Note by the Secretariat

Following the discussion of the Working Party at the meeting on 13 December, the secretariat has reviewed the information available and identified some of the problems involved in the establishment of the statistical facts of trade at most-favoured-nation and at other rates. A review has also been made of material available in respect of regional groupings and other preferential arrangements of developing countries and contact has been made with the secretariat of LAFTA. The main points emerging from the review are mentioned below.

As was indicated on the last meeting the task of the secretariat in carrying out the calculations within the established time-limit would be facilitated if at least in the first stage the exercise were limited to countries in respect of which information has been collected for the tariff study i.e. the EEC, the United States, Canada, Japan, the United Kingdom, Sweden, Denmark, Norway, Finland, Switzerland, Austria, Australia, New Zealand and South Africa. Total imports of these countries accounts for about 80 per cent of combined imports of contracting parties. Other trade flows can be taken up if considered necessary at a later stage.

From amongst the years considered by the Working Party, the years 1955, 1961, 1964 and 1970 may be regarded as normal and would, in general, not raise any particular difficulties with respect to the availability of data. In a few cases in respect of individual countries it will, however, be necessary to make some adjustments with regard to the years selected in order to take account of special circumstances. This applies, in particular, to cases where detailed information is available only for one year preceding or following one of the years mentioned above.

In identifying the tariff items and the imports on which preference is granted, the secretariat is faced with certain difficulties: (i) the secretariat records concerning temporary duty suspensions are not complete; (ii) imports of commodities admitted duty free under special conditions are usually not distinguished in published trade returns from imports subject to duty. If account cannot be taken of the detailed information required, in this respect the results would tend to be distorted. It will, therefore, be necessary to obtain this information directly from the competent national authorities and the secretariat will approach delegations for the necessary assistance.
Furthermore, in a number of countries, import statistics are not available by customs tariff items, in particular for the earlier years. In such cases the share of most-favoured-nation and of other imports cannot be accurately determined. Estimates will, therefore, have to be made based on whatever information may be available. In the absence of adequate data, alternative results will be shown, one including, the other excluding imports for which the customs treatment cannot be determined.

Two additional points may be noted. First, the available import statistics sometimes refer to general trade and, therefore, include goods which are re-exported at a later stage. While the secretariat will approach delegations, for assistance in identifying re-exports it may not be possible to adjust for the re-export trade in all cases. Second, since the secretariat would be working with detailed trade returns it will find it necessary to present figures for most-favoured-nation and preferential imports without attempting any adjustment from f.o.b. to c.i.f. basis.