

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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Committee on Trade and Development

Group on Residual Restrictions

REMOVAL OF RESTRICTIONS ON PRODUCTS ON THE COMMITTEE III LISTS

Summary of Information Supplied by Governments on Compliance with the Twenty-Third Session Recommendation

At their twenty-third session the CONTRACTING PARTIES invited governments of developed countries applying import restrictions on products notified to Committee III as being of export interest to less-developed countries to give immediate consideration to the elimination of these restrictions and to report by June 1966 on compliance (SR.23/10, page 156).

Reports in response to this received from the Governments of Switzerland, the United Kingdom and the United States, have been circulated in COM.TD/26.

At its meetings on 13-14 July 1966 representatives of these contracting parties supplied additional explanation or information, and those of other developed countries reported orally on action taken or consideration given in response to the recommendation. The information thus supplied is summarized on the following pages. It is contemplated that, after verification by the delegations concerned, these notes will be re-issued as an addendum to document COM.TD/26.

AUSTRIA

All remaining restrictions on products in the industrial sector (i.e. products falling within Chapters 25-99 of the Brussels Nomenclature) with a few exceptions, will be removed by 1 January 1967. This will apply to the following items included in Committee III lists: jute yarn, woven fabrics of jute, carpets, carpeting and rugs, and sacks and bags of jute, as well as chairs and other seats, and other furniture. (The liberalization will also affect a number of items notified in the context of the Kennedy Round.) For the second half of 1966, import quotas for these products will again be increased by 20 per cent.

As from 1 January 1967, only one item on the Committee III lists, apart from products falling within the purview of the Long-Term Arrangement on Cotton Textiles, will remain subject to restrictions, namely penicillin, other antibiotics and medicaments containing antibiotics. The restrictions on antibiotics are needed to ensure that adequate supplies will at all times be available (reasons for this have been explained to the Group).

As regards agricultural products, Austria had already made considerable progress in import liberalization. Most of the items remaining subject to restriction fall under the Austrian agricultural marketing laws which stipulate restrictions for these products. It should be noted, however, that Austria applies no restriction on any of the tropical products and that it has offered substantial tariff cuts for these products, in some cases even in excess of the envisaged 50 per cent.

Possibilities for Austria to act in liberalizing agricultural products depend largely on the policies of its trading partners for these items. The Kennedy Round would seem to be the most appropriate forum where further efforts should be made to find a common approach towards further liberalization in the agricultural sector.

The Austrian Government intends to be as liberal as possible in its agricultural import policy. To the extent possible, many of the agricultural items have also benefited from the semi-annual 20 per cent quota increases for imports of products remaining subject to restrictions.

BELGIUM/LUXEMBURG

It should be noted that the import policy adopted by the two countries is generally liberal and that only a few products, mainly agricultural products, continue to be subject to restrictions. For a number of these items the EEC is in the process of establishing a Common Agricultural Policy regulations. All relevant information has been supplied to the Group and there is little that can be added to the statements to the Group last October.

DENMARK

With effect from 1 July this year, four of the items included in the Committee III lists, namely biscuits, jams, fruit jellies, marmalades, etc. and various types of footwear, have been freed from import control. (Another item,

basketwork, etc. notified in the context of the Kennedy Round has also been liberalized.) As a result of this latest liberalization, Denmark no longer applies import restrictions on any industrial products (falling within Chapters 24-99 of the Brussels Nomenclature) of export interest to less-developed countries.

As regards agricultural items, import liberalization is at present under active consideration and quota increases for such products have in many cases been put into effect.

FEDERAL REPUBLIC OF GERMANY

The German authorities are examining the possibility of further import liberalization through the use of appropriate structural adjustment assistance measures.

The Government feels confident that it will be able to remove the restrictions on woven carpets of coconut fibre by the end of 1967 as envisaged. The liberalization of imports of woven fabrics of jute will depend on the import policies of other EEC countries being discussed in the Kennedy Round. Import quotas for woven fabrics of jute have continuously been enlarged reaching a level of DM2.9 million in 1965.

For agricultural products subject to the German Marketing Laws, the global quotas have generally been taken up by suppliers from developed countries, and supplies from developing countries have been relatively insignificant. The quotas for fatty vegetable oils have generally not been filled.

For such products as sugar, molasses etc., apples and pears, certain fruits and vegetables, import policy will depend on the EEC Common Agricultural Policy regulations which are being drawn up.

ITALY

The Government of Italy has traditionally followed a liberal import policy in regard to products coming from developing countries. As a result, imports from the developing countries have considerably increased in recent years, by 4 per cent in 1964 and by 9 per cent in 1965, and Italy now has a trade deficit vis-à-vis the developing countries. Nevertheless, the Government is continuing its efforts to enlarge access to the Italian market.

The import controls on bananas are sanctioned by a waiver until 31 December 1967, and a quota amounting to 300,000 tons has been opened last year of which not more than one third is reserved for imports from Somalia. Soyabean oil was an item supplied primarily by developed countries and the

controls in force are not intended to restrict imports from developing countries. The import controls on dried dates, figs and raisins are intended to prevent the fraudulent production of alcohol; packaged dates for retail are free from restrictions. Import controls on wine are applied with a view to improving viticulture.

As regards some other agricultural products included in the Committee III lists, EEC Common Agricultural Policy regulations are being drawn up.

JAPAN

Among the products included in the Committee III lists, cocoa powder and streptomycin have been liberalized with effect from 1 April 1966. As regards other items of export interest to developing countries still subject to restrictions in Japan, the Government of Japan has offered quota expansion in some of these products within the context of the Kennedy Round. The Japanese Government constantly reviews the possibility of relaxing restrictions on products of export interest to developing countries and is determined to make an utmost effort to achieve further progress in liberalizing imports from developing countries. This policy has been reflected in the rather significant increases in such imports in recent years.

The reasons for the maintenance of the remaining restrictions have been explained to the Group and are on record. Imports of products of the tanning and leather processing industry are still restricted owing to the particular difficulties faced by that industry in Japan. Japan has offered to increase the import quota for black tea in the context of the Kennedy Round.

NETHERLANDS

Of the items listed in document COM.TD/W/19, shrimps (with the exception of one special variety) will be liberalized as of 1 January 1967. This would also have applied to canned shrimps (ex 16.05) had the document COM.TD/W/19 not inadvertently omitted this restriction. Nevertheless the Dutch authorities will endeavour to liberalize this item by the same date.

Among other Committee III items penicillin and medicaments containing penicillin, as stated previously, are subject to restrictions in order to ensure adequate supplies at all times.

Among the "Kennedy Round items" horse meat etc. has been liberalized with effect from 1 July 1966 and import liberalization of mineral fertilizers is under consideration.

NORWAY

With only minor exceptions, Norway maintains no quantitative restrictions on industrial products. No industrial products on the Committee III lists are subject to restriction.

The remaining import controls on agricultural products are part of Norway's overall agricultural policy which aims, among other things, at a limitation of the expansion of agricultural production in the country. The Norwegian authorities intend to eliminate some of these restrictions applying to products included in the Committee III lists by the end of the current year.

Norway has submitted a comprehensive offer in the Kennedy Round including concessions on agricultural products.

SWEDEN

As the Swedish delegation has already had occasion to inform the Group, only a few agricultural products continue to be subject to import control and these controls are being applied in a liberal manner. There has been no case in recent years in which an application for a licence for imports from a less-developed country has been refused. The Swedish agricultural policy is at present under a comprehensive review. Among the items covered by the recommendation, herrings have recently been transferred to the general licensing list; that is imports of herring (other than Baltic herring) have, in practice, been fully liberalized.

UNITED KINGDOM (cf. COM.TD/26)

Of the products included in the Committee III lists, only a few of these continue to be subject to import control in the United Kingdom. On three of these items, bananas, cigars and certain citrus products, the import controls are being maintained in the interest of certain less-developed countries and not for the protection of British industry. As regards jute, the United Kingdom has previously had occasion to explain the particular difficulties affecting that industry which is concentrated in a single town where it provides work for approximately one fifth of the population. The United Kingdom is aware that the ultimate solution lies in the diversification of industry in that area and she has been working towards that objective with some success; notwithstanding the very real difficulties encountered, efforts are being directed consistently towards the reduction of the protection accorded to the jute industry and towards increases in import opportunities. The United Kingdom authorities intends to review the existing import arrangements during 1967.