

5 October 1960

Committee III - Expansion of TradeANNEX ALIGHT ENGINEERING GOODS (Cont'd)(c) Electric Fans (Draft)

The Committee, in discussing the possibilities of less-developed countries expanding their exports of electric fans, had in mind the widespread need and the large latent demand for this appliance, not only in tropical climates where electric fans could be classed as necessities, but also in industrialized countries where there was an increasing market for electric fans themselves and for other domestic appliances such as heaters, air conditioning equipment, etc., incorporating electric fans. Furthermore, it was recognized that although there existed a large potential domestic market for electric fans in many of the less-developed countries presently manufacturing electric fans, relative lack of purchasing power and the urgent need to earn foreign exchange made it essential for these countries to seek additional export markets for part of their production. At least one country in the process of rapid economic development had some considerable experience in the manufacture of electric fans and by supplying a quality product had been able to enter export markets. This country had sufficient installed capacity to further increase exports.

Having these considerations in mind the Committee noted the high incidence of tariffs on electric fans. More than half of contracting parties had tariff rates of 15 per cent or more; tariff rates of 25 to 30 per cent were not unusual and in one case the tariff rate was higher than 100 per cent. In addition to these customs duties many countries applied high internal revenue and fiscal charges; more than one-third of all contracting parties levied internal taxes of 10 per cent or more on electric fans. The high incidence of the combined duties and charges was a significant factor in inhibiting the sale of electric fans.

The Committee further noted that more than one-half of all contracting parties, including some industrialized countries, continued to control imports of this item. The Committee expressed the hope that the contracting parties concerned would dismantle such restrictions, particularly when they were applied on a discriminatory basis to the detriment of less-developed countries.