

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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## TRADE RELATIONS BETWEEN YUGOSLAVIA AND CONTRACTING PARTIES SIGNATORIES TO THE DECLARATION OF 25 MAY 1959

### Basic Document for the Second Review<sup>1</sup>

#### Introduction

1. Section C of the Declaration of 25 May 1959 on trade relations between contracting parties to the General Agreement and the Government of the Federal Peoples Republic of Yugoslavia provides that the CONTRACTING PARTIES should review each year "the development of mutual relations between Yugoslavia and other parties on the basis of this Declaration as well as the possibility of further progress towards the full application of the provisions of the General Agreement". The scope of the review, as defined by the Council (see document C/M/1), covers the following subjects:

- (a) Development in and possibilities for progress towards application of the GATT by Yugoslavia.
- (b) The extent to which contracting parties apply the GATT to Yugoslavia.
- (c) Concrete and practical problems arising in trade with Yugoslavia.

2. The first review pursuant to the Declaration was carried out at the seventeenth session in November 1960 (see document L/1378). The second review was to have been conducted by the Council in September 1961 but has been postponed for practical reasons until the nineteenth session.

#### Documentation on the Yugoslav trading system

3. For the purpose of the second review the Government of Yugoslavia has supplied certain documents describing changes in the trading system in Yugoslavia.

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<sup>1</sup>Prepared by the secretariat on the basis of information received from the Governments of Yugoslavia and contracting parties concerned.

These have been circulated to the CONTRACTING PARTIES as follows:

A "Notification" on Customs Tariff and Trade Controls of Yugoslavia	L/1494
Revision of documents previously used for consultations in Committee II	L/1494/Add.1
The Provisional General Customs Tariff	(see document L/1574)

4. The "notification" in L/1494 contains a description of the changes introduced in the Yugoslav trading system early in 1961, following the enactment of the new Decree on Foreign Exchange Controls. The changes described include the simplification of exchange rate structure, the adoption of the Provisional General Customs Tariff covering the whole range of imports and modifications of the import controls and restrictions. It also contains lists of products subject to the different import control régimes (lists of freed imports, freely licensed imports, imports subject to quotas and imports subject to restrictive licensing) as well as lists of exports subject to different control procedures.

Treatment of trade with Yugoslavia by other participating governments

5. The following thirty-five contracting parties and associated governments have thus far accepted the Declaration of 25 May 1959. Four of these (Malaya, Nigeria, Pakistan and Switzerland) have taken this step since the first review under the Declaration.

Australia	Ghana	Norway
Austria	Greece	Pakistan
Belgium	India	Peru
Brazil	Indonesia	Federation of Rhodesia and Nyasaland
Burma	Israel	Sweden
Canada	Italy	Switzerland
Ceylon	Japan	Turkey
Chile	Luxemburg	United Kingdom
Czechoslovakia	Malaya	United States
Denmark	The Netherlands	Uruguay
Finland	New Zealand	Yugoslavia
France	Nigeria	

6. In the background paper prepared for the first review (L/1337) there were set out statements by individual participating governments on the manner in which they were applying customs tariffs and other commercial policy measures in their trade relations with Yugoslavia. For the purpose of the second review governments were asked to supply new or supplementary information on this subject. The following are the statements so far received from governments, including those supplied prior to the first review, with or without subsequent modification, and new statements supplied since the first review:

ANNEX

Australia

"Australia accords most-favoured-nation tariff and import licensing treatment to Yugoslavia on a de facto basis. In regard to other aspects of its trade relations with Yugoslavia, it is necessary for Australia to take into account the fact that Yugoslavia maintains a system of State trade. Australia therefore retains discretion as to the criteria to be applied in connexion with the administration of anti-dumping and countervailing measures."

Austria

"Austria does not at present apply the provisions of the General Agreement to Yugoslavia. However, with regard to a considerable number of tariff items which are of interest to Yugoslavia, and in order to facilitate imports from Yugoslavia, Austria applies duties not higher than those which are bound to contracting parties under the General Agreement. As far as quantitative restrictions are concerned, a list of items is in force, for which import licences are granted automatically; another list contains import quotas, to the extent of which the competent Austrian authorities are granting import licences upon application. The tariff measures described above and the two lists just mentioned form part of the Trade Agreement between Austria and Yugoslavia which is currently in force."

Belgium

"Belgium has extended to Yugoslavia the régime which it applies to member countries of the OEEC. In the tariff field it applies to Yugoslavia the most-favoured-nation tariff (the general tariff).

"Negotiations with a view to the conclusion of a Veterinary Convention have resulted in the conclusion of an agreement which was initialled in Brussels on 19 November 1960."

Brazil

"In its trade relations Brazil does not apply any special treatment to Yugoslavia, and the ordinary regulations governing Brazil's foreign trade are applicable."

Canada

"Canada grants Yugoslavia full most-favoured-nation tariff treatment and does not discriminate with respect to Yugoslavia in the application of other commercial policy measures. Canadian commercial relations with Yugoslavia are governed by the Trade Agreements Act of 11 June 1928 which accepted Article 30 of the Treaty of Commerce and Navigation of 12 May 1927,

between the United Kingdom and the Kingdom of Serbia, Croatia and Slovenia. It came into force on 9 August 1928, and provides for exchange of MFN treatment between Canada and, in effect, Yugoslavia. In addition, under Order-in-Council PC5270 of 23 December 1947, Canada extended to the Kingdom of Serbia, Croatia and Slovenia the reductions of duties granted on certain imported goods resulting from original negotiations carried out when GATT was established. All subsequent tariff concessions negotiated at Annecy, Torquay, etc., and modifications thereof, were also extended to Yugoslavia by virtue of Orders-in-Council authorizing these concessions."

#### Czechoslovakia

"Czechoslovakia is applying the provisions of the Declaration and is granting Yugoslavia most-favoured-nation treatment in regard to tariffs and all regulations concerning imports."

#### Denmark

"Commodities imported into Denmark from Yugoslavia are subject to the general provisions and rates of duty contained in the Danish Tariff Act of 28 January 1959 as amended. It should be noted that the Danish tariff is a single tariff and that preferential treatment is accorded only to commodities covered by the EFTA Convention.

"Trade between Denmark and Yugoslavia is carried out under the Danish-Yugoslav Trade Agreement of 25 November 1959, on which date the Danish general free list, with the exception of a few items, notably textiles, was made applicable to Yugoslavia. For commodities which on that date were still subject to licensing in Denmark, provisions were made in the Danish-Yugoslav Trade Agreement for importation of such commodities from Yugoslavia. Exports to Yugoslavia are subject to licensing. Licences, however, are granted automatically with the exception of a few items which are also subject to licensing when exported to other countries signatories to the General Agreement on Tariffs and Trade." (The Trade Agreement of 25 November 1959 has been prolonged to 31 October 1961 by an exchange of notes on 23 November 1960.)

#### Finland

"The Finnish importation system has been modified as of 1 July 1961. The automatic licensing arrangement has been abolished. Imports into Finland are now divided in three categories: A. multilateral import treatment: B. import treatment from bilateral countries: C. import treatment from other countries. Imports to Finland from Yugoslavia under group B are without exception subject to licensing as fixed in the quotas of the valid commodity lists agreed upon between the two countries. The validity of the fifth additional protocol of 1957, including indicative commodity lists, relating to the Finno-Yugoslavian trade agreement of 1948, was some time ago extended to cover the period from 1 July 1961 to 30 June 1962."

France

"Yugoslav goods entering French customs territory are treated in accordance with the most-favoured-nation clause, pursuant to the commerce and navigation agreement concluded between France and Yugoslavia on 13 October 1925.

"Trade is regulated by a bilateral agreement, renewable from year to year; the agreement currently in force is dated 28 December 1960 and will expire on 30 September 1961.

"Under the agreement of 28 December 1960, the trade liberalization régime applied to GATT countries other than members of the OEEC or of the dollar area was extended to Yugoslavia.

"Financial relations between the two countries are governed by a payments agreement, also dated 28 December 1960. A system of convertibility has been in effect since 16 January 1961."

Ghana

"Imports from Yugoslavia are covered by Ghana Quota Licence which sets no limit to quantity or value. In effect, an importer in possession of such a licence can, until further notice, import from Yugoslavia all goods except the following: sugar, petroleum products, including greases, gold, perfumery, cosmetics, explosives, arms and ammunition, yarns, silk fabrics, silk coverlets, handkerchiefs or headties of silk of a size exceeding one-third of a square yard, cinematographic films exposed, 16 mm. and over, whether developed or not, including motion-picture films on lease. There are at present no export restrictions on Ghana's trade with Yugoslavia."

Greece

"Greece applies to Yugoslavia the same customs tariff and the same formalities relating to imports and exports as to all other countries."

India

"India's trade with Yugoslavia is regulated on the basis of a trade and payments agreement with that country. The current agreement was signed on 22 January 1960 and will remain valid for a period of three years.

"India is not giving any special tariff treatment or advantages to Yugoslav trade. Imports from Yugoslavia are subject to the import control policy of the Government of India as in force from time to time and are charged to duty at the standard rate of the Indian customs tariff."

### Israel

"A non-discriminatory most-favoured-nation treatment in respect of customs duties and commercial policy measures is applied by Israel in its trade relations with the Federal Republic of Yugoslavia."

### Italy

"Italy applies to Yugoslav products the same customs duties it applies to all countries enjoying most-favoured-nation treatment. As regards import restrictions, Italy applies to Yugoslavia a particularly liberal régime. In effect, an important range of products is liberalized; a limited number of items are admitted within the limit of quotas which are of ample size; only a small number of products are subject to licensing control; for all other products which are not covered by the categories mentioned above, imports are authorized directly by the customs within the limit of ample maximum values (300 million lire for each chapter in the customs tariff and 100 million lire for each item in the tariff)."

### Japan

"There exists a 'Treaty on Commerce and Navigation between Japan and Yugoslavia' signed on 28 February 1959. According to the provisions of the Treaty, the two countries accord to each other most-favoured-nation treatment in all matters concerning customs tariffs and other commercial policy measures. Japan, therefore, exercises no discriminatory treatment against Yugoslavia, applying MFN rates to imports from it. Japan's liberalization list is also applicable to Yugoslavia.

"Despite these measures, Yugoslavia's exports to Japan are at an extremely low level except for 1960, which is due to the fact that there are few products to be continuously imported from Yugoslavia."

### Federation of Malaya

"(a) Customs Tariff: The Federation of Malaya accords to imports from Yugoslavia the same tariff treatment as that accorded to the other contracting parties except where Commonwealth preferences are applicable;

"(b) Other policy measures: All imports from Yugoslavia are subject to the open general licences and are therefore allowed to come in without the necessity for applying for a licence, except for a few items which are subject to licences for all sources for health and security reasons."

### Kingdom of the Netherlands

"In the field of tariffs the Netherlands apply to Yugoslavia the most-favoured-nation clause and accord in the field of quantitative restrictions non-discriminatory treatment."

New Zealand

"On 9 September 1960 New Zealand concluded an agreement with the Government of Yugoslavia. The agreement provides for the exchange of most-favoured-nation treatment along the lines provided in the General Agreement in connexion with importation, customs duties and charges, quantitative restrictions, exchange action and other matters relating to the import of goods."

Norway

"Yugoslav imports to Norway are treated on a most-favoured-nation basis. As to quantitative import restrictions, Yugoslavia is treated in the same way as OEEC countries. Yugoslavia does not, on the other hand, formally belong to the export free list area, but this fact does not, however, involve an obstacle to Norwegian exports to that country."

Pakistan

"Pakistan is applying the most-favoured-nation treatment to Yugoslavia in respect of tariffs and import and export controls."

Federation of Rhodesia and Nyasaland

"The Federation of Rhodesia and Nyasaland grants most-favoured-nation, Col. B, treatment to all goods originating in Yugoslavia. All goods originating in Yugoslavia require an import licence and licences are currently issued for the following list of items without monetary limit: alarm clocks, cotton sewing thread, cycle accessories and spares other than tyres, glassware and crockery, hardware: tools, hasps and staples, padlocks, hinges, etc., charcoal irons, pharmaceutical raw materials, piece goods for industrial use, piece goods of rayon for retail sale, smokers' requisites, wooden kitchen utensils (rolling pins, bread boards, clothes pegs). Applications for licences in respect of goods which are not listed are considered on an ad hoc basis."

Sierra Leone

"Yugoslavia is subject to the general Customs Tariff applicable to all countries outside the Commonwealth. The difference between the general tariff and the preferential tariff applicable to Commonwealth countries varies. In the case of articles not separately enumerated the general tariff is  $32\frac{1}{2}$  per cent and the preferential tariff 25 per cent. With regard to quantitative restrictions on imports these are not now applied to Yugoslavia whose imports receive the same treatment as Western European countries, that is to say that trade is 100 per cent liberalized."

Sweden

"The Swedish export and import free lists are valid for Yugoslavia. With regard to tariffs Sweden extends most-favoured-nation treatment to Yugoslavia."

"Sweden applies the same customs tariffs in its trade with Yugoslavia as in its trade with any other contracting party which is not a member of EFTA. Yugoslavia is thus not excluded from the Swedish free list."

Switzerland

"The customs duties and other charges levied on goods of Yugoslav origin, when imported into Switzerland, are identical to those applied to goods of any other origin with the exception of goods originating in countries members of the European Free Trade Association. The regulations relating to the import and export of goods are applied in a non-discriminatory manner to goods of Yugoslav origin, with the exception of the special treatment accorded to goods originating in countries members of the European Free Trade Association."

Turkey

"Trade between Yugoslavia and Turkey is carried out within bilateral agreements concluded or revised each year.

"The latest bilateral Trade Agreement between Turkey and Yugoslavia envisages an export of Turkish goods to Yugoslavia at an amount approximately US \$ 7.5 million and a corresponding amount of Yugoslav goods to be imported by Turkey. Specifications and amounts for each commodity to be exported or imported are shown on the lists attached to the agreement.

"In the agreement it is also stipulated that 50 per cent of the value of each shipment imported by each country should be deposited to a free exchange account which has to be liquidated periodically while the other 50 per cent is taken to a clearing account.

"Trade between Turkey and Yugoslavia is, on the other hand, regulated through the current Turkish Foreign Trade Régime.

"Neither the aforementioned Foreign Trade Régime, nor its application in practice permit any discrimination for the country involved.

"Yugoslavia enjoys the 'most-favoured-nation' clause and benefits from the customs duty concessions applicable to all such countries."

United Kingdom

"The United Kingdom extends most-favoured-nation treatment to Yugoslavia on tariffs. With regard to quotas, the United Kingdom extends 'relaxation area' treatment as defined in the 1959 review of import restrictions (MGT(59)76)."

United States

"The United States accords MFN treatment to imports from Yugoslavia. United States customs tariffs and other commercial policy measures are being applied in trade with Yugoslavia in a manner identical to that in which they are applied to GATT contracting parties entitled to most-favoured-nation treatment. There are no special tariff or other general commercial policy measures applicable to imports from Yugoslavia into the United States."

