The Government of Sweden has addressed to the Executive Secretary the following statement, dated 5 August 1957:

"At its meeting on April 27, 1957, the Intersessional Committee considered the situation with respect to the expiry on December 31, 1957, of the declaration of March 10, 1955, concerning the continued application of the schedules annexed to the General Agreement. The Committee decided to recommend 'that a contracting party wishing to enter into negotiations under the provisions and procedures of Article XXVIII in order to modify or cease to apply on January 1, 1958, the treatment which it has agreed to apply under Article II to any product described in the appropriate schedule annexed to the General Agreement should, not later than 15 July 1957, notify the Executive Secretary and the contracting party or parties with which the concession was initially negotiated'.

"Upon this recommendation, the Swedish Government informed the GATT Secretariat that it did not intend to withdraw any concessions under the above-mentioned procedure.

"However, the attention of the CONTRACTING PARTIES is drawn to the following facts, which, during the forthcoming three-year period, might lead to requests under the appropriate articles of the General Agreement to withdraw or modify concessions included in the Swedish schedule.

"The Swedish Customs Tariff has recently been the subject of a general revision by a Royal Commission. On several occasions during GATT sessions, the Swedish Delegates have informed the CONTRACTING PARTIES regarding this work. However, the Swedish Government now wishes to restate the reasons for the revision and to indicate what changes it will lead to.

"No general material revision of the Customs tariff has taken place since 1911. Since that time, very significant changes have occurred in world economy, and, naturally, the role to be played by tariffs in the national economy has been greatly affected. Consequently, the present nearly fifty years old tariff schedule is obsolete."
"It is not in Swedish interest, however, to abandon the present low tariff policy that has been pursued for such a long period. Hence the revision has not been directed towards a general increase of the tariff level, but to bring about an adequate distribution of the protection over different classes of merchandise and fields of production.

"In May 1956, the Customs Tariff Commission submitted the result of its work in the form of a report containing proposals for a new tariff. The most important changes which have been proposed are the introduction of the so-called Brussels nomenclature and a change from specific duties to a system based generally on ad valorem duties.

"Concerning the majority of the commodities affected by GATT-concessions, the new tariffs will not exceed but be more or less identical with, or fall below, the bindings undertaken. Only in a very limited number of cases is an increase of the tariffs bound in GATT proposed. Furthermore, the duties concerned will only be subject to rather insignificant increases.

"The entry into force of the new tariff schedule has, however, been made dependent on the results of present negotiations between Sweden, Denmark, Finland and Norway, aiming at the creation of a customs union. If such a union is decided upon by the Governments concerned, a common customs tariff will be introduced.

"Even in the eventuality of a Nordic Customs Union, however, certain GATT bindings might have to be exceeded but due compensation will of course be offered to the contracting parties in conformity with Article XXIV:6.

"The situation therefore is that Sweden is now prepared to bind itself for another period of three years with respect to the continued application of the schedules. In so doing, however, the Swedish Government wishes to point out that changes will be made in the tariff, implying certain changes also in duties bound in GATT. Before these changes are introduced, the Swedish Government of course intends to ask the CONTRACTING PARTIES for authority to re-negotiate the items concerned in conformity with the rules laid down in Article XXVIII:4.

"The Swedish Government wishes to express its hope that requests to make such changes in the Swedish GATT schedules during the period will be met by the CONTRACTING PARTIES with sympathy and understanding."