

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

W/L3/40

14 November 1958

Limited Distribution

CONTRACTING PARTIES

Thirteenth Session

Working Party on Agricultural Waivers

## BELGIAN IMPORT RESTRICTIONS ON AGRICULTURAL PRODUCTS

### Draft Report

1. Under its terms of reference the Working Party examined the Third Annual Report (L/877) by the Government of Belgium, submitted under the Decision of 3 December 1955, and pursuant to the terms of the hard-core waiver of 5 March 1955. Under this Decision Belgium was authorized to maintain, for a limited period, restrictions on imports of a number of products listed in the Annex to the Decision. A government which has been granted concurrence under the hard-core waiver is required to submit an annual report showing inter alia, the progress made in the relaxation of the restrictions, the measures taken to ensure the elimination of the restrictions and the reasons for further maintenance of the restrictions. On the basis of the Report and of other information furnished in the course of the discussion, the Working Party has reviewed the operation of the restrictions authorized.

#### I. Progress made in the Elimination or Relaxation of Restrictions

2. The Working Party noted that the Government of Belgium has, since the Twelfth Session, removed the import restrictions on pure-bred animals (Items 1(a), 3(a) and 6(a)), **fresh sprats**, gherkins and melons. Members of the Working Party pointed out that the items removed from import control were relatively minor from a trade viewpoint and that, in general, the progress towards elimination of the restrictions during the year was disappointing. A number of important products were still subject to import restriction.

3. It was noted from the statistics supplied to the Working Party that Belgium was still a net exporter of eggs and pork products which are subject to import control. Some members of the Working Party considered that these export surpluses were a direct result of the combination of internal price support measures and quantitative restrictions, which provided an undue incentive to domestic production. They thought, moreover, that these exports could not take place without subsidies. The representative of Belgium explained

that production had not been encouraged with a view to inducing exports. However, as regards certain products surpluses had accumulated which had to be disposed of by means of export.

4. The Working Party noted that some progress had been made during the year in the intra-Benelux liberalization of certain products and that a number of recommendations had been made with a view to further liberalizations. However, the Working Party pointed out that the liberalization of cauliflowers and cherries had been made conditional on an escape clause. The representative of Belgium stated that this clause would not be operated unless domestic production became abnormally large.

5. Several members of the Working Party expressed concern at the relationship between the responsibilities of Belgium under the hard-core waiver and under the Benelux Economic Union Treaty, signed in March 1958. Whilst it was appreciated that the question of the need for Belgium to apply restrictions to products not included in the waiver was not the direct concern of the Working Party, these members asked the Belgian representative if he could give an assurance that it was not intended to extend the number of products under restriction. The representative of Belgium stated that there was no present intention of extending the restrictions. He pointed out that the Belgian Government was at liberty to impose restrictions on imports of products not covered by the waiver, provided those restrictions were authorized under any provision of the GATT. In regard to products included in the Decision of 3 December 1955, it was the intention of his Government to adhere strictly to the conditions it had accepted at the time the waiver was granted. The representative of Belgium stated that any remaining restrictions would be removed when the period of the waiver expired. He hoped that at this time his Government would not find it necessary to use other protective measures to limit imports of those products, but at this stage he could give no firm assurances on this aspect.

II. Measures to be Developed for the  
Elimination of Restrictions

6. The Working Party noted that the Government of Belgium prefers to eliminate restrictions on a product-by-product basis, rather than by gradually removing the incidence of the restrictions over the whole range of products. It was pointed out that there would be advantage in gradual easing of the restrictions, so as to enable a structural adaptation of domestic production to competition from overseas suppliers.

7. The Working Party drew attention to the request made last year that future reports should include details of the programme contemplated by Belgium for progressive relaxation of the restrictions, and pointed out that the present Report contained no precise information on this point. They could not accept that the establishment of the European Economic Community lessened in any degree the responsibilities which the Government of Belgium had accepted under the hard-core waiver. The uncertainty which the Community had created as regards agricultural developments could not be accepted as an explanation why no further progress could be made in the process of relaxation at the present time.

III. Reasons for Further Maintenance of Restrictions

8. The Working Party questioned the Belgian representative on the reasons given in the Report for the maintenance of restrictions. The reasons were not found satisfactory in all cases. It was suggested that Belgium was following a policy of self-sufficiency which would make eventual removal of the restrictions most difficult. The representative of Belgium stated that the measures taken were designed to safeguard domestic production, but not to increase it to a point where there was no scope for imports. Belgium, in common with most other countries, faced a number of difficulties in the field of agriculture and found it impossible at the present time to move any faster towards elimination of restrictions. However, it was still the firm intention of the Government to comply fully with the terms of the waiver and, in the event that this position changed, the CONTRACTING PARTIES would be notified immediately.

9. The representative of Belgium stated that he was prepared to make available to any interested contracting party full information regarding bilateral commitments entered into by Belgium on products covered by the waiver. Some of these quotas had been given to countries not adhering to the General Agreement, but in no case did these quotas exceed those accorded to contracting parties. While grateful for this offer, the Working Party considered that it would be desirable to have this information included in future reports.

10. As regards import quotas and relevant administrative regulations which the Government of Belgium had been requested at the Twelfth Session to include in subsequent reports, the representative of Belgium stated that the allocation of quotas called for a certain amount of flexibility and it was difficult to provide in advance the information required. Importers could not be given a lengthy period of notice regarding proposed import levels. Quotas were reviewed every year on the basis of domestic production.

11. The Working Party welcomed the statement by the representative of Belgium that the import restrictions had been applied in a non-discriminatory manner vis-à-vis GATT members. As regards access to the Belgian market some members could not agree that they had a fair and equitable share of the market, particularly as imports were completely excluded during the season when domestic production was being marketed.

#### IV. Conclusions

12. The Working Party noted the assurances of the Government of Belgium that it would conform with the conditions of the waiver. However, it expressed the view that the information supplied in the Third Annual Report of the Belgian Government was inadequate to permit a firm judgment as to whether the measures taken so far complied fully with the conditions of the hard-core waiver. Moreover, the absence of a future programme of progressive relaxation made it difficult to assess the prospects of all the restrictions being removed within the period laid down.

13. The Working Party recommends that in taking note of the Third Annual Report of the Government of Belgium, the CONTRACTING PARTIES should express the expectation that future reports will show clear evidence of substantial progress towards fulfilment of the intention of the waiver and provide fuller information on the future programme of progressive relaxation.