

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

W.11/11

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CONTRACTING PARTIES
Eleventh Session

Working Party on Belgian Import Restrictions

DRAFT REPORT

1. The Working Party has examined the First Annual Report submitted by the Belgian Government under the Decision of 3 December 1955, taken under the terms of the hard-core waiver of 5 March 1955. A government which has been granted a concurrence under this waiver is required to submit an annual report showing, inter alia, the progress made in the relaxation of the restrictions authorized and the reasons for further maintenance of the restrictions. The Working Party first considered the statement by the Belgian Government on the steps taken to harmonize agricultural policies with the Netherlands. Thereafter the measures which will be taken to ensure the further progressive relaxation of restrictions were made the subject of a general discussion, whereupon the Working Party proceeded to a more detailed examination of the Report.
2. Disappointment was expressed over the fact that the Belgian Government had not supplied more precise information about the system of relaxation that it intends to follow in the future. The Working Party took note of the statement by the Belgian representative of the reasons why a programme of future measures was not yet ready. The framing of a programme calls for extensive studies in order to find out what exactly are the most appropriate measures to be taken. Such studies are under way. They are conducted on a product-by-product basis, which is also the system under which the further relaxation will proceed. The final decision on policy will, however, have to be taken at a meeting of the Benelux Ministers. Unfortunately, this meeting was not convened at the time originally planned, and this is the reason why there has been a delay with the submission of the programme to the CONTRACTING PARTIES.
3. The Working Party took note of the promise of the Belgian representative that the result of the meeting of Benelux Ministers will be communicated to the CONTRACTING PARTIES immediately after it has been held.
4. In the opinion of some members the progressive abolition of quantitative restrictions is essential to the terms of the waiver and it would therefore be important to have a clear idea of the programme for further action. The view was expressed that the next Report should contain such information as would be necessary to form an opinion of the programme.
5. It was asked what measures had been taken by Belgium with regard to fixing specific minima along with the ad valorem duties for perishable foodstuffs. The Working Party was informed that the whole question of replacing restrictions by other measures consistent with the General Agreement was being studied.

As such measures have to be justified before the Parliament, and as the GATT has not yet been ratified by Belgium, a switch over to such alternative measures would, at the present time, meet with difficulties.

6. It was recognized by several members that progress had been made towards relaxation, in certain cases the measures taken amount to a complete elimination, in other cases to a partial dismantling of the restrictions in force at the time when the waiver was granted. The Danish representative expressed the opinion that the measures taken so far relate only to products of secondary importance from his country's point of view. He also thought that a gradual relaxation, for example by an increase of the quotas, would be preferable to the freeing of imports of products, one by one.

7. The Belgian Government was asked to supply details on import quotas. The hard-core waiver implies that traders should have a clear indication of the amounts of goods which would be allowed to enter the country during an ensuing period. The opinion was expressed that lack of such advance data may by itself have a restrictive effect on imports.

8. In reply to a question whether there are import quotas also in open periods, the Working Party was informed that imports of seasonally restricted products into Belgium were subject to no quantitative restrictions in the open periods, and that, consequently, no import quotas were fixed for those periods. Import licences are necessary for non-commercial reasons, but they are issued automatically. Difficulties may, however, arise when the exporter asks for advance payment at a time when the importer has not yet obtained his licence. The Belgian authorities have made arrangements to grant licences sufficiently in advance of the date when the open period starts, so as to make it possible for the importer to have the goods ready for clearance at that time. Moreover importers in Belgium are free to negotiate contracts with exporters at any time during the year for delivery at the beginning of the open period. After having taken note of these explanations, the Working Party concluded that it would be valuable for exporters to have access to details about the administrative regulations applicable to imports during the open periods. This would be particularly important for exporters in remote countries who, for lack of information, may often find themselves in a worse position than exporters in neighbouring countries. It was suggested that the Belgian Government should publish such information.

9. The Belgian Government was asked, as foreseen in the Report of the Working Party at the Tenth Session, to furnish details of bilateral commitments. This information has been circulated in Document W,11/10. The Working Party suggests that future reports should contain information both on import quotas and on bilateral agreements.

10. The representative of the United States expressed his country's wish to enter into bilateral discussions with Belgium, on the subject of the granting of a fair and reasonable share of the Belgian market, as provided for in the Report of the Working Party at the Tenth Session. The Working Party noted that this suggestion was acceptable to Belgium.

11. Members of the Working Party addressed questions to the Belgian representative relating to the trade statistics for 1954 and 1955, which had been supplied by the Belgian Government. As regards imports, it was noted from the statistics that beef and veal are imported exclusively from the Netherlands. The Belgian representative explained that these imports, which relate only to fresh meat, are a recent phenomenon, caused by a rise in domestic consumption in Belgium; so far authorization has been given only for imports from the Netherlands. The product, moreover, falls under the system of minimum prices.

12. The statistics show that exports from Belgium of products covered by the waiver have, in several cases fallen from 1954 to 1955. The Belgian representative stated that there was no intention to increase exports of goods covered by the waiver, and that in 1956 exports have shown a decline under the influence of falling prices.

13. The Working Party had no comment to make regarding the reasons advanced by Belgium for maintaining restrictions or regarding the measures taken by the Belgian Government to make Belgian agriculture more competitive. Concerning the non-discriminatory application of the restrictions the Working Party was informed that this principle is observed with regard to all GATT countries other than the Netherlands, and the Belgian representative stated that this preferential treatment was justified by the present Benelux arrangements. On the other hand, Belgium feels free to discriminate against countries outside the GATT.

14. Finally, the Working Party expresses the hope that detailed information on import quotas, administrative regulations, and especially on the future programme of progressive relaxation, will be incorporated as regular features in subsequent Reports.

15. The Working Party recommends that the CONTRACTING PARTIES take note of the First Annual Report submitted by the Belgian Government.

Point for decision:

Paragraph 15.