

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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BELGIAN IMPORT RESTRICTIONS

First Annual Report submitted by the Government of Belgium under the Decision of 3 December 1955¹

On 3 December 1955, the CONTRACTING PARTIES to the General Agreement on Tariffs and Trade adopted a Decision under which the Government of Belgium was authorized to maintain quantitative restrictions other than for balance-of-payments reasons, upon imports of products listed in the annex to the Decision.

In order to comply with the conditions laid down in the Decision, Belgium is required to submit an annual report to the CONTRACTING PARTIES to enable the CONTRACTING PARTIES to review the operation of the restrictions authorized in accordance with the Decision and to submit a statement as to the reasons which justify their maintenance.

The present note constitutes the first annual report provided for under the Decision.

1. The progress made in the elimination of the quantitative restrictions
 - a) Elimination of the restrictions

When the CONTRACTING PARTIES examined the request for a waiver submitted by Belgium, the Belgian representative, on several occasions, stressed the fact that his Government intended to eliminate the restrictions one by one rather than relax them gradually.

In this respect Belgium is now in a position to communicate that restrictions on imports of the following products have been eliminated:

¹ The Belgian Government has supplied statistics of imports and exports in 1954 and 1955 of the products covered by the Decision. A copy of the statistics will be forwarded to each contracting party, cf. also L/505 for a communication of 8 August 1956 from the Belgian Government.

- 3 b2 B yearling bulls
- 3 b5 oxen
- 50 b2 brussel sprouts
- 50 e4 scorzonera
- 50 f2 A broad beans
- 50 f2 B other leguminous vegetables (excluding French beans for slicing, "Princesse" beans and peas)
- 50 h3 C rhubarb
- 50 h3 D other fresh vegetables - n.e.s.:
protection shall be maintained in respect of cress, chervil and parsley, and shall be terminated in respect of fennel and green or red pimento.

These items can therefore be struck off the list annexed to the Decision of 3 December 1955.

b) Relaxation of the restrictions

1) Seasonal restrictions

In the case of "other brassica" classified under Belgian Tariff Item No. 50 c3, the restriction shall be eliminated during the period 1 October to 31 December. The annex to the Decision of 3 December 1955 will have to be amended accordingly.

As was already the case in the past, the Belgian Government has applied the quantitative restrictions with the desire of limiting them to a strict minimum. Thus, during the period under review, derogations from the period of seasonal imports prohibitions have been granted.

Description of items	Periods of import prohibition	Derogations from the prohibition period
ex 48 - Onions	1 June - 31 January	Imports resumed as of 27 January
50 a - Asparagus	16 February - 15 April	Imports discontinued as of 15 March
50 b1 - Cauliflower	16 April - 30 November	Imports discontinued as of 12 May (from 16 April to 12 May import quota of 1,800 tons authorized)
50 d1 - Spinach	1 April - 31 December	Imports not discontinued - subject to telegram requirement
50 e1 - Carrots	1 April - 31 July	Imports discontinued on 30 April; resumed on 31 December

Description of items	Periods of import prohibition	Derogations from the prohibition period
ex 50 fl - French beans	16 June - 15 October	Imports discontinued as of 25 June
ex 50 fl - Peas	1 June - 31 August	Imports discontinued as of 10 June
ex 50 h3 - Celery and leeks	whole year	Imports authorized as of 13 February, issue of licences discontinued as of 12 April, except for celery and turnips, imports of which are authorized until 30 April
59 a - Apples	16 July - 15 March	Imports discontinued as of 28 July
59 b - Pears	16 July - 15 February	Imports discontinued as of 8 August
60 a2 - Peaches	1 August - 9 September	Imports discontinued as of 15 August
ex 60 b - Cherries	1 June - 15 July	Imports discontinued as of 14 June
60 c - Plums	16 July - 15 September	Imports discontinued as of 25 July
61 a1 - Strawberries	1 June - 30 June	Imports discontinued as of 5 June, resumed as of 16 July
61 b - Melons	1 June - 30 September	Imports resumed as of 15 September

Most of the above derogations could be granted because domestic production was late this year as a result of unfavourable weather conditions. Belgium is not in a position at the present time to give assurances that such derogations can be maintained until the full elimination of restrictions. Nevertheless, the fact that they were granted when possible, demonstrates the spirit in which the Belgian authorities operated the restrictions.

ii) Quantitative restrictions

Horses: Belgian Tariff Item No. 1 -

The quota of saddle horses available to traders has been increased from 50 to 100 head a year.

Bovine cattle: Belgian Tariff Item No. 3 -

Imports of pure bred bovine cattle for breeding have been facilitated. However, considering that these are imports requests for which are examined individually and on their own merits, taking account in particular of the quality of the animals to be imported, no figure indicating the degree of liberalization achieved can be given. Furthermore, as indicated above, imports of oxen and yearling bulls have been freed altogether.

Swine: Belgian Tariff Item No. 6 -

During the whole period under review, prices for swine were situated on the slope of the ordinary curve of the price cycle. Production therefore exceeded the normal needs of the country and prices were below the level which can be regarded as economically sound.

Beef and Veal: Belgian Tariff Item No. 13 a1 -

In contrast with the situation which obtained in previous years, some quantities of beef and veal could be imported. These amounted to 1,441 tons from the Netherlands between 7 May 1956 and 22 June 1956. It is not possible, however, to guarantee that such a situation can be maintained in the near future.

Swine: Belgian Tariff Item No. 13 c1 - Lard: Item No. 17 -

In view of the particularly difficult position in this sector, no elimination of import restrictions could be allowed.

Horseflesh: Belgian Tariff Item No. 13 d1 -

Whereas imports of horsemeat had been prohibited in previous years, a quota of 1,000 tons was allocated to importers for the period 1 May to 31 July 1956. The elimination of restrictions is being examined.

Meat salted, dried, smoked, etc., Belgian Tariff Item No. 18 -

This category of meat is subject to the same regulations as fresh or chilled meat. Existing regulations have not been eliminated.

Fresh Sprats: Belgian Tariff Item No. 19 b2 -

No modification has been made in the previously existing system. Restrictions upon imports from the Netherlands have been eliminated and the question of the extension of this liberalization measure to other countries is being examined.

Fresh Sea Fish: Belgian Tariff Item No. 19 b(3) (4) -

Imports of fresh fish are regulated by agreements entered into with all countries interested in the Belgian market, except Denmark. Quotas unilaterally allocated to Denmark have been increased. They amounted to a total of 435 tons for the first six months of 1956, compared with 375 tons for the corresponding period of 1955. Furthermore, free imports of fish intended for packing have been allowed.

Shrimps: Belgian Tariff Item No. 21 a2 -

Previously, imports of this item were practically prohibited. During the period under review, imports have been authorized. No import quota has been fixed, but applications for licences have been examined on their individual merits and granted to the greatest extent possible.

Milk: Belgian Tariff Item No. 22 -

Milk cream: Belgian Tariff Item No. 23 -

Butter: Belgian Tariff Item No. 25 -

Eggs: Belgian Tariff Item No. 27 a 1 -

The situation with respect to the above products is of basic importance for the formation of the income of the Belgian agricultural community and has hardly undergone any changes since the time when the application for a waiver was submitted. It has become necessary to continue a strict application of the minimum price system in respect of imports of such items from the Netherlands. It has not been possible therefore to eliminate restrictions upon imports from other GATT countries.

Wheat, Barley and Oats for sowing: Belgian Tariff Item Nos. ex 68, ex 71, ex 72 -

Though it has not yet been possible to take lasting measures with a view to gradually eliminating restrictions on imports of such items, the quota was practically suspended for several months on account of the considerable needs which were felt at the end of last winter after a substantial part of the areas seeded to the above grains had been destroyed.

Sugar Beet: Belgian Tariff Item No. 85 -

No modification has been made in the regulations applicable to this item, which in fact interests frontier traffic only.

Chicory Roots: Belgian Tariff Item No. 86 -

As Eastern countries have continued to exert unabating pressure on Belgian prices, it has not been possible to take steps to liberalize imports.

Hops: Belgian Tariff Item No. 87 -

The possibilities for competition on an equal footing having increased, both from the point of view of quality and prices, Belgium has readily brought forward the dates fixed for the application of the quotas laid down in trade agreements. The last instalment under the 1954/1955 quotas was allowed to be imported as of 31 January 1955, whereas a similar measure in respect of the 1955/1956 season could be taken as of 25 November 1955.

Lard: Belgian Tariff Item No. 100 -

The system applied to imports of lard is related to the system followed as regards imports of swine and pork. It has been possible only to authorize imports of goods destined for re-export after further processing.

2. Measures taken to ensure the elimination of the restrictions

When submitting its application for an agricultural waiver, the Belgian Government stated that the process of harmonization agreed on with the Government of the Netherlands constituted a safeguard for the removal of restrictions against imports from other contracting parties and that it could be expected that these restrictions would be reduced and removed as rapidly as the restrictions against similar imports from the Netherlands.

In view of that statement, the CONTRACTING PARTIES agreed that the position of Belgium should be appreciated in the light of its contractual obligations as a member of the Benelux Union.

Though it is not yet possible to indicate the duration of the period required for the complete elimination of outstanding restrictions, it should be borne in mind that the period allowed for the harmonization of agricultural policies and general conditions of production will not expire for another six years.

In order to carry out its task, the Committee on the Harmonization of Agricultural Policies has set up the following working parties:

- I. Working Party on Salaries and Farm Rents;
- II. Working Party on Fertilizers and Machinery;
- III. Budget Working Party;
- IV. Working Party on Market Differences;
- V. Working Party on Liberalization.

These various working parties have initiated their work which comprises several stages:

- the collection of data involving in the first instance a general statement concerning the situation and the legislation existing in the three countries;
- the examination of the documentation collected;
- the framing of specific proposals.

The working parties have completed the first stage and are now examining the documentation collected. They are not yet in a position to submit specific conclusions.

The first specific proposals to be made within the framework of the policy of harmonization will probably not be known before the forthcoming autumn months.

3. The reasons for the maintenance of the restrictions

The reasons which make it indispensable for the Belgian authorities to maintain quantitative restrictions have been stated in detail on the occasion of the submission of the application for a waiver which was granted under the Decision of 3 December 1955 (see document L/357/Add.3 of 21 September 1955).

On the whole, those reasons are unchanged. The situation of Belgian agriculture has hardly improved at all during the last few months. On the contrary, in Belgium, as in most other member countries, agriculture has not derived any benefits from the high level of general economic activity. On the whole, Belgian agricultural costs have increased as a result of a general increase in consumer goods, whereas sales prices remained stable, or even declined.

The figures listed in the following table illustrate the situation:

Agricultural Indices

(1951-1952 = 100)

	1954	1955	February 1956	June 1956
Agricultural sales price index	95.5	89.2	94.2	88.7
of which: vegetable products	95.-	85.9	98.8	89.3
animal products	95.6	90.2	92.9	88.6
Production cost index	104.6	107.6	107.9	108.7
of which: salaries	111.1	116.-	117.-	117.-
farm rents	109.5	114.7	114.5	114.5
Ratio:				
<u>Agricultural products x 100</u> Production costs	91.3	82.9	87.3	81.6

Belgian agriculture has, however, been seriously affected by the particularly severe conditions of last winter. It is difficult to quote a figure indicating what the total losses have been, in particular in the horticultural field. Destruction caused by frost amounted to 7.4 percent of the area under cultivation in the case of wheat; 10.7 percent for rye; 39.8 percent for winter barley; 52.8 percent for crimson clover; 43.3 percent for ordinary clover; and 17.0 percent for permanent pastures or meadowland.

The Government has had to request from Parliament an appropriation of 225 million Belgian Francs to relieve the most seriously damaged holdings.

The Members of GATT will certainly understand that in view of the circumstances spectacular measures for the elimination of quantitative restrictions can hardly be entertained.

4. The measures taken with a view to making Belgian agriculture more competitive

As has been stated previously, one of the main difficulties in making Belgian agriculture more competitive results from smallness of Belgian agricultural holdings. This situation is further aggravated by the fragmentation of the holdings.

The returns of the agricultural census indicate that the number of agricultural holdings, which in 1929 was still 251,229, had declined to 205,906 in 1950. This evolution has gone on unabated since 1950. Thousands of small-holdings disappear every year. The average area of individual holdings increases steadily. Mechanization, which is both the cause and consequence of this evolution, is constantly expanding. The drawbacks of land fragmentation are, therefore, more and more conspicuous. Such evolution indicates clearly that land reallocation becomes more and more unavoidable.

Considering that voluntary land reallocation is feasible only on a small scale and offers no proper solution for such a vast problem as land fragmentation, the Belgian Government in order to remedy the situation has just adopted a law for compulsory amalgamation.

The legislation adopted will make it possible to eliminate automatically, though to varying degrees, the drawbacks resulting from land fragmentation. Waste in cultivated areas in yield and in time shall give way to gains in area under cultivation, in time and output. The use of agricultural machinery shall become possible or easier, the wear and tear of equipment shall be less, and the sum total of costs and salaries shall be reduced. It shall also become possible to improve the land and increase the output of the soil.

5. The non-discriminatory application of quantitative restrictions

All quantitative restrictions have been applied in a non-discriminatory manner to imports from GATT countries. When the periods of seasonal restrictions were shortened, either on a contractual basis or unilaterally, all GATT countries were able to enjoy the resulting advantages.

6. The granting of a fair and reasonable share of the Belgian market

The Belgian Government believes that they have granted exporting countries a fair and reasonable share of the Belgian market, taking account of the levels of domestic production and consumption. They have received no complaint in this respect since the date when the waiver was granted, on 3 December 1955.