japan by 14 per cent (on instant coffee containing added sugar) and Switzerland by 10 per cent.

Denmark made no tariff concession on coffee or instant coffee but, as noted above, up to 50 per cent of the customs receipts for these products would henceforth form part of a fund for the encouragement of investment in developing countries.

Differentials between duties on raw coffee and processed coffee are now nil or small in the tariffs of Canada, Sweden, Switzerland (except for instant coffee), the United Kingdom and the United States. In the tariff of the EEC, the differentials decreased. In the case of Japan, the differentials between raw and roasted coffee increased as a result of the elimination of duty on raw coffee.

Description	Imports from developing countries (\$ million)		M.f.n. duties of six participants before (B) and after (A) the Kennedy Round (% ad valorem) <sup>6</sup>					
	m.f.n. sources	pref. sources	EEC <sup>4</sup>	Japan <sup>5</sup>	Sweden	Switzerland	UK	US
Coffee beans, green	1,783.80	119.04	B 16/9.6 <sup>7</sup> ; 21 <sup>2</sup>	30/10 <sup>7</sup>	(9)	(14), (17) <sup>2</sup>	(4)	Free
			A 9.6; 13 <sup>2</sup>	Free	(4)	(13), (15) <sup>2</sup>	(2)	Free
Coffee beans, roasted	3.62 <sup>1</sup>	0.61 <sup>1</sup>	B 25; 30 <sup>2</sup>	35	(7)	(15)	(3)	Free
			A 15; 18 <sup>2</sup>	35	(3)	(14)	(1.5)	Free
Instant coffee	8.27	0.05	B 24	25; 35 <sup>3</sup>	10	(23)	(7)	Free, (3) <sup>3</sup>
			A 18	25; 30 <sup>3</sup>	Free	(21)	(5)	Free, Free <sup>3</sup>
Total	1,795.69	199.75						

<sup>1</sup> Including decaffeinated coffee.

<sup>2</sup> Decaffeinated coffee.

<sup>3</sup> Containing added sugar.

<sup>4</sup> France, Germany F.R. and Italy maintain internal taxes on coffee.

<sup>5</sup> Japan maintains a quota on roasted coffee in containers of 400 gr. or more and an excise tax of 5 per cent (reduced from 10 per cent in October 1966) on coffee.

<sup>6</sup> Incidence of specific duties is shown in parenthesis and effective duty (temporary, suspended etc.) in square brackets.

(2) Tea and instant tea

De facto duty-free entry of tea both in bulk and in small containers granted by the Nordic countries and Switzerland following the adoption of the Ministerial Conclusions in 1963 was bound in the Kennedy Round. The United Kingdom and the EEC also suspended their duties on tea in bulk following the adoption of the Ministerial Conclusions in 1963. The United Kingdom also suspended its duty on tea in small containers, while the EEC applied a provisional rate of 5 per cent to tea in small containers. These suspensions are still in operation, but were not bound in the Kennedy Round. The EEC halved its legal duties on tea in bulk to 9 per cent, and on tea in small containers to 11.5 per cent. Canada applies a zero duty to tea which has not been bound. The United States duty had already been bound at zero. Japan's duty on black tea remains at 35 per cent though the rate on other tea was reduced by 43 per cent.

As regards instant tea, duty-free entry has been granted by Canada, the Nordic countries and the United States. The United Kingdom maintains a 10 per cent duty on this item. The EEC duty on this item was halved to 12 per cent and a reduction by 10 per cent, to 25 per cent and 21 per cent respectively, was made by Japan and Switzerland.

Description	Imports from developing countries (\$ million)		m.f.n. duties of six participants before (B) and after (A) the Kennedy Round (% ad valorem) <sup>4</sup>					
			EEC <sup>3</sup>	Japan	Sweden	Switzerland	UK	US
	m.f.n. sources	pref. sources						
Tea in bulk	101.03 <sup>1</sup>	281.26 <sup>1</sup>	B 18 <u>Free</u>	35; 35 <sup>2</sup>	<u>Free</u>	<u>Free</u>	Free	Free
			A 9 <u>Free</u>	20; 35 <sup>2</sup>	Free	Free	Free	Free
Tea in small containers	1.62 <sup>1</sup>	0.05 <sup>1</sup>	B 23 <u>5</u>	35; 35 <sup>2</sup>	<u>Free</u>	<u>Free</u>	Free	Free
			A 11.5 <u>5</u>	20; 35 <sup>2</sup>	Free	Free	Free	Free
Instant tea	n.a.	n.a.	B 24	27.5	10	23	10	Free
			A 12	25	Free	21	10	Free

<sup>1</sup>Data on tea in bulk for Sweden, United Kingdom and the United States also cover tea in small containers.

<sup>2</sup>Japan maintains a quota on black tea.

<sup>3</sup>France and Germany, F.R. maintain internal taxes on tea.

<sup>4</sup>Effective duty (temporary, suspended etc.) is shown in square bracket.

(3) Cocoa and cocoa products

Duties on cocoa beans were eliminated or bound at the effective rate of zero by Canada, Denmark, Japan, Sweden, Switzerland and the United Kingdom, the United States and Norway had a bound zero duty prior to the Kennedy Round. Finland eliminated the duty on raw cocoa beans and reduced the duty on roasted cocoa beans to 5 per cent. The EEC bound its temporary duty of 5.4 per cent, which amounted to a 40 per cent reduction from its legal rate of 9 per cent. Cocoa beans account for almost 90 per cent of the trade of developing countries in cocoa in all forms.

The duties on cocoa butter, which is the most important item in the trade in processed cocoa, were eliminated by Canada, Denmark<sup>1</sup>, Norway and the United Kingdom, and are now 5 per cent or less in Finland, Japan, Sweden, Switzerland and the United States. The duty of the EEC on this item was reduced by 40 per cent to 12 per cent.

Duties on cocoa paste were eliminated by Denmark<sup>1</sup>, Norway, the United Kingdom and the United States, and were reduced to the level of 5 per cent or less in Finland and Sweden as a result of a reduction by more than 50 per cent. The duties of the EEC, Japan and Switzerland range from 10 to 20 per cent after Kennedy Round reductions.

Denmark<sup>1</sup> and the United Kingdom eliminated duties on unsweetened cocoa powder. The United States reduced the duty to 3.5 per cent, Sweden to 5 per cent, Finland to 10 per cent, Canada to 15 per cent, the EEC to 16 per cent and Switzerland to 26 per cent. These represent reductions ranging from 20 to 90 per cent of the original rates. Japanese duty remains at 30 per cent.

Generally speaking, duties on cocoa beans are now maintained only by the EEC and Finland (roasted beans only). On the other hand duties on cocoa products were totally eliminated only by Denmark<sup>1</sup> and the United Kingdom, and duties ranging up to 30 per cent remain in force in some countries.

Differentials between duties on cocoa beans and cocoa products decreased in the developed markets under study except Japan, which eliminated the duty on cocoa beans but did not reduce the duties on cocoa powder and defatted cocoa paste.

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<sup>1</sup>Denmark maintains an internal fiscal tax on cocoa paste, butter and powder.

	Imports from developing countries		m.f.n. duties of six participants before (B) and after (A) the Kennedy Round (% ad valorem)					
	m.f.n. sources	pref. source	EEC <sup>4</sup>	Japan	Sweden	Switzerland	UK	US
		(\$ million)						
Cocoa beans	262.74	119.21	B 9 $\sqrt{5.47}$ A 5.4	5 Free	(5) Free	(0.5) Free	(1), (3) <sup>3</sup> Free, Free <sup>3</sup>	Free Free
Cocoa paste	4.64	0.10	B 25 <sub>1</sub> A 15 <sub>1</sub>	20; 20 <sup>2</sup> 10; 20 <sup>2</sup>	(9) (3)	(17) (14)	(5) Free	(2) Free
Cocoa butter	18.19	9.10	B 20 <sub>1</sub> A 12 <sub>1</sub>	9 5	(5) (1.5)	(1) (0.6)	(1) Free	6.25 3
Cocoa powder unsweetened	1.58	-	B 27 A 16 <sub>1</sub>	30 30	(17) (5)	(32) (26)	(3) Free	(7) (3.5)
Total	287.15	128.41						

<sup>1</sup>The EEC reserves the right to re-introduce the base rate of duty in the event that it considers that market disruption exists as a result of abnormal competition.

<sup>2</sup>Defatted.

<sup>3</sup>Roasted.

<sup>4</sup>France and Italy maintain internal taxes on cocoa and cocoa products.

<sup>5</sup>Japan maintains an excise tax of 5 per cent (reduced from 10 per cent in October 1966) on cocoa powder.

#### (4) Oilseeds (groundnuts, copra, palm nuts and kernels and babassu nuts)

Oilseeds as listed in the heading are, in general, subject to a zero duty or a very low duty, which were in a number of cases bound. Canada, Denmark and Norway completely eliminated or bound at zero their duties on these oilseeds. The EEC imports these oilseeds duty free and duties on the oilseeds excluding groundnuts are already bound. Japan eliminated the duty on groundnuts for oil extraction but no concession was made for the duty on groundnuts for other use. Japanese duties on the other oilseeds were bound at zero. Sweden imports oilseeds at zero but the duty was not bound. Swiss duties on oilseeds amounting to only 0.1 per cent in ad valorem incidence were not bound. No concession was made in respect of the duty of 10 per cent in the United Kingdom. The United States made no concession on oilseeds. It maintains duties amounting in ad valorem incidence to more than 30 per cent on groundnuts for internal protection. It also maintains certain duties on copra for which the Philippines benefit through a preference. Palm nuts and kernels and babassu nuts are imported duty free. Finland bound its zero duty for oilseeds imported for industrial purposes but made no concession on other oilseeds for which an import levy is maintained.

(5) Fixed vegetable oils<sup>1</sup>

In this area, for the oils listed, only a very limited number of concessions were made, one of the problems being the competition between imported tropical oils and other oils available in developed countries.

The EEC reduced the legal duties on tobacco seed oil to zero. No other concessions were made with the result that various duties are maintained at rates ranging from 0 to 20 per cent, the higher duties being applicable to oils in small containers.

The United States reduced the duties on castor oil and tobacco seed oil by some 50 per cent and bound its nil duty on babassu oil. Otherwise no new concessions were made. However, on the majority of other oils the duty applied is zero, which in many cases is bound. The only duties, therefore, remaining in the United States on the products under consideration are duties of 7 per cent on groundnut oil and of 4 per cent on certain palm-kernel oil and a tariff preference for the Philippines on coconut oil amounting to some 23 per cent.

No concession was made by the United Kingdom on these vegetable oils. The duties are maintained at the existing level ranging from 10-15 per cent, except for a few oils for which a nil duty is bound.

Japan reduced its 10 per cent duty on palm oil and palm-kernel oil to 8 per cent. Otherwise no concessions were made - duties generally are maintained at a level of 10-20 per cent.

Canada reduced duties on these oils or bound the duties at the existing level. The duty reductions vary in scope and generally bring the tariff down to 10 per cent for crude oils and 17.5 per cent for refined oils. On some oils the duty is bound at zero.

Denmark eliminated its duties on tobacco seed oil and babassu oil. It bound the duty at the existing zero level for crude palm oil and castor oil. As a result of these concessions duties are now maintained only on groundnut oil, coconut oil, palm-kernel oil and refined palm oil (8 per cent for crude oils and 12 per cent for refined oils).

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<sup>1</sup>This section covers BTN ex 1507 (groundnut oil, coconut oil, palm-kernel oil, palm oil, castor oil, tobacco seed oil and babassu oil).

Finland eliminated the duties on castor oil. As regards the other oils under consideration, to the extent these are unfit as such for human consumption, the duty was reduced from 10 to 5 per cent and the import levy was bound at zero on oils for industrial use.

Norway consolidated its zero duty on palm oil and castor oil. Otherwise no concession was made.

Swedish duty on castor oil had already been bound at zero. The duties on the other products concerned are nil but Sweden imposes import levies on which concessions were not made.

Switzerland bound the duty on all oils in this sector used for technical purposes at the existing level of 1 per cent in ad valorem incidence. Otherwise no concession was made. Coconut oil, palm oil, palm-kernel oil and babassu oil for human consumption, crude, are subject to a duty of 8 per cent and those refined to a duty of 18 per cent in ad valorem incidence. Groundnut oil for human consumption is subject to a duty of 10 per cent in ad valorem incidence.

Description	M.f.n. duties of six participants before (B) and after (A) the Kennedy Round (% ad valorem)						
	EEC	Japan	Sweden	Switzerland	United Kingdom	United States	
Groundnuts <sup>2</sup>	B	Free	20/10 <sup>1</sup> , 20/10 <sup>1</sup>	Free	(0.1)	10	(31-33)
	A	Free	Free <sup>1</sup> , 20/10 <sup>1</sup>	Free	(0.1)	10	(31-33)
Copra	B	Free	Free	Free	(0.1)	10	Free; 1.25 £/lb.
	A	Free	Free	Free	(0.1)	10	Free; 1.25 £/lb.
Palm nuts	B	Free	Free	Free	(0.1)	10	Free
	A	Free	Free	Free	(0.1)	10	Free
Palm kernels	B	Free	Free	Free	(0.1)	10	Free
	A	Free	Free	Free	(0.1)	10	Free
Babassu nuts	B	Free	Free	Free	(0.1)	10	Free
	A	Free	Free	Free	(0.1)	10	Free

<sup>1</sup>For oil extraction.

<sup>2</sup>France, Japan and the United States maintain import restrictions on groundnuts. Japan maintains an import quota on groundnuts.

Description	M.f.n. duties of six participants before (B) and after (A) the Kennedy Round (% ad valorem)						
		EEC	Japan	Sweden	Switzerland	United Kingdom	United States
Groundnut oil <sup>c</sup>	B	5-15	<u>20</u>	Free + levy	(1); (10)	15	(7)
	A	5-15	<u>20</u>	Free + levy	(1); (10)	15	(7)
Coconut oil	B	5-20	10	Free + levy	(1); (8); (18)	15	1¢/lb; 3¢/lb(23)
	A	5-20	10	Free + levy	(1); (8); (18)	15	1¢/lb; 3¢/lb(23)
Palm-kernel oil	B	5-20	10	Free + levy	(1); (8); (18)	10	Free; (4)
	A	5-20	8	Free + levy	(1); (8); (18)	10	Free; (4)
Palm oil	B	4-14	10	Free + levy	(1); (8); (18)	10	Free
	A	4-14	8	Free + levy	(1); (8); (18)	10	Free
Castor oil	B	Free, 8	10	Free + levy	(1)	12.5	(15)
	A	Free, 8	10	Free + levy	(1)	12.5	7.5
Tobacco seed oil	B	5 <u>Free</u> ; 8 <u>Free</u>	15	Free + levy	(1)	10	10
	A	Free, Free	15	Free + levy	(1)	10	5
Babassu oil	B	5-20	15	Free + levy	(1); (8); (18)	10	Free
	A	5-20	15	Free + levy	(1); (8); (18)	10	Free
Oilcakes	B	Free	Free; 5 <sup>a</sup>	Free + levy	(0.5)	10; 15 <sup>a</sup>	(6) <sup>b</sup>
	A	Free	Free; 5 <sup>a</sup>	Free + levy	(0.5)	10; 10 <sup>a</sup>	(6) <sup>b</sup>

<sup>a</sup>Soyabean oilcakes.

<sup>b</sup>Other than linseed oilcake and meal.

<sup>c</sup>France and Japan maintain import restrictions on groundnut oil.

(6) Bananas

Denmark and Sweden eliminated their duties on bananas, the United States bound its zero duty, and Norway bound its duty at zero, thus consolidating the total suspension of its duty and surtax which was made effective in 1964. Switzerland consolidated its temporarily reduced duty of 21 per cent.

No concession was made by other participants. Japan maintained its duty of 70 per cent ad valorem. Japanese imports come mainly from non-participants in the Kennedy Round (Ecuador and Taiwan). The duty of the EEC remained at 20 per cent ad valorem. A substantial part of the total EEC imports take place under a duty-free tariff quota for Germany. The duty of the United Kingdom remains at 14 per cent.<sup>1</sup> For both the EEC and the United Kingdom considerations relating to the maintenance of sheltered access to traditional suppliers appear to have played an important rôle. Canada's duty on bananas remains at 6 per cent in incidence. Canada, in the ultimate stage of the negotiations, withdrew its original offer to eliminate the duty owing to insufficient action among the negotiating countries in this field.

MOST-FAVOURED-NATION DUTIES ON BANANAS OF SIX PARTICIPANTS  
BEFORE AND AFTER THE KENNEDY ROUND

(% ad valorem)

	EEC <sup>a</sup>	Japan	Sweden	Switzerland	United Kingdom <sup>b</sup>	United States
Pre-KR	20	70	(10)	(26)/(21)	(14)	Free
Post-KR	20	70	Free	(21)	(14)	Free

<sup>a</sup>France maintains import control on bananas. Italy maintains an import quota and an internal tax on bananas.

<sup>b</sup>The United Kingdom maintains a quota on imports of bananas from the dollar area.

<sup>1</sup>The United Kingdom offer on bananas in August 1966 was "prepared to consider appropriate international arrangements in the light of the current GATT/FAO study". There was no discussion in the Kennedy Round on the offer.

(7) Coconuts, cashew nuts, Brazil nuts and preparations thereof

The duties on these nuts, fresh or dried, shelled or not were eliminated completely by the United States, the largest market for these nuts except for desiccated coconut (40 per cent reduction); Canada, except for desiccated coconut (67 per cent reduction); Finland, except for coconut flakes (50 per cent reduction) and by Denmark, Norway and Sweden.

A 50 per cent reduction was made by Japan (75 per cent reduction on cashew nuts) and Switzerland.

The EEC eliminated the duty on Brazil nuts and made a 50 per cent reduction on coconuts, except for dehydrated coconut pulp for which the applied rate was bound, representing a 20 per cent reduction in the base rate. For cashew nuts the applied, partially suspended rate was bound which meant a 50 per cent reduction in the legal rate.

The United Kingdom made no concession on desiccated coconut and cashew nuts. For the other products in this sector the tariff was already bound at zero.

In this area important progress towards duty-free entry was made. Only a few countries maintain duties on one or more of these products. These duties are now practically all bound and are generally at a low level.

On preparations of these nuts (tinned nuts etc.) Sweden and the United States (except for those of coconuts) eliminated the duties, and the United Kingdom and the United States (for those of coconuts) made a reduction of some 50 per cent. A smaller reduction was made by the EEC and Switzerland. No concession was made by Japan. Considerable differentials remain between the duties on these nuts in processed or other forms in the tariffs of a number of developed countries.

MOST-FAVOURED-NATION DUTIES OF SEV PARTICIPANTS  
(% ad valorem)

		EEC	Japan	Sweden	Switzerland	United Kingdom	United States
Coconuts	Pre-KR	5/4 <sup>a</sup> ;5;5	20	(37)	(9)	Free;10 <sup>a</sup>	(2);(4);(11) <sup>a</sup>
	Post-KR	4 <sup>a</sup> ;2.5;2.5	10	Free	(4.5)	Free;10 <sup>a</sup>	Free;Free;(5.5) <sup>a</sup>
Brazil nuts	Pre-KR	3	20	(9)	9	Free	(2-3)
	Post-KR	Free	10	Free	(4.5)	Free	Free
Cashew nuts	Pre-KR	5/2.5 <sup>a</sup>	20	(2)	9	10	(1-2)
	Post-KR	2.5	5	Free	(4.5)	10	Free
Preparations of the above nuts	Pre-KR	17;22	20	(7)	(32)	15-15 5/3; 15 5/8 <sup>b</sup>	(2-3);20 <sup>c</sup>
	Post KR	15;17	20	Free	(2)	7.5;15 5/3 <sup>b</sup>	Free;10 <sup>c</sup>

<sup>a</sup>Duties on desiccated coconut.

<sup>b</sup>Duty on those mixed with added sweetening matter.

<sup>c</sup>Duty on those of coconuts.

(8) Spices

The Nordic countries eliminated the duties on all spices under study except that Denmark reduced its 10 per cent duty to 5 per cent on peppers (09.04) and cinnamon (09.06) put up for retail sale.

Switzerland made tariff reductions ranging from 50-75 per cent, for all spices listed above; the incidence of the new rates are unground pepper - 3 per cent, ground pepper - 8 per cent, vanilla and cinnamon - 2-3 per cent, cloves - 4.9 per cent and nutmeg - 6 per cent.

The United States eliminated the duty, or bound the existing nil duties to the extent these were not already bound on most products in this sector. It made a 50 per cent reduction in the duty on other products, mainly ground spices, with the exception of ground capsicum and ground cloves on which no concession was made.

Japan eliminated its duties on unground spices. It reduced the remaining duties by 50 per cent or more with the result that the tariff in this sector generally is 10 per cent for spices put up for retail sale and 5 per cent for the ground spices. Japan made no concession on curry powder for which a 30 per cent duty is maintained.

Canada eliminated duties on vanilla, celery seed and curry powder. It generally reduced the duties on the other products by a varying percentage and the resulting rates are 5 per cent for the unground spices and  $7\frac{1}{2}$  per cent for ground spices; for nutmegs and mace, ground and unground, the reduced duty is  $12\frac{1}{2}$  per cent. The United Kingdom eliminated the duty on unground pepper, and reduced by 50 per cent the 10 per cent duty on cinnamon. No new concessions were made on the other products in this sector, the duties remaining at the level of 10 per cent in all cases.

The EEC eliminated the duty on unground mace. It also eliminated the duty on unground cardamoms, on ginger (other than whole or sliced) and on curry powder and paste. On all other products in this area, except for celery seed, a reduction was made. In some cases the reduction was of the order of 50 per cent. The result of these reductions is that on most items in this sector, the EEC maintains duties (at reduced level) ranging between 10 and 18 per cent.

MOST-FAVOURED-NATION DUTIES ON SPICES OF SIX PARTICIPANTS

(% ad valorem.)

		EEC	Japan	Sweden	Switzerland	UK	US
Pepper of piper	Pre-KR	20/17; 25*	5; 20/5; 15*; 25*	[(8)]	(9); (16)	(1.5); 10	Free; 3¢/lb.
	Post-KR	17; 12.5*	Free; Free; 5*; 10*	Free	(3); (8)	Free; 10	Free; 1.5¢/lb.
Vanilla	Pre-KR	15/11.5	Free	[(14)]	(4)	10	(2)
	Post-KR	11.5	Free	Free	(2)	10	Free
Cinnamon	Pre-KR	20; 25*	Free	[(18)]	(4); (5)*	10	Free; (3)*
	Post-KR	10; 13*	Free	Free	(2); (3)*	5	Free; (4)*
Cloves	Pre-KR	20/15; 25*	Free; 10*; 20*	[(7)]	(15); (18)*	10	Free; (9)*
	Post-KR	15; 18*	Free; 5*; 10*	Free	(4); (9)*	10	Free; (9)*
Nutmeg	Pre-KR	Free; 20/15; 25*	10; 20; Free	[(16.5)]	(12)	10	Free; (2)*
	Post-KR	Free; 15; 18*	5; 10; Free	Free	(6)	10	Free; (1)*
Ginger	Pre-KR	Free; 20/Free/25/Free/	10; 15*; 20*	(10)	n.a.	10	Free; (4)*
	Post-KR	Free; 17/Free; Free	5; 5*; 10*	Free	(50% cut)	10	Free; (2)*
Curry powder	Pre-KR	25/Free/	30	(4)	n.a.	10	(2)
	Post-KR	Free	30	Free	(50% cut)	10	Free

\*Ground spices.

(9) Sugar

On sugar no tariff concessions were made except by Norway which granted a 50 per cent reduction in the legal rate. The presently applied rate however is nil. Although certain proposals for a general arrangement were made by the EEC in the Kennedy Round, discussions on sugar were not pursued. Practically all countries maintain import restrictions, particularly on refined sugar.

The present duties on sugar are as follows:

The EEC - 80 per cent, the United States - 9-12 per cent, the United Kingdom - 1.5-11 per cent, Japan - 52-76 per cent, Canada - 15-17 per cent, Denmark - 20 per cent, Finland - 53-108 per cent, Sweden - free<sup>1</sup>, and Switzerland - 19-26 per cent.

<sup>1</sup> Subject to import levy.

(10) Rice

On rice only a limited number of concessions were made. Denmark bound its zero duty on rice in the husk, husked rice and broken rice. It reduced its 10 per cent duty on other rice to 5 per cent ad valorem. Canada made a reduction of 30 per cent in its duty on cleaned rice. Norway reduced by 50 per cent its base rate on rice (whether or not husked), but the duty currently applied is zero; Norway made a concession on broken rice. The United Kingdom reduced by 50 per cent its duty on whole processed rice and bound its zero duty on "other" rice. Sweden bound the currently applied zero duty. No other concessions were made by the countries under consideration. The EEC maintains a system of variable levies under its common agricultural policy.<sup>1</sup>

MOST-FAVORED-NATION DUTIES ON RICE

(ad. valorem percentage, incidence of specific duties in parenthesis)

	EEC	Japan	Sweden	Switzerland	UK	US
Pre-KR	Levy	15/ <del>Free</del> <sup>1</sup>	Free	(1-4.5)	Free; (10)	Free-(12.5)
Post-KR	Levy	15/ <del>Free</del> <sup>1</sup>	Free	(1-4.5)	Free; (5)	Free-(12.5)

<sup>1</sup>Imports into Japan are subject to a State trading.

(11) Manioc

On manioc duty-free entry was granted by Finland. The United States, the United Kingdom and Canada already applied a zero duty. Denmark and Sweden apply a zero duty, which, however, was not bound. Norway and Switzerland reduced their duties by 50 per cent to 1 per cent ad valorem. The EEC bound the existing 6 per cent duty; this means that the variable levy on manioc introduced on 1 July 1967 will not exceed 6 per cent ad valorem. Japan's duty remains at 15 per cent ad valorem.

MOST-FAVORED-NATION DUTIES ON MANIOC

(ad valorem percentage, incidence of specific duties in parenthesis)

	EEC	Japan <sup>1</sup>	Sweden	Switzerland	UK	US
Pre-KR	6	15	Free	(2)	Free	Free
Post-KR	6	15	Free	(1)	Free	Free

<sup>1</sup>Japan maintains a quota on manioc.

<sup>1</sup>The EEC proposed the negotiation of an arrangement for the binding of the "montant de soutien" and the introduction of a price mechanism aimed at the reorganization of the world market for rice.

## II. PROCESSED FOODS

Among the main products in this category exported by developing countries to developed markets are: vegetable oils (other than tropical), processed meat and meat extracts, processed fish and crustaceans, processed vegetables and fruit, fruit juices (other than tropical), and bran and sharps. Imports of processed foodstuffs into the six major participants from developing countries trading on a most-favoured-nation basis amounted to \$570 million in terms of 1964 imports, as compared to \$80 million worth of imports under preferential agreements. The EEC and the United States account for three quarters of the total imports for these products from most-favoured-nation sources of supply among developing countries. The United Kingdom which, like the EEC, obtains part of its requirements from preferential sources, absorbs around 14 per cent of the total; the remainder is made up of imports by Japan, Switzerland and Sweden.

Processed food products face a wide range of duties. In terms of tariff item number over half the dutiable items faced tariff barriers in excess of 15 per cent ad valorem. The Kennedy Round brought about a noticeable change of emphasis in the tariff structure within this sector. Forty-five per cent of items, or \$415 million worth of trade in terms of 1964 statistics, will now be liable to duties of a maximum of 10 per cent.

Tariff reductions were made on trade worth \$238 million. About a third of dutiable imports benefited from the 50 per cent linear cut and \$32 million worth of trade was subject to reductions of less than 50 per cent but of 20 per cent or more. Duties were abolished on \$39 million worth of trade. No reductions were, however, made on 40 per cent of dutiable items covering imports valued at around \$185 million.

The following sections present some factual comments on major sub-items included within this sector.

PROCESSED FOODSTUFFS

Distribution of Tariff Rates and Reductions in the Kennedy Round  
Aggregates for Six Developed Country Markets

(A) Distribution of rates before and after the negotiations

		Free	0.1 -5	5.1 -10	10.1 -15	15.1 -20	20.1 -25	25.1 -30	30.1 -35	Above 35	Levy and n.a.	Total
Pre-KR distrib- ution of tariff rates	By number of tariff items	8%	9%	16%	10%	20%	22.5%	5.5%	4%	3%	2%	100%
	By imports from ldc's (\$ million)	147.6 26%	142.8 25%	79.1 14%	45.3 8%	72.1 12.5%	46.6 8%	7.6 1.5%	1.7 0.5%	7.2 1%	20.7 3.5%	570.7%
Pre-KR distrib- ution of tariff rates	By number of tariff items	13.5%	12%	19%	9.5%	19%	17%	3%	2%	2.5%	2.5%	100%
	By imports from ldc's (\$ million)	186.4 32.5%	117.3 20.5%	110.9 19.5%	34.7 5.5%	47.5 8.5%	39.5 7%	6.3 1%	0.1 -	7.2 1%	20.8 3.5%	570.7 100%

(B) Distribution according to depths of Reduction

	No reduction	Cut less than 20%	Cut less than 50% but 20% or more	Cut by 50%	Cut exceeding 50%	Duty elimin- ation	Levy and n.a.	Total dutiable reduction
By number of tariff items	43.5%	12%	11%	24.5%	2%	6	1%	100%
By imports from ldc's (\$ million)	185.0 43.5%	23.9 5.5%	31.8 7.5%	141.0 33.5%	3.5 1%	38.8 9%	0.1 -	423.2 100%

(i) Meat of bovine animals and products thereof<sup>1</sup>

Among the six major industrialized markets reduction were made by Switzerland, the United States and the United Kingdom on canned beef and veal.

<sup>1</sup>Meat of bovine animals, which does not fall within the sector of processed foodstuffs has been covered by this note for the comparative study of differential duties.

More specifically, a 20 per cent reduction on canned corned beef was made by Switzerland in reducing its duty to 16 per cent; the United Kingdom cut by a quarter its tariff on canned bovine meat; a duty of 15 per cent ad valorem will now apply to this item in the United Kingdom while the United States reduced its duty on canned bovine meat to 7.5 per cent ad valorem - a cut of 50 per cent. No reductions were made by Japan and the EEC.

In the case of processed meat, other than canned, the EEC reduced its duties on meat extracts and juices while duties on meat flours and meals were eliminated by the EEC. The United Kingdom halved its 20 per cent duty on beef and veal extracts. Japan made 33 per cent cuts on meat extracts on which the duty is now 20 per cent ad valorem; it imports meat flours and meals duty free. Smaller but significant concessions were made by Switzerland and the United States, viz. Swiss duties on these products were reduced to a level lower than 1 per cent. The United States duties on these products are either zero or less than 1 per cent.

Description	Imports of six participants from developing countries (US\$ million)	Most-favoured-nation duties of six participants (ad valorem)					
		m.f.n. sources only	EEC	Japan	Sweden	Switzerland	UK
Beef and veal	343.20	20+ (levy) 20+ (levy)	25 25 <sup>c</sup>	Free + levy Free + levy	<del>(6-10)</del> / <del>(1-3)</del> <sup>c</sup> <del>(6-10)</del> / <del>(1-3)</del> <sup>c</sup>	(4);(6);20 (4);(6);20	(9) (9)
Pigmeat		Levy Levy	10 <sup>c</sup> 10 <sup>c</sup>	Free + levy Free + levy	<del>(6);(21)</del> / <del>(3)</del> <sup>c</sup> <del>(6);(21)</del> / <del>(3)</del> <sup>c</sup>	10 10	(3) (1)
Canned beef and veal	65.88 <sup>a</sup>	26 26	25 25 <sup>c</sup>	Free + levy Free + levy	(18);(16) (16);(16) <sup>c</sup>	20; 15;	15 7.5
Preserved or prepared pigmeat		Levy Levy	25 <sup>c</sup> 25 <sup>c</sup>	Free + levy Free + levy <sup>c</sup>	(13);(16) (13) <sup>c</sup> ;(16) <sup>a</sup>	Free; 5;10;12 Free <sup>d</sup> ;5;10;10	(3);(5) (3);(5)
Meat extracts and juices	28.62	2;9;24 Free;7;20	30 20	Free Free	(1.3) (0.7)	20;10 10;10	(1) (0.3)
Meat flours and meals	44.84 <sup>b</sup>	3 Free	Free Free	Free Free	(0.3) (0.3)	10 10	Free Free
Total	482.54						

<sup>a</sup>All of 16.02 other prepared or preserved meat or meat offal.

<sup>b</sup>Including fish meal, etc. for the data of Sweden, Switzerland and the United Kingdom.

<sup>c</sup>Japan, Sweden and Switzerland maintain import restrictions on these items.

<sup>d</sup>The United Kingdom prohibits imports of whole hams, other than hams preserved in airtight containers from other than sterling area countries.

(ii) Pigmeat<sup>1</sup> and processed pigmeat (other than sausages and the like)

The United States reduced its duty on pigmeat from 3 per cent ad valorem to 1 per cent ad valorem. The EEC reduced its duty on non-domestic swine; imports into the EEC of pigmeats and products thereof are subject to a levy which varies according to the price of coarse grain. For some pigmeat products, including pig liver, the levy will not exceed the bound rate of duty. The United Kingdom reduced its duty on ground or chopped pork with beef and veal from 12 per cent to 10 per cent. No reductions were made on this product by the other major participants.

(iii) Citrus fruit<sup>2</sup>, processed citrus fruit and citrus and tropical fruit juices

Sweden imports all fresh or dried citrus fruit duty free. The United Kingdom made a 50 per cent cut in reducing duties on fresh citrus fruit, except grapefruit, to 5 per cent ad valorem. On dried citrus fruit, the United Kingdom reduced its duty by one third to 10 per cent ad valorem. The EEC reduced its duty on grapefruit by 50 per cent to 6 per cent ad valorem. A 50 per cent cut was also made by Japan in the case of dried lemon where a 10 per cent duty will apply. The United States made cuts ranging from 10 per cent to 20 per cent on grapefruit on which duties ranging from 12 per cent to 18 per cent will apply. Finally, the United States also made a 50 per cent reduction on citrus fruit falling under the heading "other", a duty of 8.5 per cent ad valorem will now apply. No reductions were made by Switzerland.

The EEC made cuts ranging from 5 per cent to 20 per cent on processed fruit and duties ranging from 20 per cent to 27 per cent ad valorem will now apply. Japan's duty on fruit preserved in sugar was reduced to 30 per cent. Duties on processed fruit will range from 25 to 40 per cent ad valorem. On fruit - otherwise prepared or preserved - Sweden has reduced its specific duties by 50 per cent or more. Cuts ranging from 30 per cent to 50 per cent were achieved by Switzerland on processed tropical fruit on which duties ranging from 12 per cent to 20 per cent will apply. The United Kingdom made 50 per cent cuts on certain processed oranges, clementines, mandarins and tangerines on which a duty of 7.5 per cent ad valorem will apply. Duties were eliminated on most other citrus fruit - otherwise prepared or preserved. The United States made cuts of 50 per cent on processed citrus fruit, the duty being reduced to a level of 2 to 17.5 per cent except in the case of "other citrus fruits" prepared or preserved on which a duty of 35 per cent still applies.

In the case of fruit juice, the EEC made cuts ranging from 5 per cent to 20 per cent; as a result duties will range from 15 to 19 per cent ad valorem on unconcentrated citrus fruit juices and from 19 to 21 per cent ad valorem on unconcentrated tropical fruit juice. Sweden made cuts of some 50 per cent on unsweetened juice. Switzerland made a 20 per cent cut on concentrated fruit juice in reducing its duty to 9 per cent. The United Kingdom reduced its duty on lemon juice to 10 per cent ad valorem. On lime juice the United States made a 50 per cent reduction of its duty to a rate of 4.5 per cent ad valorem.

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<sup>1</sup>Pigmeat, which does not fall within the sector of processed foodstuffs has been covered by this note for the comparative study of differential duties.

<sup>2</sup>Citrus fruit has been dealt with in Chapter VIII for the purpose of the sector-by-sector survey.

Imports of six participants from developing countries (US\$ million)		Most-favoured-nation duties of six participants before 'B' and after (A) the Kennedy Round (ad valorem) <sup>1</sup>					
n.f.n. sources		EEC <sup>e</sup>	Japan	Sweden	Switzerland	UK <sup>d</sup>	US
Oranges	127	B 15*;20*	20;40	Free	(14)	(5);10;15 <sup>b</sup>	(22)
		A 15*;20*	20;40	Free	(14)	(5);5;10 <sup>b</sup>	(22)
Mandarines and clementines)		B 20	20	Free	(14)	(5);10;15 <sup>b</sup>	(22)
		A 20	20	Free	(14)	(5);5;10 <sup>t</sup>	(22)
Lemons, citrons and lime		B 8*;16	10;20	Free ; (4)	(6);(4)	10;15 <sup>b</sup>	Free;(4);(13)
		A 8*;16	10;10	Free ; Free . .	(6);(4)	5;10 <sup>b</sup>	Free;(4);(13)
Grapefruit		B 12	20	Free +tax	(4)	(7);15 <sup>b</sup>	(13-21)
		A 5	20	Free +tax	(4)	(7);10 <sup>b</sup>	(12-18)
Fruit and fruit peel preserved by sugar of citrus fruit	n.a.	B 25**	35	Skr. 40/100 kg.	(23)/(19)7; (19)	11;22	
		A 25**	30	Skr. 40/100 kg.	(13); (19)	11	
Jams, marmalades, etc. of citrus fruit	2.5	B 30**	25;40	Skr. 35/100 kg.	(17); (25)	10	11; 14
		A 27**	25;40	Skr. 35/100 kg.	(14);(19)	10	5.5;7
Other processed citrus fruit	20.3	B 23-25**;32	25;35	(14)Skr. 30/60/100 kg.	(30);(31)	Free;5/8; 15 5/8	2-35
		A 20-24**;32	25;35	(7);Skr.15/100 kg.	(30);(21)	Free;Free; 7.5	1-35
Citrus fruit juices	24.3	B 19-20**;42 <sup>a</sup>	22.5-35 <sup>c</sup>	5;14; Skr. 30/100 kg.	(1-40)	Free; 7.15; 15;18;18	(9);(46-50)
		A 15-19**;42 <sup>a</sup>	22.5-35 <sup>c</sup>	2;5; Skr. 30/100 kg.	(1-40)	Free;3;10; 15;10;18	(4.5); (46-50)

\* In addition to the customs duty a compensatory tax may be levied in certain cases.

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In addition to the consolidated duty the EEC collects a levy on sugar added.

<sup>a</sup> Concentrated citrus fruit juices.

<sup>b</sup> Dried.

<sup>c</sup> Japan maintains a quota on fruit juices.

<sup>d</sup> The United Kingdom maintains a quota on imports of fresh or canned grapefruit, and grapefruit juices and orange juice (other than unpasteurized frozen orange juice concentrates).

<sup>e</sup> France controls imports of fruit and fruit peel preserved by sugar, jams, marmalades etc. and certain processed fruits. Italy controls imports of fruit juices except grapefruit and pineapple juices.

(iv) Processed shrimps

Japan, Sweden and Switzerland made 50 per cent cuts in reducing their duties to 7.5 per cent, 4 per cent and 3 per cent respectively. No reductions were made by the EEC and the United Kingdom. Processed shrimp already enter the United States market duty free.

(v) Processed fish (canned sardine, tuna and fish meal)

Japan made reductions of 25 per cent on canned sardine and canned tuna on which a duty of 15 per cent will apply. Sweden reduced its duty on these items by 30 per cent to 6 per cent ad valorem. On certain canned sardines, Switzerland reduced its duty by 50 per cent to 1.5 per cent. The United States reduced by 50 per cent many duties on canned sardine and canned tuna of which the former will therefore face duties of 5 to 6.25 per cent ad valorem and the latter, 6 per cent in some cases and 12.5 per cent in others. A small duty reduction was made on canned tuna by the EEC; the duty now stands at 24 per cent. No reductions were made by the United Kingdom.

On fish meal the EEC halved its 4 per cent duty; Japan, Sweden and the United States import fish meal duty free. Switzerland maintains a normal duty of 0.3 per cent and the United Kingdom a duty of 10 per cent on fish meal other than herring meal for which a duty free entry has been granted.

MOST-FAVOURED-NATION DUTIES ON CERTAIN PROCESSED FOODSTUFFS

(% ad valorem)

	EEC <sup>c</sup>	Japan <sup>d</sup>	Sweden	Switzerland	United Kingdom	United States
Processed shrimps	20	15; 20	(3)	(5)	7.5; 10	Free
	20	7.5; 15	(4)	(3)	7.5; 10	Free
Canned sardine	25	20	9	(3); (6)	10	10; 6.25
	25 <sup>a</sup>	15	6	(1.5); (6)	10	5; 6.25
Canned tuna	25	20	9	(6)	8	12.5; 25
	24 <sup>a</sup>	15	6	(6)	8	6; 12.5
Fish meal	4	Free	Free	(0.3)	Free; 10	Free
	2	Free	Free	(0.3)	Free; 10	Free
Processed tomatoes	18	25; Free; 25	Free; 8	11; 23	10	17; 21
	18	25; Free; 15	Free; 4	9; 22	5	13.6; 14.7
Tomato juice (ex 20.07)	21 <sup>b</sup>	25	SKr 20 per 100 kg.	Sw F 33 per 100 kg.	10	(1)
	21	25	SKr 10 per 100 kg.	Sw F 20 per 100 kg.	5	(0.5)

<sup>a</sup>France controls imports of these products.<sup>b</sup>Without added sugar.<sup>c</sup>France and Italy control imports of certain tomato juice.<sup>d</sup>Japan maintain a quota on tomato purée and paste.(vi) Processed tomatoes

Duty reductions of 50 per cent were made by Sweden and the United Kingdom; the duties which will apply being 4 per cent and 5 per cent respectively. The United States reduced the duties by 20-30 per cent; the post-KR duties being 13.6-14.7 per cent. No reduction was made by the EEC. Small reductions were made by Japan and Switzerland.

On tomato juice, Sweden, the United Kingdom and the United States made a reduction of 50 per cent. A smaller reduction was made by Switzerland. No concession was made by Japan. The EEC made a small reduction of duty on tomato juice with added sugar, leaving the duty on that without added sugar unchanged.

III. NON-FERROUS METALS AND PRODUCTS THEREOF

Less-developed countries are an important source of supply for the developed world's demand for non-ferrous metals. Within this sector, the most important elements are copper, tin, lead, zinc and aluminium. Imports of semi-processed and manufactured products with a non-ferrous metal base into the six developed participants from non-preferential sources of supply among the developing countries totalled approximately \$900 million in 1964.<sup>1</sup> Over 80 per cent of the market is accounted for by the Common Market countries, the United States and Japan; 5 per cent of the total import demand is from Sweden and Switzerland while the United Kingdom with \$84 million represents less than 10 per cent.

NON-FERROUS METALS AND PRODUCTS

Distribution of Tariff Rates and Reductions in the Kennedy Round:  
Aggregates for Six Developed Country Markets

(A) Distribution of rates before and after the negotiations

Duty categories (per cent ad valorem)		Free	0.1 -5	5.1 -10	10.1 -15	15.1 -20	20.1 -25	25.1 -30	30.1 -35	Above 35	Total
Pre-KR distrib- ution of tariff rates	By number of tariff items	12.5%	14%	38%	14.5%	9.5%	4.5%	3%	2%	2%	100%
	By imports from ldc's (\$ million)	562.9 63%	117.8 13%	135.4 15%	61.9 7%	11.3 1%	6.7 1%	0.2 0%	0.1 0%	- 0%	896.3 100%
Post-KR distrib- ution of tariff rates	By number of tariff items	14.5%	28%	40.5%	11%	4%	2%	0%	-	0%	100%
	By imports from ldc's (\$ million)	570.0 64%	203.0 22.5%	51.4 5.5%	71.2 8%	0.7 0%	- 0%	- -	- -	- -	896.3 100%

(B) Distribution according to depths of reduction

	No reduction	Cut less than 20%	Cut less than 50% but 20% or more	Cut by 50%	Cut exceeding 50%	Duty elimination	Total dutiabie before KR
By number of tariff items	29%	10%	15%	44%	0.5%	1.5%	100%
By imports from ldc's (\$ million)	125.2* 37.5%	66.0 20%	22.9 7%	112.1 33.5%	- 0%	7.1 2%	333.3 100%

\*Unwrought lead and zinc, etc.

<sup>1</sup>Total imports from developing countries equalled \$1.340 million.

An evaluation of the concessions made in this sector is affected by the fact that \$563 million worth of trade or 63 per cent of the total was already admitted duty free into the markets of the above countries. In terms of 1964 import statistics this figure shows a marginal increase to \$570 million. On the other hand, it may be noted that, of the total number of items dutiable before the Kennedy Round, 29 per cent by number of tariff items (mainly unwrought lead and zinc) received no reduction in the level of the existing duty; in value terms these items accounted for \$125 million or more than one third of such trade. However, 50 per cent reductions were made on 44 per cent of the items by number or \$112 million by value of trade and cuts up to 20 per cent were made on 20 per cent of the total trade.

In brief, as a result of concessions agreed upon in the Kennedy Round together with those items on which duty-free entry has already been allowed, only 36 per cent of trade in non-ferrous metals and products faces any form of customs tariff. Out of the 36 per cent, 22 per cent or \$203 million draws a duty of not more than 5 per cent. The corresponding figures before the Kennedy Round were 13 per cent or \$118 million.

The following sections contain some additional information on major non-ferrous metals making up this sector.

(a) Copper and copper products

Except for the United States, which imposes a tariff on copper ores<sup>1</sup> imported in excess of an annual quota equivalent to 15,000 tons of copper content, all the industrialized areas included in this study grant duty-free entry for copper ores. Further, duty-free entry or near duty-free entry is in force for copper matte imports into all the six markets. The two countries which continue to levy a duty on this item, the United States and Switzerland, do so only to the extent of 2 per cent and 0.05 per cent respectively. No duties are imposed on unwrought copper in the EEC, Sweden and the United Kingdom (unalloyed copper only); a nominal duty applies in the case of Switzerland. In the United States duties were reduced on this item by a full 50 per cent; present levels approximate to only 3 and 7 per cent. A smaller reduction was made by Japan; duties on unwrought copper are now 6.5-10 per cent.

Duties on copper products as listed in the following table were also subject to duty reduction. Customs tariffs in Sweden and Switzerland for these items now represent 5 per cent ad valorem or less. Most of the participants made reductions of the order of 20-50 per cent on their existing tariffs. For example, the EEC and Japanese duties on copper fittings and miscellaneous copper products which used to be higher than those on other copper products (bars, wires, plates, pipes, etc.) were reduced to a lower level than those on the latter items as a result of the deeper than 50 per cent concessions which were made.

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<sup>1</sup>Mineral ores have been dealt with in Chapter VII (raw materials) for the purpose of the sector-by-sector survey.

Description	Imports from developing countries (m.f.n. sources) (US\$ million)	M.f.n. duties of six participants, before (B) and after (A) the Kennedy Round (per cent ad valorem)					
		EEC	Japan	Sweden	Switzerland	United Kingdom	United States
Copper ore	n.a.	B Free A Free	Free Free	Free Free	Fr. 0.10/ 100 kgs. Free	Free Free	Free; 1.7¢/lb. Free; 0.8-1¢/lb.
Copper matte	551.05	B Free A Free	Free Free	Free Free	(0.1) (0.05)	Free Free	(4) (2)
Unwrought copper		B Free A Free	10; (11); (12); 8; 8.5; (10); 6.5	Free Free	(0.1) (0.05)	Free; 10; 10* Free; 5; 10*	(6); (14) (3); (7)
<u>Copper products:</u>	6.54						
Copper bars, wire, etc.		B 10 A 8	20; 25 15; 20	3 3	(1-4) (1-4)	10; 10* 8; 10*	(8-32) (4-16)
Copper plates and sheets		B 8 A 8	20; 25 15; 20	3 3	(1-5) (1-5)	15; 15* 8; 15*	(8-32) (4-16)
Copper tubes and pipes		B 10 A 8	20; 25 15; 20	3; 4 3; 3	(4) (5)	20; 20* 10; 15*	(6-25) (3-12.5)
Copper fittings		B 15 A 7.5	20 10	8 4	(5); (7) (3); (5)	20; 20* 10; 15*	(23); (18) (11.5); (9)
Copper products n.e.s.		B 14 A 7	15; 20; 50 7.5; 10; 25	8; 10 4; 5	(2-6) (1.6-4)	20 10	

\*Of beryllium alloys.

(b) Aluminium and aluminium products

Duty-free entry of bauxite is now in effect in all the six major markets. In addition Sweden permits imports of alumina and unwrought aluminium without duty. Duties on unwrought aluminium are, with the exception of Switzerland (14 per cent), relatively low. Present levels range from 15 and 9 per cent ad valorem in the case of the EEC, 9 per cent ad valorem for Japan, 0 and 5 per cent ad valorem for the United Kingdom while the ad valorem equivalent of the specific duty reduced in the United States only amounts to 0.3-5 per cent. As a result of the reductions indicated in the table below, tariff differentials between bauxite and semi-processed aluminium and between unwrought aluminium and aluminium products have generally decreased in relation to the pre-Kennedy Round levels.

Description	Imports from developing countries (US\$ million)	M.f.n. duties of six participants, before (B) and after (A) the Kennedy Round (per cent ad valorem)					
		EEC	Japan	Sweden	Switzerland	United Kingdom	United States
Bauxite	n.a.	B Free A Free	Free Free	Free Free	(0.4) Free	Free Free	50¢/ton (free) Free
Aluminium oxide and hydroxide	20.50	B 11 A 5.5	15;15 7.5;10	Free Free	(1) (0.3)	10;15; 33 1/3 8;8;8	(8)/[free] (4)/[free]
Unwrought aluminium	4.51	B 9;9 A 5;9	13 9	Free Free	(20) (14)	Free;10 Free;5	(0.7);(6); (8) (0.3);(5); (4)
Wrought plates, sheets, etc. of aluminium	1.12	B 15 A 12	25 18	3;5;8 3;3;3	(11);(22) (9);(18)	12.5 8	(8);(9) (6);(7)
Door, window frames, etc., of aluminium	0.01	B 15 A 7.5	20 10	8 4	(11) (8)	20 10	(19) (19)

(c) Unwrought lead and zinc

Swedish imports of unwrought lead and zinc are free of duty. Japan's duties have, as a result of the concessions made in the Kennedy Round, been reduced by between 25 and 50 per cent with the result that Japanese tariffs on unwrought lead are now at the level of 7-8 per cent while those on unwrought zinc are 0-9 per cent. Similarly Switzerland reduced its existing nominal duties to rates between 0.1 and 0.15 per cent while the United Kingdom, which has only nominal duties on unwrought metals other than alloys, gave free entry to lead and reduced the existing 10 per cent duties on both unwrought lead and zinc alloys to 5 per cent. On the other hand no concessions were finally tabled by the EEC or the United States. These two markets continue to levy pre-Kennedy Round duties of the order of 4 per cent and 6-19 per cent respectively.

(d) Unwrought tin

Most of the six markets under study allow free entry for unwrought tin. The United States eliminated its remaining duty, Japan halved its existing duty of 10 per cent while Swiss duties dropped to a fraction of 1 per cent. The other major participants accorded free entry for this item prior to the Kennedy Round.

Description		M.f.n. duties of six participants before and after the Kennedy Round (per cent ad valorem)					
		EEC	Japan	Sweden	Switzerland	United Kingdom	United States
Unwrought lead	Pre-KR	(4.5)	10;12;(13)	Free	(0.2)	Free; (0.3);10*	(7);(10)
	Post KR	(4.5)	7.5;7;(8)	Free	(0.15)	Free;free 5*	(7);(10)
Unwrought zinc	Pre-KR	(4)	Free;5;(11-12)*	Free	(0.2)	(1); 33 1/3;10*	(6);19*
	Post-KR	(4)	Free;2.5; (7);(8.5)*	Free	(0.1)	(1);(1);5*	(6);19*
Unwrought tin	Pre-KR	Free	5;10	Free	(0.03)	Free	Free;(0.3)
	Post-KR	Free	5;5	Free	(0.02)	Free	Free;free

\*Alloys

IV. COTTON YARN AND FABRICS

Imports of cotton yarn and cotton fabrics into the six major participants from developing countries excluding preferential sources amounted to \$90 million in 1964, accounting for 3 per cent of these countries' imports of manufactures and semi-manufactures from the same sources. Imports of these cotton products from all developing countries, including preferential sources, amounted to \$180 million.

The most-favoured-nation duty rates of the six major participants, taken together, showed a marked concentration in the 10.1-15 per cent (ad valorem) range before the Kennedy Round, with a limited number of rates reaching up to 30 per cent ad valorem. Of the \$90 million worth of imports in 1964, about \$48 million, or 54 per cent, were dutiable at 10.1-15 per cent. \$35 million were subject to heavier duties and \$6.5 million subject to rates lower than the 10.1-15 per cent range.

The Kennedy Round has resulted in a shift of the concentration from the 10.1-15 per cent range to the 5.1-10 per cent range. Rates of this magnitude now apply to \$45.5 million or 51 per cent of 1964 imports. The highest rates no longer go beyond the 20.1-25 per cent range, and in terms of 1964 actual imports virtually no product now draws a duty higher than 20 per cent ad valorem.

The greater part of the tariff cuts made during the Kennedy Round were of 20 per cent or more but less than 50 per cent of the existing rates. A very small proportion received a reduction of 50 per cent and there was no reduction deeper than the linear rate.

COTTON YARN AND PRODUCTS

Distribution of Tariff Rates and Reductions in the Kennedy Round:  
Aggregates for Six Developed Country Markets

(A) Distribution of rates before and after the negotiations

Duty categories (% ad valorem)		Free	0.1 -5	5.1 -10	10.1 -15	15.1 -20	20.1 -25	25.1 -30	Total
Pre-KR distribution of tariff rates	By number of tariff items	1%	1%	13%	24%	32%	26%	3%	100%
	By imports from ldc's (\$ million)	-	-	6.5 7.5%	48.0 54%	15.8 18%	11.5 11.5%	8.0 9%	89.8 100%
Post-KR distribution of tariff rates	By number of tariff items	1%	4%	28%	48%	15%	4%	-	100%
	By imports from ldc's (\$ million)	-	4.1 4.5%	45.5 51%	19.6 21.5%	20.6 <sup>a</sup> 23%	-	-	89.8 100%

<sup>a</sup>The bulk of which is made up of imports into the United Kingdom and the United States.

(B) Distribution according to depths of reduction

	No reduction	Cut less than 20%	Cut less than 50% but 20% or more	Cut by 50%	Cut exceeding 50%	Duty elimination	Total dutiable before KR
By number of tariff items	21%	20%	56%	3%	-	-	100%
By imports from ldc's (\$ million)	20.1 22.5%	14.1 15.5%	52.1 58%	3.5 4%	-	-	89.8 100%

On cotton yarn, excluding those containing other textile fibres, the EEC reduced its duties from 8 per cent to 4-8 per cent. Japan and the United States made a reduction of 25-30 per cent generally. Their duties now range from 3.5 to 5.5 per cent and from 3.4 to 17 per cent respectively. Swiss duties were reduced to the level of 4-10 per cent by various depths of reductions. Sweden imports cotton yarn higher than No. 89 English count duty free. It reduced its duty on yarn up to No. 89 from 8 per cent to 7 per cent and maintained its duty on sewing thread at 13 per cent. The United Kingdom duty remains at 7.5 per cent.

As regards cotton fabrics, the EEC made a reduction of 10-25 per cent and Japan of 30 per cent and the United States of 24 per cent. The level of duties on cotton fabrics not including other fibres will be 7 to 10.5 per cent in Japan, 13 to 15 per cent in the EEC and 5.9 to 29 per cent in the United States. It may be noted that the United States distinguished hand-loom cotton fabrics of a cottage industry from other cotton fabrics making larger tariff reductions for the former in the Kennedy Round. No reductions were made by Sweden, Switzerland and the United Kingdom. The duties of these countries are 13 per cent, 5 to 20 per cent and 17.5 per cent respectively.

In the case of cotton undergarments<sup>1</sup>, not including other fibres, duty reductions were approximately: EEC, 30 per cent cuts to rates ranging from 13 to 17 per cent; Japan, 30 per cent cuts to rates ranging from 14 to 21 per cent; Sweden, 0-40 per cent cuts to 15 per cent; Switzerland, 10 per cent cuts to rates ranging from 11 to 17 per cent; United States, cuts ranging from 9 to 18 per cent to rates ranging from 8 to 21 per cent. Action by the United Kingdom was limited to a 20 per cent reduction of duties on women's and infants' undergarments containing embroidery, net and lace.

On bed linen, table linen, curtains, etc., of cotton<sup>1</sup>, approximate reductions were: Japan, 30 per cent cuts to 14 per cent; United States, 20-50 per cent cuts to duties ranging from 6 to 40 per cent; Switzerland, 10 per cent cuts

<sup>1</sup>For the purpose of the sector-by-sector survey cotton undergarments are dealt with in Chapter V "Clothing", and bed linen, table linen, curtains etc. of cotton are in Chapter VI "Other textiles".

to rates ranging from 3 to 16 per cent; EEC, 20-30 per cent cuts to rates ranging from 17 to 19 per cent; United Kingdom, some reduction to rates ranging from 17.5 to 20 per cent.

Trade in textiles and clothing has, for some time, been a particularly sensitive sector of world trade, a fact of some significance in the Kennedy Round negotiations.<sup>1</sup>

The trade in cotton textiles has been regulated since 1 October 1962 under the Long-Term Arrangement Regarding International Trade in Cotton Textiles (LTA), which was negotiated under the auspices of GATT. The Arrangement attempts to provide for growth in trade in cotton textiles (including cotton clothing), particularly for developing countries, while avoiding disruptive effects in this important sector of the national economies of both developed and developing countries. The Arrangement, which was due to expire on 30 September 1967, has been extended in accordance with a Protocol drawn up by the GATT Cotton Textiles Committee and accepted by all of the twenty-nine governments parties to the original LTA, for a further period of three years ending 30 September 1970.

The tariff negotiations on cotton textiles were accompanied by discussions during the second half of 1966 and the first half of 1967 among countries participating in the LTA, regarding the conditions of access to markets which would prevail in the case of its extension beyond the original expiry date, 30 September 1967.

Considerations relating to reciprocity in the offers tabled by the different countries, difference in the degree of trade liberalization in different countries, and a worsening of the state of business in certain branches of the European textile industries in 1965 and 1966 appear to have been among the factors that contributed towards the end of 1966 and in the final phase of the negotiations, to a downward adjustment of the initial tariff offer by most of the negotiating partners affecting a considerable number of tariff items, as might be judged from the analysis of duty reductions attempted above for the different categories of goods.

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<sup>1</sup> Apart from the sector of cotton yarns and fabrics covered by this survey, cotton textiles as defined in the indicative list attached to the Long-Term Arrangement account for a considerable number of items in the sectors of clothing and other textiles. The observations made in this part are thus of some relevance to all the three sectors.

Description	Imports from developing countries		M.F.N. duties of six participants, before (B) and after (A) the Kennedy Round (per cent ad valorem)						
	m.f.n. sources	Prefer. sources	EEC	Japan	Sweden	Switzerland	United Kingdom	United States	
Cotton yarn*	15.87	2.24	B	8	(5);7.5	Free;8;13	(6-12)	7.5	4.7-(18)
			A	4-8	(3.5); 5.5	Free;7;13	(4-10)	7.5	3.4-(17)
Cotton fabrics (55.09)*	68.25	75.37	B	14-16;19	15; (10-12)	13	(5-20)	17.5	7.7-(38)
			A	17-14; 14-15	10.5; (7-9)	13	(5-20)	17.5	5.9-(29) <sub>a</sub> 9-14.5
Cotton under- garments*	39.14**	16.34**	B	24;18	20;30	15-25	(19);(13); (12)	20;25	10-25; 42.5 <sup>ab</sup>
			A	17;13	14;21	15	(17);(11); (12)	20;20	8-21;42.5 <sup>ab</sup>
Cotton linen, curtain*	15.55**	14.68**	B	24;24	20	14	(3-18)	17.5;25; 20	12.5-50
			A	17;19	14	14	(3-16)	17.5;20; 20	6-40

\*Excluding those containing other textile fibres.

\*\*Data for the EEC and the United Kingdom include other than those of cotton.

<sup>a</sup>Duties on cotton fabrics made on a handloom by a cottage industry (up to number 59).

<sup>b</sup>Lace or net underwear, whether or not ornamented, and other underwear, ornamented, of cotton.

V. CLOTHING

Imports of clothing into the six major developed participants from developing countries under most-favoured-nation terms amounted to \$177 million in 1964, accounting for near 6 per cent total imports of manufactures and semi-manufactures of the same countries from the same sources. Corresponding imports from developing countries enjoying preferential treatment amounted to \$130 million.

Before the Kennedy Round the majority of the tariff rates were within the region between 15 and 25 per cent ad valorem (67 per cent in terms of tariff item number). Such rates applied to \$118 million, or two thirds of the products in this sector in terms of 1964 imports. Certain particular items also draw fairly high rates of duty; in the over-30 per cent ad valorem category various rates applied to about \$31 million, or 17.5 per cent of 1964 imports.

The number of tariff rates within the 20-25 per cent range was considerably reduced (from 33 per cent to 9 per cent) and that in the 10-15 per cent range increased (from 5 per cent to 34.5 per cent). In terms of 1964 imports \$106 million, or 60 per cent, now falls within the 10.1-20 per cent range, against the previous proportion of \$63 million, or 35.5 per cent.

Reductions in this sector in the Kennedy Round were mostly of less than 50 per cent.

Distribution of Tariff Rates and Reductions in the Kennedy Round:  
Aggregates for Six Developed Country Markets

(A) Distribution of rates before and after the negotiations

Duty categories (% ad valorem)		Free	0.1 -5	5.1 -10	10.1 -15	15.1 -20	20.1 -25	25.1 -30	30.1 -35	Above 35	n.a.	Total
Pre-KR distrib- ution of tariff rates	By number of tariff items	-	-	4%	5%	34%	33%	8%	5%	9%	1%	100%
	By imports from ldc's (\$ million)	-	-	5.0	12.1	50.7	67.5	1.5	5.2	30.7	4.7	177.5
Post-KR distrib- ution of tariff rates	By number of tariff items	-	0.5%	12%	34.5%	34.0%	9%	2.5%	1.5%	4.5%	1.5	100%
	By imports from ldc's (\$ million)	-	-	9.2	22.1	84.3	29.9	1.2	6.9	19.2	4.7	177.5
				4.5%	12.5%	47.5%	17%	0.5%	4%	11%	12.5%	100%

(B) Distribution according to depths of reduction

	No reduction	Cut less than 20%	Cut less than 50% but 20% or more	Cut by 50%	Cut exceeding 50%	Duty elimination	n.a.	Total dutiabie before KR
By number of tariff items	9.5%	31.5%	39%	18.5%	1.5%	-	-	100%
By imports from ldc's (\$ million)	33.3	89.5	37.6	12.4	-	-	9.7	177.5
	19%	50.5%	21%	7%	-	-	12.5%	100%

Information on reductions on cotton undergarments has been included in the previous chapter.

<sup>a</sup> Mostly duties of the United States and Japan.  
<sup>b</sup> Mostly duties of the United States.

## VI. OTHER TEXTILES

Major export products of developing countries to markets of developed countries in this sector include manufactured products originating from wool, jute and other vegetable fibres. In 1964, the total value of these exports from developing countries not enjoying preferential treatment in the markets of the six industrial areas was around \$345 million as compared to \$400 million from developing countries as a whole. A large part of the trade in this sector, \$148 million, falls under the heading of "woven fabrics of jute".

Both the pre- and post-Kennedy Round tariff structures emphasize the widely scattered pattern of customs duties levied on products derived from wool and vegetable fibres; the duties range from zero to above 35 per cent. The negotiations, however, have produced a switch in the distribution of rates both in terms of item number and trade value. For example, before the Kennedy Round 86 per cent of products by item number faced duties of the order of 5 to 35 per cent ad valorem; as a result of the negotiations, 85 per cent of the items are now dutiable at rates ranging from 0.1 to 20 per cent ad valorem. The proportion of zero duty rates, in terms of trade coverage in 1964, increased from 13.5 per cent to 58 per cent or by \$153 million. An important contributory action in this regard was the elimination of the United States duty on jute fabrics (unbleached, not coloured) and the abolition of the Swedish duty on carpets, carpeting and rugs (knotted).

During the negotiations the EEC, Japan, Sweden, Switzerland, the United Kingdom and the United States made concessions on trade worth \$260 million. Apart from the elimination of duties on \$153 million of trade referred to above, duties were halved on a further \$20.5 million; on \$36.8 million of trade no concessions were accorded; on \$72.6 million of trade a reduction of 20 per cent or more but less than 50 per cent was made. It should be noted that, within this category, the size of the tariff cuts varies considerably according to the nature of the product.

The following sections present some factual comments on the major sub-items included within this sector.

The major importers of textiles other than cotton textiles, from developing country suppliers subject to most-favoured-nation treatment only, are the United States and the EEC. These two countries, with just under 90 per cent of the import demand, account for the greater part of trade conducted in this sector. The United Kingdom, which obtains a large part of its supplies under preferential agreements, and Switzerland, represent about 9 per cent of the market, the remainder being shared between Sweden and Japan.

OTHER TEXTILESDistribution of Tariff Rates and Reductions in the Kennedy Round:  
Aggregates for Six Developed Country Markets(A) Distribution of rates before and after the negotiations

Duty categories (% ad valorem)		Free	0.1 -5	5.1 -10	10.1 -15	15.1 -20	20.1 -25	25.1 -30	30.1 -35	Above 35	n.a.	Total
Pre-KR distrib- ution of tariff rates	By number of tariff items	1.5%	2.5%	11%	17%	29.5%	18%	6.5%	4%	8.4%	1.5%	100%
	By imports from ldc's in 1964 (\$'000)	46.7 13%	153.0 44% <sup>1</sup>	30.5 9% <sup>4,5</sup>	11.4 3%	7.6 2%	38.5 11% <sup>2</sup>	2.1 1%	498 14% <sup>2,3</sup>	4.3 1%	-	343.9 100%
Post-KR distrib- ution of tariff rates	By number of tariff items	2%	6.5%	30.5%	28%	20%	6%	1.5%	1.5%	2%	2%	100%
	By imports from ldc's in 1964 (\$'000)	199.7 58% <sup>1,4</sup>	3.7 1%	31.7 9% <sup>5</sup>	31.7 9%	21.9 6% <sup>2</sup>	52.1 15% <sup>3</sup>	0.4 -	0 -	2.2 0%	0.5 0%	343.9 100%

(B) Distribution according to depths of reduction

	No reduction	Cut less than 20%	Cut less than 50% but 20% or more	Cut by 50%	Cut exceeding 50%	Duty elimination	n.a.	Total dutiabale before KR
By number of tariff items	14.5%	14.5%	33.5%	34%	1.5%	1%	1%	100%
By imports from ldc's in 1964 (\$'000)	36.9 12%	13.6 4%	72.6 24%	20.6 7%	0%	153.0 51% <sup>1,4</sup>	0.5 0%	297.199 100%

<sup>1</sup>Including jute fabrics, not bleached, not coloured, of the United States.<sup>2</sup>Including jute fabrics, jute sacks and bags, bed linen, table linen and curtains, of the EEC.<sup>3</sup>Including wool carpets, knotted, of the EEC.<sup>4</sup>Including carpets, carpeting and rugs, knotted, of Sweden.<sup>5</sup>Including hand-made carpets, knotted, of the United Kingdom.

(a) Jute<sup>1</sup> and jute products

India, Pakistan, the EEC, the United Kingdom, Spain and Portugal together account for the bulk of world production and export of jute manufactures. Raw jute enjoys free entry into all the markets under study. As far as processed jute is concerned, the United Kingdom and the United States reduced their duties by a half and Switzerland by a quarter; Japan and the United States reduced existing duties on jute yarn by half. The United States also eliminated its tariff on jute fabrics (unbleached, not coloured) while halving its rate on bleached and coloured jute fabrics to 3 per cent and its duties on jute sacks and bags to 5 per cent. Tariff concessions by the EEC, Japan, Sweden, and Switzerland also contributed to a general lowering of tariff levels on jute fabrics and new jute sacks and bags. No reductions, however, were effected on these items in the case of the United Kingdom.

Description	Imports of the six participants from developing countries (US\$ million)		M.F.N. duties of six participants before (B) and after (A) the Kennedy Round (ad valorem)					
	From m.f.n. sources	From preferential sources	EEC	Japan	Sweden	Switzerland	UK <sup>a</sup>	US
Jute, raw	(		B Free A Free	Free Free	Free Free	(0.04) Free	Free Free	Free Free
Jute, processed	( 82.80	32.21	B Free A Free	Free Free	Free Free	F 16/100 kgs. F 12/100 kgs.	10 5	10; (40) 5; (20)
Jute yarn	0.71	0.95	B 10 A 8	20 10	9; 10 8; 8	(5-24) (4-18)	10; 15 10; 15	15-25 7.5-12.5
Jute fabrics	147.95	13.88	B 23 A 15-22 <sup>b</sup>	25 20	11; 15 8; 10	(2-18) (1-18)	20 <sup>c</sup> 20	(2); (6) Free; (3)
New jute sacks and bags	8.47	5.99	B 23 <sup>b</sup> A 15-20	23 20	(15) 8	(12) 10	20 <sup>c</sup> 20	(6); (11) (3); (5)
Used jute sacks and bags			B 11 A 8	Free Free	Free Free	(12) (10)	Free <sup>c</sup> Free	(6); (11) (3); (5)

<sup>a</sup> Not containing m.m.f. (man-made fibres)

<sup>b</sup> France and the Federal Republic of Germany maintain import controls on jute fabrics and France also on new jute sacks and bags.

<sup>c</sup> Imports of certain jute cloth and certain new sacks and bags into the United Kingdom are subject to import quotas or State trading. The United Kingdom eliminated its duty on used jute sacks and bags while the negotiations were taking place.

<sup>1</sup> Jute has been dealt with in Chapter VIII (raw materials) for the purpose of the sector-by-sector survey.

(b) Coir and sisal and products thereof<sup>1</sup>

Coir fibre continues to be imported duty free into the six industrialized markets with the exception of Switzerland, which maintains nominal duties of 1 to 7 per cent on certain processed coir fibre products, and the United Kingdom which imposes a duty of 10 per cent ad valorem on coir fibre as well as on coir yarn and cordage. Two other participants maintain some duties on coir yarn; Japan and Switzerland. Both countries however cut their duties by a half during the negotiations and their present levels now approximate to 3 3/4 per cent and 0.1-7 per cent respectively. Similar action by the EEC, Japan, Sweden and the United States resulted in a 50 per cent cut for tariffs on coir fabrics. Of the remaining countries, Switzerland agreed to reducing a few of its duties while no change was made in the case of the United Kingdom's tariff which remains at 20 per cent ad valorem. As a result of the concessions made differentials between duties on coir yarn and fabrics have shown a significant decrease.

The full 50 per cent linear cut was also applied by Japan and the United States to imports of coir cordage; present rates now equal 5 and 10 per cent ad valorem respectively - in the United States coir cordage of not stranded construction is already admitted duty free. A small reduction was also made in the Swedish schedule for this item from 9-10 per cent to 8 per cent. The Swedish duty on coir mats and mattings however, was eliminated. On this product, further concessions were established by the United States and Japan. The former abolished its existing duty of 5 per cent on coir mats and matting except those of pile or tufted construction with pile not hand-inserted or hand-knotted for which a 50 per cent reduction was made to a new level of 21 per cent; Japan's duty was halved from 30 to 15 per cent ad valorem. However, no concessions were agreed to in the case of the EEC, Switzerland and the United Kingdom. These three areas continue to levy tariffs equal to 23 per cent, 11 per cent and 20 per cent ad valorem respectively.

Duties on raw sisal fibre were eliminated by Switzerland and the United Kingdom. Thus, as in the case of coir fibre, none of the above six areas now maintain tariffs on raw sisal fibre. Duties are, however, levied on processed sisal fibre by the United Kingdom (5 per cent ad valorem reduced from 10 per cent) and by the United States (8 per cent ad valorem) and Switzerland (0.7-7 per cent reduced from 1-11 per cent). The EEC, Japan and the United States cut, by a full 50 per cent, their duties on sisal yarn and fabrics; these now approximate to 5 to 10 per cent, 3.75-5 per cent and 3.2 to 10 per cent ad valorem respectively. Smaller reductions were made by Sweden, from 9-15 per cent to 8-10 per cent ad valorem, and Switzerland, from 4-14 per cent to 4-10 per cent on this item. No reduction was made in respect of the United Kingdom's tariff of 15-20 per cent ad valorem. As is shown in the table below, tariff differentials on these items showed a decrease over those in operation prior to the Kennedy Round.

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<sup>1</sup>Coir and sisal have been dealt with, among raw materials, in Chapter VIII for the purpose of sector-by-sector survey.

Few significant changes were made with respect to sisal cordage. Japan, however, cut by half its existing rate of 15 per cent ad valorem. Smaller reductions were made by Sweden and the United States. The remaining duties on this sub-item are as follows: EEC 13 per cent, Switzerland 9-24 per cent, the United Kingdom 15 per cent and the United States 0-15 per cent ad valorem. Consequently, differentials between duties on sisal fibre and sisal cordage remain unchanged in some developed markets.

Description	Imports of the six participants from developing countries (US \$ million)		Most-favoured-nation duties of six participants before (A) and after (B) the Kennedy Round (ad valorem)					
	From m.f.n. sources		EEC	Japan	Sweden	Switzerland	UK <sup>1</sup>	US
Coir fibre, raw or processed	99.98 <sup>2</sup>	34.38 <sup>2</sup>	B Free A Free	Free Free	Free Free	(0.2); (1); (11) Free; (0.7); (7)	10 10	Free Free
Coir yarn	11.88 <sup>2</sup>	1.12 <sup>2</sup>	B Free A Free	7.5 3.75	Free Free	(0.4); (0.5); (14) (0.2); (0.15); (7)	10 10	Free Free
Coir fabrics	0.06 <sup>2</sup>	0.02 <sup>2</sup>	B 20 A 10	10 5	7; (15) 4; 4	(4-11) (4-10)	20 20	6.5; 10 3.2; 5
Coir cordage	25.31 <sup>2</sup>	0.19 <sup>2</sup>	B 13 A 13	10 5	9; 10 8; 8	(5) (5)	10 10	Free; 20 Free; 10
Coir mats and matting	n.a.	n.a.	B 23 <sup>3</sup> A 23	30 15	7 Free	(11) (11)	20 20	5; (45) Free; (21)
Sisal fibre, raw			B Free A Free	Free Free	Free Free	(0.2) Free	10 Free	Free Free
Sisal fibre, processed			B Free A Free	Free Free	Free Free	(1); (11) (0.7); (7)	10 5	8 8
Sisal yarn			B 10 A 5	7.5 3.75	9; 10 8; 8	(9); (10); (14) (4.5); (5); (7)	15 15	20 10
Sisal fabrics			B 20 A 10	10 5	12; (15) 10; 10	(4-11) (4-10)	20 20	6.5; 10 3.2; 5
Sisal cordage and rope			B 13 A 13	15 7.5	9; 10 8; 8	(9-24) (9-24)	15 15	Free; 15; (6)-15 Free; 7.5; (6)-15

<sup>1</sup> Not containing m.m.f. (man-made fibres)

<sup>2</sup> Including sisal fibre and products

<sup>3</sup> F.R. Germany maintains licensing on coir mats and mattings.

(c) Wool carpets, carpeting and rugs

On wool carpets, carpeting and rugs (knotted) which are the most important wool products exported from developing countries, Sweden eliminated all its duties. Japan and the United States reduced tariffs on this item by one half to 15 per cent and 5.5 to 12 per cent respectively while the EEC cut its duty from 32 to 24 per cent with the maximum of \$4 per square metre. Limited action by the United Kingdom reduced the ad valorem part of its alternative duties on non-handmade products from 20 per cent to 17.5 per cent ad valorem; the specific tariff remains unchanged. The duty on handmade items remains at 6.5 per cent. Switzerland maintains a duty of 6 per cent.

With respect to other wool carpets; carpeting and rugs, Japan reduced its duty by 50 per cent to the level of 15 per cent ad valorem. The United States cut most of its tariffs on these items by a half to a general level of 5.5 to 16.5 per cent ad valorem. No concession was made for Wilton and velvet floor coverings, which is at present subject to a duty of 40 per cent. Tariff changes by the EEC, Sweden and Switzerland reduced their existing duties by 10-15 per cent to the level of 20 per cent, 12 per cent and 10-16 per cent respectively. Again, the United Kingdom reduced the ad valorem part of its alternative duties from 20 per cent ad valorem to 17.5 per cent without changing the specific part.

Description	Most-favoured-nation duties of six participants before (B) and after (A) the Kennedy Round (ad valorem)					
	EEC	Japan	Sweden	Switzerland	UK <sup>b</sup>	US
Wool carpets; carpeting and rugs, knotted	B 32 A 24 <sup>a</sup>	30 15	(6-9) Free	(6) (6)	(6.5); (20) (6.5); (17.5)	11-(24) 5.5-(12)
Other wool carpets; carpeting and rugs	B 23 A 20 <sup>c</sup>	30 15	12;15 12;12	(11-18) (10-16)	(20) (17.5)	11.25-30;4.6 5.5-16.5;4.6

<sup>a</sup>With the maximum of \$4 per square metre.

<sup>b</sup>Not containing man-made fibres.

<sup>c</sup>France maintains an import control.

## VII. LEATHER AND LEATHER MANUFACTURES

A considerable proportion of the developing countries' exports of manufactures and semi-manufactures to the six developed participants are made up of leather and leather products. In 1964, the total value of these exports from developing countries not enjoying preferential treatment in the six industrial markets was \$72 million as compared to \$107 million from developing countries as a whole.

### LEATHER AND LEATHER PRODUCTS

#### Distribution of Tariff Rates and Reductions in the Kennedy Round: Aggregates for Six Developed Country Markets

(A) Distribution of rates before and after the negotiations

Duty categories (% ad valorem)		Free	0.1 -5	5.1 -10	10.1 -15	15.1 -20	20.1 -25	25.1 -30	30.1 -35	Above 35	Total
Pre-KR distrib- ution of tariff rates	By number of tariff items	4%	4%	31%	24%	22%	5%	2%	4%	4%	100%
	By imports from ldc's (\$ million)	17.4 24%	0.7 1%	23.1 32%	11.8 16%	17.3 24%	0.9 1%	- 0%	0.1 0%	0.4 1%	71.7 100%
Pre-KR distrib- ution of tariff rates	By number of tariff items	6%	25%	40%	13%	10% <sup>a</sup>	3%	1%	1%	1%	100%
	By imports from ldc's (\$ million)	18.1 25%	16.1 23%	22.4 31%	2.9 4%	11.8 16% <sup>a</sup>	0.2 0%	0.1 0%	0.1 0%	- -	71.7 100%

a. Primarily duties of the United States, the United Kingdom and Japan.

(B) Distribution according to depths of reduction

	No reduction	Cut less than 20%	Cut less than 50% but 20% or more	Cut by 50%	Cut exceeding 50%	Duty elimination	Total dutiabie before KR
By number of tariff items	9%	11.5%	17.5%	54.5%	5%	2.5%	100%
By imports from ldc's (\$ million)	12.3 23%	3.6 7%	8.4 15%	28.8 53%	0.6 1%	0.6 1%	54.3 100%

Before the Kennedy Round a full three quarters of all dutiable items within this category faced tariff barriers ranging from 5 to 20 per cent ad valorem; in terms of actual imports \$52.2 million. As a result of the negotiations a significant shift was made in the tariff profiles affecting these items. In terms of 1964 trade, close on 80 per cent of all leather and leather goods imported into these countries from non-preferential sources of supply among the developing countries will either be free of duty or face a customs tariff in the range of 0 to 10 per cent ad valorem. The corresponding figure before the Kennedy Round was 57 per cent. As far as the rest of the goods within this category are concerned, it may be noted that 20 per cent of

total most-favoured-nation trade will now be subject to duties exceeding 10 per cent but up to 20 per cent and minimal percentage still attract tariffs in excess of 20 per cent ad valorem.

The most important result of the negotiations in this sector was the large-scale application of the 50 per cent linear cut. Tariff reductions of 50 per cent were in fact made on 53 per cent of the dutiable imports from developing countries into the markets of the six industrial areas. Smaller but significant reductions were made on several other items representing \$12 million of trade.

The following sections present some factual comments on certain major products in this sector.

The major importers of leather and leather manufactures from developing country suppliers enjoying most-favoured-nation treatment are the EEC with \$30.8 million worth of trade and the United States with \$27.9 million. These two markets thus account for close on 85 per cent of transactions in this sector; Japan and the United Kingdom represent a further 12 per cent, the remainder being shared between Switzerland and Sweden.

Duty-free entry for raw hides and skins of bovine and equine animals<sup>1</sup> was attained in large part as a result of the Kennedy Round through action on the part of Switzerland, the United Kingdom and the United States; the remaining three importers having already allowed free entry. On leather of bovine and equine animals concessions were granted for a considerable proportion of the trade in this item which amounted to \$62 million in 1964. The United States reduced its duties by 30-50 per cent to a level of 4-9 per cent ad valorem, the United Kingdom's duties were cut by 20 per cent to 8-16 per cent ad valorem, while the Community's action reduced duties by 10-20 per cent to bring its common external tariff down to a rate of 8 per cent ad valorem. Concessions of a similar order were made by Switzerland (duty reduction from 4-22 per cent to 4-11 per cent ad valorem) and Sweden (free entry for pre-tanned hide and duty reduction on leather by 15 per cent to a new level of 6 per cent ad valorem). No reduction was made in the Japanese schedule; imports remain dutiable at a rate of 15-20 per cent ad valorem. All told, differentials between duties on raw hides and skins of bovine and equine animals and those on leather of a similar kind were subject to a significant change in the United States market and to a smaller change in many other markets.

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<sup>1</sup>Raw hides and skins have been dealt with in Chapter VIII (raw materials) for the purpose of the sector-by-sector survey.

On travel goods and handbags of leather, the EEC, Japan, the United Kingdom and the United States made an across-the-board cut of 50 per cent, the new level approximating 7.5 per cent, 10-20 per cent, 10 per cent and 8-10 per cent ad valorem respectively. Smaller cuts were agreed to by Sweden and Switzerland to 10 per cent and 6-7 per cent ad valorem respectively. As a result, differentials between duties on leather and those on travel goods, etc. of leather decreased to nil or four percentage points ad valorem at most in these markets.

Finally, on leather footwear<sup>1</sup> which accounts for slightly less than \$6 million of imports from developing country most-favoured-nation sources, both the EEC and the United Kingdom made a reduction of 50 per cent or more thus reducing their respective tariffs to 8 per cent and 7.5-10 per cent ad valorem. The United States eliminated or reduced to a half some of its duties, the levels of which now range from zero to 15 per cent ad valorem. Swiss tariffs were cut by 20-45 per cent and now range between 8 and 9 per cent. Sweden reduced its duties which previously ranged from 14-18 per cent ad valorem to a new uniform level of 14 per cent ad valorem. Again, no concession was made in the Japanese schedule which continues at 27-30 per cent ad valorem.

Description	Imports into the six developing countries (m.f.n. sources) (US\$ million)	Most-favoured-nation duties of six participants before (B) and after (A) the Kennedy Round (% ad valorem)						
		EEC	Japan	Sweden	Switzerland	United Kingdom	United States	
Raw hides and skins of bovine and equine animals	n.a.	B	Free	Free	Free	(0.1)	Free;10	Free-4
		A	Free	Free	Free	(0.05)	Free;Free	Free-2
Simply tanned of the above	62.1	B	9	15	Free;7	(5);(8)		
		A	8	15	Free;Free	(5);(7)		
Bovine cattle leather and equine leather		B	10	15;20	7	(4-22)	10-20	8.5-12.5
		A	8	15;20	6	(4-11)	8-16	4-9
Travel goods of leather	3.9	B	15	20;25;35;40	(13-20)	(7-9)	(16)-20	16;20
		A	7.5	10;12.5;17.5;20	10	(6-7)	10	8;10
Leather footwear	5.7	B	16	27;30	14-18	(10-16)	(13.5)-30	5-20
		A	8	27;30	14	(8-9)	7.5-10	Free-15

<sup>1</sup>Leather footwear has been dealt with in Chapter VIII (footwear) for the purpose of the sector-by-sector survey.

### VIII. OTHER PRODUCTS

As explained in the Introduction, the more detailed analysis in terms of trade coverage embodied in the preceding chapters has been concentrated on seven product groups in which imports from developing countries constitute a major portion of the six developed participants total imports of these products from all most-favoured-nation sources. As regards other products, attention is drawn to the analysis in terms of tariff item number contained in document COM.TD/46 which covers twenty-three sectors and 367 tariff headings. For convenience the portion of the summary table on pages 13 and 14 of that document dealing with the sectors other than the seven covered by the present more detailed study is reproduced on the next page. The opportunity is taken to introduce certain corrections taking account of new or more exact material which has become available. There have also been added figures showing the distribution of the depths of cuts.

The following are factual notes on action taken in the Kennedy Round on certain individual products in this category. Since no attempt is made at being exhaustive, individual developing countries may well find particular products of special interest to them left out. The products covered by these notes, however, represent a substantial proportion of the total imports of developed countries from developing countries other than those belonging to the six product groups dealt with in the preceding chapters, fuel and temperate zone agricultural products; they amounted to \$3.6 billion in terms of 1964 imports.

(1) Crude foodstuffs (excluding cereals, meats and dairy products)

Among important items for the trade of developing countries with developed countries in this sector are crustaceans, honey, guts and bladders of animals, vegetables, roots and tubers, fruit and nuts, oilseeds other than tropical.

Shrimps and prawns, fresh, chilled, frozen, salted, in brine, dried or simply boiled in water

Imports of shrimps and prawns into the six major markets from developing countries (most-favoured-nation sources only) amounted to approximately \$122 million in 1964, the greater part of which was directed to the United States and Japan (imports from all most-favoured-nation sources including developed countries - \$139 million).

DISTRIBUTION OF TARIFF RATES AND REDUCTIONS IN THE KENNEDY ROUND IN TERMS OF NUMBER OF TARIFF ITEMS

Duty categories (per cent ad valorem)	Distribution of tariff rates on products of interest to developing countries before and after the Kennedy Round (per cent)											Distribution according to depths of tariff reduction (per cent in the total pre-Kennedy Round tariff rates excluding zero duties)					
		Free	0.1-5	5.1-10	10.1-15	15.1-20	20.1-25	25.1-30	30.1-35	Above 35	n.a.	No reduction	Cut less than 50%	Cut by 50%	Cut exceeding 50%	Duty elimination	n.a.
Crude-foodstuffs, excluding cereals, meats and dairy products	Pre-KR	20	17	22	16	16	5	2	1	1	-						
	Post-KR	25	19	21	16	12	4	1	1	1	-	54	17	20	2	7	-
Beverages and tobacco	Pre-KR	4	2	2	5	8	8	12	4	53	2						
	Post-KR	5	4	5	8	6	7	17	3	43	2	59	22	18	-	1	-
Raw materials	Pre-KR	51	19	16	5	4	2	1	0	1	1						
	Post-KR	61	23	10	2	2	1	0	0	1	0	13	13	48	5	21	-
Fuels	Pre-KR	28	25	25	15	4	1	0	0	1	1						
	Post-KR	31	39	17	8	2	1	0	0	1	1	36	14	41	3	6	-
Inorganic and organic chemicals	Pre-KR	10	11	18	33	17	4	2	3	2	0						
	Post-KR	11	36	42	9	2	0	0	0	0	0	3	5	85	4	3	-
Chemical products	Pre-KR	15	9	22	22	17	7	4	1	2	1						
	Post-KR	18	25	39	14	3	1	0	0	0	0	4	11	76	8	1	-
Pulp and paper	Pre-KR	13	11	30	27	15	1	2	1	0	0						
	Post-KR	20	28	26	21	4	1	0	0	0	0	10	38	44	1	7	-
Iron and steel	Pre-KR	4	12	47	28	6	2	1	0	0	0						
	Post-KR	7	21	61	8	2	0	0	0	0	1	19	51	25	2	2	1
Iron and steel products	Pre-KR	5	6	31	33	14	3	1	1	4	2						
	Post-KR	10	15	52	15	4	1	0	0	2	1	15	24	55	0	6	-
Machinery	Pre-KR	0	6	26	43	12	8	1	1	3	10						
	Post-KR	2	24	51	18	3	2	0	0	0	0	11	23	59	5	2	-
Transport equipment	Pre-KR	2	3	30	28	12	17	6	1	0	1						
	Post-KR	4	27	40	18	5	5	0	0	0	1	6	17	70	5	2	-
Footwear	Pre-KR	0	2	13	32	37	5	10	1	0	0						
	Post-KR	0	10	54	10	19	0	5	0	0	2	28	11	52	7	-	2
Wood manufactures	Pre-KR	3	3	22	43	21	1	2	0	5	0						
	Post-KR	4	20	48	18	7	0	2	0	1	0	8	22	66	3	1	-
Articles of stone, ceramic products, glass and glass ware, precious stones and metals	Pre-KR	10	10	23	19	12	11	5	4	6	0						
	Post-KR	12	24	31	17	8	5	1	1	1	0	9	30	58	1	2	-
Precision instruments and apparatus	Pre-KR	2	3	7	47	20	6	4	3	7	1						
	Post-KR	2	8	31	33	21	4	0	0	0	1	12	20	65	2	1	-
Other manufactures	Pre-KR	5	4	16	21	29	10	5	5	5	0						
	Post-KR	7	16	43	16	11	3	2	1	1	0	7	26	63	2	2	-

Sweden and the United States import shrimps and prawns duty free. The EEC reduced its duty from 18 to 12 per cent. Japan reduced its duties from 5-15 per cent to 5 per cent on these products fresh, chilled or frozen and to 7.5 per cent when imported in other form. Switzerland reduced its duty from 4.3 per cent to 2.9 per cent. No reduction was made by the United Kingdom which maintains a duty of 10 per cent on prawns and frozen or dried shrimps and a duty of 30 per cent on other shrimps.

Duties on shrimps and prawns of the six participants before and after the Kennedy Round (per cent ad valorem)						
	EEC	Japan	Sweden	Switzerland	UK	US
Pre-KR	18	5-15	Free	(4.3)	10; 30	Free
Post-KR	12	5; 7.5	Free	(2.9)	10; 30	Free

#### Onions and tomatoes

Reductions of duties made on onions and tomatoes by the six participants were as follows. Japan halved the duty on tomatoes. Sweden eliminated its duty on tomatoes imported in certain months. The United Kingdom reduced the duties on onions and tomatoes imported in certain seasons as indicated in the footnote to the table below. The United States halved the duty on onion sets. Vegetables are often subject to duties which are seasonally differentiated.

(Per cent ad valorem; incidence of specific duties in parentheses)							
		EEC <sup>a</sup>	Japan	Sweden	Switzerland	United Kingdom	United States
Onions	Pre-KR	12	10	Free; (30-36) <sup>c</sup>	(7.5)	10 <sup>e</sup> ; 10; (16)	(21) <sup>e</sup> ; (32)
	Post-KR	12	10	Free; (30-36) <sup>c</sup>	(7.5)	5 <sup>e</sup> ; 10; (16)	(10.5) <sup>e</sup> ; (32)
Tomatoes	Pre-KR	(11); (20) <sup>b</sup>	10	Free; (28); (28) <sup>d</sup>	(5)	10 <sup>f</sup> ; 10-(34)	(13-19)
	Post-KR	(11); (20) <sup>b</sup>	5	Free; (28) <sup>d</sup>	(5)	8 <sup>f</sup> ; 10-(34)	(13-19)

<sup>a</sup>Belgium, Luxemburg and France control imports of onions (except seed onions), and Belgium, Luxemburg and Federal Republic of Germany control imports of tomatoes. Switzerland controls imports of both onions and tomatoes.

<sup>b</sup>From 15 May to 31 October.

<sup>c</sup>From 1 July to the end of February.

<sup>d</sup>From 16 May to 31 October.

<sup>e</sup>From 1 February to 30 June.

<sup>f</sup>From 16 November to 31 March.

<sup>3</sup>Onion sets.

Dried or dehydrated vegetables

Imports of these products into the six major participants from developing countries (most-favoured-nation sources only) amounted to approximately \$5 million in 1964 (imports from all most-favoured-nation sources - including developed countries - \$22 million).

The EEC reduced its duty on dried or dehydrated onions from 20 per cent to 18 per cent. Its duty on other dried or dehydrated vegetables remains at 16 per cent. The United States reduced its duty on vegetables reduced to flour from 17.5 per cent to 13 per cent. Its duties on dried or dehydrated garlic and onions and garlic and onion flour remains at 35 per cent and its duties on other dried or dehydrated vegetables at 17.5 per cent. The United Kingdom reduced its duties on dried or dehydrated garlic and leeks in airtight containers from 15 per cent to 10 per cent and cut to a half its duty on dried or dehydrated horseradish which is now 2.5 per cent. Its duty on herbs not in powder remains at 9 per cent and its duty on other dried or dehydrated vegetables in airtight containers (except asparagus and tomatoes) at 15 per cent and those not so packed at 10 per cent. No reduction was made for Japanese, Swedish and Swiss duties which amount to 15 per cent, 4 per cent and 2-3 per cent respectively.

Duties on dried or dehydrated vegetables of the six participants before and after the Kennedy Round (per cent ad valorem)						
	EEC <sup>a</sup>	Japan	Sweden	Switzerland	UK	US
Pre-KR	20, 16	15	4	(2-3)	15;5;9;10;15	17.5;35;17.5
Post-KR	18; 16	15	4	(2-3)	10;2.5;9;10;15	13;35;17.5

<sup>a</sup>France maintains an import control on dried or dehydrated onions.

Dried fruit

Dried fruit was subject to duty reduction in all the six markets under study except Sweden which imports this item duty free. Dried grapes are now subject to duties not more than 7 per cent in these markets except the duty of Japan on those in small containers which were however reduced from 20 per cent to 10 per cent. Duties on other dried fruit range from zero to 16 per cent in the markets other than the United States which maintain duties from zero to 35 per cent.

(Per cent ad valorem; incidence of specific duties in parentheses)						
	EEC	Japan	Sweden	Switzerland	United Kingdom	United States
Dried grapes Pre-KR	8 <sup>a</sup>	5;20 <sup>b</sup>	Free	(5)	(2);(8)	(5-8)
Post-KR	6 <sup>a</sup>	5;10 <sup>b</sup>	Free	(3)	(2);(4)	(5-7)
Other dried fruit (08.12) Pre-KR	8-9;12;16	20;15	Free	(2-14)	Free;(4);15	Free;7-35;17.5-35
Post-KR	4-8;12;16	15;10	Free	(1-12)	Free;(4);10	Free;3.5-17.5;17.5-35

<sup>a</sup>Italy controls imports of dried grapes.

<sup>b</sup>In small containers.

Hazelnuts and walnuts

Sweden eliminated the duty of 10 per cent on hazelnuts and the United Kingdom the duty of 7.5 per cent on unshelled hazelnuts. Japan halved the duty on hazelnuts from 20 per cent to 10 per cent. On prepared or preserved nuts Sweden also eliminated the duty. The United Kingdom halved the duty to 7.5 per cent except for those mixed with sweetening matter; the EEC and Switzerland made a reduction of 10-25 per cent for the prepared or preserved nuts. As is shown in the table below duty differentials are noticeable between unshelled and shelled nuts, e.g. in the United Kingdom and the United States, and between those unshelled or shelled and those prepared or preserved (e.g. in the EEC, Japan, Switzerland and the United States).

(Per cent ad valorem; incidence of specific duties in parentheses)							
		EEC	Japan	Sweden	Switzer-land	United Kingdom	United States
Hazelnuts, shelled or not	Pre-KR	4	20	(10)	(2.5)	7.5; 10*	(9); (19)*;
	Post-KR	4	10	Free	(2.5)	Free; 10*	(9); (19)*;
Walnuts, shelled or not	Pre-KR	8	30	Free; skr 50/ 100 kg.	(1.5)	10	(11);
	Post-KR	8	30	Free; skr 50/ 100 kg.	(1.5)	10	(11);
Prepared or preserved nuts (ex 20.06)	Pre-KR	17;22	20	(7)	(32)	15-15 5/8; 15 5/8 <sup>a</sup>	(20) <sup>b</sup> ; (34) <sup>c</sup> 28 <sup>d</sup>
	Post-KR	15;17	20	Free	(28)	7.5, 15 5/8 <sup>a</sup>	(14) <sup>b</sup> ; (34) <sup>c</sup> 28 <sup>d</sup>

\* Shelled.

<sup>a</sup> Mixed with added sweetening matter

<sup>b</sup> Walnuts, pickled, immature

<sup>c</sup> Walnuts, otherwise prepared or preserved

<sup>d</sup> Hazelnuts, etc.

Oilseeds other than tropical

Imports of these into the six major participants from developing countries (most-favoured-nation sources only) amounted to approximately \$44 million (imports from all most-favoured-nation sources \$556 million).

The EEC and Sweden import oilseeds listed in the table below duty free and Switzerland maintains a duty of 0.1-0.2 per cent. Japan imports linseed, cottonseed and castorseed duty free. It cut by a half its duty on soyabeans which is now 6 per cent. The United Kingdom imports cottonseed duty free and eliminated its 5 per cent duty on soyabeans. Its duties on castor oilseeds and linseed remain at 7.5 per cent and 10 per cent respectively. The United States eliminated its 4 per cent duty on castor oilseeds and cut by a half its duty on soyabeans (other than certified seed) which is now 6 per cent. Its duties on cottonseed and linseed remain at 9.5-10 per cent.

Description		Tariff rate of six major participants before and after Kennedy Round (per cent ad valorem)					
		EEC	Japan	Sweden	Switzerland	UK	US
Soyabeans	Pre-KR	Free	13	Free	0.1	5	(12) <sup>a</sup>
	Post-KR	Free <sup>b</sup>	(6)	Free	0.1	Free	(6) <sup>a</sup>
Cottonseed	Pre-KR	Free	Free	Free	0.1	Free	(9.5)
	Post-KR	Free	Free	Free	0.1	Free	(9.5)
Castorseed	Pre-KR	Free	Free	Free	0.1	7.5	(4)
	Post-KR	Free	Free	Free	0.1	7.5	Free
Linseed	Pre-KR	Free	Free	Free	0.2	10	(10)
	Post-KR	Free <sup>b</sup>	Free	Free	0.2	10	(10)

<sup>a</sup>Other than certified seed.

<sup>b</sup>France controls imports of these products.

Citrus fruit

The imports of this item into the six major participants from developing countries (most-favoured-nation sources only) amounted to approximately \$150 million in 1964. For tariff information on this item see notes in Chapter II above.

(2) Tobacco

There was no reduction in the import duties on tobacco in the United Kingdom (most-favoured-nation rate, £7/4 1/2d. per lb.). The United States reduced its duties on oriental cigarette leaf, 12.75, to 11.5 cents per lb. There was no reduction on filler leaf not stemmed, filler leaf stemmed and scrap, which remain dutiable at 16.1, 23 and 16.1 cents respectively.<sup>1</sup> The European Economic Community reduced its common external tariff from 28 per cent ad valorem (with a minimum of \$29 and a maximum of \$38 per 100 kg.) to 23 per cent (minimum \$28 and maximum \$33 per 100 kg.). The duties on manufactured tobacco were reduced by 50 per cent. Imports of tobacco are subject to State trading in many countries.

(3) Raw materials

Among important items for the trade of developing countries with developed countries in this sector are sulphur, natural calcium phosphates, asbestos, mineral ores, wool, wool tops, cotton, jute, sisal, coir and hides and skins.

Natural rubber

Unprocessed natural rubber is now virtually subject to zero duty in all the six markets under study. Fairly high pre-KR differential duties (10-15 per cent ad valorem) on natural rubber processed or mixed with synthetic rubber maintained by Japan, the United Kingdom and the United States were decreased to 4-7.5 per cent. Natural rubber often enjoys import duties lower than those applicable to synthetic rubber.

Description	Imports from developing countries (m.f.n. sources)	Tariff rate of six participants before (B) and after (A) the Kennedy Round (per cent ad valorem)						
		EEC	Japan	Sweden	Switzerland	UK	US	
Natural rubber, unprocessed, unmixed	(\$ million)	B	Free	Free	Free	0.1	Free; 10	Free
		A	Free	Free	Free	0.05	Free; Free	Free
Natural rubber, processed	508.10 <sup>1</sup>	B	Free	15	Free	0.1	10	10
		A	Free	7.5	Free	0.05	4	5

<sup>1</sup>Imports from all most-favoured-nation sources including developed countries amounted to \$588 million.

<sup>1</sup>In June 1966 the United States introduced an export subsidy on tobacco of 5 cents per lb.

Cotton

Raw cotton is imported duty-free in the major markets under study except in Switzerland where a duty of less than 0.1 per cent is maintained, and in the United States where cotton having a staple length of 1 1/8 inches or more is subject to duties of 4-8 per cent.

Switzerland maintains differential duties on bleached and defatted cotton (9 per cent) and on cotton linter (0.15-2 per cent), and the United Kingdom on bleached or dyed cotton (5 per cent after a reduction of 50 per cent) and on bleached cotton linter (5 per cent after a reduction of about 30 per cent). The EEC, Japan, Sweden and the United States grant duty-free entry to cotton linter.

Description	Imports from developing countries		Tariff rate of six participants before (B) and after (A) the Kennedy Round (per cent ad valorem)					
	m.f.n. sources	pref. sources	EEC	Japan	Sweden	Switzerland	United Kingdom	United States
Raw cotton	547.60 <sup>1</sup>	(\$ mil.) 57.41	B Free	Free	Free	(0.06)	Free	Free-(8)
			A Free	Free	Free	(0.03)	Free	Free-(8) 3
Processed cotton (bleached, dyed etc.)			B Free	Free	Free	(9)	10	Free-(8)
			A Free	Free	Free	(9)	5	Free-(8) 3
Cotton linter	8.24 <sup>2</sup>	0.15	B Free	Free	Free	(0.3);(2)	Free; (7)	Free
			A Free	Free	Free	(0.15);(2)	Free; (5)	Free

<sup>1</sup>Imports from all most-favoured-nation sources including developed countries amounted to \$1,224 million.

<sup>2</sup>Imports from all most-favoured-nation sources including developed countries amounted to \$29 million.

<sup>3</sup>The United States maintains a quota on cotton.

Wool and wool tops

Imports of wool and wool carded or combed (wool tops etc.) into the six markets from developing countries (most-favoured-nation sources only) amounted to approximately \$194 million and \$35 million respectively in 1964. (Imports from all most-favoured-nation sources including developed countries \$1,425 million and \$81 million respectively.)

The EEC, Japan, Sweden and the United Kingdom (except certain processed wool) import wool duty-free since before the Kennedy Round. The United Kingdom made a reduction of 50 per cent in respect of its duty on certain processed wool which is now 5 per cent. The United States made a reduction of 50 per cent in respect of its duties on wool not finer than 44s which now range from 7.5-11 per cent. Wool finer than 44s remains subject to duties of 22-35 per cent. Switzerland maintains duties of 4-5 per cent.

No reduction was made for the remaining duties on wool carded or combed (wool tops etc.) maintained by these participants. Sweden imports this item duty free. Japan imports this item duty free except "roving" which is subject to a duty of 5 per cent. Switzerland maintains duties of 0.1-0.2 per cent, the EEC 3 per cent, the United Kingdom 10 per cent and the United States 21-29 per cent.

#### Sulphur

Sweden, the United Kingdom and the United States and the EEC (crude sulphur only) import sulphur duty free. The EEC reduced to a half its duty on sulphur other than crude which is now 4 per cent.<sup>2</sup> Switzerland also cut its duty to a half (0.4 per cent). Japan's duty remains at 10 per cent.

The imports of sulphur into the six markets from developing countries (most-favoured-nation sources only) amounted to approximately \$34 million in 1964.

#### Iron ore

Switzerland eliminated its duty of 0.1 per cent on iron ore. By this action duty-free entry was completed for this item as far as the six markets are concerned.

#### (4) Inorganic and organic chemicals and chemical products<sup>1</sup>

Among the main export products of developing countries directed to developed markets are: mercury, alumina, lead oxide, hetero-cyclic compounds, hormones, vegetable alkaloids, natural sodium nitrate, mineral or chemical fertilizers, dyeing and tanning extracts of vegetable origin, essential oils, casein and plastic materials.

#### Tanning extracts of vegetable origin

Imports of tanning extracts into the six major markets from developing countries (most-favoured-nation sources only) amounted to approximately \$2.5 million in 1964 (imports from all most-favoured-nation sources including developed countries - \$23 million).

Japan and Sweden import tanning extracts duty free. Switzerland reduced its duty to 0.1 per cent. The United States eliminated its duties on some kinds of tanning extracts and made a reduction of 50 per cent in respect of the other kinds. Consequently, all kinds of crude or processed tanning extracts are now free of duty. Some kinds of tanning extracts other than crude or processed only are subject to duties from 2.5-6 per cent (quebracho and wattle other than crude or processed - 3.5 per cent). The United Kingdom imports tanning extracts of gambier duty free. It made a reduction of 50 per cent in respect of its duty on other tanning extracts which is now 5 per cent. The EEC imports

<sup>1</sup>Action in the Kennedy Round by the EEC and the United Kingdom on some of the products in this section is conditional upon United States action relating to the American Selling Price system of valuation.

<sup>2</sup>Italy controls imports of sulphur.

tanning extracts of quebracho duty free. It made a reduction of 10-20 per cent in respect of its duties on tanning extracts of mimosa, of eucalyptus within an annual quota of 250 tons, and of some other vegetables, which are now 9 per cent, 4 per cent and 3 per cent respectively. Its duty on tanning extracts of sumac, of valonia and of canaigre remains at 9 per cent.

Duties on tanning extracts of vegetable origin of the six participants before and after Kennedy Round (per cent ad valorem.)						
	EEC	Japan	Sweden	Switzerland	United Kingdom	United States
Pre-KR	Free;5-10	Free	Free	(0.3);(9)	Free;10	Free;3.75; 5.5-7.5
Post-KR	Free;4-9	Free	Free	(0.1);(0.1)	Free;5	Free;Free;2.5-6

#### Essential oils

Imports of essential oils into the six participants from developing countries (most-favoured-nation sources only) amounted to approximately \$29 million in 1964 (imports from all most-favoured-nation sources including developed countries - \$90 million).

Sweden eliminated its remaining duty on essential oils and Switzerland reduced its duties to less than 1 per cent. The EEC cut to a half its duties on essential oils other than of citrus fruit. The duties now range from 1.5-4 per cent. Its duty on those of citrus fruit not terpeneless was reduced from 12 to 11 per cent and that on "terpeneless" remains at 12 per cent. The United States eliminated its duty on essential oils of cedar leaf, clove, cornmint, patchouli, sandalwood and veti vert and reduced several other remaining duties by about 50 per cent. The following items remain subject to duties after the Kennedy Round: essential oils of eucalyptus - 3 per cent, of grapefruit and orange - 6 per cent, of lemon - 8.5 per cent, of aris, pineneedle and some others - 2 per cent and of peppermint - 12.5 per cent. Japan imports many kinds of essential oils duty free. It eliminated its 10 per cent duty on lemongrass and reduced its duties on other essential oils by 50 per cent to the level of 5 or 10 per cent with the exception of peppermint oil for which a duty of 15 per cent is maintained. The United Kingdom imports many kinds of essential oils duty free. It made a reduction of 50 per cent in respect of its duties on other kinds which are now 5 per cent with the exception of lime oil which a duty of 25 per cent and hop oil on which a duty of 21 per oz. are maintained.

Duties on essential oils of the six participants before and after the Kennedy Round (per cent ad valorem)						
	EEC	Japan	Sweden	Switzerland	United Kingdom	United States
Pre-KR	3-8; 12	Free;10; 15;20 <sup>a</sup>	Free;10	(0.5-1.3)	Free;10;25 <sup>b</sup>	Free;4-8;4-25 <sup>a</sup>
Post-KR	1.5-4; 11-12	Free;Free; 5;10;15 <sup>a</sup>	Free; Free	(0.3-0.7)	Free;5;25 <sup>b</sup>	Free;Free; 2-12.5 <sup>a</sup>

<sup>a</sup>The duty on peppermint oil. Japan maintains a quota on certain peppermint oil.

<sup>b</sup>Lime oil.

<sup>c</sup>Italy controls imports of certain essential oils.

#### Phosphate and phosphatic fertilizers

Imports of natural calcium phosphates into the six participants from developing countries (most-favoured-nation sources only) amounted to approximately \$114 million in 1964, and imports of phosphates, hypophosphates, phosphites and phosphatic fertilizers amounted to approximately \$0.4 million in 1964 (imports from all most-favoured-nation sources including developed countries - \$186 million and \$20 million).

Natural calcium phosphates<sup>1</sup> are imported duty free in all the major markets under study except Switzerland which reduced its duty to 0.2 per cent.

On phosphates, hypophosphates and phosphites the EEC reduced its duties from 10-12 per cent to 5-10 per cent. Japan made a reduction of 50 per cent in respect of its duty on these items which is now 10 per cent except for sodium tripolyphosphate for which a reduction from 15 per cent to 14 per cent was made. Sweden reduced its duties on phosphates of ammonium, sodium, potassium and calcium to the level of 4 per cent and eliminated other duties. Switzerland cut to a half its duties on most of these items. Its duties now range from 0.5 per cent to 6 per cent. The United Kingdom reduced its 33 1/3 per cent duty on some of these items by more than 50 per cent. Its duties range now from 2.5 per cent to 12.5 per cent. The United States made a reduction of 50 per cent or somewhat more than 50 per cent in respect of its duties on these items. For example its duty on ammonium phosphate was reduced from 9 per cent to 4.5 per cent.

<sup>1</sup>This item has been included in the sector of raw materials for the purpose of sector-by-sector survey.

On phosphatic fertilizers, Sweden and the United States import these items duty free. The EEC, Switzerland and the United Kingdom reduced their duties by 50 per cent. Their duties on superphosphates are now 3 per cent, 2 per cent and 7 per cent respectively and their duties on other phosphatic fertilizers are new 0-1.5 per cent, 0.5-2 per cent and 4 per cent respectively. Japan reduced its 15 per cent duty on superphosphates to 10 per cent. Japan imports other phosphatic fertilizers duty free.

		Duties of the six participants before and after the Kennedy Round (per cent ad valorem)					
		EEC	Japan	Sweden	Switzerland	United Kingdom	United States
Natural calcium phosphate	Pre-KR	Free	Free	Free	(0.4)	Free	Free
	Post-KR	Free	Free	Free	(0.2)	Free	Free
Phosphites, phosphates etc.	Pre-KR	12;10;12	20;15	Free-15; 5-15	(1-8)	10;2.5;(10); 33 1/3	(9) etc.
	Post-KR	6;5;10	10;14	Free;4	(0.5-6)	10;2.5; 7.5-12.5	(4.5) etc.
Phosphatic fertilizers	Pre-KR	6;Free;3	15;Free	Free	(4);(1)	14;8	Free
	Post-KR	3;Free; 1.5	10;Free	Free	(2);(0.5)	7;4	Free

Aluminium oxide (alumina) and hydroxide

The imports of these items into the six major markets from developing countries (most-favoured-nation sources only) amounted to \$20 million in 1964 (imports from all most-favoured-nation sources including developed countries - \$65 million). The information on the tariff concessions made for these products are provided in Chapter III above.

(5) Iron or steel and products thereof

Among important export items of developing countries in these sectors which are directed to developed country markets are: ferro-alloys, pig iron, certain steel products like bars, rods, sheets, plates, tubes, pipes and fittings thereof.

On pig iron, duties of the six major participants were reduced to 5 per cent or lower, except the United Kingdom duties on certain items which were reduced from 15 to 12 per cent. The United States eliminated its duty. Sweden bound the duty at 3 per cent, but it imports the product duty free at present.

On blooms, billets of iron or steel, duties of these countries were reduced to 6.25 per cent or less except the United Kingdom duty which was reduced from 17 to 13 per cent ad valorem.

On bars and rods of iron or steel, duties were generally reduced to 8 per cent or less. Switzerland and the United Kingdom maintain higher duties on some kinds of bars and rods.

MOST-FAVORED-NATION DUTIES ON IRON AND STEEL

(per cent ad valorem; incidence of specific duties in parenthesis)

		EEC	Japan	Sweden	Switzer- land	United Kingdom	United States
Pig iron (ex 73.01)	Pre-KR	4-16	10	Free	(0.4)	Free;(15)	(0.4)
	Post-KR	4	5	3	(0.2)	Free;(12)	Free
Blooms, billets of iron or steel (ex 73.07)	Pre-KR	4-8;10	12.5	4	(0.3)	(17)	8.5-10.5
	Post-KR	4;5	6.25	4	(0.15)	(13)	6
Bars and rods of iron or steel (73.10)	Pre-KR	5-10	15	5-7	(0.2-19)	Free;(10-14)	(3)-12.5
	Post-KR	5-7	7.5	5-6	(0.2-19)	Free;(8-11)	(3)-(8)

Ferro-alloys

The EEC increased its duty-free tariff quota for ferro-silicon, ferro-silico-manganese and ferro-chrome. It eliminated its 7 per cent duty on ferro-nickel and reduced its duties on two sub-items slightly. Its remaining duties now range from 4-10 per cent. Japan made a reduction of 50 per cent in respect of its duties on ferro-silicon, ferro-molybdenum, ferro-tungsten, etc. and a reduction of 20 per cent in respect of its duties on ferro-manganese and ferro-nickel. Its duties now range from 5 per cent to 12 per cent. Sweden reduced its duties on ferro-silicon and ferro-silicon-manganese containing more than 15 per cent of silicon from 4 per cent to 2 per cent. Other ferro-alloys are imported duty free. No reduction was made by Switzerland. Most kinds of ferro-alloys are subject to duties of 0.4-2 per cent. The United Kingdom imports duty free many kinds of ferro-alloys including ferro-manganese containing less than 3 per cent by weight of carbon, ferro-chromium and ferro-silicon. In the Kennedy Round it eliminated duties on ferro-nickel and reduced its duties on ferro-molybdenum, ferro-vanadium, ferro-tungsten and ferro-titanium from 20-25 per cent to 15 per cent; ferro-manganese containing 3 per cent or more by weight of carbon from 10-20 per cent to 8-16 per cent; and duties on some other ferro-alloys from 10 per cent to 5 per cent. The United States eliminated its duties on some sub-items and made a reduction of 50 per cent in respect of its duties on most kinds of ferro-alloys. Its duties now range from zero to 10 per cent except certain ferro-silicon which is subject to a duty of 15 per cent and ferro-tungsten and ferro-silicon-tungsten which is subject to a duty of 36 per cent.

MOST-FAVOURED-NATION-DUTIES-ON-FERRO-ALLOYS---

(per cent ad valorem)

		EEC***	Japan	Sweden	Switzerland	UK	US
Ferro-manganese	Pre-KR	2-6;8	15	Free	(0.4)	Free;(10);(20)	(8);(10)
	Post-KR	4;8	12	Free	(0.4)	Free;(8);(16)	(4);(5)
Ferro-chromium	Pre-KR	Free;8*;8	10	Free	(0.4)	Free	8.5;(4.5)
	Post-KR	Free;Free*;8	10	Free	(0.4)	Free	4;(4.5)
Ferro-silicon	Pre-KR	Free;10*;10	10	(4)	(2)	Free	(4-30)
	Post-KR	Free;Free*;10	5	(2)	(2)	Free	Free-(15)
Other ferro-alloys	Pre-KR	Free;6-7;6;7	10-15	Free;(4)	(0.4);(40)**	Free;10;10-25	1-19;(72)
	Post-KR	Free;Free;5.5;7	5-12	Free;(2)	(0.4);(40)**	Free;Free;5-15	Free-10;(36)

\* Increase in annual tariff quota for duty-free entry

\*\*Ferro-aluminium

\*\*\*France controls imports of ferro-alloys

(6) Wood and wood products

Duty-free entry for rough tropical timber was completed by the elimination of the remaining duties by Japan and the United States. De facto duty-free entry granted for this product by some other developed countries after the adoption of the Ministerial Conclusions in 1963 was consolidated.

On tropical timber, sawn lengthwise, sliced or peeled (BTN 4405) duty-free entry was also completed with the exception of duties on lauan and some other species maintained by Japan and the United States. On tropical wood further processed, i.e. planed, tongued, grooved, etc. and veneer sheets, all the six participants still maintain duties from zero to 20 per cent ad valorem as shown in the table below.

On plywood and veneer sheets Sweden, the United Kingdom and the United States made a full 50 per cent linear cut. The duties of these countries are now not more than 10 per cent as shown in the table below. A smaller reduction was made by the EEC, Japan and Sweden. The duties of these countries now range from zero to 20 per cent.

On wood furniture the EEC, Japan, Sweden, the United Kingdom and the United States made a full 50 per cent linear cut and their duties now range from 5 to 15 per cent. Switzerland reduced its duties to 3-18 per cent by a smaller cut.

Description	Imports from developing countries	Tariff rate of six participants before (B) and after (A) the Kennedy Round (per cent ad valorem)						
		m.f.n. sources	EEC	Japan	Sweden	Switzerland	UK	US
Tropical timber, rough (4403 and 4404)	(	(	B	Free; 20	Free	(Free)	Free	Free-2.5
			A	Free; Free	Free	(Free)	Free	Free
Tropical timber sawn lengthwise, sliced or peeled (4405)	(	(	B	Free; 10 <sup>a</sup> ; 20	Free	(Free)	Free	Free-2.5
			A	Free; 10 <sup>a</sup> ; Free	Free	(Free)	Free	Free-(0.4)
Tropical wood, planed, tongued, grooved etc. (4411)	(	(	B	Free; 10 <sup>a</sup> ; 20	Free; 6	(16); (12)	10; 15	Free-8
			A	Free; 10 <sup>a</sup> ; Free	Free; 3	(13); (10)	5; 15	Free-4
Paper sheets etc. (4414)	(	(	B	Free; 15; 20	3; 10	(2); (7)	10	10; 10; 16 <sup>2</sup> ; 3
			A	Free; 15; 20	1.5	(2); (5)	5	5; 10; 8
Plywood (4415)	(	(	B	30; 20	6; 10	(10-14)	10	30
			A	15; 20	3	(5-13)	5	10
Wood furniture (9401 and 9403)	(	(	B	17	10; 15	(4-26)	20	10.5; 17; 25.5
			A	17	5	(3-18)	10	5; 3.5; 13.5
TOTAL	220	183.81						

<sup>a</sup>Of lauan, krang, mersewa and other "dipterocarpaceae" family.

<sup>b</sup>Imports from all most-favoured nation sources including developed countries - \$63 million.

<sup>c</sup>Imports from all most-favoured nation sources including developed countries - \$180 million.

(7) Other manufactures

Among the export items of developing countries directed to developed markets in this sector are articles of cork, plaiting materials, basket work, artificial flowers, rubber tyres and tubes, dolls and other toys and sports goods.

Rubber tyres and tubes and rubber footwear

The EEC, Japan, the United Kingdom and the United States made a full 50 per cent linear cut for rubber tyres and tubes, and Sweden and Switzerland made a smaller tariff cut for their relatively low duties.

As regards rubber shoes, a full 50 per cent tariff cut was made by Japan and the United States. The United Kingdom reduced duties on some of these items and Sweden reduced its duty from 30 per cent to 20 per cent. No reduction was made by the EEC and Switzerland.

Description	Imports from developing countries (m.f.n. sources) (\$ million)	Tariff rate of six participants - before (B) and after (A) the Kennedy Round (per cent ad valorem)					
		EEC	Japan	Sweden	Switzerland	UK	US
Rubber tyres and tubes	1.29 <sup>1</sup>	B 15;18 A 7.5;9	15;25;30 7.5;12.5; 15	10;13-16 <sup>2</sup> 8;9 <sup>1</sup>	(3-4) (2-3)	20;24;25 12;12;12	Free-30 Free-15
Footwear with uppers and outer soles of rubber	1.09 <sup>2</sup>	B 20 A 20 <sup>3</sup>	20 10	14 14	(13);(17) (13);(17)	(11-31) (11-31)	12.5 6
Footwear with outer soles of rubber (canvas shoes etc.)	n.a.	B 20 A 20	20 10	30 20	(14) (14)	(11-50) (10-50)	15;25 7.5;12.5

<sup>1</sup> Imports from all most-favoured-nation sources including developed countries - \$122 million.

<sup>2</sup> Imports from all most-favoured-nation sources including developed countries - \$36 million.

<sup>3</sup> France controls imports of rubber footwear.

Sports goods

Imports of sports goods into the six markets from developing countries (most-favoured-nation sources only) amounted to approximately \$3.1 million in 1964. Out of the total \$2.5 million was directed to the EEC and the United States. (Imports from all most-favoured-nation sources including developed countries - \$75 million.)

The major participants except the United Kingdom generally made a reduction of 50 per cent for sports goods. The EEC maintained a duty of 19 per cent on sports goods before the Kennedy Round. The duty was reduced to zero for articles for cricket and polo, to 13.5 per cent for tennis rackets and to 9.5 per cent for other sports goods (a 50 per cent reduction). Japan reduced its duties from 20 to 30 per cent to 10 or 15 per cent. Sweden reduced its duties by 50 per cent or more. Its duties on sports goods of wood is now 2.5 per cent, of leather and metal 4 per cent and of other materials 6 per cent. Switzerland reduced its duties from 5-24 per cent to 2.5-15 per cent. The United States generally made a reduction of 50 per cent. Many kinds of sports goods are now subject to duties ranging from 3.5-10 per cent. Beach balls, playballs, toy balls are now subject to duties ranging from 7.5-17.5 per cent. Excepted from the reduction are the following: badminton equipment - 14 per cent, baseball and softball gloves and mits - 15 per cent, crochet equipment - 8 per cent, footwear with ice skates permanently attached - 10 per cent and inflatable balls 12 per cent. The United Kingdom reduced its duty on wooden golf club head blocks roughly shaped from 10-5 per cent and reduced the ad valorem part of alternative duties on rackets exceeding 9 ozs. in weight and on unstrung racket frames from 25 per cent to 20 per cent, leaving the specific part unchanged (the incidence was 30 per cent and 41 per cent respectively). The pre-Kennedy Round duties of 20-25 per cent on other sports goods were reduced to 20 per cent.

MOST-FAVOURED-NATION DUTIES ON SPORTS GOODS

(% ad valorem; incidence of specific duties in parentheses)

	Duties on sports goods of the six participants before and after the Kennedy Round (per cent ad valorem)					
	EEC	Japan	Sweden	Switzerland	UK	US
Pre-KR	19;19;19	20;30	5-10;8-10; 12-15	(5-24)	20-25;10;(30); (41)	7-20;15-35;8-15
Post-KR	Free; 13.5;9.5	10;15	2.5;4;6	(2.5-15)	20;5;(30);(41)	3.5-10;7.5-17.5; 8-15

Sewing machines, domestic

Duties on domestic sewing machines were subject to a reduction of 50 per cent in the tariffs of the EEC, Japan and the United States. Duties of these participants now range from 3.5-7.5 per cent. Sweden, Switzerland and the United Kingdom made a smaller reduction and the duties of these countries are now 8 per cent, 2 per cent and 12.5 per cent respectively.

MOST-FAVOURLED-NATION DUTIES ON DOMESTIC SEWING MACHINES

(% ad valorem; incidence of specific duties in parentheses)

	EEC	Japan	Sweden	Switzerland	United Kingdom	United States
Pre-KR	12	15	10	(2.3)	15-17.5	7.5;10
Post-KR	6	7.5	8	(1.8)	12.5	3.5;5

## IX. CEREALS

In initiating the Kennedy Round the ~~CONTRACTING PARTIES~~ agreed that the trade negotiations should provide for acceptable conditions of access to world markets for agricultural products in furtherance of a significant development and expansion of world trade in such products. At an early stage of the negotiations procedures were adopted for the formulation of general arrangements on cereals, meat and dairy products. Apart from certain tariff reductions and limited arrangements on meat, positive results were achieved only in respect of cereals.

The Governments of Argentina, Australia, Canada, Denmark, Finland, Japan, Norway, Sweden, Switzerland, the United Kingdom, the United States and the European Economic Community and its member states signed a Memorandum of agreement on Basic Elements for the Negotiation of a World Grains Arrangement.

Taking 1964/65 as a basis, the commercial sales of the signatories to the Memorandum account for 97 per cent of all such sales by the members of the International Wheat Agreement 1962. Their commercial purchases account for nearly two thirds of commercial purchases by members of the Agreement.

The signatories agreed to negotiate, in a conference to be promptly called for the purpose, a world grains arrangement on as wide a basis as possible, which would contain the provisions agreed upon in the Memorandum.

The provisions of the Memorandum relate, in the first place, to the establishment of basic minimum and maximum prices for wheats of major importance in international trade. The price levels were negotiated and agreed upon by both exporting and importing signatory countries, so as to reflect the current world market situation more closely than the price level stipulated in the 1962 International Wheat Agreement.

The price range in the Memorandum represents an increase on the price range in the 1962 Agreement. In comparing the two levels, account should be taken of the change in the basing point from Lakeshead (Canada) to Gulf ports (United States) and of the fact that the 1962 Agreement specified a price range for only one reference wheat, while the Memorandum establishes price ranges for a number of wheats of importance in international trade. On the basis of the freight rates prevailing in April/May 1967 and of the price differentials stipulated in the Memorandum, the old and new minima, in terms of f.o.b. Gulf, compare as follows:

	<u>IWA 1962</u>	<u>Memorandum</u>
	(US\$ per bushel)	
Manitoba No. 1	1.76.1/2	1.95.1/2
Hard Red Winter No. 2, ord.	1.54	1.73
Australian, f.a.q.	1.49	1.68
Argentinian, Plate	1.54	1.73

In the case of Hard Red Winter No. 2, ordinary, which lies about in the middle of the quality range, the relative increase in the minimum price can thus be estimated at 12 1/2 per cent. In order that the new floor price may be assessed in the light of prevailing market conditions, the table below compares some of the minima established in the Memorandum with export prices prevailing in the world market in April/May 1967. The calculations of the minimum price equivalent at the export stage are based on freight rates obtaining at that time.

<u>US\$ per bushel</u>	<u>Export price</u>	<u>Minimum price</u>	<u>Difference</u>
Manitoba No. 1, in store, Lakehead	1.97	1.81	0.16
Manitoba No. 3, in store, Lakehead	1.91	1.75	0.16
Hard Red Winter No. 2, Ordinary, f.o.b.	1.85	1.73	0.12
Australian, f.a.q.	1.71	1.61	0.10

World prices of the different wheats at the time of the signing of the Memorandum were thus between 10 and 16 cents per bushel above the newly established minima.

On the other hand, the Memorandum also makes provision for the review and adjustment of minimum prices under certain circumstances, which introduces an element of flexibility in the minimum prices. This can be regarded as a safeguard for importing countries against prices that are excessively insulated from market forces.

In assessing the effect to which any changes in world commercial prices that might result from the new price provisions of the Memorandum might have on the situation of importing less-developed countries, it may be useful to note that, according to the ECOSOC Report on Multilateral Food Aid (United Nations document E/4352) imports of cereals into less-developed countries on concessional terms accounted, in 1962-64, for over 60 per cent of the total, while commercial imports accounted for under 40 per cent. Taking wheat alone, the share of concessional imports into developing countries in recent years varied between 56 and 63 per cent (See table below).

Purchases of Wheat and Wheat Flour by Less-Developed Countries  
under the IWA

(million metric tons wheat equivalent, and percentages)

	<u>Commercial</u>	<u>Special</u>	<u>Total</u>	<u>Commercial</u>	<u>Special</u>
	(million metric tons)			(per cent)	
1963/64	6.8	11.8	18.6	36.6	63.4
1964/65	8.9	14.5	23.4	38.0	62.0
1965/66	11.1	14.0	25.1	44.2	55.8

Source: based on IWC data.

The Memorandum assures access to markets by placing an obligation on each member country to purchase the maximum possible share of its commercial purchases of wheat from other member countries. At the same time, it safeguards the interests of importers by the undertaking of exporting countries to make wheat available to them at prices within the price range and in quantities sufficient to satisfy their commercial requirements. This safeguard is buttressed by the stipulation that the rôle of maximum prices shall be generally as that in the International Wheat Agreement of 1962. A further safeguard is the possibility, under certain circumstances, for member countries to be granted partial exemption from their percentage importing commitments. A provision in the 1962 Agreement, retained in the subsequent Convention, allows for an importing country to be relieved of a part or the whole of its obligations under the Convention in case of recognized necessity to safeguard its balance of payments or monetary reserves.

A feature of the Memorandum of major importance to developing countries is the provision for food aid to these countries, to an amount of  $4\frac{1}{2}$  million metric tons of grain each year for a period of three years. This volume represents a very substantial addition to existing food aid commitments to developing countries. On the basis of \$63.5 per ton this aid would amount to \$285 million a year.

The Memorandum provides developing countries which are exporters with an assured additional outlet for their exports of cereals, by virtue of the provision that not less than 25 per cent of the cash contribution to purchase grains for food aid or that part of such contribution required to purchase 200,000 metric tons of grain shall be used to purchase grains produced in developing countries. It may be noted that a substantial part of the contribution is likely to be made in cash by importing countries or by exporting countries that may not have the necessary availabilities in the form of grain.

The conference which the Memorandum of Agreement required to be called was convened by the International Wheat Council in co-operation with UNCTAD and took place in Rome from 12 July to 18 August 1967 as the International Wheat Conference 1967. The conference drew up an International Grains Arrangement 1967, comprising a Preamble, a Wheat Trade Convention and a Food Aid Convention. It fully incorporated the provisions agreed upon in the Kennedy Round and set out in the Memorandum of Agreement.

