

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

AC/SC1/4

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Action Committee

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SUBMISSIONS TO SUB-COMMITTEE 1 BY LESS-DEVELOPED COUNTRIES RELATIVE TO TRADE BARRIERS MAINTAINED BY INDUSTRIALIZED COUNTRIES

PAKISTAN

In GATT/AIR/358, in accordance with paragraph 5 of the Proceedings of the First Meeting of Sub-Committee 1 (AC/SC1/3), less-developed countries were asked to indicate, in concrete terms, the barriers listed in the Annex to AC/SC1/3, which were particularly important in affecting their exports and to describe, again in concrete terms, the extent to which their exports of specific products were affected by the barriers in question. Below is reproduced the response of the Government of Pakistan to this request.

To avoid the need for lengthy discussions with a number of countries, the list has been kept short by including only a few items of immediate interest.

COTTON TEXTILES

The main items in which Pakistan is interested for the present are cotton yarn, cotton piece-goods, made-up goods and handloom products. The cotton textile industry is the biggest industry of Pakistan with approximately 2.75 million spindles and 45,000 looms. There is also a large handloom industry whose production of cloth is only slightly below that of the mill industry. There is a considerable export surplus (amounting to about 200 million square yards of cloth and 50 million lbs. of yarn), but difficulties are being experienced in export on account of import restrictions maintained or imposed by a number of developed countries.

After the termination of the Voluntary Agreement with the Pakistan Textile Industry in 1962, the United Kingdom has decided to restrict imports from Pakistan to the old Voluntary Agreement quota of 42.4 million square yards for cloth and has imposed a quota of 0.6 million lbs. per year for yarn which was previously unrestricted. Pakistan is now in a position to export two to three times the quota of cloth and ten to fifteen times the quota of yarn, but is prevented from doing so by the quota restrictions.

Under Article III of the Long-Term Textile Arrangement, the United States has also restricted the import of carded cotton sheeting (Category 9) from Pakistan to 11.4 million sq. yds. for twelve months from 1 March 1963 and has recently issued notice for restricting another category (Category 22 - Twills and Satin) to about a $\frac{1}{2}$ million sq. yds. Pakistan is in a position to export three to four times these quotas to the United States.

Under the Long-Term Arrangement, France, Germany and Austria have given very small import quotas to Pakistan totalling about 3 million sq. yds. The German quota (1.5 million DM) is divided into various categories, including even woollen yarn and made-up goods of synthetic fibre also. Pakistan desires a substantial increase in these quotas, elimination of items not falling within the category of cotton textiles and the facility to fulfil the increased quotas by exporting the varieties of cloth which are being produced in Pakistan.

Pakistan also suggests that purchase taxes maintained by France, Belgium and Luxemburg may be substantially reduced.

RAW COTTON

Pakistan has been a traditional exporter of raw cotton to France, Belgium, Italy, Germany, the United Kingdom and Japan. Imports by these countries from Pakistan, which, in mid-fifties, amounted to about 300,000 bales, have been reduced to about 50/60,000 bales in recent years on account of larger imports, sometimes on special terms from the United States. Since cotton exports are very important for the economy of the country and it is necessary that these markets should be available to Pakistan for the export of her cotton.

CANNED AND FROZEN FISH

Pakistan is now in a position to export lobster and other fish in canned and frozen form in substantial quantities. The high rate of CET adopted by the EEC countries and purchase taxes maintained by France, Belgium and Luxemburg, are proving a serious obstacle to exports and Pakistan requests a reduction of these duties and taxes.

LEATHER

Besides raw hides and skins, Pakistan is also now exporting tanned and finished leather. Pakistan requests: (i) increased opportunities for exporting these items to West European countries, and (ii) reduction in the purchase tax maintained by France, Belgium and Luxemburg on this commodity.

LEATHER FOOTWEAR

Pakistan produces good quality boots and shoes and other footwear and exports to other countries are increasing. However, the high import duties maintained by France, Belgium and Luxemburg, Netherlands, Italy and Germany and purchase and other internal taxes maintained by France and Belgium and Luxemburg are impeding exports to these countries. It is Pakistan's request that these duties and taxes be reduced.

SPORTS GOODS

Sports goods are an important item of export from Pakistan. It is Pakistan's request that export should be facilitated by reduction of the heavy import duties in France, Belgium, Luxemburg, Netherlands, Italy and Germany. Belgium, Luxemburg and Germany also maintain internal taxes and France has quota restrictions on some items. Pakistan requests that these additional restrictions may be relaxed.