

GENERAL AGREEMENT ON
TARIFFS AND TRADE

RESTRICTED

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ARTICLE XIX - ACTION BY AUSTRALIA

Double-Edged Safety Razor Blades

The following communication dated 5 May 1978 has been received from the Permanent Mission of Australia.

The Australian Government wishes to advise the CONTRACTING PARTIES that, in accordance with the provisions of Article XIX of the General Agreement, it has decided to introduce temporary quantitative restrictions on imports of double-edged safety razor blades, from 21 April 1978.

As a consequence, imports of double-edged safety razor blades cleared for home consumption will be restricted for two years unless local production of these razor blades is discontinued within this period.

For the first year imports of double-edged blades will be restricted to 16 million and individual importers' quota allocations will be based on the twelve-month period ended 31 December 1977. Quota allocations for the second year will be announced before the start of that year.

These arrangements have been introduced following the announcement by the Australian Government on 21 April 1978 that it had decided to accept the recommendations of the Industries Assistance Commission's Report on Razors, Razor Blades and Razor Blade Blanks of 27 February 1978. The Commission recommended that short-term assistance by means of quantitative restrictions in the form of import quotas, be provided for the industry producing double-edged safety razor blades.

With increasing consumer acceptance of new wet shaving systems, such as disposable razors and bonded blades, sales of double-edged blades have declined in recent years, falling from about 58 million in 1974/75 to 61 per cent in 1976/77.

The Commission reported that the continuing decline in the demand for double-edged blades, coupled with the increasing market share for these goods which imports are achieving, were said to threaten the viability of local manufacturing operations. The Commission considered that without assistance the sole Australian producer was unlikely to achieve the critical base load of local sales needed to maintain operations and was likely to terminate its production in the near future.

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

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