**GENERAL AGREEMENT ON TARIFFS AND TRADE**

Committee on Trade and Development  
Forty-fifth Session  
12-13 November 1981

**ACTION BY GOVERNMENTS RELEVANT TO THE PROVISIONS OF PART IV AND OPERATION OF THE ENABLING CLAUSE**

In response to GATT/AIR/1745 of 5 August 1981, contracting parties listed below have transmitted to the secretariat the following information in relation to the implementation of Part IV and operation of the Enabling Clause. Further notifications will be circulated as addenda to this document.

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<td>Canada</td>
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<td>Commission of the European Communities</td>
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<td>Finland</td>
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<td>Hungary</td>
<td>5</td>
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</table>
The Government of Canada has decided to accord special and more favourable treatment to least developed countries in the context of the GATT Agreement on Government Procurement. A trade facilitation office has also been established to assist least developed countries' exporters seeking markets in Canada.

**GATT agreement on Government Procurement:**

The Government of Canada has extended on a unilateral basis the benefits of the GATT Agreement on Government Procurement to a number of least developed countries. This action on the part of Canada will permit qualified suppliers from these least developed countries to bid, on a non-discriminatory basis, on Canadian Government contracts covered by the Agreement. The Government of Canada will be communicating directly with the Governments concerned.

Beneficiary countries are:

Bangladesh, Benin, Bhutan, Botswana, Burundi, Cape Verde, Central African Republic, Chad, Comoros, Ethiopia, Gambia, Guinea, Guinea Bissau, Haiti, Lesotho, Malawi, Maldives, Mali, Nepal, Niger, Rwanda, Western Samoa, Somalia, Sudan, Uganda, United Republic of Tanzania, Upper Volta, Yemen Arab Republic and Yemen Democratic Republic.

**Trade Facilitation Office:**

Recognizing that a number of least developed countries lacked resources to effectively promote their exports to Canada, the Trade Facilitation Office was established in May 1980. The Trade Facilitation Office provides assistance to least developed countries' exporters to identify, and follow up on market opportunities in Canada. The services offered include locating potential buyers from the Canadian private sector and providing to them names and addresses of least developed countries' manufacturers of those goods particularly sought by Canadian importers. Further information and assistance may be obtained by contacting the Trade Facilitation Office at the following address: Trade Facilitation Office/Bureau du Promotion du Commerce, Edifice CIDA Building, Hull, CANADA K1A0G4. Phone: (819) 994-4459 Telex 053-4140.
COMMISSION OF THE EUROPEAN COMMUNITIES

GSP 1981

On 16 December 1980 the Council of the European Communities adopted a new ten-year scheme of generalized preferences and provisions governing its application for 1981. The relevant Community regulations were notified to the GATT and circulated to contracting parties in document L/5116. Reference to the new scheme was also made in document COM.TD/W/336 of 10 July 1981 (paragraph 23).

The major innovation of the scheme to apply for the coming decade is the objective of relating preferential advantages more closely to the development needs of the beneficiary countries. The aim is to ensure a better and wider utilization of the GSP advantage offered, particularly among the least developed countries.

The system is expanded by the presence of Greece which will be progressively introducing the preferences involved from the date of accession. No beneficiary is excluded from the current list of beneficiaries under the Community scheme which comprises 123 countries, following the independence of Zimbabwe. China and Romania, which had been covered by special arrangements, will in future be included as beneficiary countries in respect of all products.

Improvements are also made in the administration of the system; and in general the Commission is convinced that the system will be more transparent, facilitating a fuller utilization of the preferences available.

Differential and more favourable treatment

Reciprocity and fuller participation of developing countries

In accordance with the provisions of paragraph 4(b) of the Decision, the Community participated in consultations with another contracting party.

Trade promotion

The Community, represented by the Commission, now participates in twice-yearly meetings with the International Trade Centre. The objective is to ensure complementarity of effort and avoid duplication. The Commission is involved in the formulation of trade promotion programmes on the basis of a five-year budget of ECU 120 million for 100 developing countries in the ACP group, Maghreb and Mashrak States and non-associated developing countries in Asia and Latin America.
FINLAND

1. Changes made in the Finnish GSP scheme after the issue of GATT document COM.TD/W/321 from 23 October 1980 are contained in GATT document L/3694/Add.11 and 12. Zimbabwe has been included in the list of beneficiary countries of the Finnish GSP scheme.

   The GSP rules of origin have been amended by Decision No. 738/80 of the Ministry of Finance to be similar with those applied by EEC and preference-giving EFTA countries.

2. The customs duty on roses (ex 06.03.039) and cut flowers; others (ex 06.30.089) when imported from 1 December to 29 February has been reduced by Law No. 342/81 of 1 June 1981. The new rate of duty is 25 per cent or Fmk 38.25/kg. for both tariff items. There are substantial imports of cut flowers from developing countries.

3. With reference to paragraph (A) 2. (VII) of the attachment to GATT/AIR/1745, it can be noted that the Ministry of Commerce and Industry is sponsoring a previously begun research programme conducted by the University of Trade to improve possibilities for increasing direct imports from developing countries. Future prospects for special vegetables and fruit have been studied this year.

   As previously, special courses are being organized by the University of Trade for officials from developing countries responsible for export promotion. Organizing courses on import management are being continued as well.
HUNGARY

Hungary has introduced certain improvements in her Generalized System of Preferences, as from 30 November 1980. These improvements are contained in document L/5141.

As part of the improvement of the Hungarian preferential tariff system, the Hungarian Government,

- by Decree No. 1/1981/V.28./KKM-PM, added the following items to the list of products enjoying preferential tariff treatment in Hungary:

<table>
<thead>
<tr>
<th>BTN headings</th>
<th>Description of products</th>
<th>Preferential rates</th>
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</thead>
<tbody>
<tr>
<td>17.02-05</td>
<td>Fructose</td>
<td>0</td>
</tr>
<tr>
<td>29.04-02</td>
<td>Sorbite</td>
<td>0</td>
</tr>
<tr>
<td>29.06-01</td>
<td>Saccharine, saccharine-sodium</td>
<td>0</td>
</tr>
<tr>
<td>-99</td>
<td>Other</td>
<td>5</td>
</tr>
<tr>
<td>29.30-02</td>
<td>Cyclamate, sodium cyclamate</td>
<td>0</td>
</tr>
<tr>
<td>29.35-22</td>
<td>Active ingredients for the production of plant protectives</td>
<td>0</td>
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</table>

- by Decree No. 9/1978/XII.16./KKM, has enlarged the number of beneficiary countries with the addition of Thailand;

- by Decree No. 22/1981/VIII.6./PM-KKM, extended the general duty-free treatment of the least developed countries to Bhutan, Comoros, Samoa and Cape Verde.

The Decree, aiming at the enlargement of the number of beneficiary countries with Guinea-Bissau, Grenada, Mozambique and Zimbabwe, is going to be issued in the near future.