

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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## GENERALIZED SYSTEM OF PREFERENCES

### Notification by Canada

#### Addendum

The following communication from the delegation of Canada dated 6 June 1985 is circulated for the information of contracting parties.

I have the honour to request that the attached notification regarding changes to the Canadian General Preferential Tariff arising out of the 23 May 1985 federal budget be circulated to the contracting parties.

1. On 23 May 1985 a Notice of Ways and Means Motion was tabled in the Canadian Parliament in connection with the presentation of the Budget which proposed the changes set out below to the Canadian General Preferential Tariff. Except where specified, these measures are being applied on a de facto basis by Canadian Customs authorities effective 24 May 1985 until the budgetary legislation relating to these tariff measures receives parliamentary approval and royal assent.

2. The following products, which were the subject of requests in the consultations on tropical products held in connection with the November 1982 GATT Ministerial Work Programme, are proposed for duty free entry under the General Preferential Tariff.

- Item 14310-1, Hand-rolled cigars. (This is a new tariff item which was previously classified under tariff item 14305-1 at a GPT rate of 96.67 cents per pound plus 6.5 per cent.)
- Item 50603-2, Filed hockey sticks. (This is a new tariff item which previously classified under item 50603-1 at a GPT rate of 2.5 per cent)
- Item 50075-1, Timber, lumber and mouldings of wood. (The previous GPT rate was 5 per cent.)

3. A new GPT rate of 6 per cent, calculated on the basis of one-third off the MFN rate rather than the British Preferential Tariff rate of free, will apply to automobiles entered under tariff item 43803-1. This rate will not come into effect until 1 January 1987 in order to give automobile producers from developing countries an opportunity to adjust and to consider increased investment and sourcing of parts in Canada in order to take advantage of Canadian duty remission programmes.

4. A new GPT rate, calculated on the basis of one third off the MFN rate rather than the British Preferential Tariff rate of free, will apply to automotive parts as listed below. Automotive parts imported into Canada from developing countries under the United States/Canada Automotive Products Agreement will continue to be eligible for duty free entry.

Items	<u>New GPT rate in per cent</u>		
	1985	1986	1987
43807-1, 43810-1 43819-1 and 43824-1	6	5.5	5
43825-1 and 43826-1	4	3.5	3.5
43829-1	7	6.5	6
43832-1	9	8	7.5

5. Imports of Red Lake C pigment dyestuff classified under tariff item ex 93205-3 are now subject to the MFN rate below following the withdrawal of the 10 per cent British Preferential Tariff.

MFN rate	1985	1986	1987
93205-3	13.1	12.8	12.5