GERMAN IMPORT RESTRICTIONS

Second Report of the Federal Republic of Germany
under the Decision of 30 May 1959


I.

During the period under review the Federal Government, in conformity with the waiver, has taken the following steps to relax or remove the restrictions still maintained vis-à-vis those contracting parties to whom the liberalization measures are applied:

(1) Under the Circular Order on Foreign Trade No.68/59 (Federal Gazette No.240 of 15 December 1959) the goods listed in Annex A, Section B of the Decision have been liberalized as from 1 January 1960.

(2) Of the goods listed in Annex A, Section C of the Decision, whose importation is to be free from quantitative restrictions not later than 31 December 1960 under Circular Order on Foreign Trade No.39/60 of 27 June 1960 (Federal Gazette No.122 of 29 June 1960) the following items have been already liberalized with effect from 1 July 1960:

<table>
<thead>
<tr>
<th>Item No. of commodity classification</th>
<th>Commodity</th>
</tr>
</thead>
<tbody>
<tr>
<td>1203 21, 22, 23, 24, 26, 28, 31, 51, 52, 55, 59, 61, 65, 71, 75, 81</td>
<td>Seeds</td>
</tr>
<tr>
<td>2804 40</td>
<td>Phosphorus</td>
</tr>
<tr>
<td>2810 00</td>
<td>Phosphoric anhydride and phosphoric acids</td>
</tr>
<tr>
<td>ex 2828 90</td>
<td>Lithium hydroxyde</td>
</tr>
<tr>
<td>2840 11)</td>
<td>Sodium phosphates</td>
</tr>
<tr>
<td>2840 19)</td>
<td></td>
</tr>
</tbody>
</table>

Attached to this report are five statistical annexes (listed on page 9). A copy of these annexes (MT1(60)75) will be supplied to each delegation attending the seventeenth session.
### Item No. of commodity classification for foreign trade statistics (cont.)

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Commodity</th>
</tr>
</thead>
<tbody>
<tr>
<td>2840 90</td>
<td>Other phosphates (e.g. aluminium phosphate, phosphate of iron, manganous phosphate etc.)</td>
</tr>
<tr>
<td>2856 10</td>
<td>Silicon carbide</td>
</tr>
<tr>
<td>4002 10</td>
<td>Synthetic rubbers including synthetic latex</td>
</tr>
<tr>
<td>4002 30</td>
<td>Synthetic rubbers including synthetic latex</td>
</tr>
<tr>
<td>7601 11</td>
<td>Unwrought aluminium</td>
</tr>
<tr>
<td>7601 15</td>
<td>Button blanks of mother-of-pearl</td>
</tr>
<tr>
<td>9801 11</td>
<td>Buttons of mother-of-pearl or artificial plastic materials such as artificial horn, acrylates, polysters, pressed materials</td>
</tr>
<tr>
<td>9801 51</td>
<td>Buttons of mother-of-pearl or artificial plastic materials such as artificial horn, acrylates, polysters, pressed materials</td>
</tr>
</tbody>
</table>

(3) Moreover, imports of candies - ex 1806 90 - as enumerated in Annex B of the Decision, have been liberalized under the Circular Order on Foreign Trade No.58/59 of 22 October 1959 (Federal Gazette No.205 of 24 October 1959) as from 24 October 1959.

(4) Pursuing to the outcome of the consultations regarding the products listed in Annex A, Section D, of the Decision, on which a report had been submitted to the CONTRACTING PARTIES during the sixteenth session, unlimited import possibilities have been opened as from 1 July 1960.

(a) Under the Announcement No.2886 (Federal Gazette No.109/60 of 9 June 1960) in respect of the following items:

<table>
<thead>
<tr>
<th>Item No. of commodity classification for foreign trade statistics</th>
<th>Commodity</th>
</tr>
</thead>
<tbody>
<tr>
<td>6005 03</td>
<td>Bathing suits of wool</td>
</tr>
<tr>
<td>ex 6102 21</td>
<td>Kimonos of synthetic textile materials</td>
</tr>
<tr>
<td>ex 6102 25</td>
<td>Kimonos of artificial textile threads</td>
</tr>
<tr>
<td>ex 6102 30</td>
<td>Kimonos of wool</td>
</tr>
<tr>
<td>ex 6102 50</td>
<td>Kimonos of cotton</td>
</tr>
<tr>
<td>ex 6102 60</td>
<td>Kimonos of artificial textile fibres</td>
</tr>
<tr>
<td>Item No. of commodity classification for foreign trade statistics (cont.)</td>
<td>Commodity</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>6912 80</td>
<td>Articles for toilet purposes of porcelain</td>
</tr>
<tr>
<td>ex 6914 70</td>
<td>Other articles of porcelain excluding: patent stoppers for bottles and metal wire mechanism, buttons and heads for such stoppers</td>
</tr>
<tr>
<td>9005 10</td>
<td>Binoculars without prisms</td>
</tr>
<tr>
<td>9703 10</td>
<td>Toy weapons</td>
</tr>
<tr>
<td>20</td>
<td>Projectors for children</td>
</tr>
<tr>
<td>30</td>
<td>Musical toys</td>
</tr>
<tr>
<td>9703 91</td>
<td>other toys of:</td>
</tr>
<tr>
<td>93</td>
<td>artificial plastic materials</td>
</tr>
<tr>
<td>95</td>
<td>wood</td>
</tr>
<tr>
<td>99</td>
<td>artificial textile materials</td>
</tr>
<tr>
<td></td>
<td>other</td>
</tr>
</tbody>
</table>

(b) Under global tender arrangements in respect of the following items:

<table>
<thead>
<tr>
<th>Item No. of commodity classification for foreign trade statistics</th>
<th>Commodity</th>
</tr>
</thead>
<tbody>
<tr>
<td>5104 15</td>
<td>Not tight woven fabrics of artificial textile threads</td>
</tr>
<tr>
<td>31</td>
<td>Crepe fabrics, unbleached or bleached, of artificial textile threads</td>
</tr>
<tr>
<td>35</td>
<td>Crepe fabrics, dyed, of artificial textile threads</td>
</tr>
<tr>
<td>36</td>
<td>Crepe fabrics, printed, of artificial textile threads</td>
</tr>
<tr>
<td>37</td>
<td>Crepe fabrics, made of coloured yarn, of artificial textile threads</td>
</tr>
<tr>
<td>5311 05</td>
<td>Inter-linings for outer garments, of wool</td>
</tr>
<tr>
<td>5508 00</td>
<td>Terry-towelling (terry fabrics) of cotton</td>
</tr>
<tr>
<td>5711 10</td>
<td>Woven fabrics of coir</td>
</tr>
</tbody>
</table>
The products listed under paragraphs (a) and (b) shall be fully liberalized as from 1 January 1961.

(5) In respect of the following products, which were likewise the subject of the afore-mentioned consultations, under the Announcement No.2927 (Federal Gazette No.130 of 9 July 1960) a licensing system has been introduced which corresponds to the wishes of all interested exporting countries:

<table>
<thead>
<tr>
<th>Item No. of commodity classification for foreign trade statistics</th>
<th>Commodity</th>
</tr>
</thead>
<tbody>
<tr>
<td>5104 05</td>
<td>Woven fabrics of synthetic or artificial textile threads</td>
</tr>
<tr>
<td>11</td>
<td></td>
</tr>
<tr>
<td>21-27</td>
<td></td>
</tr>
<tr>
<td>41</td>
<td></td>
</tr>
<tr>
<td>52-58</td>
<td></td>
</tr>
<tr>
<td>61-65</td>
<td></td>
</tr>
<tr>
<td>72-78</td>
<td></td>
</tr>
<tr>
<td>ex 5307</td>
<td></td>
</tr>
<tr>
<td>5310 10-29</td>
<td>Worsted yarn of wool (excluding hard worsted yarns) not put up for retail sale</td>
</tr>
<tr>
<td>5311 21-97</td>
<td>Wool yarns, put up for retail sale</td>
</tr>
<tr>
<td>5509 01</td>
<td>Woven fabrics of wool or fine animal hair</td>
</tr>
<tr>
<td>10-29, 51-58, 71-77</td>
<td></td>
</tr>
<tr>
<td>ex 5607</td>
<td></td>
</tr>
<tr>
<td>5802 75</td>
<td>Other woven fabrics of cotton</td>
</tr>
<tr>
<td>5804 55</td>
<td>Woven fabrics of synthetic or artificial textile fibres, excluding inter-linings and felt cloth</td>
</tr>
<tr>
<td>59</td>
<td>Woven carpets of coconut fibres</td>
</tr>
<tr>
<td></td>
<td>Velvet and plush (pile fabrics) of cotton</td>
</tr>
<tr>
<td>Item No. of commodity classification for foreign trade statistics (cont.)</td>
<td>Commodity</td>
</tr>
<tr>
<td>---------------------------------------------------------------</td>
<td>------------------------------------------------</td>
</tr>
<tr>
<td>5905 10</td>
<td>Fishing nets of synthetic textile materials</td>
</tr>
<tr>
<td>6005 21</td>
<td>Knitted outer garments of wool or synthetic textile materials</td>
</tr>
<tr>
<td>23</td>
<td>Outer garments for men and boys, of cotton</td>
</tr>
<tr>
<td>6101 50</td>
<td>Other outer garments for women, girls and infants</td>
</tr>
<tr>
<td>ex 6102 21</td>
<td>Under garments for men and boys, of cotton</td>
</tr>
<tr>
<td>30-60</td>
<td>Under garments for women, girls and children, of cotton</td>
</tr>
<tr>
<td>6103 50</td>
<td>Handkerchiefs of cotton</td>
</tr>
<tr>
<td>6104 50</td>
<td>Household linen of tulles, etc. and of cotton</td>
</tr>
<tr>
<td>6105 51</td>
<td></td>
</tr>
<tr>
<td>51</td>
<td></td>
</tr>
<tr>
<td>55</td>
<td></td>
</tr>
<tr>
<td>ex 6202 ..</td>
<td></td>
</tr>
</tbody>
</table>

(6) All the other products listed in Annex A, Section D, are still subject to global quotas whose amounts will be increased from year to year. Such increase amounted to 35.8 per cent in 1960 (DM 70.3 million) over the previous year (DM 51.4 million).

(7) For the products listed in Annex C of the Decision (jute fabrics, jute bags and sacks, imitations of genuine pearls, box calf leather) global quotas have been made available to an amount and within a time-limit as provided for in that Annex (Federal Gazettes No. 208 of 29 October 1959, No. 213 of 5 November 1959 and No. 82 of 29 April 1960).

(8) Finally, in respect of agricultural products, enumerated in Annexes B and E of the Decision, additional import possibilities under global quotas were opened in the years of 1959 and 1960, as far as the conditions permitted, e.g. in respect of processed vegetable oils, molasses, bran, dried chips, powdered skimmed milk, canned vegetables and fruit, deep-frozen fruit and vegetables.
II.

(1) The volume of quantitative restrictions maintained by the Federal Republic will, in accordance with the measures of liberalization introduced in the meantime and the measures envisaged up to the end of this year, be diminished by 1 January 1961 to such an extent that out of the total number of 6599 items listed in the statistical commodity index only 215 items (excluding products subject to German Marketing Laws) will be subject to import restrictions (i.e., 71 items out of 776 items in the agricultural sector and 144 items out of 5823 items in the industrial sector). In this connection it should be noted that for further liberalization dates have already been fixed in the industrial sector in respect of 32 items in accordance with the consultations on products listed in Annex A, Section D, and in respect of the 9 items of Annex C as well as in the agricultural sector with respect to 7 items listed in Annex A, Section C.

(2) In the period under review the Federal Government also made efforts to apply the restrictions still maintained as liberally as possible. Serious and sympathetic consideration was given to wishes expressed by contracting parties for an improvement of the conditions of access to the German market. The Federal Government has also taken care to keep the existing situation under current review in order to see whether it would permit a further reduction of restrictions over and above the framework of the above-mentioned measures.

(3) As a result of the liberal import policy of the Federal Government imports continued to rise.

Total imports of the Federal Republic increased

from DM 31,133.1 million in 1958
from DM 33,823.2 " in 1959,

i.e. by 13 per cent.

In the food sector (excluding coffee and tobacco) the rate of increase amounted to 17 per cent (imports in 1958:

DM 8106.1 million; imports in 1959: DM 9469.7 million).

The import of products subject to German Marketing Laws rose between 1958 (DM 2294.9 million) and 1959 (DM 3065.9 million) by 34 per cent, while the import of liberalized products not subject to German Marketing Laws increased only by 13 per cent during the same period.

A comparison of import figures for agricultural products which pursuant to the Decision of 30 May 1959 will still be subject to quantitative restrictions on 1 January 1961 1 shows the following picture:

1These cover all items listed in Annexes B and E as well as in Annex A that are to be liberalized as per 1 July 1961 and 1 July 1962 respectively. In the case of "ex"-items, however, the import figures of the total item had to be used for statistical reasons.
In 1958 DM 2972.4 million and in 1959 DM 3899.9 million. Thus imports increased by 31 per cent. Imports of these products from GATT countries rose even by 36 per cent and after deduction of imports from EEC Member countries the rate of increase was still 35 per cent. (in 1958 it amounted to DM 1507.7 million and in 1959 to DM 2024.1 million. The development of imports from 1958 to 1959 is shown in the enclosed Annex 1 for every respective item.

This import policy has been continued in 1960. Imports in the food sector (excluding coffee and tobacco) increased by 13 per cent in the first 6 months of 1960 (DM 5015.1 million) as against imports in the first half of the preceding year (DM 4437.0 million). In the liberalized sector the rate of increase amounted to 16 per cent; in the case of products subject to German Marketing Laws it was 4 per cent and as regards products subject to quotas — excluding products subject to German Marketing Laws — 22 per cent. The last-mentioned percentage was, of course, affected by the measures of liberalization introduced between the periods chosen for comparison. The rise in the import volume within the meaning of the Decision of 30 May 1959 can only be seen to its full extent by such a comparison as has been made in Annex 2. Accordingly, the rise in imports of products not subject to Marketing Laws that will not yet be liberalized by 1 January 1961 totalled 37 per cent during the first six months of 1960 as compared with the first six months of 1959.

Imports in the industrial sector (including coffee and tobacco) rose from DM 23027.0 million in 1958 to DM 26353.5 million in 1959, i.e. by 14.4 per cent.

In this connexion, imports of all products not yet liberalized on 1 January 1961, as listed in Section D of Annex A of the Decision, went up from DM 1095.8 million in 1958 to DM 1342.9 million in 1959, i.e. by 22.5 per cent, the imports from GATT countries outside the EEC accounting for 12.2 per cent of the increase. The development of imports of the individual items is shown in the enclosed Annex 3. During the same period the import of products listed in Annex A rose from DM 41.2 million to DM 63.5 million, i.e. by 54.0 per cent. In the case of liberalized products the rate of increase was 14 per cent in 1959.

In the first 6 months of 1960 imports of industrial products amounted to DM 15,624.0 million as against DM 12,647.1 million during the corresponding period of the preceding year; that is to say, it rose by 29.7 per cent. Imports of all products of Annex A, Section D, still subject to quotas on 1 January 1961, stepping up from DM 535.5 million in the first half of 1959 to DM 796.2 million in the first half of 1960, i.e. by 48.7 per cent.

1 For statistical reasons the figures of the total item had to be used for the "ex"-items.
A detailed confrontation by items is attached as Annex 4. Imports of products enumerated in Annex C rose from DM 26.5 million to DM 31.8 million, i.e. by 20.2 per cent. In the first half of 1960 imports of liberalized products went up by 28.8 per cent.

(4) The still existing import restrictions were administered by the Federal Government in such a way that, taking into account the interest of supplying countries in exports there was practically no difference in treatment. In the field of agriculture, the countries interested in the supply of agricultural products were accorded a fair access to the German market by way of agreements. For industrial products the above described system of global quotas and licensing is applied.

The Federal Government will continue its efforts to reduce the impact of the existing restrictions and is ready to accord sympathetic consideration, as before, to any representations that interested contracting parties may make and to enter into consultations with them if requested.

III.

(1) In conformity with the suggestions of the Working Party dealing with the first annual report of the Federal Republic (cf., Document L/1112) a description is given of the licensing system applied to products in the Federal Republic which are still subject to import restrictions.

The licensing procedure of the Federal Republic is an administrative mechanism and is not designed to fix the quantities of the individual products to be imported into the Federal Republic. The quantities of the products to be imported are determined by the Federal Government taking into account the obligations under existing agreements and are published in the Federal Gazette as import possibilities. The aim of the licensing system is merely to control the handling of importation and to fix a mode of allocation for German importers. By selecting the appropriate mode of allocation it is sought to prevent a blocking of quotas by unused licences and to avoid that individual importers receive too small a share in the respective quota. Such an arrangement is also in the interest of the supplying countries. In the main the following allocation procedures are applied:

(a) The importers receive licences in the amount applied for by them until the quota is exhausted.

(b) In the event of the tenders being over-subscribed the individual importers obtain licences in the amount of their applications reduced by the percentage resulting from the over-subscription.

(c) The allocations to the applying importers are computed during a specified reference period on the basis of a percentage of their imports which is equal for all.
(d) The quota is at first only allocated in part to the applying importers. After the licences are used up the importers receive supplementary licences – until the quota is exhausted – in the order of submission of the applications.

(e) The importers receive licences unlimited as to quantity which will cease to be valid after the termination of the tender. Taking into account a certain expiry period the tender will be terminated as soon as customs entries and shippings in the supplying country show that the quota is exhausted. This system is applied if it is to be expected that the quota will not be used up within a very short period and if it concerns products with very short periods of delivery.

(2) The list attached to Annex 5 shows the extent to which the individual supplying countries in the agricultural sector participated in the fixed quotas.

LIST OF ANNEXES

**ANNEX 1**
Products included in annexes A, B and E: Imports in 1958 and 1959

**ANNEX 2**
Products included in Annexes A, B and E: Imports in 1959 and 1960 (First Semester)

**ANNEX 3**
Products included in Section D of Annex A: Imports in 1958 and 1959

**ANNEX 4**
Products included in Section D of Annex A: Imports in 1959 and 1960 (First Semester)

**ANNEX 5**
Imports of Products in Annexes A, B and E by Countries of Origin.