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GENERAL AGREEMENT ON TARIFFS AND TRADE

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ACTION BY GOVERNMENTS RELEVANT TO THE PROVISIONS OF PART IV

In response to GATT/AIR/873, the countries listed below have provided the secretariat with the following details of action taken in connexion with the implementation of Part IV of the General Agreement.

AUSTRALIA

Paragraphs 1(a) and (b) of Article XXXVII

Since its last report Australia has further increased the scope of its system of tariff preferences for developing countries.

These tariff preferences apply to a very wide range of manufactures, semi-manufactures and hand-made cottage industry products.

In accordance with the Decision of the CONTRACTING PARTIES on 28 March 1966, all new preferences, reductions in preferential rates and increases in preferential tariff quotas have been notified to contracting parties, the relevant GATT documents being L/2793 of 19 May 1967, L/2793/Add.1 of 15 June 1967, L/2922 of 22 November 1967, L/2974 of 14 February 1968, L/2982 of 26 February 1968, L/3038 of 5 July 1968, L/3061 of 28 August 1968, L/3163 of 10 January 1969, L/3223 of 25 June 1969, L/3266 of 12 November 1969, L/3372 of 12 March 1970, L/3423 of 7 August 1970, L/3461 of 2 December 1970, and L/3553 of 4 August 1971.

Since the preferences were first introduced in 1966, the number of tariff items to which preferential tariff quotas for developing countries apply has been increased from some 160 to some 380; the number of groups of hand-made cottage industry products admitted duty free without quota limitation has been increased from nine to fifty-seven; and the f.o.b. value of the preferential tariff quotas has been increased from $A 13 million to $A 47 million per annum. In all cases the preferences have been introduced either in response to specific requests from developing countries or because the products concerned have been nominated by developing countries as being of export interest to them.

Paragraph (c)

The Australian Government has not introduced any fiscal measures relevant to this sub-paragraph.

Paragraph 3(a)

The Australian Government does not exercise control over trade margins.

AUSTRIA

Ad Article XXXVII: 1 lit (a)

Austria has introduced various measures in order to provide for better market access in favour of developing countries. In this context the following are mentioned:

The fourth stage of the tariff concessions negotiated during the Kennedy Round was implemented on 1 January 1971. At the same time it may be recalled that Austria fully implemented the Kennedy Round tariff reductions of particular export interest to developing countries on 1 July 1968 and 1 January 1969 respectively (see document L/2862/Rev.1/Add.3), and not in steps.

The world-wide application of GATT concessions unilaterally implemented by Austria also grants developing countries, which are not members of GATT, the benefits of these GATT concessions.

The import conditions for coffee and tea have also been improved in the meantime and the import equalization tax for these products has been temporarily removed.

Concerning the elimination of quantitative import restrictions it has to be underlined that Austria has liberalized nearly all the imports in the industrialized sector. In the field of cotton textiles Austria has concluded satisfactory agreements with interested exporting countries within the framework of the Long-Term Agreement Regarding International Trade in Cotton Textiles in order to regulate the Austrian imports.

As to the agricultural sector the Austrian import system is very liberal especially for products which are of export interest to developing countries. Austria has already removed all import restrictions on tropical products and it is of the opinion that in order to achieve further liberalization not only import restrictions but also all other measures in the agricultural field which have similar effects have to be covered. Austria would be prepared to contribute to a concerted action of the developed countries accordingly.

Ad Article XXXVII: 1 lit (b) and (c)(i)

Since the Austrian notification contained in document COM.TD/60/Add.3 of 31 October 1968 Austria has neither introduced quantitative restrictions nor increased customs duties.

Austria continues to collaborate actively with the UNCTAD/GATT Trade Centre. Again one official has been put at the disposal of the ITC by Austria gratuitously. Furthermore, several experts have been made available to the developing countries.

In 1970, customs officers from developing countries have had the opportunity to study, during a special course, international customs regulations, valuation of goods, the Brussels Nomenclature as well as economic and monetary regulations and the procedure of customs clearance. The participants of this course have been made familiar with the structure of the Austrian customs and fiscal administration. Further courses for customs officers from developing countries are scheduled for the future.

Furthermore, students from developing countries have had the opportunity to attend their studies in different fields in Austria.

The training of officials from developing countries by the Austrian Patent Office in the field of protection of industrial property can be regarded as a further Austrian contribution in this sector.

The task of the branch offices of the Austrian Federal Chamber of Commerce in the developing countries, is, among other things, to provide information on export possibilities into Austria and to establish contacts with Austrian traders interested in goods from developing countries. This activity contributes to trade promotion of developing countries.

In this context, a periodical published by the Federal Chamber of Commerce ("Nachrichten für den Aussenhandel") has to be referred to. This periodical keeps the Austrian firms informed about the market situation in various countries.

Austria has actively collaborated in the drafting of the General System of Preferences for the developing countries. The internal preparatory work for the implementation of the Austrian Preference Scheme is very advanced and it can be expected to be put into force in the near future.

Furthermore, Austria is of the opinion that commodity agreements constitute appropriate means to meet the requirements of developing countries. Austria is a member of the International Coffee Agreement, the International Wheat Agreement, the International Tin Agreement as well as of other study groups in the commodity field. Austria is also prepared to support the recommendation for the elaboration of an International Cocoa Agreement.

BELGIUM

The restrictions applied by Belgium to lilac, narcissi, chrysanthemums and tulips, which are of interest to the developing countries, have been abolished. In addition, imports from Yugoslavia of neutral anhydrous sodium carbonate have also been liberalized.

Furthermore, in order to strengthen trade links and promote the development of international trade, Belgium decided to take part in the following fairs in developing countries:

In 1971: Casablanca International Fair (May),
Algiers International Fair (September),
Izmir International Fair (August/September)
"INTERFER" International Fair, Guatemala (November),
Lima International Fair (November).

DENMARK

Within the field of tariffs work has been pursued in the past year with the aim of bringing about the implementation of the Danish scheme of generalized preferences in favour of the developing countries. It is the intention to put the scheme into force by 1 January 1972.

In continuation of its policy of a steady and gradual elimination of quantitative import restrictions, Denmark has in the past year liberalized the following items:

ex 03.03	Oysters except spat (rest of item)
ex 07.01	Celery, fresh or chilled
ex 07.01	Chicory (cichorium intybus) fresh or chilled
ex 07.03	Celery, provisionally preserved
ex 07.03	Chicory (cichorium intybus) provisionally preserved
ex 08.08	Red and white currants
ex 10.07	Buckwheat, canary seeds
ex 11.01	Buckwheat flour

No changes contrary to the provisions of Part IV have taken place in the past year in the Danish fiscal legislation.

IRELAND

Since the last notification was submitted in October 1970 the Government of Ireland has taken the following action in the implementation of Part IV of the General Agreement:

1. In accordance with the arrangements made under Article VI of the Anglo-Irish Free Trade Area Agreement, Ireland continued to expand the quotas which remained in operation after 1 July 1966 on goods of United Kingdom origin. The expansion continues to be effected on a global basis.

Ireland maintains a liberal import policy in respect of the developing countries. Apart from the quotas in force for a limited range of products, liberal licensing on a non-discriminatory basis in excess of the amounts prescribed by the quotas is undertaken to provide for special requirements or shortfalls in domestic production.

2. No increases were made in customs duties on goods of interest to developing countries nor were any new quantitative restrictions imposed.

3. As in previous years, courses in export promotion have continued to be made available in Ireland to personnel from the developing countries. This country has also assisted in arranging for visits to Ireland by personnel from these countries for the purpose of giving them an opportunity of studying generally Irish economic development, particularly in relation to trade expansion.

4. Ireland participated as a donor country in the consultations leading to the establishment under UNCTAD auspices of the generalized scheme of tariff preferences for developing countries. Work is currently being undertaken towards implementing Ireland's offer of tariff preferences to developing countries which it is proposed will be effective from 1 January 1972.

NORWAY

Norway has decided to implement a generalized system of tariff preferences on imports from developing countries. The Norwegian system became operative as from 1 October 1971.

Norway includes in her preference system the goods within Brussels Nomenclature chapters 1-24 listed in Annex I to this letter. The remaining products listed in Annex II to the Nordic offer in document TD/B/AC.5/24/Add.2 are already being imported into Norway free of duty. Furthermore, a considerable number of other products within the Brussels Nomenclature chapters 1-24 not mentioned in the Nordic offer are also free of Norwegian import duty.

With regard to Brussels Nomenclature chapters 25-99, the Norwegian preference system applies to all products within these chapters, with the exception of a certain number of particularly sensitive items, mainly in the textiles sector. These items are set out in the attached Annex II.

Products subject to duty of a fiscal nature are not included in the Norwegian system.

Based on the composition of imports in 1969, 96-97 per cent of the total imports from developing countries will be duty free after the introduction of the Norwegian generalized system of preferences.

The Norwegian Government has been authorized by the Storting to make changes in the product coverage in the light of subsequent developments and the decisions to be taken by other donor countries.

All products covered by the system are accorded duty-free treatment, there being no ceilings or other restrictions on the imports of these products from the relevant developing countries.

As a result of the negotiations between Norway and the Republic of Korea, new increased quotas on the imports of textiles into Norway have been settled.

The quota for cotton products has been increased more than the obligation under the Long Term Agreement on Cotton Textiles. The quota for other textile products has been increased by 12 per cent from 1970 to 1971.

The global quotas for imports of commodities which are of export interest to the developing countries, have been increased in 1971. The quotas include live animals not for food, cut flowers, other parts of plants, grasses, moss, foliage and the like, and fruit and vegetable juices.

As earlier, Norway continues to give active support to the GATT/UNCTAD International Trade Centre. Norway has increased the voluntary contribution to the Trade Centre from US$125,000 in 1970 to US$200,000 in 1971. Two experts of the Centre are likewise financed by Norway.

The Norwegian policy in regard to structural changes is in general terms described in document COM.TD/W/92/Add.7 of 13 May 1969.

Attention is also drawn to information in regard to COM.TD/81[1] of 22 June 1971 which will be submitted in the near future.

[1] Note on meeting of Expert Group on Adjustment Assistance Measures.

Annex I

PRODUCTS WITHIN THE B.N. CHAPTERS 1-24 COVERED BY THE NORWEGIAN SYSTEM OF GENERALIZED PREFERENCES

BTN	
ex 03.03	Crustaceans and molluscs whether in shell or not fresh, (live or dead), chilled, frozen, salted, in brine, or dried; crustaceans <u>except</u> shrimps and prawns, in shell, simply boiled in water
05.03	Horsehair and horsehair waste, etc.
05.05	Fish, waste
05.07	Skins and other parts of birds, etc.
05.12	Coral and similar substances unworked, etc.
05.15	Animal products not elsewhere specified, etc.
ex 07.01	Garlic, fresh or chilled
ex 07.03	Olives and capers, provisionally preserved, etc.
ex 07.04	Garlic, dried, etc.
ex 07.06	Jerusalem artichokes, fresh or dried
08.01	Dates, bananas, coconuts, etc.
08.02	Citrus fruit, fresh or dried
08.03	Figs, fresh or dried
ex 08.04	Grapes, dried
08.05	Nuts, other than those falling within heading No. 08.01, fresh or dried, shelled or not
ex 08.06	Quinces, fresh
ex 08.07	Apricots, peaches and tropical stone fruit, fresh
ex 08.08	Tropical berries, fresh
ex 08.09	Honeydew melons, ogen melons, tropical fruit, fresh
ex 08.10	Tropical fruit, preserved by freezing, etc.
ex 08.11	Tropical fruit, provisionally preserved, etc.
ex 08.12	Peaches, plums and tropical fruit, dried
09.03	Maté
09.09	Seeds of anise, badian, fennel, etc.
09.10	Thyme, saffron and bay leaves; other spices
ex 10.06	Rice, in the husk or husked but not further prepared

BTN

11.04	Flours of the fruits falling within any heading in Chapter 8
12.06	Hop Cones and lupulin
13.03	Vegetable saps and extracts, etc.
15.05	Wool grease, etc.
ex 15.06	Neat's-foot oil for technical purposes
ex 15.07	Linseed oil, crude; castor oil, tung oil, oiticica oil, croton oil and tobacco-seed oil, crude, refined or purified
16.04	Prepared or preserved fish, etc.
ex 16.05	Crustaceans and molluscs, prepared or preserved, <u>except</u> shrimps and prawns
18.05	Cocoa powder, unsweetened
19.06	Communion wafers, etc.
ex 20.01	Mango-chutney; olives and capers, prepared or preserved by vinegar, etc.
ex 20.02	Olives; tomato pulp and paste in air-tight containers with a dry weight content of not less than 25 per cent tomato
ex 20.03	Tropical fruit, preserved by freezing containing added sugar
ex 20.04	Tropical fruit and parts thereof, preserved by sugar, etc.
ex 20.06	Pineapple, citrus fruit, apricots, nuts and tropical fruit, otherwise prepared or preserved
ex 20.07	Citrus and pineapple juices not containing added sugar, juices of tropical fruit, whether or not containing added sugar
ex 21.02	Extracts, essences or concentrates of tea or maté; preparations with a basis of these extracts, essences or concentrates
21.03	Mustard flour and prepared mustard
21.04	Sauces, etc.
21.05	Soups, etc.
ex 21.06	Inactive yeasts and prepared baking powders
22.01	Waters, including spa waters and aerated waters, etc.
22.02	Lemonade, flavoured spa waters, etc.
22.04	Grape must, in fermentation etc.
ex 22.09	Spirituous beverages other than liqueurs; compound alcoholic preparations (known as "concentrated extracts") for the manufacture of beverages
22.10	Vinegar and substitutes for vinegar

Annex II

PRODUCTS WITHIN THE B.N. CHAPTERS 25-99 NOT COVERED BY THE NORWEGIAN SYSTEM OF GENERALIZED PREFERENCES

BTN

41.02 Bovine cattle leather (including buffalo leather) and equine leather, except leather falling within heading No. 41.06, 41.07 or 41.08

42.03 Articles of apparel and clothing accessories, of leather or of composition leather

51.04 Woven fabrics of man-made fibres (continuous), including woven fabrics of monofil or strip of heading No. 51.01 or 51.02

53.11 Woven fabrics of sheep's or lambs' wool or of fine animal hair

54.05 Woven fabrics of flax or of ramie

55.05 Cotton yarn, not put up for retail sale

55.06 Cotton yarn, put up for retail sale

55.08 Terry towelling and similar terry fabrics, of cotton

55.09 Other woven fabrics of cotton

56.05 Yarn of man-made fibres (discontinuous or waste) not put up for retail sale

56.06 Yarn of man-made fibres (discontinuous or waste) put up for retail sale

56.07 Woven fabrics of man-made fibres (discontinuous or waste)

58.02 Other carpets, carpeting, rugs, mats and matting, and "Kelem", "Schumacks" and "Karamanie" rugs and the like (made up or not)

58.05 Narrow woven fabrics, and narrow fabrics (bolduc) consisting of warp without weft assembled by means of an adhesive, other than goods falling within heading No. 58.06

60.01 Knitted or crocheted fabrics, not elastic nor rubberized

60.02 Gloves, mittens and mitts, knitted or crocheted, not elastic nor rubberized

60.03 Stockings, under stockings, socks, ankle socks, socketts and the like, knitted or crocheted, not elastic nor rubberized

60.04 Undergarments, knitted or crocheted, not elastic nor rubberized

60.05 Outergarments and other articles, knitted or crocheted, not elastic nor rubberized

61.01 Men's and boys' outergarments

61.02 Women's, girls' and infants' outergarments

61.03 Men's and boys' undergarments, including collars, shirt fronts and cuffs.

61.04 Women's, girls' and infants' undergarments

61.09 Corsets, corset-belts, suspender-belts, brassières, braces, suspenders, garters and the like (including such articles of knitted or crocheted fabrics) whether or not elastic

62.01 Travelling rugs and blankets

62.02 Bed linen, table linen, toilet linen and kitchen linen; curtains and other furnishing articles

64.01 Footwear with outer soles and uppers of rubber or artificial plastic material

64.02 Footwear with outer soles of leather or composition leather; footwear (other than footwear falling within heading No. 64.01) with outer soles of rubber or artificial plastic material

69.11 Tableware and other articles of a kind commonly used for domestic or toilet purposes, of porcelain or China

69.12 Tableware and other articles of a kind commonly used for domestic or toilet purposes, or other kinds of pottery

70.13 Glassware (other than articles falling within heading No. 70.19) of a kind commonly used for table, kitchen, toilet or office purposes, for indoor decoration, or for similar uses

87.09 Motor cycles, auto-cycles and cycles fitted with an auxiliary motor

87.10 Cycles, not motorized

SPAIN

In compliance with the second paragraph of GATT/AIR/873 inviting developing countries to report in regard to action relevant to the provisions of Article XXXVII:4, I have the honour to communicate the following:

In the past year the Spanish authorities have taken the following action, inter alia, to promote the export trade of developing countries.

1. Total suspension of import duties on the following goods:

Tunny-fish, cod, fresh milk and cream, unroasted coffee, soyabeans, seeds for sowing, unroasted cocoa beans, meat meal, fish meal, unworked lead, glutamic acid, petroleum products, manioc roots (cassava), tropical timber, cotton not carded nor combed. All these are of interest for developing countries.

2. Temporary suspension of the internal charges compensation tax on the following goods:

Tunny-fish, cod, chick-peas, beans, unroasted coffee, soya seeds, tallow, unroasted cocoa, meat meal, fish meal, manganese ore, tin ore, chrome ore, natural rubber, leather, sheepskins, raw jute and scrap iron.

3. Implementation as from January 1971 of the fourth tariff reduction in pursuance of concessions granted by Spain in the Kennedy Round.

4. Ten per cent increase in the global import quotas for certain goods exported by developing countries, including the following:

Preserved meat products, fruit preserves, soups and preparations for soups, fish meal, pharmaceutical specialities, perfumery and toilet preparations, plastics manufactures, wood manufactures, coconut yarn, carpets and carpeting, articles of porcelain, glass and crystal, jewellery, hand tools, iron and steel manufactures, copper manufactures, cutlery articles, games and sports goods.

5. Spain has participated actively in the trade negotiations among developing countries.

Furthermore, I wish to record the concern felt by my authorities over the uncertain situation of our exports of textile products of wool and man-made fibres, leather footwear, short fire-arms, cutlery and hand tools, as a consequence of the protectionist measures applied by some developed countries.

SWEDEN

A. Reduction or elimination of customs duties on products of export interest to developing countries

On 2 June 1971, a bill was passed in Parliament whereby the Swedish Government was authorized to implement the Swedish scheme of preferences on a date to be determined by the Government. The Swedish Government intends to put the scheme into operation by 1 January 1972.

It can also be mentioned that in accordance with its plans Sweden made a new reduction of its customs duties on 1 January 1971, following the Swedish Kennedy Round concessions. This means that four fifths of the concessions are put into force.

B. Reduction or elimination of fiscal duties or internal charges on such products

In accordance with a decision of the Swedish Parliament the tax on furskins and manufactures thereof will be abolished as from 1 January 1972. The sales tax on knotted carpets, pearls and precious stones, articles of precious metals etc. and articles of pearls and precious stones will equally be abolished as from 1 July 1972. (For reference see document L/3518/Add.1/Corr.2.)

C. Removal of import restrictions applied on such products: where restrictions are not removed any changes in their administration, such as increases in global quotas, changes in quotas applying to different sources of supply; establishment of target dates for liberalization

Information on import restrictions still existing is to be found in documents L/3212/Add.8 and COM.IND/W/55/Add.16. No changes in these restrictions have taken place.

D. Reduction or removal of other non-tariff measures of interest to developing countries

No changes have taken place since last year's notification.

E. Any increases in duties, fiscal charges, quantitative restrictions and other trade barriers affecting the exports of developing countries

On 1 July 1971, the fee for fat products was raised by SKr 30 to SKr 143:50 per 100 kgs. However with regard to the construction of the fee - the same fee is applied to oils and fats derived from domestically grown seeds as well as imported products - the raise does not specifically affect imports.

F. Changes in "trade margins" of the kind referred to in paragraph 3(a) of Article XXXVI

Not applicable to Sweden.

G. Measures falling within the provisions of paragraph 3(b) of Article XXXVII

(i) Steps to promote structural changes

The Swedish policy in regard to structural changes is in general terms a liberal imports policy combined with an active labour market policy. A description of the Swedish policy in this respect is contained in document COM.TD/W/92/Add.3, 21 April 1969.

(ii) Steps to encourage consumption of particular products

No steps of this kind have been taken since last year's notification.

(iii) Steps to introduce measures of trade promotion

Sweden has paid special attention to the question of trade promotion measures for products of developing countries. The Government is giving substantial support to the activities of the GATT/UNCTAD International Trade Centre. Swedish funds available for trade promotion projects in co-operation with the ITC will exceed $900,000 in fiscal year 1970/71. In 1971/72, some $1.2 million are appropriated for trade promotion activities mainly in co-operation with the ITC. As an example of measures to facilitate the efforts of the developing countries on the Swedish market mention could be made of a "Market Development Project" which includes grants to certain developing countries to participate in two trade fairs in Sweden in 1972.

SWITZERLAND

During the last few months, Parliament has been asked to approve several proposals by the Federal Council concerning co-operation by Switzerland with the developing countries. Apart from decisions regarding the financing of development - mainly the opening of a financial assistance programme credit of Sw F 400 million for three years - the Federal chambers have authorized the Government, in the trade field, to grant tariff preferences to the developing countries as part of the generalized system. The Federal Council has also asked Parliament to approve Switzerland's participation in the new International Wheat Agreement. Furthermore, Switzerland has taken part in the cocoa consultations and in those organized by the Group of Three, set up in January 1971 by the Committee on Trade and Development.

1. Generalized system of tariff preferences in favour of developing countries

In its message of 24 March 1971, the Federal Council asked the Federal chambers to authorize the granting of tariff preferences to the developing countries as part of the generalized system. One of the chambers, the National Council, gave its approval in June and the other, the Council of States, in September. A waiting period of three months now has to be observed during which a referendum may be demanded. The Swiss Government hopes to be able to put its preferences plan into force at the end of this period.

The Swiss Government has already informed the developing countries of the measures it proposes to take under the generalized system of preferences (see, for example, COM.TD/W/128).

As with the other industrialized countries, the final aim of the Swiss plan is to grant freedom from duty in principle. It proposed to do this in two stages. In the first stage, customs duties will be reduced by 30 per cent on all products falling within Chapters 25-99 of the Brussels Nomenclature, except for a number of products which are subject to fiscal duties such as casein and ovalbumin. The second stage, establishing freedom from duty in principle, will begin two years later. Customs duties will then be abolished for all products in Chapters 25-99 to which the tariff reduction provided for in the first stage has been applied. In the light of experience and of the benefits offered by other donor countries, the Swiss Government may, however, limit the margin of preference to the 30 per cent already granted, or to a rate between 30 per cent and complete freedom, or possibly make abolition subject to certain conditions. In the case of the products in Chapters 1-24 of the Brussels Nomenclature, the Swiss Government has drawn up a positive list: the customs duties on products included in this list will, in the first stage, either be similarly reduced by 30 per cent or abolished completely. In the second stage, an item-by-item examination will be made to see which of these duties could be further reduced.

2. Commodity agreements

As a member of the International Wheat Agreement of 1967, Switzerland took part from 18 January to 20 February in the International Conference for the renewal of this arrangement. Like the previous one, the agreement reached at this Conference consists of two instruments, namely, a convention on the wheat trade and a convention on food aid. In its message of 19 May last, the Federal Council asked the chambers to approve Switzerland's participation in these two conventions. The Council of States, the first to have to deal with this matter, gave its agreement in September. As a contribution to cereal food aid, Switzerland has again undertaken to supply annually 32,000 tons of wheat or to pay the equivalent in cash.

With regard to cocoa, the Secretary-General of UNCTAD organized fresh consultations in Geneva with the exporting countries and the most important importing countries with a view to concluding an international agreement. The Swiss Government took an active part in these discussions which they hope will soon have a successful outcome.

3. The Group of Three

During the past year, the Swiss Government has continued to collaborate with the agencies dealing with the expansion of trade between developing and developed countries. In this context they have given special attention to the work of the Group of Three and to the recommendations made in its preliminary report. The pragmatic and positive approach adopted by this Group appears particularly suitable for dealing with the trade problems of the developing countries.

4. Promotion of the exports of developing countries

Tariff reductions, the application of the generalized system of preferences and the production of a continually extended range of goods by the developing countries confer a growing importance on sales promotion in its most varied forms. That is why Switzerland gives positive support to the activities of the International Trade Centre UNCTAD/GATT. For example, it has itself financed various export promotion activities or missions. In addition, it is considering the possibility of again organizing a training course in export promotion for nationals of developing countries. Finally, it has provided staff for carrying out market studies and for organizing the practical part of the Centre's training courses.

5. Development of Swiss imports from developing countries

Over the last few years, Swiss purchases of goods from the developing countries have developed as follows:

SWISS IMPORTS FROM DEVELOPING COUNTRIES

	Europe		Africa		Asia and Oceania		Latin America		Total	
	Sw F million	% increase over the previous year	Sw F million	% increase over the previous year	Sw F million	% increase over the previous year	Sw F million	% increase over the previous year	Sw F million	% increase over the previous year
1966	283	8.4	402	8.1	381	22.9	505	7.7	1,571	11.3
1967	286	1.1	559	39.1	399	4.7	539	6.7	1,783	13.5
1968	323	12.9	622	11.3	439	10.0	524	-2.8	1,908	7.0
1969	412	27.6	644	3.5	573	30.5	592	13.0	2,221	16.4
1970	488	18.4	754	17.1	628	9.6	640	8.1	2,510	13.0

UNITED KINGDOM

1. Since the last notification was submitted in September 1970, the United Kingdom has continued to maintain a policy of affording generous access for exports from developing countries. The United Kingdom has also maintained the strong support which, since 1964, it has given to the concept of generalized preferences and will implement its arrangements under the UNCTAD scheme on 1 January 1972.

2. During the period under review the United Kingdom has carried out its third instalment of tariff cuts in accordance with the Kennedy Round agreement.

3. Other changes in import duties which may be of interest to developing countries are as follows:

(a) The suspension of the duty on tea has again been extended from 30 June 1971 to 30 June 1972.

(b) The import duty was removed on whole apricot kernels (ex BTN 12.08) with effect from 4 February 1971.

(c) The import duty was removed from tomato pulp and paste (ex BTN 20.02) with effect from 4 March 1971.

(d) The import duty was removed from certain provisionally preserved gherkins, olives, capers, sweet peppers and certain dried garlic and sweet peppers (ex BTN 07.03 and 07.04) with effect from 3 June 1971.

(e) The import duty was removed from grain sorghum (ex BTN 10.07) with effect from 1 July 1971.

4. During the period under review the following quota changes have been made:

(a) Quota levels for cotton textiles were increased by 1 per cent for the year beginning 1 January 1971, and the existing system of quota restrictions on cotton textiles from the developing countries will be removed on 1 January 1972, when a tariff will be imposed on imports from the Commonwealth Preference Area.

(b) Import restrictions on gold medals, medallions, tablets and gold coins were removed on 31 March 1971.

5. The Import Deposit Scheme was terminated on 4 December 1970.

6. The United Kingdom has kept in close touch with the activities of the International Trade Centre and has collaborated closely with the Centre in the preparation of market surveys through the United Kingdom Liaison Office. A

thirteen week training course in export promotion was held in the United Kingdom during 1971 (and will be repeated in 1972) for officials from developing countries. Nomination facilities for these courses are available to the Centre. The United Kingdom Liaison Office also helps with arrangements for short-term study tours etc.

7. Attached is a table showing United Kingdom imports from the world and from the developing countries in 1970.

UNITED KINGDOM IMPORTS FROM THE WORLD AND FROM THE DEVELOPING COUNTRIES IN 1970 BY MAIN TRADE CLASSIFICATION

£'000

£'000 sections	World total	From developing countries	Developing countries % of each section
	1970	1970	1970
0. Food and live animals	1,862,604	465,606	25.0
1. Beverages and tobacco	189,397	29,297	15.5
2. Crude materials, inedible, except fuels	1,263,157	296,741	23.5
3. Mineral fuels, lubricants and related materials	945,742	731,508	77.3
4. Animal and vegetable oils and fats	100,675	45,845	45.5
5. Chemicals	542,793	34,217	6.3
6. Manufactured goods classified chiefly by material	1,966,699	360,227	18.3
7. Machinery and transport equipment	1,496,499	37,962	2.5
8. Miscellaneous manufactured articles	573,915	106,350	18.5
9. Commodities and transactions not classified according to kind	109,985	12,947	11.8
Totals	9,051,466	2,120,700	23.4

UNITED STATES

Report on the Implementation of Article XXXVII

I. The reduction of barriers to trade on products of export interest to developing countries.

The fourth stage of Kennedy Round tariff rate reductions were implemented 1 January 1971, at which time import items with a 1970 value of $87 million, including $32 million from developing countries, became duty free. The ad valorem equivalent on dutiable imports fell from 12.2 per cent in 1967 to 10 per cent in 1970, or 22 per cent. Imports from developing countries increased from $7.7 billion in 1967 to $10.5 billion in 1970, or 36 per cent. These reductions have facilitated access to the United States market by developing countries.

Duties are suspended for several products of special interest to developing countries, including: processed istle; certain yarns of non-continuous silk fibres; alumina and bauxite; manganese ore; certain tanning materials; and copper waste and scrap, copper bearing ores and materials, cement copper and copper precipitates, black copper, blister copper, anode copper and other unwrought copper. Imports of these items were valued at $852 million in 1970, including $575 million or 68 per cent, from developing countries. Jamaica, Peru and Chile were the major developing country suppliers of these items supplying $153 million, $146 million and $113 million respectively. Suspended duty items are exempt from the supplemental import charge. Duty suspension for alumina and bauxite has lapsed, but Congress has been requested to restore it retroactively.

The United States continues to support the concept of a system of generalized preferences for the developing countries and desires to implement such a programme at the earliest possible time. However, the timing of submission to the Congress of legislation which would authorize the granting of preferences will depend on an evaluation of the outcome of current efforts to resolve United States trade and payments difficulties.

II. The new economic policy

In August the President announced measures to deal with a series of interrelated foreign and domestic economic problems; namely unemployment, inflation and disequilibrium in the international economy. The programme is intended to accelerate the upward movement of the domestic economy by putting to use the idle resources of labour and capital, to staunch the hemorrhage in the United States balances of payments and trade, and to restore equilibrium and bring about fundamental reform in the international monetary system.

The disequilibrium in the United States international payments was massive. Throughout the 1960's, from 1960 to 1969, the United States has had continuous balance-of-payments deficits on a liquidity basis averaging $3,000 million per year, on current account and capital account averaging $1,500 million per year. In 1970

and 1971 these persistent deficits turned worse. In 1971 the liquidity deficit was running at an annual rate of $17,000 million and the official settlements deficit at an annual rate of $23,000 million. The United States gold stock has fallen from a post-war high of about $23,000 million to about $10,000 million. Gross reserves now equal about 26 per cent of 1971 imports, a level well below the world average. The trade balance has also deteriorated - by about $6,000 million in seven years. For 1971 a deficit of about $28,000 million was forecast before the President's new policy was announced. This would have been the first trade deficit since 1893.

Correction of this situation is of world-wide significance. A strong and expanding United States economy is important, not only for the United States, but also for its trading partners throughout the world and for the international trade and payments system. By preserving this strength, a free, strong and expanding world economy can most effectively be maintained.

Three measures of the President's programme are of particular interest to international trade. They are the imposition of a temporary surcharge on imports into the United States of up to 10 per cent, a proposed tax credit on investment, and a 10 per cent reduction in foreign economic aid. The reduction will not affect aid to Latin American countries.

The import surcharge is a temporary measure, taken on the basis of a clearly established balance-of-payments need. It is calculated on the same basis as normal tariffs; that is, generally on the f.o.b. value of the product. The surcharge does not apply to items which are not in the subject of a trade concession of the United States. It is not applicable to duty-free imports and goods subject to quantitative restrictions pursuant to United States law. The goods subject to quota which are exempt include cotton textiles, petroleum and petroleum products, sugar, certain meats, certain dairy products, cotton and cotton wastes, peanuts, wheat and wheat products. The surcharge will be less than 10 per cent on those items where its application, in addition to the effective most-favoured-nation rate, would exceed the United States statutory rate of duty.

The impact of the surcharge is smaller on the exports to the United States of developing countries than those of the developed countries. Thirty-two per cent of the exports to the United States of the developing countries are subject to the surcharge; the corresponding figure for the developed countries is 60 per cent. Of total exports, 7.7 per cent of the developed countries exports are subject to the surcharge, compared to 6.3 per cent for the developing countries.

The reason for the disparity of effect of the surcharge on developed and developing country exports lies in the fact that non-dutiable items, which are exempted from the surcharge, make up the bulk of developing country trade with the United States. Although the decision to exempt non-dutiable items was based largely on domestic considerations, the fact that these items contribute significantly to the export earnings of developing countries also figured prominently.

The surcharge is intended to achieve a rapid improvement in the United States balance of trade and payments while more fundamental measures take effect. The United States looks for its early removal when the deficits in its balances of trade and payments have been made in the international payments system.

The proposed investment tax credit will not be applicable to imported capital goods during the period the surcharge is in effect. Since few imports from developing countries are capital goods, this measure has little effect on the export of developing countries.

III. The application of present trade restrictions

A. Oil import quotas

During the current year the import quota for crude petroleum was increased by 200,000 barrels/day and imports of liquefied petroleum gas from Western Hemisphere sources were freed from quota restrictions. Both actions improve market conditions for petroleum exporting countries.

B. Import restrictions under the Agricultural Adjustment Act

Import restrictions on several commodities are maintained under the Agricultural Adjustment Act in conjunction with price support programmes. The decision of the CONTRACTING PARTIES on 5 March 1955 waived obligations of the United States under Articles II and XI of the General Agreement to the extent necessary to prevent their conflict with actions required under Section 22 of the Agricultural Adjustment Act. Restrictions on dairy products which have been revised on several occasions over the years have minimal impact on the trade of developing countries. There has been no change in the import restrictions on wheat, peanuts and cotton since the late 1950's.

C. Voluntary meat import programme

The United States Government has entered into annual agreements since 1968 with a number of countries to limit the growth of certain meat imports into the United States. Until mid-1970, these agreements were to maintaim imports below a level which would "trigger" substantially lower statutory quotas. On 30 June 1970 the Secretary of Agriculture estimated that annual imports of meat would exceed the trigger level prescribed by the Meat Import Act of 1964. Consequently the legal quotas were triggered on 1 July 1970. On this same day the President suspended quotas and they have remained suspended in 1971. The recent agreements allow meat imports to exceed statutory trigger levels, and therefore, a yearly growth rate for imports has been maintained.

D. Sugar Act

Extension of the United States Sugar Act is presently under the consideration of Congress. The Act provides quotas for sugar producing countries for sales of sugar in the United States market at prices which are normally above the world level.

IV. Other measures relevant to Part IV

A. Commodities of export interest to developing countries

The United States participates in most intergovernmental commodity activities. This includes membership in the International Coffee Agreement and the International Wheat Agreement, active participation in most of the international commodity groups and discussion on other possible commodity arrangements. In addition, although not a member of the Tin Council, the United States consults and co-operates with the Tin Council on matters of mutual concern. While recognizing that commodity agreements may play a useful rôle in appropriate cases, the United States Government believes that increased attention should be focused on the basic policies required to avoid or correct imbalances of supply and demand through measures to curtail production, diversification to avert or reduce overproduction, and measures to promote the expansion of consumption.

The United States continues to try to fashion its domestic agriculture policies with regard for the needs of the world market as well as its own producers. The new farm programme for wheat, feed grains, and cotton, adopted late last year, represents another step to bring demand and supply into balance. More recently, the United States has announced a further reduction in rice acreage allotments for the coming year in view of the world surplus of this grain. With this reduction, United States rice acreage in 1972 is expected to be 31 per cent below the 1968 level.

The United States has continued to manage its stockpile and agricultural disposal programmes so as to minimize adverse effects on the trade of developing country producers.

B. Long-Term Arrangement Regarding International Trade in Cotton Textiles (LTA)

The United States continues to support the orderly growth of trade in cotton textiles. The United States has concluded agreements for orderly trade growth with a number of producing countries and is hopeful of entering into additional such agreements with other countries in the near future.

C. Export promotion

The United States supports the promotion of developing country exports through multilateral organizations as the UNCTAD/GATT International Trade Centre and the Inter-American Export Promotion Centre. The export promotion centres of the United Nations regional economic commissions have received United States financial support through parent organizations. The United States Agency for International Development has recently made arrangements for co-operation with UNIDO and is working out plans for similar co-operation with the International Trade Centre. USAID has many bilateral programmes for export development. It has recently established an office in Washington known as the Export Development Assistance Office to co-ordinate and develop assistance for programmes throughout the world.

The EODA office is jointly sponsoring a product development seminar with UNIDO and the World Trade Centre in New York. It has co-operated with and assisted the World Trade Centre in establishing training courses for advisers from the developing countries and has itself sponsored from eighteen countries in Latin America, Africa and Asia.

The United States has provided similar assistance to bilateral programmes in twelve countries in Latin America, Africa and Asia and is in the process of developing additional programmes.

Assistance takes many forms including technical assistance, full-time advisers, assistance in assuring experts from the international private sector, travel by teams from developing countries to visit and research the markets and assistance in training.

The Department of Commerce has assisted in training programmes for selected Latin American countries, including the use of the United States Trade Promotion Centres in Europe. The Department of Agriculture has supplied experts to help in seminars and developments of agriculture products for export.