

GENERAL AGREEMENT ON
TARIFFS AND TRADE

RESTRICTED

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ARTICLE XIX - ACTION BY AUSTRALIA

Wool Worsted Yarns

The following communication dated 24 April 1978 has been received from the Permanent Mission of Australia

The Australian Government wishes to advise the CONTRACTING PARTIES, in accordance with Article XIX of the General Agreement, that it has decided to introduce increased duties on some imports of wool worsted yarns falling within tariff item 53.07.910(31).

Imports at non-disruptive levels will be admitted at pre-existing rates of duty. Imports of this item in excess of such levels will incur additional duties at the rate of \$A 2.50 per kg. The new duty arrangements apply to import clearances on and after 1 March 1978.

The decision to introduce these arrangements was taken in accordance with an announcement by the Australian Government on 17 November 1977 following consideration of a report by the Australian Industries Assistance Commission on certain spun yarns and wool textiles and other goods.

The Commission reported that production of the yarns in question had been declining for a number of years and that this decline had tended to accelerate in recent years. This, together with structural adjustments, had caused a progressive and significant decline in employment.

The Commission considered that any sudden and substantial increase in imports of yarns would expose the industry to undue risk of disruption at a time when reasonable market stability was required to facilitate the process of further structural change, and proposed safeguard measures to contain imports at about their then present level. Accordingly, the Commission recommended the introduction

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of a "trigger" mechanism under which tariff quotas would be imposed if the progressive twelve monthly total of imports of certain wool worsted and wool blend yarns exceeded 1.3 million kgs. for three successive months.

Since imports of wool worsted and wool blend yarns exceeded the specified trigger level of 1.3 million kgs. for the twelve month periods ended 31 December 1977, 31 January 1978 and 28 February 1978, global tariff quotas have been introduced with effect from 1 March 1978 in order to restrain imports at a non-disruptive level.

The level of tariff quota available for wool worsted yarns is incorporated in an overall quota of 1.1 million kgs. per annum for both wool worsted and wool blend yarns. The base period for individual importers' tariff quota entitlements will be the twelve months period ending 30 November 1977. Initial quota allocations will be for the six months period beginning 1 March 1978 and will have a validity of twelve months.

Goods entered for home consumption in excess of the tariff quota will be subject to a temporary additional duty of \$A 2.50 per kg.

The Australian Government is ready to enter into Article XIX consultations with any contracting party having a substantial interest in the export to Australia of the product notified above.

