AUSTRALIA REQUESTS GATT COUNCIL FOR WAIVER TO CREATE TARIFF PREFERENCES FOR IMPORTS FROM LESS-DEVELOPED COUNTRIES

At a meeting of the GATT Council on 28 May the representative of Australia, Mr. F.P. Donovan, submitted an application for a waiver from the most-favoured-nation rule (Article I) to enable the Australian Government to introduce preferential rates of duty on imports of manufactured and semi-manufactured products produced in less-developed countries. He explained that by applying preferential tariff rates to imports from these countries Australia would be helping to offset the disabilities which these countries face, in that the majority of their manufacturing industries are unable to compete in world markets, and to put the industries concerned in a better position to compete on the Australian market. Some relaxation of the most-favoured-nation rule is warranted for this purpose, in the view of the Australian Government. In submitting his application Mr. Donovan made the following points:

1. The proposed new preferential duties would apply without discrimination to all less-developed countries which need such assistance in respect of the products concerned. The duties would be established at levels below existing most-favoured-nation rates. Australia would not seek reciprocity from the less-developed countries for the preferences so granted.

2. Reasonable safeguards should be incorporated against serious detriment to Australian industries and also against disruption of the trade of existing suppliers to the Australian market. Accordingly imports from less-developed countries at the new preferential rates would be subject to tariff quotas. It is also proposed that the preferential duties would be subject to consultations with other interested supplying countries within the context of the GATT waiver.

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3. There would be included in the waiver a provision regarding notification of Australia's intention to introduce a new preferential duty and to consult with contracting parties before the duty is actually introduced.

In the discussion which followed representatives of the less-developed countries which are members of the Council gave warm welcome to the Australian request for a waiver. The Council agreed to create a special working party to consider Australia's request and decided that it should meet on 23 June.