

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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Committee on Trade and Development

REMOVAL OF RESIDUAL RESTRICTIONS IN PURSUANCE OF THE 1963 MINISTERIAL CONCLUSIONS

Note by the Secretariat

1. At its last meeting, the Committee on Trade and Development requested the secretariat to draw up a paper outlining the implementation of the 1963 Ministerial Conclusions, and outstanding problems, relating to the removal of residual restrictions (see COM.TD/12, paragraph 14). Accordingly, the secretariat has, on the basis of information available to it, prepared the present note. Against the background of the relevant provisions in the Ministerial Conclusions an outline is given of the action taken by the contracting parties in the last two years and of the present state of the remaining restrictions falling within the purview of those Conclusions.

2. Point (ii) of the Programme of Action contained in the Ministerial Conclusions of 21 May 1963 deals with the elimination of quantitative restrictions in the following terms:

Quantitative restrictions on imports from less-developed countries which are inconsistent with the provisions of the GATT shall be eliminated within a period of one year. Where, on consultation between the industrialized and the less-developed countries concerned, it is established that there are special problems which prevent action being taken within this period, the restrictions on such items would be progressively reduced and eliminated by 31 December 1965.

3. It may be recalled that this Programme of Action was, subject to certain understandings, agreed to by the Ministers of all the industrialized countries in GATT, with the exception of the member States of the European Economic Community. The Ministers of the EEC countries endorsed, in principle, the general objectives of the Programme of Action and declared themselves ready to contribute, for their part, to the fullest extent possible, towards the development of the developing countries. They made a number of points, however, with respect to the most appropriate methods of achieving those objectives (see BISD, Twelfth Supplement, pages 37-38).

4. Prior to the adoption of the Programme of Action, the residual restrictions applied by industrialized countries on imports from less-developed countries had been examined by Committee III and it was on the basis of the findings of that Committee that the Ministerial Conclusions, including the Programme of Action, had been drawn up. It will be recalled that the work of Committee III had been based on three lists of products notified by less-developed countries as being of export interest to them and on which action of liberalization and increased access to markets had been urged by the less-developed countries. Pending the examination of further products for inclusion, therefore, the implementation of the Programme of Action was based on those three lists of products. According to a secretariat compilation of November 1963, such residual restrictions affected some twenty-seven products or groups of products and were applied by ten developed countries (see AC/SC.1/3 of 12 November 1963). By common accord cotton textiles had been excluded from this exercise and were not included in that list.

5. When the Action Committee was set up it appointed a Sub-Committee 1 for the purpose of implementing the first seven points of the Programme. Between November 1963 and the end of 1964 the Sub-Committee conducted a number of discussions with the countries maintaining the restrictions in question. In the course of those discussions a number of contracting parties announced the withdrawal of restrictions or action to otherwise increase the access to their markets, for example, through enlarging import quotas. The developing countries took the opportunity to urge more prompt action and explained the difficulties caused to them by the remaining restrictions. For an account of the successive removal of restrictions and progress in this regard, reference may be made to the documents in the AC/- and AC/SC.1/- series (notably AC/12 and Addenda thereto, AC/SC.1/11/Rev.1 and AC/SC.1/14) and the reports of Committee III and the Action Committee during that period, particularly L/2307 and Add.1.

6. Since the de facto application of Part IV of the Agreement and the setting up of the Committee on Trade and Development, questions relating to residual restrictions have been dealt with by it, with the assistance of the Group on Residual Restrictions, in the general context of the new Chapter and the terms of reference of the Committee. In 1965, a review was held on all residual restrictions on products notified in the context of Committee III and the Committee on Trade and Development as being of export interest to less-developed countries and the report of that Group has been examined by the Committee (see COM.TD/12, paragraphs 9-14). The products which fall within the scope of the 1963 Ministerial Meeting and previously dealt with by the Action Committee have been included in that review and in the discussions conducted by the Group.

7. In view of the specific language of the 1963 Programme of Action, the Committee has considered it useful to ask specially for a report on the removal of these particular restrictions. An outline of this information is given below:

Tariff item No.	Description of product	Type of restriction
<u>Australia</u>		
76.01	Aluminium and alloys, unwrought, waste and scrap	Restricted
<u>Austria</u>		
	Jute manufactures:	
57.06	yarn	Quota restriction
57.10	woven fabrics	Quota restriction
ex 62.03	sacks and bags	Quota restriction
ex 58.02 B	other carpets, carpeting, rugs, mats, matting	Quota restriction
<u>Denmark</u>		
ex 09.01	Coffee	Quota* Licensing Control*
ex 12.01	Rapeseed, whole or broken	Quota restriction
<u>France</u>		
ex 09.01	Coffee beans, raw	Licensing Control
	Coffee beans, roasted	Licensing Control
ex 15.07	Fixed vegetable oils, <u>except</u> crude palm kernel oil, coconut or copra oil and karité; castor oil; crude tung oil and oiticica oil; myrtle wax and Japan wax	Licensing Control
57.10)	Jute fabrics and bags	Licensing Control
ex 62.03)		
ex 84.41	Sewing machines, domestic	Licensing Control
ex 16.04	Canned sardines, tunny fish and bonitos	Licensing Control
ex 73.02	Ferro-chrome (ex 73.02 E)	Licensing Control
ex 73.02	Certain ferro-manganese (73.02 A II)	Licensing Control
ex 03.01	Bananas	Licensing Control
<u>Germany, Federal Republic of</u>		
15.07	Fatty vegetable oils, not crude, for food, except olive oil in small containers	Global Quota*
57.10	Woven fabrics of jute	Quota restriction*
58.02	Woven carpets of coconut fibre	Licensing Control*

* Restrictions apply to imports from certain countries only.

Tariff item No.	Description of product	Type of restriction
<u>Italy</u>		
15.07	Soyabean oil	Licensing Control*
ex 08.01	Bananas	Quota
<u>Japan</u>		
ex 09.01	Coffee beans, roasted, excluding those in containers of less than 400 grs.	Global Quota
09.02	Black tea	Global Quota
18.05	Cocoa powder, not sugared, in containers of less than 2,260 grs. net content	Global Quota
12.01	Peanuts, rapeseed and mustard seed	Global Quota
15.07	Cottonseed oil, excluding for mayonnaise production, soyabean oil, peanut oil, rapeseed oil, mustard oil, corn oil, safflower and sunflower oil	Global Quota
ex 41.02)	Bovine and equine leather; sheep and	Global Quota
ex 41.03)	goat skin leather, dyed, coloured,	
ex 41.04)	stamped or embossed	
ex 41.05)		
ex 64.02	Leather footwear excluding for sports and slippers	Global Quota
<u>United Kingdom</u>		
ex 24.02	Cigars (from the dollar area only)	Quota*
57.10	Jute cloth exceeding 13 ins. in width other than	Quota*
ex 62.03	hessian up to 45 ins. in width weighing not less than 9 1/4 ozs. per sq. yd.; new sacks and bags, other than heavy bags, common sacking and wool packs of jute	Restricted*
ex 08.01	Bananas	Quota*
<u>United States</u>		
12.01	Peanuts	Global Quota
55.01	Cotton	Bilateral Quota, Global Quota

* Restrictions apply to imports from certain countries only.

8. As noted above, discussions on the remaining restrictions have been held with the contracting parties applying the restrictions from time to time. The last series of such discussions were held in October 1965 in the Group on Residual Restrictions. Detailed information collected for or adduced from these discussions, relating to these restrictions (countries to which the restrictions apply, size of quotas, import and production data, etc.) has been set forth in COM.TD/B/W.1 and addenda thereto. A summary of the points made during these discussions and explanations given by contracting parties concerned regarding the reason for the continued application of these restrictions are outlined in the report of that Group (COM.TD/B/3 and Annex thereto). As regards the restrictions maintained by France, reference may be made to AC/SC.1/5 and AC/SC.1/8.