Committee III - Expansion of Trade

REDUCTION OF OBSTACLES TO TRADE OF LESS-DEVELOPED COUNTRIES

Progress Made by Individual Contracting Parties

1. Contracting parties will recall that Committee III recommended that contracting parties, particularly industrial countries, should examine tariffs, revenue duties and internal charges, quantitative restrictions and other measures applied by them with a view to facilitating the early expansion of the export earnings of less-developed countries (paragraph 14 of L/1063). The Committee also recommended that contracting parties, particularly industrial countries, should urgently consider lowering barriers to the development of the export trade of manufactured goods and should in the economic policies take into account the urgent need of less-developed countries to increase their export earnings and should avoid hindrance to the import of such goods from such countries (paragraph 13 of L/1063).

2. At its October 1960 meeting, the Committee agreed that it would be desirable once again at its next meeting to review the progress made by individual contracting parties in eliminating the obstacles to the trade of less-developed countries (paragraph 46 of L/1321). To facilitate this review, the secretariat has prepared the following note on the progress made by contracting parties, principally on the basis of information supplied by the contracting parties concerned.

First List of Products

Coffee

3. A Bill initiated by a political party proposing the reduction of the internal consumption tax on coffee is under consideration by the Parliament of the Federal Republic of Germany. Following the completion of the programme of liberalization of its foreign trade, the Government of Uruguay stated that coffee can now be imported without deposit or surcharge.

Cocoa

4. Japan liberalized the import of cocoa beans as from 1 October 1960.
Tea

5. A Bill initiated by a political party proposing the reduction of the internal consumption tax on tea is under consideration by the Parliament of the Federal Republic of Germany.

Cotton manufactures

6. The Government of Japan stated that imports of cotton manufactures would be liberalized before July 1961. With effect from 1 January 1961, the Federal Republic of Germany liberalized the import of a number of cotton manufactures. These include terry fabrics, blankets, kimonos (velvet and plush), and netting and fishing nets. As from 1 July 1960, the Federation of Rhodesia and Nyasaland removed import restrictions on cotton piece goods from the dollar area.

Jute manufactures

7. The Government of the Federal Republic of Germany has undertaken to abolish all the quantitative restrictions on jute manufactures by not later than 1964; annual global quotas for woven fabrics of jute and jute bags have been increased by DM 2 million from DM 4.75 million in 1960 to DM 6.75 million in 1961.

Lead

8. With effect from December 1960, Italy liberalized imports of lead ore and lead when imported from the dollar area. With effect from 1 January 1961, the Federal Republic of Germany put into operation a tariff quota for "unwrought lead (50,000 tons - free)" under the Rome Treaty.

Vegetable oil

9. In New Zealand, the 1961 import licensing schedule provides further easing of allocations for a wide range of imported goods. A total of 206 items, which are now designated "Replacement" licence scheme, include olive oil. A global quota for vegetable oils amounting to 5,000 tons has been opened by the Federal Republic of Germany.

Timber

10. In accordance with the agreement of 2 March 1960 on the establishment of a part of the common tariff concerning the products of List G contained in Annex I of the Rome Treaty, the Federal Republic of Germany has applied for tariff quotas for tropical wood. After the Commission of the EEC had indicated its readiness to grant the provisional tariff quotas for 1961, the Federal Republic of Germany, with effect on 1 January 1961, put into operation tariff quotas for "tropical wood in the rough and tropical wood roughly squared (375,000 tons - free)" and "tropical wood sawn lengthwise, sliced or peeled (5,000 tons - free)".
Second List of Products

**Bicycles**

11. Effective 7 April 1960, Japan added electrical bulbs for bicycles to the Automatic Fund Allocation System List. Import licences are issued without limit. The Government of Japan also stated that imports of bicycle tyres and tubes would be liberalized before July 1961.

**Sewing machines**

12. With effect from December 1960, Italy liberalized imports of sewing machines when imported from the dollar area. Turkey announced on 3 October 1960, a new liberalization list; products of special interest to less-developed countries include sewing machines. The Federal Republic of Germany would remove the remaining import restrictions on sewing machines on 1 January 1965.

**Diesel engines**

13. In April 1960, Japan added certain types of diesel engines to the Automatic Fund Allocation System List. Import licences are issued without limit.

**Leather goods**

14. France removed the remaining import restrictions on leather gloves in October 1960. As from 1 October 1960, Japan liberalized the import of footwear falling under Code No. ex 851.

**Finished leather**

15. Annual global quotas for neat leather have been increased by the Federal Republic of Germany by 20 per cent amounting to DM 2.57 million in 1961.

**Aluminum, etc.**

16. With effect from 1 October 1960, Japan liberalized the import of aluminum ore and concentrates and alumina. Turkey announced, on 3 October 1960, a new liberalization list. Products of special interest to less-developed countries include raw aluminum. As from 4 January 1961, Turkey also liberalized the import of aluminum powder and aluminum washers for the manufacture of tubes. With effect from 1 January 1961, the Federal Republic of Germany put into operation a tariff quota for "unwrought aluminium (not alloyed) - 110,000 tons (5 per cent)" under the Rome Treaty.
Sports goods

17. Effective 20 October 1960, sports and games requisites, excluding rubber shoes, canvas shoes and basketball boots, have been placed on the Open General Licence in Burma. As from 1 October 1960, Japan liberalized the import of toys and games (excluding synthetic resins) falling under item No. ex 899-15.

Other

18. On 5 March 1961, the Deutsche Mark has been revaluated by 5 per cent. It is expected that this action will result in further increase of imports into the Federal Republic of Germany from all sources, especially from less-developed countries.