The following communication, dated 15 March 1966, has been received from the delegation of Australia.

Paragraph 1

(a) Australia has indicated that it is prepared to reduce duties on a number of products on a most-favoured-nation basis in the Kennedy Round, including some products of interest to less-developed countries. The scope for such reductions is to a considerable extent dependent on developments in the Kennedy Round.

The Australian Government has applied for a waiver to the CONTRACTING PARTIES to implement a scheme of tariff preferences on selected products for the benefit of less-developed countries and in addition to remove tariffs on a wide range of handicraft products imported from such countries.

(b) The Australian Government has not been able to accept unreservedly the tariff commitments in paragraph 1 and has entered a specific reservation on Part IV.

Since February, 1965 the Australian Government has varied the duties on certain woven cotton fabrics and woven man-made fibre fabrics. With regard to cotton fabrics, increased duties were mainly applied to fabrics weighing 6 ozs. or more per square yard - which were already protected - and reduced duties generally applied to fabrics weighing less than 6 ozs. per square yard - the area in which major imports occur. With regard to man-made fibre fabrics the effect of the changes has been to reduce protection on the range of low-value fabrics - where most imports have taken place. On high-value fabrics protection was increased.

Australia has not increased or introduced non-tariff barriers on products of export interest to less-developed countries. As explained previously Australia maintains quantitative import restrictions on only one product identified as being of export interest to less-developed countries.
(c) The Australian Government has not taken any fiscal measures relevant to this sub-paragraph.

**Paragraph 2(a)**

Reference is made to the report under paragraph 1(b) above.

**Paragraph 3**

(a) The Australian Government does not exercise control over trade margins.

(b) Reference is made under paragraph 1(a) to a proposal to give tariff preferences to less-developed countries.

(c) The Australian Government is bearing the interests of less-developed countries in mind before taking other measures permitted by the Agreement.