MAINTENANCE OF QUANTITATIVE IMPORT RESTRICTIONS

Request by the Government of Luxemburg

Addendum

With reference to paragraph 21 in the report by the Intersessional Committee (L/372) the Government of Luxemburg under date 11 October has submitted the following additional information in reply to the questionnaire in Annex A to that report.

I. Replies relating to all items in the Waiver request

II. Supplementary information relating to individual items

A. Live animals
B. Meat and meat preparations
C. Milk and dairy products
D. Cereals, milling products and derivatives
E. Products for which import regulations are limited to certain periods of the year
4. Nature of the quantitative import restriction

(i) Importation of products for which a waiver is requested is placed
and (ii) under licensing arrangement and authorized only according to the
requirements of the domestic market.

(iii) Except for the general rule indicated under (i) and (ii), imports are
(iv) subject to quotas only in the case of trade agreements concluded
and (v) by the Belgium-Luxembourg Economic Union with third countries.
Licences are issued on the basis of specific reference periods.

5. Reasons for maintenance of quantitative restrictions

Luxembourg agriculture is carried on in distinctly unfavourable circumstances.
The overall production and market conditions are such as to make them unfit to
face international competition.

Arable soil is uneven in quality and very poor. The climate is severe
and irregular, and the market narrow and sensitive. The economy of the
country is centred around the powerful predominating iron and steel industry.

Agriculture has constantly to rely upon the moral and financial support of
the State, if it is to subsist and develop in such circumstances. The Grand-
Duchy likewise requires a viable agriculture for essential economic, social
and political reasons. For a long time past, therefore, the State has given
the necessary support to maintain and improve its agriculture.

Although it is conceivable that the economic and agricultural policies of
the Luxembourg Government may succeed in modifying certain factors of the agricul­
tural problem sooner or later in connexion with the structure and technical
equipment of agriculture, it can hardly be expected to improve natural produc­
tion conditions sufficiently to enable Luxembourg agriculture to compete with
others on the international market. Free competition would undoubtedly be a
death-blow to Luxembourg agriculture, which would be incompatible with the
interest of the country and consequently jeopardize the very life of the small
Luxembourg nation. (Cf. details in Document L/358/Add.1.)

6. Date of imposition of restriction

Since the establishment of its independence in 1839, the Grand-Duchy of
Luxembourg has had to take account of the precarious situation of its agriculture
in framing its economic policy. The particular situation of agriculture has
always been the subject of special arrangements for the protection of the
Luxembourg agricultural market in the Customs and Economic Unions to which
Luxembourg has successively been a party since 1842 (Customs Union with Germany
1842 to 1919, Economic Union with Belgium since 1921, Customs Union with Belgium
and the Netherlands since 1944).
7. Statistics of imports

The total volume of imports, of which detailed data by products are contained in Documents L/358/Add.2, pp. 4 and 5, and in the second part of this Report, is very small. The main suppliers are necessarily the partners of Luxembourg in the Benelux, either because the national production of these countries is able to meet these requirements, or because the import trade of these countries enables the Luxembourg market, with the absence of its own import trade, to be supplied in agricultural goods and products which are not produced in the Grand-Duchy.

8. Removal of restriction

Within Benelux, the Luxembourg Government has undertaken to pursue active harmonization of its agricultural policy with those of its two partners, to adopt all measures to make its agriculture more competitive and, therefore, to relax the present protection system in so far as possible. It has been impossible so far to determine to what extent these restrictions can be eliminated. Complete removal of quantitative restrictions may be considered as impracticable, given the conditions of production and of the market.

9. Effect of removal of the restriction

The maintenance of Luxembourg agriculture requiring state support within the country for its normal subsistence, and special protection measures with regard to foreign trade, the removal of the present restriction would have as a direct consequence the collapse of prices and increasing difficulties in marketing products. The disturbances which would thereby result would be such, that agriculture could not fail to succumb rapidly to foreign competition, and irrevocably the structural, social and political equilibrium of the country would be disrupted. Such a change would be tantamount to jeopardizing the national existence of the country most seriously.

10. Methods of adjustment

At present it is impossible to indicate to what extent certain restrictions might be adjusted. The results of harmonization of the Luxembourg agricultural policy with that of its economic partners would have to be achieved before the new conditions could be assessed. At all events, it should be considered that a final adjustment through the only means available to Luxembourg is not practicable.

11. Policy for progressive relaxation of the restriction

The possibilities for relaxing the restriction depend directly upon the result of the present and future efforts by the Luxembourg Government to harmonize its agricultural policy and rationalize agricultural production. It would, therefore, be premature to forecast the direction which such a policy for relaxation of the restriction might follow.
12. **Alternative measures compatible but impracticable**

The position of the Grand-Duchy of Luxemburg as partner in the Economic and Customs Unions with Belgium and the Netherlands does not allow it to have unilateral resort to alternative measures compatible with the General Agreement, such as increase in import duties, fixing of seasonal duties and tariff quotas. The application of these measures would not solve the problem of the necessary protection for Luxemburg agriculture, and in addition would create fresh complications for the general economic policy of the country.

13. **Undertaking to grant other contracting parties a fair and reasonable share of the market**

For most of the products for which Luxemburg asks a waiver, domestic production covers the requirements of the country, so that imports are unnecessary. Should these products be in inadequate supply, imports are authorized to meet the requirements of the domestic market which are not covered.

The scope of the Luxemburg market being extremely narrow, the restriction system applied by the Grand-Duchy would not entail serious disadvantage for the contracting parties.

As a result of the free customs régime which the two other partners in Benelux, Belgium and the Netherlands enjoy on the Luxemburg market, they are the main suppliers of that market. Other countries, such as France, Italy, Denmark, are suppliers only of specialized products. The United States and Canada supply the additional first-quality wheat required by the Luxemburg market.

14. **Undertaking of non-discrimination**

Luxemburg does not apply discrimination in imports. The origin of authorized imports is determined in practice by the price level.
II

SUPPLEMENTARY INFORMATION RELATING TO INDIVIDUAL ITEMS

A. Live Animals

1. Bovine cattle.

2. Tariff item number: 3 a and b.

3. Provisions of tariff:

   (i) Rate of duty:

   3 a: pure bred animals for breeding: free.

   3 b: other (calves, yearling bulls, steers, heifers, bulls, cows, oxen): 9%.

   (ii) 3 a: pure bred animals for breeding: bound under GATT.

   3 b: other: not bound under GATT.


   (i) (a) Bovine cattle.

       (b) Beef and veal, fresh, chilled or frozen.

       Imports are subject to licensing and authorized only according to the requirements of the domestic market. Animals for breeding are imported unrestrictedly, according to race and breeding standards.
6. Date of imposition of the restriction.

(a) Breeding standards for breeding animals: since 1913.
(b) Other animals, fresh beef and veal: since 1935 (Article 7 of the Belgium-Luxemburg Convention of 23 May 1935); chilled or frozen beef or veal - since the Benelux Agricultural Protocol of 1950.

7. Statistics.

<table>
<thead>
<tr>
<th>Tariff item number:</th>
<th></th>
<th>National Production</th>
<th>Imports 1953</th>
<th>Imports 1954</th>
<th>Exports 1953</th>
<th>Exports 1954</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tariff item number:</td>
<td>3</td>
<td>1953 1954</td>
<td>1953</td>
<td>1954</td>
<td>1953 1954</td>
<td></td>
</tr>
<tr>
<td>Bovine cattle (head)</td>
<td>3 a</td>
<td>-</td>
<td>1,150</td>
<td>910</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>3 b</td>
<td>see figure</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>corresponding to</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>slaughtered cattle</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(13 a)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tariff item number:</td>
<td>13 a</td>
<td>Beef and veal</td>
<td>7,000</td>
<td>7,700</td>
<td>1,200^1</td>
<td>980^1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(carcass weight)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(tons)</td>
<td></td>
<td></td>
<td>540</td>
<td>1,450</td>
</tr>
</tbody>
</table>

^1 Chiefly veal
B. Meat and Meat Preparations

1. Swine.
2. Tariff item number: 6 a and b.
3. Provisions of tariff:
   (i) Rate of duty:
   6 a: pure bred animals for breeding: free.
   6 b: other: 6%
   (ii) 6 a: pure bred animals for breeding: bound under GATT.
   6 b: other: not bound under GATT.

1. Pork, fresh, chilled or frozen.
2. Tariff item number: 13 c 1 and c 2.
3. Provisions of tariff:
   (i) Rate of duty: 12%
   (ii) Not bound under GATT.

1. Bacon.
2. Tariff item number: 17 a and b.
3. Provisions of tariff:
   (i) Rate of duty: 12%
   (ii) Not bound under GATT.

(i) (a) Swine.

(b) Pork, lard:

Imports are subject to licensing and authorized only according to the requirements of the domestic market. Pure bred animals for breeding are imported without restriction according to standards of breeding and race.

6. Date of imposition of restriction.

(a) Breeding standards for pure bred animals for breeding since 1928.

(b) Other swine, and fresh pork: since 1935 (Article 7 of the Belgium-Luxemburg Convention of 23 May 1935); chilled and frozen pork and bacon: Benelux Agricultural Protocol of 1950.

7. Statistics.

<table>
<thead>
<tr>
<th>National Production</th>
<th>Imports</th>
<th>Exports</th>
</tr>
</thead>
</table>

Tariff item number: 6

Swine (head)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>6 a</td>
<td>-</td>
<td>-</td>
<td>18</td>
<td>33</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>6 b see figures 13 c</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Tariff item number: 13 c

Pork (carcass weight) (tons)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>11,800 12,000</td>
<td>-</td>
<td>-</td>
<td>330^1</td>
<td>920</td>
<td>700</td>
<td></td>
</tr>
</tbody>
</table>

Tariff item number: 17

Bacon, fresh, salted, smoked (included in or otherwise simply prepared)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>(carcass weight 13 c)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

^1 Seasonal imports
Meat and Meat Preparations (cont'd)

1. **Meat, salted, dried, smoked, cooked or otherwise simply prepared.**

2. **Tariff item number:** 18 a and b.

3. **Provisions of tariff:**
   
   (i) **Rate of duty:** 12%.

   (ii) **Not bound under GATT.**

---

1. **Sausages and the like.**

2. **Tariff item number:** 116.

3. **Provisions of tariff:**
   
   (i) **Rate of duty:** 15%.

   (ii) **Not bound under GATT.**

---

1. **Other prepared or preserved meat.**

2. **Tariff item number:** 117 c.

3. **Provisions of tariff:**
   
   (i) **Rate of duty:** 30%.

   (ii) **Not bound under GATT.**

---

4. **Nature of restriction.**

   (i) **Imports of meat preparations subject to licensing.** They apply mainly to specialities not produced in the country.
5. **Reasons why the restriction is maintained.**

The system of protection established for bovine cattle and swine also requires adaptation to imports of meat preparations according to requirements of the domestic market, if it is to remain effective.

6. **Date of imposition of the restriction.**

Since the Benelux Agricultural Protocol of 1950.

7. **Statistics.**

<table>
<thead>
<tr>
<th>Tariff item number: 18 a and b</th>
<th>National Production</th>
<th>Imports</th>
<th>Exports</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meat, salted, dried, smoked, cooked, or otherwise simply prepared</td>
<td>-1 -1</td>
<td>280 265</td>
<td>- -</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Tariff item number: 116</th>
<th>National Production</th>
<th>Imports</th>
<th>Exports</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sausages and the like</td>
<td>-1 -1</td>
<td>160 145</td>
<td>- -</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Tariff item number: 117 c</th>
<th>National Production</th>
<th>Imports</th>
<th>Exports</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other preparations of meat not included under item 18</td>
<td>-1 -1</td>
<td>300 310</td>
<td>- -</td>
</tr>
</tbody>
</table>

---

1 **Figures included under carcass weight 13 a and 13 c**
C. Milk and Dairy Products

1. Fresh milk, whole or skimmed, butter milk, curdled milk, fermented milk.
2. Tariff item number: 22.
3. Provisions of tariff:
   (i) Rate of duty: 10%.
   (ii) Not bound under GATT.

1. Milk cream.
2. Tariff item number: 23.
3. Provisions of tariff:
   (i) Rate of duty: 10%
   (ii) Not bound under GATT.

1. Preserved milk and cream in blocks, powdered or condensed (syrupy), without the addition of sugar.
2. Tariff item number: 24a.
3. Provisions of tariff:
   (i) Rate of duty: 15%.
   (ii) Not bound under GATT.

1. Butter, fresh or salted, also if melted.
2. Tariff item number: 25.
3. Provisions of tariff:
   (i) Rate of duty: 15%.
   (ii) Not bound under GATT.
4. **Nature of restriction.**

   (i) Imports are subject to licensing and authorized only according to the requirements of the domestic market.

6. **Date of imposition of the restriction.**

   - Butter: since 1935 (Article 7 of the Belgium-Luxemburg Convention of 23 May 1935),

7. **Statistics.**

   (tons)

<table>
<thead>
<tr>
<th>Tariff item number</th>
<th>National Production</th>
<th>Imports 1953</th>
<th>Imports 1954</th>
<th>Exports 1953</th>
<th>Exports 1954</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fresh milk, whole</td>
<td>170,000</td>
<td>173,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Milk cream</td>
<td>700(^1)</td>
<td>800(^1)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Preserved milk</td>
<td>-</td>
<td>-</td>
<td>330</td>
<td>360</td>
<td>-</td>
</tr>
<tr>
<td>Butter, fresh or salted</td>
<td>4,100</td>
<td>4,400</td>
<td>-</td>
<td>-</td>
<td>340</td>
</tr>
</tbody>
</table>

\(^1\) Figures already included in tariff item number 22
D. Cereals, Milling Products and Derivatives.

1. Wheat, spelt and meslin.

2. Tariff item number: 68.

3. Provisions of tariff:
   (i) Rate of duty: free.
   (ii) ex 68: wheat: bound under GATT.
         spelt and meslin: not bound under GATT.

1. Rye.

2. Tariff item number: 69.

3. Provisions of tariff:
   (i) Rate of duty: free.
   (ii) Not bound under GATT.

1. Wheat, spelt, meslin and rye flours.

2. Tariff item number: 75 a 1, a 2, and b.

3. Provisions of tariff:
   (i) Rate of duty:
       75 a 1: wheat flour: free.
       75 a 2: spelt and meslin flours: 3%.
       75 b: rye flour: 3%.
   (ii) 75 a 1: wheat flour: bound under GATT.
        75 a 2: spelt and meslin flours: not bound under GATT.
        75 b: rye flour: not bound under GATT.
1. Wheat and groats semolina.

2. Tariff item number: 76 a.

3. Provisions of tariff:
   (i) Rate of duty: 3%.
   (ii) Not bound under GATT.

1. Bran, sharps and other residues from screening, milling and husking of wheat and rye.

2. Tariff item number: 78.

3. Provisions of tariff:
   (i) Rate of duty: free.
   (ii) Not bound under GATT.

1. Macaroni, spaghetti and the like.

2. Tariff item number: 134.

3. Provisions of tariff:
   (i) Rate of duty: 15%.
   (ii) Bound under GATT.

1. Bread.

2. Tariff item number: 135.

3. Provisions of tariff:
   (i) Rate of duty: free.
   (ii) Not bound under GATT.

(i) Imports are subject to licensing and are authorized only according to the requirements of the domestic market. Imports of wheat and rye seeds for sowing are unrestricted, subject to the varieties allowed in the country and provided they correspond to certain standards of quality ("genuine" and "first class seeds").

6. Date of imposition of the restriction.

Since 1935 (Article 9 of the Belgium-Luxemburg Convention of 23 May 1935).

7. Statistics.

<table>
<thead>
<tr>
<th>Tariff item number</th>
<th>National Production</th>
<th>Imports</th>
<th>Exports</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wheat</td>
<td>37,000</td>
<td>43,000</td>
<td>5,000</td>
</tr>
<tr>
<td>Rye</td>
<td>11,000</td>
<td>13,800</td>
<td>-</td>
</tr>
<tr>
<td>Wheat, spelt, meslin and rye flours</td>
<td>25,000</td>
<td>25,000</td>
<td>-</td>
</tr>
<tr>
<td>Wheat, groats and semolina</td>
<td>1,500</td>
<td>1,500</td>
<td>-</td>
</tr>
<tr>
<td>Macaroni, spaghetti and the like</td>
<td>1,200</td>
<td>1,300</td>
<td>530</td>
</tr>
<tr>
<td>Bread</td>
<td>27,300</td>
<td>27,000</td>
<td>-</td>
</tr>
</tbody>
</table>
E. Products for which Import Regulations are limited to certain Periods of the Year

1. Eggs of poultry.
2. Tariff item number: 27 a 1 and b 1.
3. Provisions of tariff:
   (i) Rate of duty: 5%.
   (ii) 27 a 1: not bound under GATT.
        27 b 1: bound under GATT.

1. Potatoes and seed potatoes.
2. Tariff item number: 49 b and c.
3. Provisions of tariff:
   (i) Rate of duty:
        49 b 1: 5%.
        49 b 2: 10%.
        49 c : 10%.
   (ii) 49 b 1: bound under GATT.
        49 b 2: not bound under GATT.
        49 c : not bound under GATT.

1. Apples.
2. Tariff item number: 59 a.
3. Provisions of tariff:
   (i) Rate of duty:
        59 a 1: 6%.
        59 a 2: 12%.
   (ii) 59 a 1: bound under GATT.
        59 a 2: not bound under GATT.
4. **Nature of restriction.**

(i) **Seasonal restriction.**

(ii) Periods during which imports are admitted only by special authorization:

(a) *eggs* of poultry: 1 February – 1 September;

(b) *potatoes* and *seed potatoes*: 1 August – 30 March;

(c) *apples*: 1 September – 31 December.

During the other periods of the year, régime according to all licences requested.

6. **Date of imposition of restriction.**

Since 1935 (Article 5 of the Belgium-Luxemburg Convention of 23 May 1935).

7. **Statistics.**

<table>
<thead>
<tr>
<th>National Production</th>
<th>Imports</th>
<th>Exports</th>
</tr>
</thead>
</table>

Tariff item number: 27 a 1 and b 1

**Eggs of poultry**

<table>
<thead>
<tr>
<th></th>
<th>1953</th>
<th>1954</th>
<th>1953</th>
<th>1954</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Production</td>
<td>2,300</td>
<td>2,300</td>
<td>700</td>
<td>680</td>
</tr>
<tr>
<td>Imports</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exports</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Tariff item number 49 b and c

**Accepted varieties of seed potatoes**

<table>
<thead>
<tr>
<th>Accepted varieties of seed potatoes</th>
<th>b 4,000</th>
<th>3,600</th>
<th>3,500</th>
<th>3,800</th>
<th>1,200</th>
<th>200</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Production</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Imports</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exports</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Edible potatoes**

<table>
<thead>
<tr>
<th>Edible potatoes</th>
<th>c 129,200</th>
<th>138,000</th>
<th>1,800&lt;sup&gt;1&lt;/sup&gt;</th>
<th>2,500&lt;sup&gt;1&lt;/sup&gt;</th>
<th>-</th>
<th>-</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Production</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Imports</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exports</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Tariff item number 59 a

**Apples**

<table>
<thead>
<tr>
<th>Apples</th>
<th>4,200</th>
<th>3,000</th>
<th>900</th>
<th>1,200</th>
<th>1,500</th>
<th>100</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Production</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Imports</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exports</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<sup>1</sup> Early potatoes