Amendments to Paragraphs 7 and 9 of Preliminary Draft Report

a) Replace paragraph 7 by the following text:

7. The Sub-Group submits that the following formula would meet these requirements and would be regarded as practicable:

The weighted incidence for a sector would be the ratio having:

(i) as its numerator, the total duty collected on imported goods during the period under consideration;

(ii) as its denominator, the value of the goods on which the duty in the numerator was charged plus the value of goods exempt from duty which have gone into home consumption in the period, irrespective of whether the exemption of these goods was dependent upon their intended use or destination or not.

b) Replace paragraph 9 by the following text:

9. Notwithstanding (ii) of paragraph 7, countries will not be required to deduct the value of exempt goods which are subsequently re-exported; nor should any deduction be made for the denominator in respect of goods re-exported on drawback.
8. Extension of the commitments after the period of implementation

After the end of the first three year period, the weighted incidence would remain at or below the level reached at the end of that period; individual reductions could be withdrawn and replaced by equivalent reductions on other duties in the same sector.

At the end of each three year period, each participating country would be free to replace individual concessions by equivalent reductions of other duties in the same sector.

The new reductions would be bound against increase for a new period of three years.

Low tariffs enjoying special treatment would be bound against increase.

Safeguards might be devised to ensure that increases in duties not reduced under the plan do not impair the benefits derived from the scheme.

All tariff reductions under the plan would be embodied in the GATT schedules and governed by the GATT provisions.

The level of the weighted incidence in the sectors would no longer be bound and no specific safeguards would be devised against increases in the rates of duty which have not been reduced under the plan and therefore not embodied in the GATT schedules; the provisions of Article XXVIII would be relevant if such increases were to impair the benefits expected by a participating country.