During the period under review the Federal Government has taken the following measures to further relax and remove quantitative restrictions still maintained vis-à-vis all those contracting parties to whom the liberalization measures are applied:

(a) By Circular Order on Foreign Trade No. 68/60 (Federal Gazette No. 7 of 11 January 1961) imports of the following products have been liberalized as of 1 January 1961:

(1) From Annex A, Section C, of the Decision of 30 May 1959:

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>0404</td>
<td>14 Blue mold cheese</td>
</tr>
<tr>
<td>0404</td>
<td>19 Soft cheese</td>
</tr>
<tr>
<td>0404</td>
<td>50 Cheese of curdled milk</td>
</tr>
<tr>
<td>0404</td>
<td>70 Fresh cheese</td>
</tr>
<tr>
<td>0601</td>
<td>80 Bulbs, tubers, etc. in growth or in flower</td>
</tr>
<tr>
<td>0602</td>
<td>11 ex Vine cuttings and slips</td>
</tr>
<tr>
<td>1109</td>
<td>00 Gluten and glutinous meal, whether or not roasted</td>
</tr>
<tr>
<td>1702</td>
<td>92 Dextrose and starch syrup</td>
</tr>
<tr>
<td>1702</td>
<td>93 Lactose and lactose syrup</td>
</tr>
<tr>
<td>1904</td>
<td>10 Sago substitutes obtained from potato starch</td>
</tr>
<tr>
<td>2002</td>
<td>19 ex Other vegetables and kitchen herbs (other than tomatoes, cucumbers, sauerkraut, truffels, olives, capers, and artichokes) in airtight containers</td>
</tr>
</tbody>
</table>

A copy of the statistical annexes listed on page 6 of this document will be distributed to each delegation attending the nineteenth session (MGT(61)31).
54 ex Asparagus preparations, only without tips
2106 11 ex Yeast for fodder resulting from the paper pulp and wood saccharification industry
2204 00 ex Wine must (excluding mush)
2205 22 Wine for the production of vermouth
25 Red wine for mixing with national red wines
2206 11 Vermouth, in containers of more than 2 litres
19 Vermouth, in other containers
90 Other wines prepared with aromatic plants and ingredients
2501 10 Salt
31 Salt
39 Salt
90 Salt
2943 10 Dextrose, chemically pure
20 Lactose, chemically pure
30 Laevulose, maltose, chemically pure
3505 10 Dextrins; soluble or roasted starches
0702 10 Spinach, frozen
20 Peas, frozen
30 String beans, frozen
90 Other vegetables, frozen
0810 90 Fruits, frozen, without sugar, not for industrial use
2003 00 Fruits, frozen, with sugar

(2) From Annex A, Section D, of the Decision of 30 May 1959:
5104 15 Not tight woven fabrics of artificial textile threads
31 Crepe fabrics, unbleached or bleached, of artificial textile threads
35 Crepe fabrics, dyed, of artificial textile threads
36 Crepe fabrics, printed, of artificial textile threads
37 Crepe fabrics, made of coloured yarn, of artificial textile threads
5311 05 Inter-linings for outer garments, of wool
5508 00 Terry-towelling (terry fabrics) of cotton
5711 10 Woven fabrics of coir
5804 51 Other velvet and plush (pile fabrics) of cotton, pile formed from the warp
5905 50 Fishing nets of cotton
6002 30 Gloves of wool
6005 03 Bathing suits of wool
6102 21 ex Kimonos of synthetic textile materials
6102 25 ex Kimonos of artificial textile threads
6102 30 ex Kimonos of wool
6102 50 ex Kimonos of cotton
6102 60 ex Kimonos of artificial textile fibres
6201 50 Blankets of cotton
Toilet articles of other ceramic materials
ex Other articles of porcelain excluding: patent stoppers for bottles and metal wire mechanism, buttons and heads for such stoppers

Binoculars without prisms
Toy weapons
Projectors for children
Musical toys
Other toys of:

artificial plastic materials
wood
artificial textile materials
other

(b) By Circular Orders on Foreign Trade No. 68/60 (Federal Gazette No. 7 of 11 January 1961), No. 14/61 (Federal Gazette No. 57 of 22 March 1961) and No. 27/61 (Federal Gazette No. 118 of 23 June 1961) imports of the following products listed in Annex B of the Decision of 30 May 1959 have been liberalized:

(1) With effect from 1 January 1961:

ex 1108 50 starch other than starch from cereals
ex 1806 90 remaining food preparations containing cocoa excluding ice-cream

(2) With effect from 23 March 1961:

ex 2002 59 prepared spinach, deep frozen

(3) With effect from 1 July 1961:

2006 74 peaches
ex 2006 79 fruit cocktails, fruit salads

(c) For the products listed in Annex C of the Decision of 30 May 1959 (jute fabrics, jute bags and sacks for packaging, imitations of genuine pearls, boxcalf leather) global quotas have been made available for imports in 1961 to the amount as provided for in "Decision by the Announcements" No. 3049 and No. 3245 (Federal Gazettes No. 224 of 19 November 1960, and No. 78 of 22 April 1961).

(d) By the sixth amendment to Announcement No. 2417 (Federal Gazette No. 1 of 3 January 1961) imports of products enumerated in Annex D of the Decision of 30 May 1959 of the item 0515 10 (small fish up to 6 cm. long, dried) have been liberalized de facto as of 1 January 1961.
II.

In conformity with paragraph (d) of Annex C of the Decision of 30 May 1959 the Federal Government notifies that for reasons which have been stated to the contracting parties and which have been recognized by them it is deemed necessary to maintain the restrictions. The domestic producers of the products concerned will use the period granted to them until the date of liberalization (1 July 1964) to adjust themselves to an unrestricted competition with foreign countries.

III.

By the measures mentioned under I, the extent of quantitative restrictions still maintained by the Federal Republic on the basis of the Decision of 30 May 1959 has been further considerably reduced.

The Federal Government has made efforts to increase the quotas and to facilitate the administrative mechanism. It has conducted consultations with interested contracting parties and has accorded sympathetic consideration to their representation.

Also during the period covered by this report additional import possibilities have been opened in global form - as far as the situation permitted - for products in the agricultural sector listed in Annex B and Annex E of the Decision of 30 May 1959, for example for processed vegetable oils, unskimmed powdered milk, canned vegetables, canned fruit and margarine.

The procedure for imports of dead chickens (in Annex A, Section C, of the Decision with liberalization to be effected on 1 July 1962) have been relaxed in the course of 1961 to such an extent that the quantitative restrictions may be regarded as eliminated.

As far as no dates for liberalization have been agreed upon yet in the industrial sector with the contracting parties to GATT which are chiefly concerned, within the framework of the consultations conducted with them, this affects almost exclusively products for which the concept is gaining ground also in GATT that a unilateral liberalization cannot be effected without involving undue difficulties for the economies concerned. The Federal Government is of the opinion that the "Arrangements regarding International Trade in Cotton Textiles" of 21 July 1961 have created a basis for a lasting solution of the problem of the elimination of quantitative restrictions for textiles within a multilateral framework.

For ceramic products to which quantitative restrictions are still applied besides textiles, the Federal Government believes to be in a position to find for some time to come satisfactory possibilities for a solution in agreement with the interested contracting parties.
Owing to the liberal import policy pursued by the Federal Government, imports of the Federal Republic are showing a further increase also in 1960 from DM35,823.2 million in 1959 to DM 42,722.6 million in 1960, i.e. by 19.3 per cent. Total imports in 1960 thereby exceed by 37 per cent total imports in 1958, the year preceding the Decision.

In the food sector (except coffee and tobacco) the rate of increase amounted to 4.8 per cent (DM9,469.7 million in 1959 as against DM9,922.2 million in 1960) or 22.4 per cent compared to 1958.

Imports of products not subject to marketing laws to which quantitative restrictions are applied (see Annex 1) have experienced a particular increase. It amounted to 11.9 per cent in comparison with 1959 and to 44.4 per cent as compared to 1958.

While it is true that imports of products subject to marketing laws have dropped slightly by 2.3 per cent (DM3,065.9 million in 1959 as against DM2,996.3 million in 1960), it should be noted that the reduction is greater in the sector with de facto liberalization (6.4 per cent) than in the sector to which quantitative restrictions are applied (1.7 per cent).

In 1960, imports of products subject to marketing laws were nevertheless considerably larger than in 1958, namely by 30.6 per cent. This is a rate of increase which could not be achieved in the liberalized sector which showed a rise of 26.1 per cent despite the advanced liberalization in 1959 and 1960.

In the industrial sector (including coffee and tobacco) imports rose from DM26,353.5 million in 1959 to DM32,800.4 million in 1960, that is 24.5 per cent higher than in 1959 and 42.4 per cent higher than in 1958.

Imports of products listed in Annex A, Section D, of the Decision of 30 May 1959 which have not yet been liberalized increased in 1960 to DM1,711.6 million as against DM1,352.9 million in 1959 which represents a rate of increase of 27.5 per cent. At the same time, imports from countries to which quantitative restrictions are still applied rose by 22.4 per cent. Data of imports of individual products participating in this increase are collected in Annex 3.

Imports of products enumerated in Annex C dropped by 5.7 per cent in 1960 when they represented a value of DM59.8 million as against a value of DM63.5 million in 1959. They increased, however, by 38.5 per cent in the trade with countries to which quantitative restrictions are still applied.

In the field of liberalized imports, 1960 showed a growth of 24.4 per cent as against 1959 and of 41.7 per cent as against 1958.

1In the case of "ex"-items the import figures of the total items had to be used for statistical purposes.

2See Annex 2.
In accordance with the request expressed during the discussions of last year's report a survey of quotas for agricultural products agreed upon in bilateral trade agreements of the Federal Republic is attached so far as these products are contained in Annexes A, B, D and E of the Decision of 30 May 1959 and are still subject to quantitative import restrictions (Annex 4).

List of Annexes
(Circulated as MGT(61)31)

ANNEX 1 Products listed in Annexes A (residual items) and B: imports in 1958, 1959 and 1960 by countries of origin.

ANNEX 2 Products listed in Annexes D (residual items) and E: imports in 1958, 1959 and 1960 by countries of origin.


ANNEX 4 Commodity lists (imports) of the trade agreements of the Federal Republic of Germany.