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Introduction

1. Since 1980, the Council has held periodic special meetings to review developments in the trading system. The present note was initially prepared by the secretariat for the Council's seventh special meeting, held on 15 and 16 May 1984. It has been revised, taking into account corrections and suggestions made at that meeting, in order to provide a basis for comparison at later meetings.

2. The first special meetings of the Council were related exclusively to the Understanding regarding Notification, Consultation, Dispute Settlement and Surveillance (BISD 26S/210) drawn up in the Multilateral Trade Negotiations. They were concerned primarily with reviewing developments covered by paragraphs 2 and 3 of the Understanding, which deal with the notification of trade measures, and by paragraph 24, which concerns surveillance of developments in the trading system. In July 1983, the Council agreed to extend the scope of its special meetings to include monitoring of paragraph 7(i) of the Ministerial Declaration (BISD 29S/11) adopted in November 1982. This paragraph provides undertakings with regard to the consistency of trade policies and measures with GATT rules, and to resistance to protectionist and trade-distortive measures. The Council also agreed that such special meetings should preferably be held twice a year.

3. The present note, together with its revision, covers developments in trade policies in the period 1 October 1983 - 31 March 1984. In response to suggestions made at the previous special Council meetings, the note is arranged differently from its predecessors. Its aim is to focus on substantive developments in trade policies and measures during the period under review, whether of a liberalizing nature or not, and whether or not these have been notified to the CONTRACTING PARTIES. It is hoped that this approach will make it easier for the Council to assess trends in the trading system. Section A of this note provides a broad survey of major developments, while Section B is more comprehensive and detailed; Section C focuses on arrangements affecting trade that are not specifically referred to in the General Agreement. Appendices I and II provide a systematic review of the status of notifications, similar to that which appeared in previous secretariat notes for the special meetings of the Council. Appendix III reviews developments in the area of dispute settlement, and Appendix IV lists bilateral trade agreements noted during October 1983 - March 1984.

4. The information given in this note is based as far as possible on notifications made to the GATT. In addition, use has been made of official sources and, in some cases, of the economic press. Errors and omissions certainly exist, and the secretariat would be grateful to delegations for assistance in correcting them. Inclusion of a measure in this document should not be taken to imply any judgement on its legal status under the General Agreement.
A. MAJOR DEVELOPMENTS IN TRADE POLICY

I. Tariffs

5. The fifth annual instalment of MTN tariff reductions took effect as scheduled on 1 January 1984. As part of a package of liberalization moves, Japan announced its intention of reducing or eliminating tariff rates on a large number of products in fiscal year 1984 (i.e., the year beginning 1 April 1984), and of implementing in advance the scheduled 1985 MTN tariff reductions on non-agricultural products; in total, 1,327 items are affected. Switzerland will put its 1985 MTN reductions into effect from 1 July 1984. Most of the other industrialized countries have also supported acceleration of the MTN tariff cuts, the EEC proposing, however, that such an acceleration be conditional on an increase in economic growth, perhaps of 2 per cent. The GATT Committee on Trade in Civil Aircraft took a decision in March 1984 that incorporates into the Annex to the Aircraft Agreement additional tariff elimination covering thirty-two categories of civil aircraft products that signatories are recommended to implement by 1 January 1985.

II. Generalized system of preferences

6. Austria reduced its GSP tariff rates on some 1,900 tariff lines by applying its existing formula for GSP rates to the new m.f.n. rates applicable after the fifth round of MTN reductions. Canada designated thirty-one countries as least-developed, and thus eligible for duty-free treatment; it also eased the origin rules for GSP exports, especially from these countries, widened the coverage of its GSP scheme, and put forward legislation to extend its scheme for a further ten-year period until June 1994. The European Community's GSP scheme for 1984 shows reduced rates for some fifth agricultural products, modifications in the list and administration of sensitive products, increases in certain tariff quotas for industrial products, and a sharp reduction in its quota for quartz watches from Hong Kong. Hungary has added five countries to its list of least-developed countries eligible for duty-free treatment, and has made certain improvements in the product coverage and tariff reductions offered under its scheme. Norway added one footwear product to its GSP scheme. In conjunction with the MTN tariff reductions on 1 January, Switzerland reduced GSP rates on products which do not benefit from duty-free treatment; it also eased rules of origin affecting postal traffic. For fiscal 1984, Japan increased total GSP ceiling quotas for industrial products by about 55 per cent. In March, the United States announced a revision of its present GSP scheme which resulted in both a limitation of preferential treatment on a product-specific basis as well as an expansion in product eligibility; the suppliers most affected are seven countries which together account for nearly three-quarters of United States imports under the GSP scheme.

III. Regional developments

7. At the regional level, EFTA and the EEC completed on 31 December 1983 the removal (apart from a few small and temporary exceptions) of all tariff barriers and quantitative restrictions on their mutual trade in industrial products. The
European Community agreed on 9 April to adopt a "new trade policy instrument" intended to permit the EEC to respond more rapidly to unfair trading practices by other countries. Tariff reductions on imports by the United States from many Caribbean countries came into effect on 1 January 1984 under the Caribbean Basin Economic Recovery Act; this provides essentially for one-way free-trade that will provide duty-free access for most products to the United States market until September 1995. The United States is seeking a GATT waiver for this arrangement. In January 1984, the governments of the Latin American and Caribbean countries adopted the Declaration of Quito and Plan of Action. In the field of trade, the Plan of Action stresses intra-regional cooperation, and includes a commitment not to introduce new non-tariff restrictions on imports from Latin America and the Caribbean, to eliminate or reduce progressively existing restrictions, and to increase the exchange of goods and services among countries of the region.

IV. Sectoral developments

8. The most important restrictive or distortive trade measures announced have continued to be largely concentrated on the same product sectors - steel, agriculture, textiles and clothing, motor vehicles, and consumer electronics - where major difficulties have been experienced in recent years. Many of these measures were not notified to GATT.

9. In the steel sector, the imposition of safeguard measures on specialty steel by the United States in July 1983 led in March 1984, following failure to agree on appropriate concessions, to the suspension by the EEC of substantially equivalent concessions on a number of non-steel products. With effect from 1 January, Canada also suspended concessions because of the United States action on specialty steel. A number of countries (Austria, Argentina, Canada, Japan, Poland, Spain and Sweden) have concluded agreements with the United States which limit their exports of specialty steels to the United States market. South Africa announced in March that it would unilaterally implement restraints on steel exports to the United States, and discussions on a voluntary restraint agreement between the United States and Brazil were reported to be in progress. Bilateral arrangements covering imports of steel into the EEC for 1984 have been concluded with Austria, Australia, Bulgaria, Czechoslovakia, Hungary, Poland, the Republic of Korea, Norway, South Africa and Sweden. The EEC has also established a monitoring system, with effect from 1 January 1984, to ensure that traditional trade patterns in steel products are not disturbed. Anti-dumping and countervailing duty actions and investigations in Australia, Canada, the EEC and the United States have been heavily concentrated on trade in this sector, which continues also to be affected by a number of non-notified voluntary restraint agreements negotiated earlier. Australia introduced a new five-year steel industry plan, in the context of which it eliminated on 1 January 1984 tariff quotas and tariff increases introduced in 1982 on iron and steel hoop and strip.

10. In the area of agriculture, there were few major changes during the period; the continuing difficulties in this sector have been underlined, however, by the large proportion of consultation and complaint cases before the GATT which are
concerned with agricultural trade. Butter imports from New Zealand into the European Communities (United Kingdom), in the absence of an agreement on their level among EEC governments, were regulated from December 1983 under a temporary quota system. The EEC has agreed to propose to New Zealand that it may continue to export butter to the United Kingdom up to a maximum of 83,000 tons on the condition that New Zealand respects the new limits that have been put forward for exports of sheepmeat to the "sensitive areas" of the EEC. Discussions on quota levels for imports of beef and citrus by Japan from the United States, regulated by a four-year agreement that expired in March 1984, led in early April to a new agreement providing for a nearly-doubled beef quota and a substantially-increased quota for citrus products for the coming four years. Competition on third markets continues to be heavily influenced by subsidies; an example is the announcement by the EEC in October that in 1984 it would provide above-normal subsidies for sales of up to 400,000 tons of wheat flour to Egypt, in order to recover a share of a market lost in 1983 following subsidized sales of United States flour that had themselves been the subject of dispute under the subsidy code. Shortly after the period covered by this note, in early April, the EEC stated that it was invoking Article XXVIII:5 of GATT to partially withdraw tariff concessions on imports of maize gluten feed.

11. An important development in textile trade policy was the accession of China to the Multifibre Arrangement in January. Late in March, the EEC and China concluded a bilateral agreement on trade in textiles that was said to include "an important extension of the list of products subject to restriction". The United States announced in December the adoption of additional criteria to be used as part of its internal procedures for monitoring textile and clothing exports. Norway extended its system of global quotas on various textile items, introduced in July 1978 when it left the MFA, for a further six months, from January - June 1984, pending conclusion of bilateral agreements with major suppliers.

12. Japan decided to limit its exports of passenger cars into the United States Customs Territory in 1984 to 2.02 million units as against the previous limit of 1.83 million units in 1983. Japanese automobile manufacturers have stated that, of their own volition, they will continue to exercise prudence in their marketing policy in the United Kingdom limiting their sales of passenger cars in 1984 to 11 per cent of the total United Kingdom market.

13. Following discussions between Japan and the EC Commission, the Japanese government announced, in November, an export forecast for 1984 for exports to the EEC of video tape recorders, colour television tubes and sets, numerically-controlled lathes and machining centres. With respect to passenger cars, light commercial vehicles, fork lift trucks, motorcycles and quartz watches, the Japanese authorities have reiterated that their basic policy of moderation will continue to apply to exports of these products. Korean exporters agreed with the British electronic producers on an increased quota for Korean sales of black and white television sets on the British market.

V. Other trade policy developments

14. As usual, numerous changes in the detail of tariffs and trade regulations have been announced by many countries during the period. They are summarized on later pages of this document. Among major changes in national policies, however,
should be noted the announcement by Turkey at the end of 1983 that imports would be liberalized as far as possible, in order to make the environment for domestic industry more competitive. A further series of market-opening measures were announced by the Japanese Government on 27 April (a notification to this effect will be circulated shortly). A number of developing countries sharply tightened licensing, deposit or other restrictions affecting imports: examples are Argentina, Colombia, Jamaica, Nigeria, the Philippines and Zambia. In the case of Peru, the prior licensing régime has been relaxed and the product coverage has been reduced to the point where comparison with the system in effect in 1979 is now very limited; on the other hand, the temporary 10 per cent surcharge has been extended for a further twelve months.

15. A large number of bilateral trade agreements were noted during the period October 1983 - March 1984. They are listed in Appendix IV. In February, the United States and Canada were reported to have drawn up a mutual understanding on the use of safeguards to be followed on a bilateral reciprocal basis.

VI. Prospective developments

16. In assessing developments in trade policy during recent months, the Council may wish to take into account not only actual policy changes but also proposals for change.

17. Following the meeting in November 1983 between the Prime Minister of Japan and the President of the United States, Mr. Nakasone called for promotion of preparations for a new round of multilateral trade negotiations "in order to consolidate the free trading system and to inject renewed confidence in the world economy". He said that President Reagan had strongly supported his view, and that they intended to call on other countries to join in their efforts. In a statement issued in December, the Japanese Government suggested that the objectives of such negotiations would be the improvement of GATT rules, based on fundamental principles, free trade, the expansion of trade through the reduction or abolition of trade barriers, the expansion of developing countries' trade, and the strengthening of GATT. The governments of Australia, the Federal Republic of Germany and Switzerland are among those which have expressed support for beginning preparations for a new round of negotiations. The Bank-Fund Development Committee, meeting on 13 April 1984, welcomed the indications of growing interest in launching a new round of multilateral trade negotiations in GATT.

18. Agreements reached in May 1983 by the OECD Ministerial Council and by the Williamsburg summit meeting to seek a reversal of protectionist trends (the so-called "rollback" proposals) are reported to be the subject of continued discussion among certain industrialized countries. The proposed acceleration of MTN tariff reductions mentioned above has been an element in these discussions.

19. Canada has been exploring with the United States the possibility of establishing free-trade links in such industrial sectors as steel, mass transit equipment, computer services and agricultural equipment. The United States and Israel are discussing the possibility of negotiating a bilateral agreement which would abolish customs duties and other restrictions on trade between the two countries.
20. Pressures on many governments for protectionist action have continued to be evident. In the United States, a number of bills introduced into the Congress have attracted attention, even though they are opposed by the United States Administration. They include proposals to set local content requirements for automobiles sold on the United States market, to revise legislation governing anti-dumping and countervailing action, and to require reciprocity between the United States and other wine-producing countries in their treatment of imports of wine. A proposal for domestic content legislation for automobiles has also been discussed in Canada. Among applications by United States industries and companies for import relief have been separate requests by the machine tool industry, certain steel companies, the footwear industry and major copper producers that the share of domestic consumption met by imports should be sharply reduced.

VII. Other developments

21. A number of other developments are relevant. Major industrial countries parties to the "Consensus Agreement on Guidelines for Officially Supported Export Credits" agreed in October to apply an automatic adjustment mechanism to make interest rates on official credits reflect commercial market rates more closely. Japan is giving attention to its import financing system, and the Export/Import Bank of Japan has introduced a special low interest rate for loans made in connection with import financing. Important monetary actions during the six-month period include the floating of the Australian dollar in December 1983 (accompanied by a reduction in exchange control provisions), steps taken by Italy at the end of 1983 to relax payments procedures for trade and foreign investment, and a 1 per cent revaluation of the Finn mark in March. The United States and Japan agreed in November to aim at bringing about a greater internationalization of the Yen, and allowing it to more fully reflect its underlying strength.

B. NEW TRADE POLICY MEASURES

22. Details are provided below of specific trade policy measures, falling within the scope of the General Agreement, of which the secretariat became aware during the period October 1983 - March 1984.

I. Tariffs and related measures

23. Following consultations with the United States related to Note 2 of Section 8 of Schedule XX-USA, a number of amendments affecting unbound tariff items in the Canadian Customs tariff have been introduced in the Federal Budget of Canada. The amendments have the effect of replacing a number of items, where the rates of duty depended on whether goods were "made" or "not made" in Canada at the time of importation, with items enumerating specific goods and rates of duty. These amendments are being applied provisionally from 16 February 1984 and do not affect Schedule V - Canada (L/5634).

1See also Notifications on emergency action (page 16).
24. The European Community has made some adjustments to its tariff régime affecting tariffs and annual quotas for imports of newsprint, bound at zero at a level of 1.5 million tons. As from 1 January 1984, imports from EFTA countries, in accordance with the free trade agreements reached between EEC and EFTA countries, became free of duties. Pending the completion of consultations with certain trading partners, and in particular with Canada, a provisional duty-free quota of 0.5 million tons was opened for 1984 (L/5599).

25. Iceland has reduced tariffs on a wide range of products including certain food items, refrigerators, freezers, dish-washing machines, clothes-washing, drying and ironing machines, vacuum cleaners, toasters, food mixers, etc. (L/5571).

26. Japan has announced a series of economic measures designed to further open the Japanese market in fiscal year 1984 including the intention to reduce or eliminate tariff rates on 44 products, advanced implementation of MTN tariff reductions on non-agricultural products originally scheduled for 1985, a relaxation of import restrictions, import promotion measures, etc. (L/5570, L/5642 and L/5648).

27. The following tariff measures which have not been notified have also come to the attention of the secretariat in the period:

- Argentina: Ministry of Economy Resolutions 768/83 and 788/83 introduced import tariff changes on methyl polymethacrylate, methoclopramide, lead waste and residue and motorized aerial trolley systems.

- Australia: New tariff arrangements have been implemented for all sectors of the canning fruit industry. A general rate of duty of 10 per cent ad valorem is applied to imports of canned peaches, pears, and apricots. A 15 per cent duty will apply for canned pineapple up to 1 July 1985, at which time it will drop to 12.5 per cent. A year later it will be lowered to 10 per cent.

- Tariff quotas on room air conditioners: during the period 1 July 1983 to 30 June 1984, imports of unitary air conditioning machines falling within sub-item 84.12.1 in Schedule 3 to the Customs Tariff Act 1982, excluding parts therefor, will be subject to tariff quota. However, goods of Forum Island countries origin, of Papua New Guinea origin and of New Zealand origin are exempt from tariff quota control and remain free of quantitative restraint. The tariff quota ceiling will be 55 per cent of imports during 1982/83 (on a volume basis). Existing rates of duty will continue for goods imported within quota; imports in excess of quota will attract an additional duty of 150 per cent.

- From 1 January 1984, tariff quotas, which were introduced in August 1982 on certain flat steel products and pipes and tubes of iron or steel, were terminated.

- With effect from 9 November 1983, Bangladesh abolished the 20 per cent import duty on crude soybean oil and cut the duty on refined oil from 50 per cent to 20 per cent.
Brazil: Resolution 01-0494 increased the import duty on paper of any format, having marks or printing, whether or not perforated, for use solely in electrocardiography, under tariff heading 48.2113.00 'ex', from 9 per cent to 35 per cent, in force until 11 August 1984.

Resolution 05-0496 granted exemption from import duty for a period of up to one year on goods of the following headings: 74.01.02.00; 74.01.03.01; 74.01.03.02; 74.01.03.03; 74.01.03.04; 74.01.03.00, in force until 11 August 1984.

Resolution 05-0497 granted exemption from import duty on "iron sponge", under tariff heading 73.05.02.00 for a period of up to one year until 11 August 1984.

Resolution 05.0575 of 15 February 1984, which replaces Resolution 05-0500, reduces from 30 per cent to 5 per cent the import duty on a quota of 220,176 Kg. (of "n-phosphonomethylglycine" under the tariff heading 29.34.99.00) which will remain in force until 15 March 1984.

Resolution 08-0607 of 12 April 1984 grants exemption from import duty on a quota of 2,100,000 tonnes of wheat grain (tariff heading 10.01) which will remain in force until 12 September 1984.

Chile: Ministry of Finance Decree 657, 28 September 1983, has increased the specific duty charged on dairy products within tariff numbers 04.02, 04.03 and 04.04 and has introduced a specific duty of 0.195 gold pesos on wheat or meslin flour under tariff number 11.01.01.00.

From 12 January 1984 Cyprus has increased import duties of about 150 products (foodstuffs, shoes, clothing, household goods and paper).

Under a decree dated 16 June 1983 the Egyptian authorities have substantially increased the customs duties applicable to imports of motor vehicles falling within tariff heading 87.02.

The Finnish authorities decided at the end of 1983 to retain the temporary elimination of customs duty on sugar for another year to the end of 1984.

India has raised the duty on imported rayon filament yarn (an unbound GATT item) to 40 per cent from 15 per cent.

As part of the five-year tariff reforms due to be completed in 1988, the Republic of Korea will reduce tariff rates in 1984 on 734 items, and increase rates on 300 items.

Malaysia has increased its import duty on cigarettes and cut filler tobacco. The cigarette duty was increased by a third to approximately US$35 and duty on cut filler tobacco was raised by 30 per cent to US$28 per kg.

Nigeria: Under new tariff schedules all imports are subject to duties, ranging from 5 per cent to as high as 500 per cent for luxury items, such as automobiles. These measures have been taken for balance-of-payments reasons.
- South Africa: Customs tariff increases and decreases in respect of a number of products were published in the South African Government Gazette from August 1983 to present.

- The Spanish authorities have increased the general rate of import duty applicable to certain types of dates. The import duty on coils of stainless steel for rerolling has also been increased, but until 30 June 1984 such coils will be admitted duty-free when presented in an unworked state.

- Under the import régime for 1984, the Turkish authorities have reduced customs duties on a temporary basis until July 1984. With some exceptions, customs duties are fixed at 0–15 per cent for raw materials, 10–30 per cent for intermediate and semi-finished goods and 30–40 per cent for finished goods.

- The United States and Japan have agreed to remove their respective import duties on semi-conductors. Prior to this agreement the rates in both countries were 4.2 per cent. Legislation has been submitted to the United States Congress and to the Japanese Diet. The tariff reductions will take effect when legislative action has been completed.

II. Generalized system of preferences

28 With effect from 1 January 1984, Austria implemented the fifth stage of duty reductions under the Geneva Protocol (1979) to the GATT (Multilateral Trade Negotiations). The formula for calculating the tariff cut under the GSP scheme will also be applied on the m.f.n. rates thus reduced. This improvement of the Austrian GSP Scheme results in reduced tariff rates for around 1,900 tariff lines (L/4108/Add.18).

- Canada has designated thirty-one countries as least-developed countries, imports of which are eligible for duty-free entry under GSP (L/4027/Add.17). Amendments to its GSP rules of origin regulations increase the foreign material content limit on eligible exports from least-developed countries to 60 per cent from 40 per cent, and allow for cumulative origin among least-developed countries. The document also indicates improvements to the GSP covering a wide range of products (with a value of $11.3 million in 1982), the introduction of legislation to extend the GSP scheme for a further ten-year period until June 1994 and to allow for amendment to the rules of origin to provide for global cumulative origin, etc.

- In December 1983, the EEC adopted its GSP scheme for 1984. Document L/5116/Add.4 provides references to EEC decisions and regulations which indicate reduced GSP rates for some fifty agricultural products, certain modifications in the list and administration of sensitive products, increases in certain tariff quotas in the industrial sectors and the reduction of quota for quartz watches from Hong Kong from about 22 million ECU in 1983 to 8 million ECU in 1984.

- Hungary introduced further improvements in its GSP scheme, effective from 1 January 1984, including the extension of general duty-free treatment for least-developed countries to Djibouti, Equatorial Guinea, Sao Tomé and Principe, Sierra Leone and Togo, improvements in product coverage and the reduction of preferential rates of duty on a number of products (L/5141/Add.2).
Japan has increased the total GSP ceiling quotas for industrial products by about 55 per cent from fiscal year 1984 (L/5570). A further notification, received in April includes a revision of the special measures affecting least-developed countries (L/5642).

Norway added one footwear product (moulded boots entirely of plastic material for alpine sports) to its GSP scheme with effect from 1 October 1983 (L/4242/Add.23).

In conjunction with the MTN tariff reductions on 1 January, Switzerland reduced GSP rates on products which do not benefit from duty-free treatment (certain agricultural products, textiles, clothing, footwear, umbrellas, unworked aluminium and dry-cell batteries). It also eased rules of origin affecting postal traffic by raising value limits below which simplified procedures apply (L/4020/Add.10).

On 30 March 1984, the United States implemented its annual changes which included an expansion of product coverage for twenty-two new products under the GSP as well as the limitation of preferential treatment on a product-specific basis. The value of trade newly excluded from duty-free treatment as a result of these changes was $2.4 billion in 1983. An additional $9.5 billion in 1983 remains ineligible for GSP treatment from some beneficiaries due to competitive need and previous discretionary graduation actions.

III. Quantitative restrictions and other non-tariff measures

(a) Changes notified in licensing arrangements

Colombia has notified in L/5542 and Add.1 a number of amendments to its import licensing scheme. These include lists defining goods to be placed on free import or prior licensing lists, as of May 1983, originating in Argentina, Brazil, Chile, Paraguay and Uruguay, as negotiated by Colombia under the Latin American Integration Association. In addition, a large number of items from all sources have been made subject to prior licensing; certain items have also been transferred from the prior licensing to the free import list.

30. New Zealand's import licensing schedule for 1983/84 shows no change in the level established for the previous period 1982/83. Holding the level constant implies a reduction in value of around 10 per cent in real terms.

31. As of 1 January 1984, Norway has exempted from licensing a wide range of products including aviation spirit, certain petroleum spirit, crude oil, gas oil, diesel oil, ammunition, baskets, certain towelling fabric, etc., from East European countries, cotton yarn and gauze, yarn of man-made fibres, carpets, rugs, mats and matting, cotton lace and net fabrics, knitted or crocheted fabric, tarpaulins, sails, pneumatic mattresses and cushions, etc., from Macau, certain towelling fabrics from Romania, and tyres and tubes, certain combustion piston engines, radio-broadcasting and television reception apparatus, motorcycles, tape recorders, cassette-type recorders and reproducers, certain woven fabrics, etc. from Japan.
32. **Pakistan** has switched over from the Positive List system to a Negative List system. Items on the Negative List are banned for import; it comprises items banned for religious and security reasons, luxury consumer goods and items banned for protective reasons. The items not included in the Negative List are either freely importable or are importable under the Restricted List subject to the following restrictions:

(i) items import of which is restricted to public sector;

(ii) items importable exclusively from tied sources under credit, loan and barter; and

(iii) a list of consumer goods subject to quantitative restrictions (L/5250/Rev.1).

33. **South Africa** has further liberalized its import control regulations for some ninety products and groups of products, effective 1 January 1984. Among the items exempted from licensing are certain preserved fruit products, cement, certain gluconates, certain pharmaceutical products, varnishes etc., cosmetic or toilet preparations, certain fungicides, pesticides and insecticides, certain articles of paper and paperboard, jute fibre and fabrics, jewellery, agricultural handtools, musical instruments, etc.

(b) **Other changes in licensing arrangements**

34. By note No. 3062 of 26 October 1983 the **Jamaican** authorities have suspended the issuing of import licences as of that date. Certain imports are excepted from this measure.

35. As from 23 March 1984, all imports into **Nigeria** are subject to the granting of a specific import licence. **Nigeria** had previously taken a number of steps to respond to the nation's foreign payments situation. On 24 January 1984, the Central Bank instituted new foreign exchange restrictions, for balance-of-payments reasons, cutting allocations for imports during 1984 to about N4 billion ($5.3 billion). (Imports in the first half of 1983 totalled N4.2 billion.) Consumer goods imports will be cut back most sharply.

36. By decisions of August and September 1983, the **Philippine** authorities decreed that imports of the following products required prior authorization: milk products, eggs, poultry, meat preserves, fruit and vegetables, textile articles, articles of glass, articles of plastic including kitchen utensils, furniture and so on, sporting goods, construction materials and tobacco products.

37. The Ministry of Commerce and Industry of **Zambia** states (in response to a report that the issuing of import licences had been temporarily suspended because of foreign exchange difficulties) that it continues to issue import licences not only to the agricultural and mining sectors, but to other sectors as well to import goods which Zambia does not produce or for which there is a shortfall in supply.
38. The following notifications relating to restrictive import measures taken for balance-of-payments purposes have been received during the period under review:

39. Under the licensing system notified by Brazil in October 1983, certain electronic machines, apparatus and instruments are subject to special import licensing requirements (L/5555).

40. Information concerning a number of other measures taken by Brazil for balance-of-payments purposes in 1982 and 1983 (including import surcharges on non-essential items, foreign exchange surrender requirements and the reduction and/or exemption of the financial transactions tax on certain imports as well as the foreign exchange allocation system) is contained in document L/5618.

41. In conformity with the Treaty of Accession to the European Communities, Greece has eliminated, with effect from 1 January 1984, its prior import deposit scheme (L/5621).

42. Hungary established import quotas for 1984 covering fertilizers, plant protection chemicals, protein fodder of animal and vegetable origin, fodder concentrate, animal feed phosphate and chemicals intended for use as feed (L/5363/Add.2).

43. The 20 per cent surcharge on imports of components and spare parts settled in convertible currencies, introduced in January 1983, was abolished from 1 April 1984 (L/5363/Add.3).

44. The import deposit scheme of Israel, brought into force on 1 June 1983, has been extended for another six-month period until 1 June 1984. Changes have been effected in the coverage of the scheme (many new additions and only a few removals). The measure covers about 470 items and the value of goods affected is estimated to be around US$ 615 million on a half-year basis (L/5600, L/5610).

45. The Philippines increased the surtax on all merchandise imports from 3 per cent to 5 per cent with effect from 3 November 1983 (L/5637).

46. Portugal extended the system of import quotas for some consumer goods for another year until 31 March 1984. Some minor amendments and adjustments were also introduced in the quota system, including the elimination of quotas for washing machines and for certain kinds of primary cells and batteries, and an increase of 27 per cent in the global value of the remaining quotas (covering 34 items) to take account of the devaluation of the Escudo and the inflation rates in the countries of origin, as from 1 April 1983 to 31 March 1984 (L/5543).

47. Portugal increased by 30.29 per cent the value of the quota applying in 1983 on imports of completely knocked down vehicles having a kerb weight up to 2000 Kgs (L/5558).
48. The following information on other measures taken in the non-tariff field in the period under review has come to the attention of the secretariat from sources other than notifications:

49. **Argentina** extended to 30 June 1984 the import prohibition of goods listed under a decree of June 1982. The extension, by Decree No. 319 of December 1983, adds a large number of new products to the list of prohibited imports. Exceptions are granted under certain conditions. The Central Bank of Argentina imposed a pre-deposit requirement amounting to 100 per cent of the value of the planned imports. The prior deposit: (a) applies solely to overdue operations (i.e. those not completed within the period stipulated in the Letter of Credit); (b) a prior deposit, equivalent to the amount of the import duties, is required and can be applied to pay for the corresponding duties. It should be noted that Decree No. 319/83 provides a transitional régime for the suspension of imports not considered essential. All other imports, which constitute the major part, are subject to the presentation of a sworn declaration of import needs which is then processed automatically. Products originating in the Latin American Integration Association (LAIA) are exempt from import suspension.

50. **Australia**: A slight increase in the annual quota of passenger motor vehicle imports was announced in December 1983. An interim quota for 1984 has been set at 82,250 units compared with 81,000 units in 1983. This quota was based on an estimated total market size of 420,000 units for 1984; the quota size is subject to review mid-year on the basis of developments in the market outlook.

51. **Chile**: Ministry of Finance Decree 615, 28 September 1983, introduced an import surcharge of 15 per cent for a period of 180 days on imports of certain tyre cases.

52. Quantitative restrictions on imports into **France** of certain categories of wood, introduced in 1983, have been extended to December 1984.

53. The **Republic of Korea** banned imports of natural honey, bananas, pineapples, sesame seed, garlic, red peppers and onions, as a provisional measure, even if rescheduled for re-export after processing in Korea.

54. **Peru** has extended to 31 December 1984 the validity of its surcharge of 10 per cent on the c.i.f. value of imports. The prolongation of its surcharge was taken for balance-of-payments purposes as notified in the context of Peru's Article XVIII:B consultations carried out in December 1983.

55. The Central Bank of the **Philippines** announced in October 1983 that eleven categories of electronics products would be subject to prior certification requirements with immediate effect.

56. It was reported in April 1984 that an additional 3 per cent duty on non-exempt imports, on top of the existing 5 per cent surtax, had been imposed by the Philippines to cut imports to the "barest minimum".
57. The Portuguese government, under a new decree law published in February, will introduce selective short-term import restrictions to protect domestic industries under a new safeguard surveillance system set up as part of a reform of import procedures. In connection with its new stand-by agreement with the IMF, the Government has approved Decree-Law No. 103-6/84, dated 30 March 1984, whereby the import surtax of 30 per cent, imposed in February 1983, has been reduced to 10 per cent. Moreover, certain products have been eliminated from the schedule of products subject to the surtax.

58. The 5 per cent import surcharge which has been in force in South Africa, Botswana, Lesotho and Swaziland was abolished on 29 November 1983.

59. Sri Lanka: The import tax on newsprint has been reduced from 25 per cent to 5 per cent. The import duty on books and periodicals, previously at 5 per cent, has been abolished.

60. The authorities of Trinidad and Tobago imposed new foreign exchange control regulations. As of 7 October 1983 approval for all imports must be obtained from the central bank before orders can be placed. Imports of non-essential and luxury items have been restricted.

61. Turkey: The authorities announced at the end of 1983 that there was to be a complete change in policy with respect to imports, which were to be liberalized as far as possible with a view to increasing the domestic industry's competitive environment. The main features of the new régime include regulating imports according to whether the goods are banned (circa 200 items, mainly agricultural items, apparel, arms, etc.), whether they need a permit, and whether they can be imported freely. A fourth category consists mostly of consumer goods that can be imported by paying a surcharge on the regular customs tax.

62. United Kingdom: In October 1983 the United Kingdom took provisional safeguard measures against textile imports from a number of suppliers, pending discussions under the consultation provisions of MFA agreements. These measures included: interim quantitative restrictions for 1983-86 for imports from Thailand of coats, suits, and raincoats into the United Kingdom and Ireland; restrictions on undergarments from Taiwan (1983-86); restrictions were also imposed on tracksuits from Romania, certain fabrics from China and Indonesia, and various clothing items from Yugoslavia, Macao and India. The measure affecting India has since lapsed: all the other measures have since been confirmed under the provisions of the bilateral agreements in question.

63. United States: The American Administration announced in December 1983 that additional criteria would be used as part of its internal procedures for monitoring textile and clothing imports in order to see whether or not there is a presumption or threat, of market disruption. Under these procedures, textile imports are to be monitored on a monthly basis to identify products or categories in which imports have grown in a given year by more than 30 per cent, or which reach a ratio of 20 per cent of United States' production in a specific product or category. In addition, single overseas suppliers from whom imports equal 1 per cent or more of total United States' production in a product or a category are
also to be identified. Imports not presently controlled, or subject to the special export authorization provisions of certain United States agreements are to be reviewed promptly for market disruption or the real risk thereof. In those cases where the review shows market disruption or the real risk thereof to exist, then requests for consultations will be made pursuant to the relevant bilateral agreement, or to the provisions of the MFA. In the case of Taiwan, Korea and Hong Kong, requests for consultation will, in accordance with the bilateral agreements concluded with them, be based on the level of export authorizations issued by those governments.

64. The Ministries of Industry and Energy and Economy and Finance of Uruguay passed Decree 233/983 on the motor vehicle industry on 2 July 1983, which imposed compensatory export requirements on imports of motor vehicles ranging from 30 per cent to 60 per cent. Furthermore, the rates of the internal specific tax (excise tax) are substantially higher for imported made-up vehicles than for locally assembled vehicles.

65. Under Circular No. 200 of 10 September 1983, amending Circular No. 178 of 17 June 1981, the Central Bank of Zaire has published a list of products which are prohibited for import into Zaire.

66. Zimbabwe has cut by 20 per cent its import allocations for commerce and industry for the first half of 1984.

(e) Notifications on emergency action

67. Following the introduction of a new five-year steel industry plan, Australia has terminated the tariff measures introduced in 1982 (tariff quotas and increased tariff) on imports of hoop and strip of iron or steel with effect from 1 January 1984 (L/5365/Add.1).

68. Following the entry into force in July 1983 of the safeguard measures imposed by the United States on imports of certain articles of specialty steel, the EEC had a series of consultations, without any agreement being reached. Consequently, the EEC decided to suspend the application of substantially equivalent concessions in respect of certain products originating in the United States (including chemicals, plastics, alarm systems, hunting rifles and sports equipment) with effect from March 1984. The suspension takes the form of tariff increases and import quotas (L/5524/Add.15).

69. In the context of the Article XIX action taken by the United States with respect to specialty steels, the United States has concluded orderly marketing arrangements with Austria, Argentina, Canada, Japan, Poland, Spain and Sweden, in order to regulate the distribution of shipments under the U.S. global import quota system.

70. The system of global quotas on various textile items introduced by Norway in July 1978 to protect local producers has been extended for six months, from 1 January to 30 June 1984. Norway has stated that it intends to accede to the MFA as extended by the 1981 Protocol, provided that satisfactory bilateral agreements
can be reached with certain important developing-country suppliers. The system of global quotas has been extended pending the conclusion of such bilateral agreements (L/4692/Add.16).

71. **Sweden** abolished restrictions affecting imports of rubber boots with effect from 1 January 1984.

72. The system of global quotas on imports of wood and plastic spring clothes-pins, introduced by the **United States** in February 1979, has been terminated with effect from 23 February 1984 (L/4759/Add.3).

73. The **United States** has terminated the emergency action (increased duties) on porcelain-on-steel cooking ware with effect from 17 January 1984 (L/4889/Add.15).

74. **The European Community (France)**: As of 20 April, the EC applied, on behalf of France, a three-year quota ending 31 December 1986 to cover third country imports (mainly Hong Kong, Japan, Republic of Korea, Macao and Taiwan) of certain electronic piezo-electric quartz watches with digital display. According to the emergency action taken under Article XIX, France is authorized thereby to restrict imports to 6,793 million units in the current year; in the remaining two years, 1985 and 1986, a growth factor of 5 per cent is to be applied to the quota (L/5645). In this connection, see also Appendix III, page 37, 'European Communities: quantitative restrictions on imports of certain products from Hong Kong: recourse by the United Kingdom on behalf of Hong Kong (L/5511)'.

IV. **Subsidies, anti-dumping and countervailing action**

75. Contracting parties were requested in February 1983 to bring their full notifications of subsidies up to date: eighteen notifications (including one covering the European Communities) have been received. New and full notifications were requested in January 1984: so far only five countries have responded, as indicated in Appendix I. Full details of subsidies under Article XVI.1 are not available.

76. Given below is a summary of cases where anti-dumping and subsidy investigations have been opened, and provisional and final anti-dumping and countervailing actions taken, during the period under review. Sources for notified actions are given in Appendix I.

(a) **Australia**

77. **Anti-dumping investigations initiated** on imports of paper cups (from Canada and the United States), polystyrene (Canada, France, Fed. Rep. of Germany and Taiwan), fluorescent lamps (Canada and the Philippines), polyvinyl chloride (France, Fed. Rep. of Germany, Spain and the United Kingdom), sheet and coil steel (Fed. Rep. of Germany), ceiling fans and detergent powder (Hong Kong, pasta (Italy), welded carbon steel pipes and tubes (Japan, Republic of Korea, Singapore, South Africa and Taiwan), PVC resin paste (Korea), yacht winches and handles (New Zealand), stainless steel repair clamps (United States) and empty gelatin capsules (Japan).
78. **Provisional anti-dumping measures** on imports of paper cups (from Canada and the United States), stainless steel flat products (France, Italy), and empty gelatin capsules (Japan).

79. **Outcome of anti-dumping and countervailing investigations:**
- **Definitive anti-dumping duties** on imports of dishwashers (from Fed. Rep. of Germany, France and Italy), special steel bar products (Fed. Rep. of Germany and Japan), stainless steel flat products (France, Japan and Italy).
- **Price undertakings** in respect of suspended ceiling systems (New Zealand), vinyl acetate monomer (United Kingdom) and certain cheeses (Denmark, Fed. Rep. of Germany and the Netherlands).
- **Finding of no dumping:** low density polyethylene resin and dishwashing powder (Belgium), alkyl phenol ethoxylates (Fed. Rep. of Germany), woven wool fabrics (Italy), stainless steel flat products (Sweden), kraft linerboard (United States).
- **Finding of no injury to local production:** alkyl phenol ethoxylates (Brazil, Mexico, Taiwan, United States).
- **Other** (unspecified): stainless steel pipes and tubes (Korea), cement (New Zealand), dishwashing powder, sodium stearoyl 2-lactylate (United States).

(b) Austria

80. **Anti-dumping investigations initiated and provisional duty imposed on imports of egg pasta from Italy.**

(c) Canada

81. **Anti-dumping investigations initiated on imports of sugar** (from the United States), shotshells and rimfire (France, Italy and Mexico), certain carbon and alloy steel plate (Spain, Sweden, and the United Kingdom), aluminium alloy alpine ski poles (Italy, France, Federal Republic of Germany, Norway).

82. **Provisional anti-dumping measures** on imports of carbon and alloy steel plate (Brazil, Belgium, Czechoslovakia, Federal Republic of Germany, France, Republic of Korea, Romania, Spain, Sweden, South Africa and the United Kingdom), plate coils (United States), certain carbon and alloy steel plate (the Netherlands), vinyl coated fabrics (Korea), optical lenses (Ireland, United Kingdom, United States).

83. **Countervailing action initiated** involving canned hams and picnics from the Netherlands and Denmark.

84. **Outcome of anti-dumping and countervailing investigations:**
- **Finding of dumping:** soda ash and integral horsepower induction motors (the United States), optical contact lenses (Ireland, United Kingdom, United States).
Finding of injury: certain carbon and alloy steel plates (Belgium, Brazil, Czechoslovakia, Federal Republic of Germany, Korea, Romania, South Africa, Spain, United Kingdom), certain surgical gloves (the United States), plate coils (the United States), certain carbon and alloy steel plate (the Netherlands), vinyl-coated fabrics from the Republic of Korea (likely to cause injury), tillage tools from Brazil (likely to cause injury).

Finding of no injury: wide flange steel beams (Spain).

Definitive anti-dumping duties on imports of tillage tools (Brazil), carbon and alloy steel plate (Belgium, Brazil, Czechoslovakia, Federal Republic of Germany, France, Republic of Korea, Romania, Spain, Sweden, South Africa, the United Kingdom), steel beams (Belgium, Republic of Korea and Federal Republic of Germany).

(d) European Community

85. Anti-dumping investigations initiated on imports of copper sulphate (Yugoslavia), sensitized paper for colour photographs, (Japan), shovels (Brazil), ceramic tiles (Spain), N-propyl alcohol (the United States), asbestos-cement corrugated sheets (Czechoslovakia, German Democratic Republic), ice skates (Czechoslovakia) and concrete reinforcing bars (Spain).

Provisional anti-dumping measures on choline chloride (Romania), concrete reinforcing bars (Spain), miniature ball bearings (Japan, Singapore) and vinyl acetate monomer (Canada).

Provisional countervailing measures on malleable tube fittings (Spain).

86. Outcome of anti-dumping and countervailing investigations:

Definitive anti-dumping duties on fibreglass and copper sulphate (Czechoslovakia), hardboard (Poland and Czechoslovakia), concrete reinforcing bars (Spain), outboard motors (Japan) and certain glass textile fibres (German Democratic Republic, Czechoslovakia).

Price undertakings in respect of sanitary fixtures (Czechoslovakia and Hungary), fibre glass and dicumyl peroxide (Japan) and hardboard (Sweden).

(e) United States

87. Anti-dumping investigations initiated on imports of carbon steel wire rod (Argentina, Mexico, Poland and Spain), hot rolled carbon steel sheet (Belgium and Federal Republic of Germany), certain carbon steel products (Brazil), barium carbonate and chloride (China), titanium sponge (Japan, the United Kingdom), fresh-cut roses (Colombia), steel valves (Japan), carbon steel plate (Belgium, Republic of Korea), choline chloride (Canada, the United Kingdom), certain valves nozzles and connectors used in fire protection systems (Italy).

88. Provisional anti-dumping measures on certain welded carbon steel pipes and tubes (Republic of Korea), cyanuric acid and its chlorinated derivatives (Japan),
colour television receivers (Republic of Korea and Taiwan), certain carbon steel pipes and tubes (Taiwan).

89. **Countervailing investigations** initiated on imports of cold rolled carbon steel sheet (Argentina), certain cast iron bar (Brazil), certain carbon steel products (Brazil and Mexico), textiles, apparel and related products (China), instrument key pads (Italy), unprocessed float glass, certain fresh cut flowers and bricks (Mexico), carbon steel wire rod (Czechooslovakia, Poland and Spain).

90. **Provisional countervailing measures** on unprocessed float glass (Mexico), shop towels of cotton (Pakistan), and certain steel wire rod (Trinidad and Tobago).

91. **Outcome of anti-dumping or countervailing investigations:**

- **Definitive anti-dumping duties** on polyester filament fabrics (Japan and Korea), staples and staple machines (Sweden), certain potatoes (Canada), and potassium permanganate (China and Spain).

- **Definitive countervailing duties** on forged undercarriage parts (Italy), canned tuna (the Philippines), and carbon steel wire rod (Trinidad and Tobago).

- **Cases withdrawn:** carbon steel plate and hot-rolled carbon steel sheet (Belgium, Federal Republic of Germany), textiles, apparel and related products (China), certain refrigeration compressors (Singapore).

- **Finding of no dumping:** canned mushrooms (China).

- **Finding of no injury:** polyester filament fabrics (Republic of Korea), fall harvested potatoes (Canada).

- **Finding of injury:** carbon steel plate (Republic of Korea), barium chloride and carbonate from China and choline chloride from Canada and the United Kingdom (probable cause of injury), potassium permanganate (Spain).

**C. NEW TRADE ARRANGEMENTS**

**I. Voluntary export restraints, orderly marketing arrangements and export forecasts**

92. A number of voluntary export restraints, orderly marketing arrangements, export forecasts, and unilateral actions to constrain shipments that are not specifically referred to in the General Agreement, some of which had already been in effect for several years, were listed under "Information not based on notifications" in document C/W/420/Rev.1. As far as the secretariat is aware, these arrangements are still in force. The following paragraphs list new measures or arrangements which have come to the attention of the secretariat. Their inclusion does not necessarily imply that they are government-backed or sponsored.

- **United States/Japan:** Japan will limit automobile exports into the United States Customs Territory in 1984. The limit (beginning in April) is 2.02 million units, compared to the previous year's level of 1.83 million units.
- Republic of Korea: The Electronic Industries Association of Korea has negotiated an export quota of 165,000 black and white television sets with British electronics industries for the British market in 1984. This quota exceeds the 1983 level by 25,000 units.

- Republic of Korea: Three major Korean manufacturers of colour television sets were reported in March 1984 to have agreed privately to unilaterally restrict exports to the United States.

- South Africa: South African steel exports to the United States are to be cut by 22 per cent to an annual rate of about 550,000 tons. The unilateral export restraint is scheduled to last for three years after which time it will be reviewed.

II. Countertrade

93. The growth of countertrade first became apparent during the 1970s in East-West trade relations. Since 1980, a number of developing countries have shown interest in this type of trade arrangement. Some have created legal instruments which determine which imports must be subject to compensatory agreements, while others have established specialized units within their administrations dealing with countertrade as an official international trade policy.

94. It should be borne in mind that the majority of specific countertrade arrangements are on an inter-company basis, and thus outside the purview of a document concerned with developments in the trade policies of governments. The following cases of countertrade at the governmental level came to the attention of the secretariat during the period October 1983 - March 1984:

- Guyana: In January 1984 the USSR signed an agreement to purchase 50,000 tons of bauxite from Guyana, which in return agreed to accept machines and equipment from the USSR for an equivalent value.

- Jamaica and the United States agreed in November 1983 to exchange 1 million tons of Jamaican bauxite for United States dairy products. In November 1983, it was agreed that the first 400,000 tons of bauxite would be exchanged for dairy products valued at $13.6 million. In January 1984, it was agreed that the remaining 600,000 tons would be exchanged for dairy products valued at $20.4 million.

- Jamaica/Yugoslavia: Jamaica and a Yugoslav trading company agreed to countertrade 450,000 tons of alumina against prefabricated housing units. The agreement has been set up for five years.

- Turkey: Local companies which have attained an export sales volume equivalent to $50 million in the preceding calendar year have been given the right, as of 1 January 1984, to conclude specific import deals, whether on a cash or barter basis, with companies in State-trading countries.
APPENDIX I
NOTIFICATIONS RELATED TO PARAGRAPH 2 OF THE UNDERSTANDING

In paragraph 2 of the Understanding regarding Notification, Consultation, Dispute Settlement and Surveillance, contracting parties "reaffirm their commitment to existing obligations under the General Agreement regarding publication and notification". A comprehensive summary of notification procedures in force, and applicable to contracting parties generally, is provided in document C/111, Annex I.

The present Appendix reviews the status of notifications under paragraph 2. It provides details of notifications received during the period October 1983-March 1984 with respect to Articles II, VI, X, XI, XVI, XVII, XVIII:A, XVIII:C, XVIII:D, XXII, XXIV, XXVIII:1, XXVIII:4, XXVIII:5 and XXXVII:2(a) as well as those relating to the review of implementation of Part IV, border tax adjustments, liquidation of strategic stocks and export of domestically prohibited goods.

Measures covered by notifications under paragraph 3 of the Understanding, which supplements paragraph 2 through an undertaking concerning notification of the adoption of trade measures affecting the operation of the General Agreement, have been included in the main body of the present document, in Section B.

Article II:6(a) - Adjustment of specific duties

To the knowledge of the secretariat, no action has been taken in the period covered by this review.

No notifications have been received.

Article VI - Anti-dumping and countervailing duties

No notifications.

Certain notifications are required under the provisions of the two (1967 and 1979) Agreements on the Implementation of Article VI and of the Agreement on Interpretation and Application of Articles VI, XVI and XXIII. These notifications have been made to the Committees concerned as required. The semi-annual reports (July - December 1983) on anti-dumping and countervailing actions submitted by Australia, Austria, Canada, the European Community and the United States have been circulated in ADP/20/Add.2, 3, 4, 5, and 6, and SCM/48/Add. 2, 3, 4 and 5; this information has been updated (for the period November 1983 - February 1984) on the basis of notices submitted to the secretariat, lists of which appear in documents ADP/W/75 and 77 and SCM/W/65 (and Corr.1) and SCM/W/67. The other signatories have notified the Committees that they have not taken any action during the period July - December 1983.

1BISD 26S/210.
Article IX - Marks of origin

No notifications since 1961.

Article X - Publication of trade regulations

The Committees set up under most of the MTN Arrangements and Agreements have received information on measures such as laws, regulations and administrative procedures and on changes in such measures, that have been adopted by the parties concerned in order to comply with the Agreements in question.

Article XI - Quantitative restrictions

(a) Residual restrictions

No notifications have been received, as no request was made for them by the Joint Working Group on Import Restrictions (JWG) for 1983 in view of the current work of the new Group on Quantitative Restrictions and Other Non-Tariff Measures.

(b) Group on Quantitative Restrictions and Other Non-Tariff Measures

Information on quantitative restrictions has been collected by the Group on Quantitative Restrictions and Other Non-Tariff Measures. This information was presented to the Group for its meeting in October 1983 in document NTM/W/6. This document, comprehensive in regard to product and country coverage, provided information on quantitative restrictions of eighty-two contracting parties, of which twenty-four supplied data in response to the invitation; details with respect to the remainder were drawn from information contained in recent GATT documents (such as documents for the Committee on Balance-of-Payments Restrictions) or on the basis of earlier notifications.

The secretariat has since brought out a revised version (NTM/W/6/Rev.1), updated by an addendum (NTM/W/6/Rev.1/Add.1). It is based on information available to the secretariat on 13 February 1984, as reported by the governments maintaining the measures, and replaces the information given in NTM/W/6 and Add.1 and 2. An addendum to the Inventory of Non-Tariff Measures (NTM/INV/I-V/Add.6) has also been brought out.

(c) Licensing

Document L/5640 (April 1984) includes the status of notifications with the date of the latest information received on licensing procedures. Fifty-six contracting parties have notified since 1971 (fifty-five notifications from individual contracting parties and one from the European Economic Community and its member States); since October 1983, notifications have been submitted for the first time by Bangladesh and Thailand, with updated notifications received from the EEC and member States, Finland, Hong Kong, India, Korea, Malawi, Pakistan, Sri Lanka, Sweden and the United States.
Article XVI - Subsidies

On 13 February 1983 contracting parties were requested to bring their full notifications up to date (L/5449). On 11 January 1984 contracting parties were requested to submit new and complete notifications (L/5603). So far, only Chile, Czechoslovakia, Hong Kong, Hungary and India have responded to this request.

Annex I contains a table showing notifications received since 1978.

Article XVII - State trading

An invitation, sent to the contracting parties on 10 January 1983 (L/5445), to notify changes to their full notifications was responded to by Australia, Austria, Canada, Finland, Romania, Spain, South Africa, Switzerland, the United Kingdom and Yugoslavia.

A request for new and full notifications to be submitted in 1984 was circulated as document L/5601 of 10 January 1984. As of the end of March 1984, notifications have been received from Hungary, Poland, the United States and Yugoslavia.

Annex II contains a table showing notifications received since 1978.

Article XVIII:A - Modification of concessions

A notification has been received from Indonesia concerning certain import regulations taken for development purposes, in respect of imports of foods, beverages and fruits (L/5597).

Article XVIII:C

A notification has been received from Indonesia in L/5597. See above.

Article XVIII:D

No notifications.

Article XXII - Consultations

In October 1983, the EEC requested consultations with Chile concerning import measures (including minimum import prices, increases in specific duties in addition to ad valorem duties and suspension of import licences) in respect of certain dairy products (L/5574). The consultations ended 28 March 1984; the EEC subsequently informed Chile that it was requesting further consultations under Article XXIII:1 (a notification to this effect will be circulated shortly).

1 See also matters listed under Dispute Settlement (Appendix III).
In February 1984, a request was made by the EEC for the establishment of a working party, under Article XXII:2, to examine the distortive effects in the world market for copper ores and concentrates that can result from the pricing policy in the Japanese market for refined copper and the purchasing practices of Japan with regard to copper concentrates (L/5627). The Council will revert to this matter at its next meeting in May.

Article XXIV - Customs unions and free-trade areas; regional agreements

(a) Notifications

No notifications during the period under review.

(b) Working Party

On 20 April 1983, the Council established a Working Party to examine the Australia/New Zealand Closer Economic Relations Trade Agreement. In response to a request to the contracting parties (GATT/AIR/1904) to communicate to the secretariat any questions they might wish to put concerning the above agreement, a number of questions were received and were transmitted to the parties to the Agreement; the replies to these questions were circulated in L/5619. The first meeting of the Working Party will be held in June 1984.

(c) Progress reports

Progress reports have been submitted, as follows:

- European Free-Trade Association and Finland - EFTA Association (L/5561).
- Agreements between the European Communities and Iceland (L/5613).
- Agreements between the European Communities and Austria (L/5611).
- Agreements between the European Communities and Norway (L/5614).
- Agreements between the European Communities and Finland (L/5612).
- Agreements between the European Communities and Sweden (L/5616).
- Agreements between the European Communities and Switzerland (L/5617).
- Agreements between the European Communities and Portugal (L/5615).
- Agreement between the European Economic Community and Yugoslavia (L/5604).

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1For the Second ACP-EEC Convention of Lomé, the initial report is due in April 1984.
Article XXVIII - Modification of schedules

(a) Article XXVIII:1

A contracting party wishing to have recourse to the provisions of Article XXVIII:1 for the renegotiation or withdrawal of certain concessions in its schedule is required to notify the CONTRACTING PARTIES. Such notification is to take place not earlier than six months, nor later than three months before the termination date of the three-year period referred to in Article XXVIII:1. The current three-year period will terminate on 31 December 1984.

In October 1983 the Council considered a request (C/W/424) by Japan for establishment of a working party to consider the application of Article XXVIII to new products, the case being prompted by an EC proposal to raise tariffs on compact disc players. The Council referred the matter to the Committee on Tariff Concessions for further consideration. The Committee discussed the issue at its October 1983 meeting, and will revert to it.

(b) Article XXVIII:4

A contracting party intending to seek authorization of the CONTRACTING PARTIES to enter into negotiations for the modification or withdrawal of a concession under the provisions of Article XXVIII:4 should submit its request for consideration by the Council.

There have been no such requests during the period October 1983 - March 1984.

(c) Article XXVIII:5

Any contracting party wishing to reserve the right, for the duration of a three-year period envisaged in paragraph 1, to modify its schedule is required to notify the CONTRACTING PARTIES before the termination of the current three-year period. The current three-year period will terminate on 31 December 1984.

During the period covered by this review, notifications have been received from Canada (two notifications), South Africa and Spain.

Article XXXVII:2(a) - Non-fulfilment of Article XXXVII:1

No notifications.

Review of implementation of Part IV

In response to GATT/AIR/1906 and 1949, notifications were received from several contracting parties (COM.TD/W/395 and Addenda) and were considered at the November 1983 meeting of the Committee.

In addition, paragraph 1 of the decision taken by Ministers at the Thirty-Eighth Session of the CONTRACTING PARTIES concerning GATT Rules and Activities Relating to Developing Countries and paragraph 1 of the Annex to this decision
(L/5424) call for a programme of consultations with contracting parties to examine how they have responded to the requirements of Part IV. These consultations, together with the work undertaken by the Sub-Committee on Protective Measures, will form a part of the overall annual review of the implementation of Part IV. Consultations are to take place with the EEC and the United States in June 1984.

Border tax adjustments

No notifications.

Liquidation of strategic stocks

Australia has notified its intention to liquidate its remaining stock of 8,000 tons of natural rubber held as a strategic stock (L/5630).

Export of domestically prohibited goods

Pursuant to the Ministerial Decision on Export of Domestically Prohibited Goods and the notification procedure initiated in February 1983, notifications received from eighteen contracting parties in 1983 and from three in 1984 were circulated in DPG/Notif. series.
ANNEX I TO APPENDIX I

NOTIFICATIONS UNDER ARTICLE XVI:1 - SUBSIDIES

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1 No notifications have been received from other contracting parties since 1978.

2 This column does not necessarily reflect the real status of notifications of changes to the full notification, as some of the full notifications due in 1981 and which appear in the 1981 column have been made in 1982 or even in 1983.
ANNEX II TO APPENDIX I

NOTIFICATIONS UNDER ARTICLE XVII:4(a)¹ - STATE TRADING

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¹No notifications have been received since 1978 from other contracting parties.
APPENDIX II

INFORMATION REQUIRED FROM CERTAIN CONTRACTING PARTIES

This Appendix reviews notifications under requirements applying only to certain contracting parties during the period 1 October 1983 - 31 March 1984. It supplements the notes on certain major actions under special arrangements given in the main body of the present document.

(a) Accession protocols

- Hungary, paragraphs 4(c) and 6(b): Hungarian foreign trade statistics were circulated in L/5593. A fifth consultation took place on 24 January 1984.

- Poland, paragraphs 3(b) and 5: No notifications.

- Romania, paragraphs 3(b) and 5: No notifications.

- Switzerland, paragraph 4: Seventeenth annual report circulated in L/5596.

(b) Waivers

- India - Auxiliary duty of customs - Request for extension of waiver: India was granted a waiver until 31 March 1984 (L/5474). A request for its extension to 31 March 1985 (L/5624 and Add.1) considered on 13 March 1984 by the Council, which recommended that the proposed Decision (C/W/436) be adopted by postal vote. By Decision of 16 April 1984, the CONTRACTING PARTIES extended the time limit of the waiver for another year (L/5638).

- Pakistan; Renegotiation of schedule - Request for extension of waiver (L/5533, C/W/422): On 18 October 1983, a further extension of the CONTRACTING PARTIES' Decision of 29 November 1977 (BISD 24S/15) was granted until 31 December 1984 (C/M/171, L/5579).

- Turkey; Stamp duty, paragraph 3: Turkey was granted an extension of the waiver to 31 December 1985 (L/5587).

- Uruguay: Import surcharges: Uruguay was granted an extension of the waiver to 30 June 1984 (L/5586).

- United States: Agricultural Adjustment Act, paragraph 6: On 20 April 1983 the Council established a working party to examine the twenty-fifth annual report by the United States (L/5469). The report of the working party (L/5569) was adopted by the Council on 2 November 1983. In February 1984, the Council established a working party to examine the 26th annual report by the United States (L/5595).

(c) Decision on Differential and More Favourable Treatment, Reciprocity and Fuller Participation of Developing Countries (BISD, 265/203):

In response to GATT/AIR/1906 and 1949, notifications were received from several contracting parties (COM.TD/W/395 and Addenda) and considered at the November 1983 meeting of the Committee. Other notifications have been made on the generalized system of preferences (see Section B).

(d) Protocol relating to Trade Negotiations among Developing Countries: The tenth annual report of the Committee of Participating Countries (L/5540 and Addenda) was considered at the November 1983 session of the Committee on Trade and Development.

(e) Agreement on ASEAN Preferential Trade Arrangements: The report by the member States of ASEAN (L/5455) was noted at the March 1983 session of the Committee on Trade and Development.

(f) Second ACP/EEC Convention of Lomé: The initial report is expected in April 1984 by the parties to the Convention.

(g) Committee on Trade and Development - Sub-Committee on Protective Measures: A notification has been received from Australia concerning the duty increase on filament lamps from 10 per cent to 20 per cent ad valorem, to support viable local manufacture (COM.TD/SCPM/W/22).

(h) Arrangement Regarding International Trade in Textiles (MFA)

As of 18 January 1984 China became a party to the Arrangement by accepting the provisions and those of the Protocol of Extension (1981) without reservation. China thus became the forty-first member of the MFA.

At the December meeting of the Textiles Committee the Chairman of the Textiles Surveillance Body presented a first overview (see COM.TEX/DB/900) of the operation of MFA III; a more definitive assessment will be made available in the TSB's Major Review (as provided for in Article 10:4 of the MFA) which is to be presented some time during October 1984.

- Article 2 (existing restrictions)

China and the Maldives as new adherents to the MFA have recently notified their import control systems with respect to textiles to the Textiles Surveillance Body.
Article 3:5 (unilateral actions)

Swedish/Turkish: as of 7 March 1984, Sweden imposed a six-month unilateral quota, under Article 3.5 of the MFA, on imports of trousers and underwear from Turkey.

United States/Turkish: the United States has placed quantitative restrictions for a twelve-month period beginning 29 December 1983, on imports of men's and boys' cotton knit shirts from Turkey.

United States/Dominican Republic: the United States has taken action to restrain exports from the Dominican Republic to the United States of suits for women, girls and infants made from man-made fibres (US category 664). The restraint period runs for one year from 30 November 1983.

Article 4 (bilateral agreements reviewed by the Textiles Surveillance Body during the period covered by the report)

Austria/Brazil
(1.11.82.-31.10.87; restrictions on two products only)

Austria/Hong Kong
(1.2.84.-31.1.87; restrictions on four products only)

Austria/Macao
(1.1.84.-31.12.86; covers three products only)

Austria/Philippines
(1.1.84.-31.12.84; restriction on one product)

Austria/Singapore
(1.1.84.-31.12.86; covers one product only)

Canada/Hong Kong
(1.1.82.-31.12.86; new agreement plus additional restraints being introduced valid as of 1.1.82.)

Canada/Republic of Korea
(1.1.82.-31.12.86; re-categorization of products covered in previous agreement)

Canada/Uruguay
(1.1.82.-31.12.86; restraints on worsted fabrics only)

Canada/Brazil
(1.6.83.-31.12.86; restraint only on acrylic yarn)

Canada/Thailand
(new restraint on one product in the existing agreement effective 1.1.83.)

EEC/Colombia
(de facto application from 1.1.83; valid until 31.12.86.)
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United States/Thailand (1.1.83.-31.12.87.)

- **Articles 7 and 8** (bilateral agreements with non-participants)

  - Canada/China
    - (1.1.82.-31.12.86.)
  - EEC/China
    - (introduction of new regional restraints on a number of categories for 1983, the final years of the existing agreement)
  - EEC/Turkey
    - (safeguard measures on two categories imported from Turkey; action taken under Article 60 of the Additional Protocol to the EEC/Turkey Association Agreement.)
  - Finland/China
    - (1.1.83.-31.12.86.)
  - Switzerland/Hong Kong
    - (the extension, until 30.6.84 of the Memorandum of Understanding and Administrative Arrangement with Hong Kong)
  - United States/China
    - (1.1.83.-31.12.87.)

(4) **MTN Agreements and Arrangements**

Reports of the MTN Committees and Councils were circulated as indicated below, for consideration by the Council at its regular meeting on 1-2 November 1983.

- Agreement on Technical Barriers to Trade: L/5548.
- Agreement on Government Procurement: L/5503.
- Agreement on Interpretation and Application of Articles VI, XVI and XXIII of the General Agreement: L/5496.
- Arrangement Regarding Bovine Meat: L/5545.
- International Dairy Arrangement: L/5546.
- Agreement on Import Licensing Procedures: L/5553.

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1 At time of agreement China was not a signatory of the MFA.

2 Notifications in the form of replies to questionnaires have been received on a regular basis.
Agreement on Trade in Civil Aircraft: L/5554.


After the discussion in Council and prior to the 39th Session of the CONTRACTING PARTIES (21-23 November 1983), additional reports were submitted as follows:

Agreement on Government Procurement: L/5578.

Agreement on Implementation of Article VII: L/5583.

Agreement on Interpretation and Application of Articles VI, XVI and XXIII of the General Agreement: L/5496/Add.1.

Agreement on Trade in Civil Aircraft: L/5560.
APPENDIX III

DISPUTE SETTLEMENT

The following disputes have been before the Council or other GATT bodies during the period 1 October 1983 - 31 March 1984:

Matters taken up under Article XXII

Canada: Foreign Investment Review Act (FIRA): recourse by the United States. The report of the Panel (L/5504) was submitted in July 1983. The Council considered the report in October and November 1983, and adopted it in February 1984. In accepting adoption of the report, the representative of Canada said that his Government intended to take appropriate steps to meet its obligations under the General Agreement.


European Communities: subsidies on canned peaches, canned pears and raisins: recourse by the United States (L/5306). The Panel established in March 1982 to examine the dispute sent its report to the parties in December 1983. It is hoped that the Panel's report will be circulated in the near future.

European Communities: imports of citrus fruits and products: recourse by the United States (L/5337). The Council agreed in November 1982 to establish a Panel: it was set up in July 1983. Since that date a series of meetings have been held.

European Communities: quantitative restrictions on imports of certain products from Hong Kong: recourse by the United Kingdom on behalf of Hong Kong. The report of the Panel (L/5511) was adopted by the Council in July 1983, and further discussed by the Council in October and November 1983 and February 1984. The European Communities have announced termination or relaxation of restrictions on some of the product categories concerned: the United Kingdom on behalf of Hong Kong has pressed for termination of the remaining restrictions, the most important in terms of trade coverage.

Japan: measures on imports of leather: recourse by the United States. The Panel established by the Council in April 1983 submitted its report (L/5623) in March 1984. The Council agreed in March to revert to the report at its next meeting.

For minutes of Council consideration of these disputes see C/M/171 (Council of 3 October), C/M/173 (1-2 November), C/M/174 (7 February), C/M/175 (28 February) and C/M/176 (13 March).

See also the matters listed under Article XXII - Consultations (Appendix I).
United States: US tax legislation (DISC): follow-up on the report of the Panel. (L/4422) The Council adopted this report in December 1981 on the understanding reproduced in L/5271. The follow-up to the report has been discussed at numerous Council meetings. During the period under review it was considered at the October 1983 meeting, when the European Communities also put forward a proposal (C/W/423) for a working party to examine the incidence of the DISC.

United States: Manufacturing Clause: recourse by the European Communities. The Panel established by the Council in April 1983 submitted its report (L/5609) in March 1984. The Council agreed in March to revert to the report at its next meeting.

United States: imports of sugar from Nicaragua: recourse by Nicaragua. The Panel established by the Council in July 1983 concluded in its report (L/5607) in March 1984 that in allocating to Nicaragua for the fiscal year 1983/1984 an import quota of 6,000 short tons the United States had failed to carry out its obligations under the General Agreement. It therefore recommended that the CONTRACTING PARTIES recommend the United States to promptly allocate to Nicaragua a quota consistent with the criteria set out in Article XIII:2. The report was adopted by the Council at its March meeting.

Other matters

Although not falling within the responsibility of the Council, the following dispute settlement cases raised in Committees established under MTN Agreements are of interest in the context of the Council's consideration of dispute settlement procedures:

European Economic Community - Subsidies on exports of wheat flour: recourse by the United States. A Panel established by the Committee on Subsidies and Countervailing Measures submitted its report (SCM/42) in March 1983. The report is still before the Committee.

European Economic Community - Subsidies on export of pasta products: recourse by the United States. A Panel established by the Committee on Subsidies and Countervailing Measures submitted its report (SCM/43) in May 1983. The report is still before the Committee.

European Economic Community - Value-added tax and threshold: recourse by the United States. A Panel established by the Committee on Government Procurement in February 1983 sent its report to the signatories of the Government Procurement Code in January 1984. The report was considered by the Committee in February and will be further discussed by the signatories in April.

United States - Subsidies on the export of wheat flour to Egypt: recourse by the European Economic Community. A Panel was established by the Committee on Subsidies and Countervailing Measures in May 1983. At present, consultations are being held on the terms of reference and composition of this Panel.
APPENDIX IV

BILATERAL TRADE AGREEMENTS

Details of bilateral trade agreements between the following countries (given in alphabetical order) have come to the attention of the secretariat in the period under review:

<table>
<thead>
<tr>
<th>Albania - Turkey</th>
<th>Algeria - Rwanda</th>
<th>Algeria - Tanzania</th>
</tr>
</thead>
<tbody>
<tr>
<td>Algeria - Tunisia</td>
<td>Austria - Romania</td>
<td>Austria - German Democratic Republic</td>
</tr>
<tr>
<td>Australia - Romania</td>
<td>Austria - German Democratic Republic</td>
<td>Brazil - German Democratic Republic</td>
</tr>
<tr>
<td>Brazil - Soviet Union</td>
<td>Bulgaria - Egypt</td>
<td>Bulgaria - Japan</td>
</tr>
<tr>
<td>Canada - German Democratic Republic</td>
<td>Canada - German Democratic Republic</td>
<td>China, People's Republic of - Italy</td>
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<tr>
<td>China, People's Republic of - Sudan</td>
<td>Comoros - Tanzania</td>
<td>Congo - Czechoslovakia</td>
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<tr>
<td>Czechoslovakia - India</td>
<td>Egypt - Ethiopia</td>
<td>Egypt - India</td>
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<tr>
<td>Egypt - Jordan</td>
<td>Egypt - Romania</td>
<td>Egypt, Somalia</td>
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<tr>
<td>Egypt - Soviet Union</td>
<td>Finland - Soviet Union</td>
<td>France - Soviet Union</td>
</tr>
<tr>
<td>German Democratic Republic - Ghana</td>
<td>German Democratic Republic - Nigeria</td>
<td>Guinea Bissau - Mali</td>
</tr>
<tr>
<td>India - Poland</td>
<td>India - Soviet Union</td>
<td>Iran, Islamic Republic of - Pakistan</td>
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<tr>
<td>Iran, Islamic Republic of - Yugoslavia</td>
<td>Iraq - Netherlands</td>
<td>Iraq - Norway</td>
</tr>
<tr>
<td>Iraq - Romania</td>
<td>Ireland - Saudi Arabia</td>
<td>Kenya - Soviet Union</td>
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<tr>
<td>Korea - Tanzania</td>
<td>Kuwait - Netherlands</td>
<td>Kampuchea - Poland</td>
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<tr>
<td>Malaysia - Poland</td>
<td>Morocco - Romania</td>
<td>Netherlands - United Arab Emirates</td>
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<td>Pakistan - Romania</td>
<td>Portugal - Zimbabwe</td>
<td>Poland - Soviet Union</td>
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<tr>
<td>Portugal - Zimbabwe</td>
<td>Romania - Nepal</td>
<td>Romania - Sudan</td>
</tr>
<tr>
<td>Romania - Soviet Union</td>
<td>Romania - Tanzania</td>
<td>Sudan - Tanzania</td>
</tr>
<tr>
<td>Tanzania - Zimbabwe</td>
<td>Tunisia - Yugoslavia</td>
<td></td>
</tr>
</tbody>
</table>

\[a\] Agreement to exchange groups of products.
\[b\] Economic cooperation and/or agreement to remove impediments to trade.
\[c\] Trade and payments agreement.
\[d\] Granting of preferential treatment.