DRAFT REPORT OF THE WORKING PARTY ON BELGIAN WAIVER

1. In accordance with its terms of reference the Working Party examined, in the light of the statement by the representative of Belgium at the plenary meeting on 7 November 1962 (L/1903), developments under the Decision of 3 December 1955 (BISD, Fourth Supplement, page 22) since the nineteenth session.

Commodities

2. The Belgian delegation supplied to the Working Party a list (annexed hereto), of the items initially covered by the Waiver of 3 December 1955, indicating the present situation with respect to liberalization measures taken. On the basis of this list the Working Party examined the situation relating to items which had not yet been liberalized.

3. With respect to fish the Working Party noted that a number of items had been liberalized on 1 January 1962 in accordance with the undertaking given by the Belgian delegation in the course of the 1961 review of action taken under the Waiver. Members of the Working Party expressed considerable interest in a number of items which were still under restriction. The Belgian representative stressed that his Government was always willing to discuss with interested contracting parties the possibilities of opening bilateral import quotas.

4. With regard to dairy products the representative of Belgium confirmed that the marketing system as outlined in the report on the 1961 review (BISD, Tenth Supplement, pages 238-240) was still in force. Members of the Working Party pointed out that the removal on 1 January 1962 of the remaining quantitative restrictions on dairy products had not led to an increase in imports. They also questioned whether butter imports could be considered to be free, taking into account the position of the Office Commercial du Ravitaillement (OCRA). The Belgian representative pointed out that the OCRA was not a State-trading enterprise and that the Government could not take decisions on the importation of dairy products. It had, however, been found impossible to have a completely free market in view of the international situation in this field. He said that the recent decrease in imports was due to a decrease in consumption of dairy products in Belgium.

5. With regard to fresh vegetables the representative of Belgium recalled that several items had recently been liberalized. For the items the import of which was still subject to limitations, the Government of Belgium would examine the possibilities of an early liberalization.

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6. The Working Party noted that the Government of Belgium envisaged the possibility of removing the remaining import restrictions on apples and pears before the end of 1962. The Belgian representative explained that if it should not prove possible to remove the restrictions on all qualities of apples and pears, a special effort would be made to liberalize extra quality fruit before the end of 1962.

7. One member of the Working Party stressed that the Belgian restrictions on the importation of hops caused grave concern for his country. The representative of Belgium said that imports of hops into Belgium largely exceeded the need. There were plans for the organization of a national market for hops and when these had been implemented the imports would be liberalized.

General

8. The representative of Belgium said that his Government would make every endeavour to abolish to the extent possible the import restrictions before the expiration of the Waiver on 31 December 1962. It was, however, clear that some restrictions would remain in force after that date and these restrictions would be notified to the CONTRACTING PARTIES in accordance with the procedure relating to residual import restrictions.

9. In reply to questions from members of the Working Party the representative of Belgium said that the impossibility to remove all restrictions before the expiry of the Waiver was due partly to the agricultural crisis which had become apparent in 1962 and which had its background in social as well as economic conditions prevailing in Belgium. Partly it was also due to the deterioration of the world market for agricultural products.

10. Members of the Working Party agreed that the widespread protectionism in the agricultural field had serious effects on world trade. They did not, on the other hand, regard this as a justification for a continuation by Belgium of quantitative restrictions beyond the expiration of the Waiver, nor for the replacement of quantitative restrictions by other measures having a similar restrictive effect on import trade in agricultural products.

11. In reply to a question by a member of the Working Party the representative of Belgium said that the fact that a licensing procedure was in force for some completely liberalized products had purely administrative reasons and had no restrictive effects.

Conclusions

12. Members of the Working Party recalled that the CONTRACTING PARTIES when granting the Waiver in 1955 had recognized that it was not possible for Belgium to resort in the immediate future to other measures consistent with the provisions of the General Agreement. They pointed out, however, that the intention had only been to allow the Government of Belgium a limited time for making the necessary adjustments in its agricultural policy.
13. The Working Party welcomed the assurances given by the Government of Belgium that it was making every endeavour to dismantle the remaining restrictions before the expiration of the Waiver on 31 December 1962. It noted, however, that the replacement of quantitative restrictions by other measures having a similar restrictive effect on import trade had not been envisaged at the time when the Waiver was granted. The Working Party expressed its disappointment that it had not been possible to remove the remaining restrictions to a greater extent and urged that prompt action be taken for their speedy elimination.