AGREEMENTS REACHED IN THE TOKYO ROUND OF THE MULTILATERAL TRADE NEGOTIATIONS

MESSAGE

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

THE TEXTS OF THE TRADE AGREEMENTS NEGOTIATED IN THE TOKYO ROUND OF THE MULTILATERAL TRADE NEGOTIATIONS, PURSUANT TO SECTION 102 OF THE TRADE ACT OF 1974

JUNE 19, 1979.—Message and accompanying papers referred to the Committee of the Whole House on the State of the Union and ordered to be printed

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U.S. GOVERNMENT PRINTING OFFICE
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TO THE CONGRESS OF THE UNITED STATES:

I am today transmitting to the Congress, pursuant to Section 102 of the Trade Act of 1974, the texts of the trade agreements negotiated in the Tokyo Round of the Multilateral Trade Negotiations and entered into in Geneva on April 12, 1979.

With these agreements, I am submitting the proposed Trade Agreements Act of 1979, which will revise domestic law as required or appropriate to implement the Geneva agreements, and fulfill our international commitment.

These agreements offer new opportunities for all Americans.

-- For American farmers, the agreements expand world markets for American farm products.

-- For American workers, the agreements offer more jobs, higher incomes, and more effective responses to unfair foreign competition.

-- For American businesses, the agreements will open major new markets overseas for American products.

-- For American consumers, the agreements will make available a wider choice of goods at better prices.

In short, the agreements mean a stronger, more prosperous, more competitive American economy. They mean lower inflation rates and a more favorable balance of trade.

These agreements bring to a successful conclusion the most ambitious and comprehensive effort undertaken by the international community since World War II to revise the rules of international trade and to achieve a fairer, more open, world trading system. They come at a time when intense pressures around the world threaten to disrupt the international trading system.

Representatives of ninety-nine nations worked for five years to reduce or remove thousands of specific barriers to trade -- including both tariff and nontariff barriers -- and to develop new rules which will govern the international trading system in the coming decades.

Since World War II, a period of remarkable trade expansion, our experience teaches us that international trade brings strength and growth to economies throughout the world. It serves the cause of peace by enriching the lives of people everywhere.

By responding to the needs of today's rapidly changing world economy, these agreements ensure that growing prosperity and growing interdependence through increased trade will continue to benefit all nations.

World trade has expanded more than six-fold since completion of the Kennedy Round of trade negotiations in 1967, and now exceeds $1.3 trillion annually.

Our nation is much more heavily dependent on trade than in the past. Today, one of every three acres in America produces food or fiber for export. One of every seven manufacturing jobs in our country depends on exports.

Economic interdependence will continue to increase in the future -- and so will our opportunities.

Approval and implementation by the Congress of the Tokyo Round Agreements will be the first important step toward realizing those opportunities by building a solid foundation for continued strong growth of trade. The package assembled under the direction of Robert Strauss, my Special Trade Representative, is an achievement which represents vast potential for the American economy.

The most important achievement of the Tokyo Round is a series of codes of conduct regulating nontariff barriers to trade. The code agreements are described more fully in the attachments to this Message. Also attached is a statement of administrative action detailing executive branch implementation of these laws. These agreements will accomplish the following:

-- Codes on subsidies and countervailing duties and on anti-dumping will limit trade distortions arising from such practices, and will give signatories to the agreements the right to challenge and counteract such practices when they cause material injury or breach agreed rules.

-- An agreement on technical barriers to trade will require countries to use fair and open procedures in adopting product standards.

-- An agreement on government procurement will open purchases by all signatory governments to bids from foreign producers.

-- An agreement on customs valuation will encourage predictable and uniform practices for appraising imports for the purpose of assessing import duties.

-- An agreement on import licensing will reduce unnecessary or unduly complicated licensing requirements.

-- An agreement on civil aircraft will provide a basis for fairer trade in this important U.S. export sector.

-- In the agricultural sector, specific product concessions from our trading partners and international commodity arrangements will enhance export opportunities. An agreement on a multilateral agricultural framework will provide a forum for future consultations on problems arising in agricultural trade.

-- Tariff reductions have been carefully negotiated in close consultation with American industry and labor, and will be phased in over the next eight years.

Agreements on the international trading framework will accomplish the following:

-- tighten procedures for handling international trade disputes,

-- respond to the needs of developing countries in a fair and balanced manner, while increasing their level of responsible participation in the trading system,

-- modernize the international rules applicable to trade measures that can be taken in response to balance-of-payments emergencies,

-- provide a basis for examining the existing international rules on export and import restraints.

The agreements meet the major objectives and directives of the Trade Act of 1974. They provide new opportunities for U.S. exports. They help fight inflation by assuring access to lower-cost goods for both U.S. consumers and U.S. industries. They strengthen our ability to meet unfair foreign trade practices, and assure that U.S. trade concessions are matched by reciprocal trade benefits for U.S. goods.

Throughout the negotiating process, these talks were conducted with an unprecedented degree of participation and advice from Congress, American industrial and agricultural communities, labor, and consumers alike.

Through continued cooperation and aggressive application and enforcement of the provisions of these agreements, we can ensure a fair and open international trading system, and usher in a new era of effective joint efforts by business, labor and government.

These agreements will make it possible for us to demonstrate, through vigorous and peaceful action, that the free enterprise system of the United States is the best economic system in

the world now and in the future. They are also a central element in my program to stimulate domestic economic growth, to control inflation, and to expand our exports.

Therefore, in the interest of strengthening our economy and the international trading system, I urge immediate approval and implementation of the Tokyo Round Agreements by the Congress.

Jimmy Carter

THE WHITE HOUSE,
June 19, 1979

AGREEMENTS NEGOTIATED UNDER SECTION 102 OF THE TRADE ACT OF 1974

(1) The Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade (relating to customs valuation).

(2) The Agreement on Government Procurement.

(3) The Agreement on Import Licensing Procedures.

(4) The Agreement on Technical Barriers to Trade (relating to product standards).

(5) The Agreement on Interpretation and Application of Articles VI, XVI, and XXIII of the General Agreement on Tariffs and Trade (relating to subsidies and countervailing measures).

(6) The Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade (relating to antidumping measures).

(7) The International Dairy Agreement.

(8) Certain bilateral agreements on cheese, other dairy products, and meat.

(A) Agreement with the European Communities,

(B) Agreement with Switzerland,

(C) Agreement with New Zealand,

(D) Agreement with Austria,

(E) Agreement with Finland,

(F) Agreement with Argentina,

(G) Agreement with Australia,

(H) Agreement with Israel,

(I) Agreement with Iceland,

(J) Agreement with Portugal, and

(K) Agreement with Canada.

(9) The Arrangement Regarding Bovine Meat.

(10) The Agreement on Trade in Civil Aircraft.

(11) Texts Concerning a Framework for the Conduct of World Trade.

(12) Certain Bilateral Agreements to Eliminate the Wine Gallon Method of Tax and Duty Assessment.

(13) Certain other agreements to be reflected in Schedule XX of the United States to the General Agreement on Tariffs and Trade.

(A) To Modify United States Watch Marking Requirements, and to Modify United States Tariff Nomenclature and Rates of Duty for Watches,

(B) To Provide Duty-Free Treatment for Agricultural and Horticultural Machinery, Equipment, Implements, and Parts Thereof, and

(C) To Modify United States Tariff Nomenclature and Rates of Duty for Ceramic Tableware.

(14) The Agreement with the Hungarian People's Republic.

THE AGREEMENT ON IMPLEMENTATION OF ARTICLE VII OF THE GENERAL AGREEMENT ON TARIFFS AND TRADE (RELATING TO CUSTOMS VALUATION)

General Introductory Commentary

1. The primary basis for customs value under this Agreement is "transaction value" as defined in Article 1. Article 1 is to be read together with Article 8 which provides, inter alia, for adjustments to the price actually paid or payable in cases where certain specific elements which are considered to form a part of the value for customs purposes are incurred by the buyer, but are not included in the price actually paid or payable for the imported goods. Article 8 also provides for the inclusion in the transaction value of certain considerations which may pass from the buyer to the seller in the form of specified goods or services rather than in the form of money. Articles 2 to 7, inclusive, provide methods of determining the customs value whenever it cannot be determined under the provisions of Article 1.

2. Where the customs value cannot be determined under the provisions of Article 1, there should normally be a process of consultation between the customs administration and importer with a view to arriving at a basis of value under the provisions of Articles 2 or 3. It may occur, for example, that the importer has information about the customs value of identical or similar imported goods which is not immediately available to the customs administration in the port of importation. On the other hand, the customs administration may have information about the customs value of identical or similar imported goods which is not readily available to the importer. A process of consultation between the two parties will enable information to be exchanged, subject to the requirements of commercial confidentiality, with a view to determining a proper basis of value for customs purposes.

3. Articles 5 and 6 provide two bases for determining the customs value where it cannot be determined on the basis of the transaction value of the imported goods or of identical or similar imported goods. Under Article 5.1 the customs value is determined on the basis of the price at which the goods are sold in the condition as imported to an unrelated buyer in the country of importation. The importer also has the right to have goods which are further processed after importation valued under the provisions of Article 5 if he so requests. Under Article 6 the customs value is determined on the basis of the computed value. Both these methods present certain difficulties and because of this the importer is given the right, under the provisions of Article 4, to choose the order of application of the two methods.

4. Article 7 sets out how to determine the customs value in cases where it cannot be determined under the provisions of any of the preceding Articles.

AGREEMENT ON IMPLEMENTATION OF ARTICLE VII OF THE GENERAL AGREEMENT ON TARIFFS AND TRADE

Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade

PREAMBLE

Having regard to the Multilateral Trade Negotiations, the parties to this Agreement,

Desiring to further the objectives of the General Agreement on Tariffs and Trade and to secure additional benefits for the international trade of developing countries;

Recognizing the importance of the provisions of Article VII of the General Agreement on Tariffs and Trade and desiring to elaborate rules for their application in order to provide greater uniformity and certainty in their implementation;

Recognizing the need for a fair, uniform and neutral system for the valuation of goods for customs purposes that precludes the use of arbitrary or fictitious customs values;

Recognizing that the basis for valuation of goods for customs purposes should, to the greatest extent possible, be the transaction value of the goods being valued;

Recognizing that customs value should be based on simple and equitable criteria consistent with commercial practices and that valuation procedures should be of general application without distinction between sources of supply;

Recognizing that valuation procedures should not be used to combat dumping;

Hereby agree as follows:

PART I - RULES ON CUSTOMS VALUATION

Article 1

1. The customs value of imported goods shall be the transaction value, that is the price actually paid or payable for the goods when sold for export to the country of importation adjusted in accordance with the provisions of Article 8, provided:

(a) that there are no restrictions as to the disposition or use of the goods by the buyer other than restrictions which:

(i) are imposed or required by law or by the public authorities in the country of importation;

(ii) limit the geographical area in which the goods may be resold; or

(iii) do not substantially affect the value of the goods;

(b) that the sale or price is not subject to some condition or consideration for which a value cannot be determined with respect to the goods being valued;

(c) that no part of the proceeds of any subsequent resale, disposal or use of the goods by the buyer will accrue directly or indirectly to the seller, unless an appropriate adjustment can be made in accordance with the provisions of Article 8; and

(d) that the buyer and seller are not related, or where the buyer and seller are related, that the transaction value is acceptable for customs purposes under the provisions of paragraph 2 of this Article.

2. (a) In determining whether the transaction value is acceptable for the purposes of paragraph 1, the fact that the buyer and the seller are related within the meaning of Article 15 shall not in itself be grounds for regarding the transaction value as unacceptable. In such case the circumstances surrounding the sale shall be examined and the transaction value shall be accepted provided that the relationship did not influence the price. If, in the light of information provided by the importer or otherwise, the customs administration has grounds for considering that the relationship influenced the price, it shall communicate its grounds to the importer and he shall be given a reasonable opportunity to respond. If the importer so requests, the communication of the grounds shall be in writing.

(b) In a sale between related persons, the transaction value shall be accepted and the goods valued in accordance with the provisions of paragraph 1 whenever the importer demonstrates that such value closely approximates to one of the following occurring at or about the same time:

(i) the transaction value in sales to unrelated buyers of identical or similar goods for export to the same country of importation;

(ii) the customs value of identical or similar goods as determined under the provisions of Article 5;

(iii) the customs value of identical or similar goods as determined under the provisions of Article 6;

(iv) the transaction value in sales to unrelated buyers for export to the same country of importation of goods which would be identical to the imported goods except for having a different country of production provided that the sellers in any two transactions being compared are not related.

In applying the foregoing tests, due account shall be taken of demonstrated differences in commercial levels, quantity levels, the elements enumerated in Article 8 and costs incurred by the seller in sales in which he and the buyer are not related that are not incurred by the seller in sales in which he and the buyer are related.

(c) The tests set forth in paragraph 2(b) are to be used at the initiative of the importer and only for comparison purposes. Substitute values may not be established under the provisions of paragraph 2(b).

Article 2

1. (a) If the customs value of the imported goods cannot be determined under the provisions of Article 1, the customs value shall be the transaction value of identical goods sold for export to the same country of importation and exported at or about the same time as the goods being valued.

(b) In applying this Article, the transaction value of identical goods in a sale at the same commercial level and in substantially the same quantity as the goods being valued shall be used to determine the customs value. Where no such sale is found, the transaction value of identical goods sold at a different commercial level and/or in different quantities shall be used, adjusted to take account of differences attributable to commercial level and/or to quantity, provided that such adjustments can be made on the basis of demonstrated evidence which clearly establishes the reasonableness and accuracy of the adjustment, whether the adjustment leads to an increase or a decrease in the value.

2. Where the costs and charges referred to in Article 8.2 are included in the transaction value, an adjustment shall be made to take account of significant differences in such costs and charges between the imported goods and the identical goods in question arising from differences in distances and modes of transport.

3. If, in applying this Article, more than one transaction value of identical goods is found, the lowest such value shall be used to determine the customs value of the imported goods.

Article 3

1. (a) If the customs value of the imported goods cannot be determined under the provisions of Articles 1 and 2, the customs value shall be the transaction value of similar goods sold for export to the same country of importation and exported at or about the same time as the goods being valued,

(b) In applying this Article, the transaction value of similar goods in a sale at the same commercial level and in substantially the same quantity as the goods being valued shall be used to determine the customs value. Where no such sale is found, the transaction value of similar goods sold at a different commercial level and/or in different quantities shall be used, adjusted to take account of differences attributable to commercial level and/or to quantity, provided that such adjustments can be made on the basis of demonstrated evidence which clearly establishes the reasonableness and accuracy of the adjustment, whether the adjustment leads to an increase or a decrease in the value.

2. Where the costs and charges referred to in Article 8.2 are included in the transaction value, an adjustment shall be made to take account of significant differences in such costs and charges between the imported goods and the similar goods in question arising from differences in distances and modes of transport.

3. If, in applying this Article, more than one transaction value of similar goods is found, the lowest such value shall be used to determine the customs value of the imported goods.

Article 4

If the customs value of the imported goods cannot be determined under the provisions of Articles 1, 2 and 3, the customs value shall be determined under the provisions of Article 5 or, when the customs value cannot be determined under that Article, under the provisions of Article 6 except that, at the request of the importer, the order of application of Articles 5 and 6 shall be reversed.

Article 5

1. (a) If the imported goods or identical or similar imported goods are sold in the country of importation in the condition as imported, the customs value of the imported goods under the provisions of this Article shall be based on the unit price at which the imported goods or identical or similar imported goods are so sold in the greatest aggregate quantity, at or about the time of the importation of the goods being valued, to persons who are not related to the persons from whom they buy such goods, subject to deductions for the following:

(i) either the commissions usually paid or agreed to be paid or the additions usually made for profit and general expenses in connection with sales in such country of imported goods of the same class or kind;

(ii) the usual costs of transport and insurance and associated costs incurred within the country of importation;

(iii) where appropriate, the costs and charges referred to in Article 8.2;

(iv) the customs duties and other national taxes payable in the country of importation by reason of the importation or sale of the goods.

(b) If neither the imported goods nor identical nor similar imported goods are sold at or about the time of importation of the goods being valued, the customs value shall, subject otherwise to the provisions of paragraph 1(a) of this Article, be based on the unit price at which the imported goods or identical or similar imported goods are sold in the country of importation in the condition as imported at the earliest date after the importation of the goods being valued but before the expiration of ninety days after such importation.

2. If neither the imported goods nor identical nor similar imported goods are sold in the country of importation in the condition as imported, then, if the importer so requests, the customs value shall be based on the unit price at which the imported goods, after further processing, are sold in the greatest aggregate quantity to persons in the country of importation who are not related to the persons from whom they buy such goods, due allowance being made for the value added by such processing and the deductions provided for in paragraph 1(a) of this Article.

Article 6

1. The customs value of imported goods under the provisions of this Article shall be based on a computed value. Computed value shall consist of the sum of:

(a) the cost or value of materials and fabrication or other processing employed in producing the imported goods;

(b) an amount for profit and general expenses equal to that usually reflected in sales of goods of the same class or kind as the goods being valued which are made by producers in the country of exportation for export to the country of importation;

(c) the cost or value of all other expenses necessary to reflect the valuation option chosen by the party under Article 8.2.

2. No party may require or compel any person not resident in its own territory to produce for examination, or to allow access to, any account or other record for the purposes of determining a computed value. However, information supplied by the producer of the goods for the purposes of determining the

customs value under the provisions of this Article may be verified in another country by the authorities of the country of importation with the agreement of the producer and provided they give sufficient advance notice to the government of the country in question and the latter does not object to the investigation.

Article 7

1. If the customs value of the imported goods cannot be determined under the provisions of Articles 1 to 6, inclusive, the customs value shall be determined using reasonable means consistent with the principles and general provisions of this Agreement and of Article VII of the General Agreement on Tariffs and Trade (hereinafter referred to as the GATT) and on the basis of data available in the country of importation.

2. No customs value shall be determined under the provisions of this Article on the basis of:

(a) the selling price in the country of importation of goods produced in such country;

(b) a system which provides for the acceptance for customs purposes of the higher of two alternative values;

(c) the price of goods on the domestic market of the country of exportation;

(d) the cost of production other than computed values which have been determined for identical or similar goods in accordance with the provisions of Article 6;

(e) the price of the goods for export to a country other than the country of importation;

(f) minimum customs values;

(g) arbitrary or fictitious values.

3. If he so requests, the importer shall be informed in writing of the customs value determined under the provisions of this Article and the method used to determine such value.

Article 8

1. In determining the customs value under the provisions of Article 1, there shall be added to the price actually paid or payable for the imported goods:

(a) the following, to the extent that they are incurred by the buyer but are not included in the price actually paid or payable for the goods:

(i) commissions and brokerage, except buying commissions;

(ii) the cost of containers which are treated as being one for customs purposes with the goods in question;

(iii) the cost of packing whether for labour or materials;

(b) the value, apportioned as appropriate, of the following goods and services where supplied directly or indirectly by the buyer free of charge or at reduced cost for use in connection with the production and sale for export of the imported goods, to the extent that such value has not been included in the price actually paid or payable:

(i) materials, components, parts and similar items incorporated in the imported goods;

(ii) tools, dies, moulds and similar items used in the production of the imported goods;

(iii) materials consumed in the production of the imported goods;

(iv) engineering, development, artwork, design work, and plans and sketches undertaken elsewhere than in the country of importation and necessary for the production of the imported goods;

(c) royalties and licence fees related to the goods being valued that the buyer must pay, either directly or indirectly, as a condition of sale of the goods being valued, to the extent that such royalties and fees are not included in the price actually paid or payable;

(d) the value of any part of the proceeds of any subsequent resale, disposal or use of the imported goods that accrues directly or indirectly to the seller.

2. In framing its legislation, each party shall provide for the inclusion in or the exclusion from the customs value, in whole or in part, of the following:

(a) the cost of transport of the imported goods to the port or place of importation;

(b) loading, unloading and handling charges associated with the transport of the imported goods to the port or place of importation; and

(c) the cost of insurance.

3. Additions to the price actually paid or payable shall be made under this Article only on the basis of objective and quantifiable data.

4. No additions shall be made to the price actually paid or payable in determining the customs value except as provided in this Article.

Article 9

1. Where the conversion of currency is necessary for the determination of the customs value, the rate of exchange to be used shall be that duly published by the competent authorities of the country of importation concerned and shall reflect as effectively as possible, in respect of the period covered by each such document of publication, the current value of such currency in commercial transactions in terms of the currency of the country of importation.

2. The conversion rate to be used shall be that in effect at the time of exportation or the time of importation, as provided by each party.

Article 10

All information which is by nature confidential or which is provided on a confidential basis for the purposes of customs valuation shall be treated as strictly confidential by the authorities concerned who shall not disclose it without the specific permission of the person or government providing such information, except to the extent that it may be required to be disclosed in the context of judicial proceedings.

Article 11

1. The legislation of each party shall provide in regard to a determination of customs value for the right of appeal, without penalty, by the importer or any other person liable for the payment of the duty.

2. An initial right of appeal without penalty may be to an authority within the customs administration or to an independent body, but the legislation of each party shall provide for the right of appeal without penalty to a judicial authority.

3. Notice of the decision on appeal shall be given to the appellant and the reasons for such decision shall be provided in writing. He shall also be informed of his rights of any further appeal.

Article 12

Laws, regulations, judicial decisions and administrative rulings of general application giving effect to this Agreement shall be published in conformity with Article X of the GATT by the country of importation concerned.

Article 13

If, in the course of determining the customs value of imported goods, it becomes necessary to delay the final determination of such customs value, the importer shall nevertheless be able to withdraw his goods from customs if, where so required, he provides sufficient guarantee in the form of a surety, a deposit or some other appropriate instrument, covering the ultimate payment of customs duties for which the goods may be liable. The legislation of each party shall make provisions for such circumstances.

Article 14

The notes at Annex I to this Agreement form an integral part of this Agreement and the Articles of this Agreement are to be read and applied in conjunction with their respective notes. Annexes II and III also form an integral part of this Agreement.

Article 15

1. In this Agreement:

(a) "customs value of imported goods" means the value of goods for the purposes of levying ad valorem duties of customs on imported goods;

(b) "country of importation" means country or customs territory of importation; and

(c) "produced" includes grown, manufactured and mined.

2. (a) In this Agreement "identical goods" means goods which are the same in all respects, including physical characteristics, quality and reputation. Minor differences in appearance would not preclude goods otherwise conforming to the definition from being regarded as identical.

(b) In this Agreement "similar goods" means goods which, although not alike in all respects, have like characteristics and like component materials which enable them to perform the same functions and to be commercially interchangeable. The quality of the goods, their reputation and the existence of a trademark are among the factors to be considered in determining whether goods are similar.

(c) The terms "identical goods" and "similar goods" do not include, as the case may be, goods which incorporate or reflect engineering, development, artwork, design work, and plans and sketches for which no adjustment has been made under Article 8.1(b)(iv) because such elements were undertaken in the country of importation.

(d) Goods shall not be regarded as "identical goods" or "similar goods" unless they were produced in the same country as the goods being valued.

(e) Goods produced by a different person shall be taken into account only when there are no identical goods or similar goods, as the case may be, produced by the same person as the goods being valued.

3. In this Agreement "goods of the same class or kind" means goods which fall within a group or range of goods produced by a particular industry or industry sector, and includes identical or similar goods.

4. For the purposes of this Agreement, persons shall be deemed to be related only if:

(a) they are officers or directors of one another's businesses;

(b) they are legally recognized partners in business;

(c) they are employer and employee;

(d) any person directly or indirectly owns, controls or holds 5 per cent or more of the outstanding voting stock or shares of both of them;

(e) one of them directly or indirectly controls the other;

(f) both of them are directly or indirectly controlled by a third person;

(g) together they directly or indirectly control a third person; or

(h) they are members of the same family.

5. Persons who are associated in business with one another in that one is the sole agent, sole distributor or sole concessionaire, however described, of the other shall be deemed to be related for the purposes of this Agreement if they fall within the criteria of paragraph 4 of this Article.

Article 16

Upon written request, the importer shall have the right to an explanation in writing from the customs administration of the country of importation as to how the customs value of his imported goods was determined.

Article 17

Nothing in this Agreement shall be construed as restricting or calling into question the rights of customs administrations to satisfy themselves as to the truth or accuracy of any statement, document or declaration presented for customs valuation purposes.

PART II - ADMINISTRATION AND DISPUTE RESOLUTION

Institutions

Article 18

There shall be established under this Agreement:

1. A Committee on Customs Valuation (hereinafter referred to as the Committee) composed of representatives from each of the parties to this Agreement. The Committee shall elect its own Chairman and shall normally meet once a year, or as is otherwise envisaged by the relevant provisions of this Agreement, for the purpose of affording parties to this Agreement the opportunity to consult on matters relating to the administration of the customs valuation system by any party to this Agreement as it might affect the operation of this Agreement or the furtherance of its objectives, and to carry out such other responsibilities as may be assigned to it by the parties. The GATT secretariat shall act as the secretariat to the Committee.

2. A Technical Committee on Customs Valuation (hereinafter referred to as the Technical Committee) under the auspices of the Customs Cooperation Council which shall carry out the responsibilities described in Annex II to this Agreement and shall operate in accordance with the rules of procedure contained therein.

Consultations

Article 19

1. If any party considers that any benefit accruing to it, directly or indirectly, under this Agreement is being nullified or impaired, or that the achievement of any objective of this Agreement is being impeded, as a result

of the actions of another party or parties, it may, with a view to reaching a mutually satisfactory solution of the matter, request consultations with the party or parties in question. Each party shall afford sympathetic consideration to any request from another party for consultations.

2. The parties concerned shall initiate requested consultations promptly.

3. Parties engaged in consultations on a particular matter affecting the operation of this Agreement shall attempt to conclude such consultations within a reasonably short period of time. The Technical Committee shall provide, upon request, advice and assistance to parties engaged in consultations.

Resolution of disputes

Article 20

1. If no mutually satisfactory solution has been reached between the parties concerned in consultations under Article 19 above, the Committee shall meet at the request of any party to the dispute, within thirty days of receipt of such a request, to investigate the matter, with a view to facilitating a mutually satisfactory solution.

2. In investigating the matter and in selecting its procedures, the Committee shall take into account whether the issues in dispute relate to commercial policy considerations or to questions requiring detailed technical consideration. The Committee may request on its own initiative that the Technical Committee carry out an examination, as provided in paragraph 4 below, of any question requiring technical consideration. Upon the request of any party to the dispute that considers the issues to relate to questions of a technical nature, the Committee shall request the Technical Committee to carry out such an examination.

3. During any phase of a dispute settlement procedure, competent bodies and experts in matters under consideration may be consulted; appropriate information and assistance may be requested from such bodies and experts. The Committee shall take into consideration the results of any work of the Technical Committee that pertain to the matter in dispute.

Technical issues

4. When the Technical Committee is requested under the provisions of paragraph 2 above, it shall examine the matter and report to the Committee no later than three months from the date the technical issue was referred to it, unless the period is extended by mutual agreement between the parties to the dispute.

Panel proceedings

5. In cases where the matter is not referred to the Technical Committee, the Committee shall establish a panel upon the request of any party to the dispute if no mutually satisfactory solution has been reached within three months from the date of the request to the Committee to investigate the matter. Where the matter is referred to the Technical Committee, the Committee shall establish a panel upon the request of any party to the dispute if no mutually satisfactory solution has been reached within one month from the date when the Technical Committee presents its report to the Committee.

6. (a) When a panel is established, it shall be governed by the procedures as set forth in Annex III.

(b) If the Technical Committee has made a report on the technical aspects of the matter in dispute, the panel shall use this report as the basis for its consideration of the technical aspects of the matter in dispute.

Enforcement

7. After the investigation is completed or after the report of the Technical Committee or panel is presented to the Committee, the Committee shall give the matter prompt consideration. With respect to panel reports, the Committee shall take appropriate action normally within thirty days of receipt of the report. Such action shall include:

(i) a statement concerning the facts of the matter; and

(ii) recommendations to one or more parties to this Agreement or any other ruling which it deems appropriate.

8. If a party to which recommendations are addressed considers itself unable to implement them, it should promptly furnish reasons in writing to the Committee. In that event, the Committee shall consider what further action may be appropriate.

9. If the Committee considers that the circumstances are serious enough to justify such action, it may authorize one or more parties to this Agreement to suspend the application to any other party or parties to this Agreement of such obligations under this Agreement as it determines to be appropriate in the circumstances.

10. The Committee shall keep under surveillance any matter on which it has made recommendations or given rulings.

11. If a dispute arises between parties relating to rights and obligations under this Agreement, parties should complete the dispute settlement procedures under this Agreement before availing themselves of any rights which they have under the GATT, including invoking Article XXIII thereof.

PART III - SPECIAL AND DIFFERENTIAL TREATMENT

Article 21

1. Developing country parties to this Agreement may delay application of its provisions for a period not exceeding five years from the date of entry into force of this Agreement for such countries. Developing country parties who choose to delay application of this Agreement shall notify the Director-General to the CONTRACTING PARTIES to the GATT accordingly.

2. In addition to paragraph 1 above, developing country parties to this Agreement may delay application of Article 1.2(b)(iii) and Article 6 for a period not exceeding three years following their application of all other provisions of this Agreement. Developing country parties that choose to delay application of the provisions specified in this paragraph shall notify the Director-General to the CONTRACTING PARTIES to the GATT accordingly.

3. Developed country parties to this Agreement shall furnish, on mutually agreed terms, technical assistance to developing country parties that so request. On this basis developed country parties shall draw up programmes of technical assistance which may include, inter alia, training of personnel, assistance in preparing implementation measures, access to sources of information regarding customs valuation methodology, and advice on the application of the provisions of this Agreement.

PART IV - FINAL PROVISIONS

Acceptance and accession

Article 22

1. This Agreement shall be open for acceptance by signature or otherwise, by governments contracting parties to the GATT and by the European Economic Community.

2. This Agreement shall be open to accession by any other government on terms, related to the effective application of rights and obligations under this Agreement, to be agreed between that government and the parties to this Agreement, by the deposit with the Director-General to the CONTRACTING PARTIES to the GATT of an instrument of accession which states the terms so agreed.

3. Contracting parties may accept this Agreement in respect of those territories for which they have international responsibility, provided that the GATT is being applied in respect of such territories in accordance with the provisions of Article XXVI:5(a) or (b) of the GATT; and in terms of such acceptance, each such territory shall be treated as though it were a party to this Agreement.

Reservations

Article 23

Reservations may not be entered in respect of any of the provisions of this Agreement without the consent of the other parties to this Agreement.

Entry into force

Article 24

This Agreement shall enter into force on 1 January 1981 for the governments* which have accepted or acceded to it by that date. For each other government it shall enter into force on the thirtieth day following the date of its acceptance or accession to this Agreement.

National legislation

Article 25

1. Each government accepting or acceding to this Agreement shall ensure, not later than the date of entry into force of this Agreement for it, the conformity of its laws, regulations and administrative procedures with the provisions of this Agreement.

2. Each party to this Agreement shall inform the Committee of any changes in its laws and regulations relevant to this Agreement and in the administration of such laws and regulations.

Review

Article 26

The Committee shall review annually the implementation and operation of this Agreement taking into account the objectives thereof. The Committee shall annually inform the CONTRACTING PARTIES to the GATT of developments during the period covered by such reviews.

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*The term "governments" is deemed to include the competent authorities of the European Economic Community.

Amendments

Article 27

The parties may amend this Agreement, having regard, inter alia, to the experience gained in its implementation. Such an amendment, once the parties have concurred in accordance with procedures established by the Committee, shall not come into force for any party until it has been accepted by such party.

Withdrawal

Article 28

Any party to this Agreement may withdraw from this Agreement. The withdrawal shall take effect upon the expiration of sixty days from the date on which written notice of withdrawal is received by the Director-General to the CONTRACTING PARTIES to the GATT. Any party to this Agreement may, upon the receipt of such notice, request an immediate meeting of the Committee.

Secretariat

Article 29

This Agreement shall be serviced by the GATT secretariat except in regard to those responsibilities specifically assigned to the Technical Committee, which will be serviced by the Customs Co-operation Council.

Deposit

Article 30

This Agreement shall be deposited with the Director-General to the CONTRACTING PARTIES to the GATT, who shall promptly furnish to each party to this Agreement and each contracting party to the GATT a certified

copy thereof and of each amendment thereto pursuant to Article 27, and an information of each acceptance thereof or instrument of accession thereto pursuant to Article 22, or written notice of each withdrawal therefrom pursuant to Article 28.

Registration

Article 31

This Agreement shall be registered in accordance with the provisions of Article 102 of the Charter of the United Nations.

Done at Geneva this ..... day of ..... nineteen hundred and seventy-nine in a single copy, in the English, French and Spanish languages, each text being authentic.

ANNEX I

INTERPRETATIVE NOTES

General Note

Sequential application of valuation methods

1. Articles 1 to 7, inclusive, define how the customs value of imported goods is to be determined under the provisions of this Agreement. The methods of valuation are set out in a sequential order of application. The primary method for customs valuation is defined in Article 1 and imported goods are to be valued in accordance with the provisions of this Article whenever the conditions prescribed therein are fulfilled.

2. Where the customs value cannot be determined under the provisions of Article 1, it is to be determined by proceeding sequentially through the succeeding Articles to the first such Article under which the customs value can be determined. Except as provided in Article 4, it is only when the customs value cannot be determined under the provisions of a particular Article that the provisions of the next Article in the sequence can be used.

3. If the importer does not request that the order of Articles 5 and 6 be reversed, the normal order of the sequence is to be followed. If the importer does so request but it then proves impossible to determine the customs value under the provisions of Article 6, the customs value is to be determined under the provisions of Article 5, if it can be so determined.

4. Where the customs value cannot be determined under the provisions of Articles 1 to 6, inclusive, it is to be determined under the provisions of Article 7.

Use of generally accepted accounting principles

1. "Generally accepted accounting principles" refers to the recognized consensus or substantial authoritative support within a country at a particular time as to which economic resources and obligations should be recorded as assets and liabilities, which changes in assets and liabilities should be recorded, how the assets and liabilities and changes in them should be measured, what information should be disclosed and how it should be disclosed, and which financial statements should be prepared. These standards may be broad guidelines of general application as well as detailed practices and procedures.

2. For the purposes of this Agreement, the customs administration of each party shall utilize information prepared in a manner consistent with generally accepted accounting principles in the country which is appropriate for the Article in question. For example, the determination of usual profit and general expenses under the provisions of Article 5 would be carried out utilizing information prepared in a manner consistent with generally accepted accounting principles of the country of importation. On the other hand, the determination of usual profit and general expenses under the provisions of Article 6 would be carried out utilizing information prepared in a manner consistent with generally accepted accounting principles of the country of production. As a further example, the determination of an element provided for in Article 8.1(b)(ii) undertaken in the country of importation would be carried out utilizing information in a manner consistent with the generally accepted accounting principles of that country.

Note to Article 1

Price actually paid or payable

The price actually paid or payable is the total payment made or to be made by the buyer to or for the benefit of the seller for the imported goods. The payment need not necessarily take the form of a transfer of money. Payment may be made by way of letters of credit or negotiable instruments. Payment may be made directly or indirectly. An example of an indirect payment would be the settlement by the buyer, whether in whole or in part, of a debt owed by the seller.

Activities undertaken by the buyer on his own account, other than those for which an adjustment is provided in Article 8, are not considered to be an indirect payment to the seller, even though they might be regarded as of benefit to the seller. The costs of such activities shall not, therefore, be added to the price actually paid or payable in determining the customs value.

The customs value shall not include the following charges or costs, provided that they are distinguished from the price actually paid or payable for the imported goods:

(a) charges for construction, erection, assembly, maintenance or technical assistance, undertaken after importation on imported goods such as industrial plant, machinery or equipment;

(b) the cost of transport after importation;

(c) duties and taxes of the country of importation.

The price actually paid or payable refers to the price for the imported goods. Thus the flow of dividends or other payments from the buyer to the seller that do not relate to the imported goods are not part of the customs value.

Paragraph 1(a)(iii)

Among restrictions which would not render a price paid or payable unacceptable are restrictions which do not substantially affect the value of the goods. An example of such restrictions would be the case where a seller requires a buyer of automobiles not to sell or exhibit them prior to a fixed date which represents the beginning of a model year.

Paragraph 1(b)

If the sale or price is subject to some condition or consideration for which a value cannot be determined with respect to the goods being valued, the transaction value shall not be acceptable for customs purposes. Some examples of this include:

(a) the seller establishes the price of the imported goods on condition that the buyer will also buy other goods in specified quantities;

(b) the price of the imported goods is dependent upon the price or prices at which the buyer of the imported goods sells other goods to the seller of the imported goods;

(c) the price is established on the basis of a form of payment extraneous to the imported goods, such as where the imported goods are semi-finished goods which have been provided by the seller on condition that he will receive a specified quantity of the finished goods.

However, conditions or considerations relating to the production or marketing of the imported goods shall not result in rejection of the transaction value. For example, the fact that the buyer furnishes the seller with engineering and plans undertaken in the country of importation shall not result in rejection of the transaction value for the purposes of Article 1. Likewise, if the buyer undertakes on his own account, even though by agreement with the seller, activities relating to the marketing of the imported goods, the value of these activities is not part of the customs value nor shall such activities result in rejection of the transaction value.

Paragraph 2

1. Paragraphs 2(a) and 2(b) provide different means of establishing the acceptability of a transaction value.

2. Paragraph 2(a) provides that where the buyer and the seller are related, the circumstances surrounding the sale shall be examined and the transaction value shall be accepted as the customs value provided that the relationship did not influence the price. It is not intended that there should be an examination of the circumstances in all cases where the buyer and the seller are related. Such examination will only be required where there are doubts about the acceptability of the price. Where the customs administration have no doubts about the acceptability of the price, it should be accepted without requesting further information from the importer. For example, the customs administration may have previously examined the relationship, or it may already have detailed information concerning

the buyer and the seller, and may already be satisfied from such examination or information that the relationship did not influence the price.

3. Where the customs administration is unable to accept the transaction value without further inquiry, it should give the importer an opportunity to supply such further detailed information as may be necessary to enable it to examine the circumstances surrounding the sale. In this context, the customs administration should be prepared to examine relevant aspects of the transaction, including the way in which the buyer and seller organize their commercial relations and the way in which the price in question was arrived at, in order to determine whether the relationship influenced the price. Where it can be shown that the buyer and seller, although related under the provisions of Article 15, buy from and sell to each other as if they were not related, this would demonstrate that the price had not been influenced by the relationship. As an example of this, if the price had been settled in a manner consistent with the normal pricing practices of the industry in question or with the way the seller settles prices for sales to buyers who are not related to him, this would demonstrate that the price had not been influenced by the relationship. As a further example, where it is shown that the price is adequate to ensure recovery of all costs plus a profit which is representative of the firm's overall profit realized over a representative period of time (e.g. on an annual basis) in sales of goods of the same class or kind, this would demonstrate that the price had not been influenced.

4. Paragraph 2(b) provides an opportunity for the importer to demonstrate that the transaction value closely approximates to a "test" value previously accepted by the customs administration and is therefore acceptable under the provisions of Article 1. Where a test under paragraph 2(b) is met, it is not necessary to examine the question of influence under paragraph 2(a). If the customs administration has already sufficient information to be satisfied, without further detailed inquiries, that one of the tests provided in paragraph 2(b) has been met, there is no reason for it to require the importer to demonstrate that the test can be met. In paragraph 2(b) the term "unrelated buyers" means buyers who are not related to the seller in any particular case.

Paragraph 2(b)

A number of factors must be taken into consideration in determining whether one value "closely approximates" to another value. These factors include the nature of the imported goods, the nature of the industry itself, the season in which the goods are imported, and, whether the difference in values is commercially significant. Since these factors may vary from case to case, it would be impossible to apply a uniform standard such as a fixed percentage, in each case. For example, a small difference in value in a case involving one type of goods could be unacceptable while a large difference in a case involving another type of goods might be acceptable in determining whether the transaction value closely approximates to the "test" values set forth in Article 1.2(b).

Note to Article 2

1. In applying Article 2, the customs administration shall, wherever possible, use a sale of identical goods at the same commercial level and in substantially the same quantities as the goods being valued. Where no such sale is found, a sale of identical goods that takes place under any one of the following three conditions may be used:

(a) a sale at the same commercial level but in different quantities;

(b) a sale at a different commercial level but in substantially the same quantities; or

(c) a sale at a different commercial level and in different quantities.

2. Having found a sale under any one of these three conditions adjustments will then be made, as the case may be, for:

(a) quantity factors only;

(b) commercial level factors only; or

(c) both commercial level and quantity factors.

3. The expression "and/or" allows the flexibility to use the sales and make the necessary adjustments in any one of the three conditions described above.

4. For the purposes of Article 2, the transaction value of identical imported goods means a customs value, adjusted as provided for in paragraphs 1(b) and 2 of this Article, which has already been accepted under Article 1.

5. A condition for adjustment because of different commercial levels or different quantities is that such adjustment, whether it leads to an increase or a decrease in the value, be made only on the basis of demonstrated evidence that clearly establishes the reasonableness and accuracy of the adjustment, e.g. valid price lists containing prices referring to different levels or different quantities. As an example of this, if the imported goods being valued consist of a shipment of 10 units and the only identical imported goods for which a transaction value exists involved a sale of 500 units, and it is recognized that the seller grants quantity discounts, the required adjustment may be accomplished by resorting to the seller's price list and using that price applicable to a sale of 10 units. This does not require that a sale had to have been made in quantities of 10 as long as the price list has been established as being bona fide through sales at other quantities. In the absence of such an objective measure, however, the determination of a customs value under the provisions of Article 2 is not appropriate.

Note to Article 3

1. In applying Article 3, the customs administration shall, wherever possible, use a sale of similar goods at the same commercial level and in substantially the same quantities as the goods being valued. Where no such sale is found, a sale of similar goods that takes place under any one of the following three conditions may be used:

(a) a sale at the same commercial level but in different quantities;

(b) a sale at a different commercial level but in substantially the same quantities; or

(c) a sale at a different commercial level and in different quantities.

2. Having found a sale under any one of these three conditions adjustments will then be made, as the case may be, for:

(a) quantity factors only;

(b) commercial level factors only; or

(c) both commercial level and quantity factors.

3. The expression "and/or" allows the flexibility to use the sales and make the necessary adjustments in any one of the three conditions described above.

4. For the purposes of Article 3, the transaction value of similar imported goods means a customs value, adjusted as provided for in paragraphs 1(b) and 2 of this Article, which has already been accepted under Article 1.

5. A condition for adjustment because of different commercial levels or different quantities is that such adjustment, whether it leads to an increase or a decrease in the value, be made only on the basis of demonstrated evidence that clearly establishes the reasonableness and accuracy of the adjustment, e.g. valid price lists containing prices referring to different levels or different quantities. As an example of this, if the imported goods being valued consist of a shipment of 10 units and the only similar imported goods for which a transaction value exists involved a sale of

500 units, and it is recognized that the seller grants quantity discounts, the required adjustment may be accomplished by resorting to the seller's price list and using that price applicable to a sale of 10 units. This does not require that a sale had to have been made in quantities of 10 as long as the price list has been established as being bona fide through sales at other quantities. In the absence of such an objective measure, however, the determination of a customs value under the provisions of Article 3 is not appropriate.

Note to Article 5

1. The term "unit price at which ... goods are sold in the greatest aggregate quantity" means the price at which the greatest number of units is sold in sales to persons who are not related to the persons from whom they buy such goods at the first commercial level after importation at which such sales take place.

2. As an example of this, goods are sold from a price list which grants favourable unit prices for purchases made in larger quantities.

Sale quantity	Unit price	Number of sales	Total quantity sold at each price
1-10 units	100	10 sales of 5 units 5 sales of 3 units	65
11-25 units	95	5 sales of 11 units	55
over 25 units	90	1 sale of 30 units 1 sale of 50 units	80

The greatest number of units sold at a price is 80; therefore, the unit price in the greatest aggregate quantity is 90.

3. As another example of this, two sales occur. In the first sale 500 units are sold at a price of 95 currency units each. In the second sale 400 units are sold at a price of 90 currency units each. In this example, the greatest number of units sold at a particular price is 500; therefore, the unit price in the greatest aggregate quantity is 95.

4. A third example would be the following situation where various quantities are sold at various prices.

(a) Sales

Sale quantity	Unit price
40 units	100
30 units	90
15 units	100
50 units	95
25 units	105
35 units	90
5 units	100

(b) Totals

Total quantity sold	Unit price
65	90
50	95
60	100
25	105

In this example, the greatest number of units sold at a particular price is 65; therefore, the unit price in the greatest aggregate quantity is 90.

5. Any sale in the importing country, as described in paragraph 1 above, to a person who supplies directly or indirectly free of charge or at reduced cost for use in connection with the production and sale for export of the imported goods any of the elements specified in Article 8.1(b), should not be taken into account in establishing the unit price for the purposes of Article 5.

6. It should be noted that "profit and general expenses" referred to in Article 5.1 should be taken as a whole. The figure for the purposes of this deduction should be determined on the basis of information supplied by or on behalf of the importer unless his figures are inconsistent with those obtaining in sales in the country of importation of imported goods of the same class or kind. Where the importer's figures are inconsistent with such figures, the amount for profit and general expenses may be based upon relevant information other than that supplied by or on behalf of the importer.

7. The "general expenses" include the direct and indirect costs of marketing the goods in question.

8. Local taxes payable by reason of the sale of the goods for which a deduction is not made under the provisions of Article 5.1(a)(iv) shall be deducted under the provisions of Article 5.1(a)(i).

9. In determining either the commissions or the usual profits and general expenses under the provisions of Article 5.1, the question whether certain goods are "of the same class or kind" as other goods must be determined on a case-by-case basis by reference to the circumstances involved. Sales in the country of importation of the narrowest group or range of imported goods of the same class or kind, which includes the goods being valued, for which the necessary information can be provided, should be examined. For the purposes of Article 5, "goods of the same class or kind" include goods imported from the same country as the goods being valued as well as goods imported from other countries.

10. For the purposes of Article 5.1(b), the "earliest date" shall be the date by which sales of the imported goods or of identical or similar imported goods are made in sufficient quantity to establish the unit price.

11. Where the method in Article 5.2 is used, deductions made for the value added by further processing shall be based on objective and quantifiable data relating to the cost of such work. Accepted industry formulas, recipes, methods of construction, and other industry practices would form the basis of the calculations.

12. It is recognized that the method of valuation provided for in Article 5.2 would normally not be applicable when, as a result of the further processing, the imported goods lose their identity. However, there can be instances where, although the identity of the imported goods is lost, the value added by the processing can be determined accurately without unreasonable difficulty. On the other hand, there can also be instances where the imported goods maintain their identity but form such a minor element in the goods sold in the country of importation that the use of this valuation method would be unjustified. In view of the above, each situation of this type must be considered on a case-by-case basis.

Note to Article 6

1. As a general rule, customs value is determined under this Agreement on the basis of information readily available in the country of importation. In order to determine a computed value, however, it may be necessary to examine the costs of producing the goods being valued and other information which has to be obtained from outside the country of importation. Furthermore, in most cases the producer of the goods will be outside the jurisdiction of the authorities of the country of importation. The use of the

computed value method will generally be limited to those cases where the buyer and seller are related, and the producer is prepared to supply to the authorities of the country of importation the necessary costings and to provide facilities for any subsequent verification which may be necessary.

2. The "cost or value" referred to in Article 6.1(a) is to be determined on the basis of information relating to the production of the goods being valued supplied by or on behalf of the producer. It is to be based upon the commercial accounts of the producer, provided that such accounts are consistent with the generally accepted accounting principles applied in the country where the goods are produced.

3. The "cost or value" shall include the cost of elements specified in Article 8.1(a)(ii) and (iii). It shall also include the value, apportioned as appropriate under the provisions of the relevant note to Article 8, of any element specified in Article 8.1(b) which has been supplied directly or indirectly by the buyer for use in connection with the production of the imported goods. The value of the elements specified in Article 8.1(b)(iv) which are undertaken in the country of importation shall be included only to the extent that such elements are charged to the producer. It is to be understood that no cost or value of the elements referred to in this paragraph shall be counted twice in determining the computed value.

4. The "amount for profit and general expenses" referred to in Article 6.1(b) is to be determined on the basis of information supplied by or on behalf of the producer unless his figures are inconsistent with those usually reflected in sales of goods of the same class or kind as the goods being valued which are made by producers in the country of exportation for export to the country of importation.

5. It should be noted in this context that the "amount for profit and general expenses" has to be taken as a whole. It follows that if, in any particular case, the producer's profit figure is low and his general expenses are high, his profit and general expenses taken together may nevertheless be consistent with that usually reflected in sales of goods of the same class or kind. Such a situation might occur, for example, if a product were being launched in the country of importation and the producer accepted a nil or low profit to offset high general expenses associated with the launch. Where the producer can demonstrate that he is taking a low profit on his sales of the imported goods because of particular commercial circumstances, his actual profit figures should be taken into account provided that he has valid commercial reasons to justify them and his pricing policy reflects usual pricing policies in the branch of industry concerned. Such a situation might occur, for example, where producers have been forced to lower prices temporarily because of an unforeseeable drop in demand, or where they sell goods to complement a range of goods being produced in the country of importation and accept a low profit to maintain competitivity. Where the producer's own figures for profit and general expenses are not consistent with those usually reflected in sales of goods of the same class or kind as the goods being valued which are made by producers in the country of exportation for export to the country of importation, the amount for profit and general expenses may be based upon relevant information other than that supplied by or on behalf of the producer of the goods.

6. Where information other than that supplied by or on behalf of the producer is used for the purposes of determining a computed value, the authorities of the importing country shall inform the importer, if the latter so requests, of the source of such information, the data used and the calculations based upon such data, subject to the provisions of Article 10.

7. The "general expenses" referred to in Article 6.1(b) covers the direct and indirect costs of producing and selling the goods for export which are not included under Article 6.1(a).

8. Whether certain goods are "of the same class or kind" as other goods must be determined on a case-by-case basis with reference to the circumstances involved. In determining the usual profits and general expenses under the provisions of Article 6, sales for export to the country of importation of the narrowest group or range of goods, which includes the goods being valued, for which the necessary information can be provided, should be examined. For the purposes of Article 6, "goods of the same class or kind" must be from the same country as the goods being valued.

Note to Article 7

1. Customs values determined under the provisions of Article 7 should, to the greatest extent possible, be based on previously determined customs values.

2. The methods of valuation to be employed under Article 7 should be those laid down in Articles 1 to 6, inclusive, but a reasonable flexibility in the application of such methods would be in conformity with the aims and provisions of Article 7.

3. Some examples of reasonable flexibility are as follows:

(a) Identical goods - the requirement that the identical goods should be exported at or about the same time as the goods being valued could be flexibly interpreted; identical imported goods produced in a country other than the country of exportation of the goods being valued could be the basis for customs valuation; customs values of identical imported goods already determined under the provisions of Articles 5 and 6 could be used.

(b) Similar goods - the requirement that the similar goods should be exported at or about the same time as the goods being valued could be flexibly interpreted; similar imported goods produced in a country other than the country of exportation of the goods being valued could be the basis for customs valuation; customs values of similar imported goods already determined under the provisions of Articles 5 and 6 could be used.

(c) Deductive method - the requirement that the goods shall have been sold in the "condition as imported" in Article 5.1(a) could be flexibly interpreted; the "ninety days" requirement could be administered flexibly.

Note to Article 8

Paragraph 1(a)(i)

The term "buying commissions" means fees paid by an importer to his agent for the service of representing him abroad in the purchase of the goods being valued.

Paragraph 1(b)(ii)

1. There are two factors involved in the apportionment of the elements specified in Article 8.1(b)(ii) to the imported goods - the value of the element itself and the way in which that value is to be apportioned to the imported goods. The apportionment of these elements should be made in a reasonable manner appropriate to the circumstances and in accordance with generally accepted accounting principles.

2. Concerning the value of the element, if the importer acquires the element from a seller not related to him at a given cost, the value of the element is that cost. If the element was produced by the importer or by a person related to him, its value would be the cost of producing it. If the element had been previously used by the importer, regardless of whether it had been acquired or produced by such importer, the original cost of acquisition or production would have to be adjusted downward to reflect its use in order to arrive at the value of the element.

3. Once a value has been determined for the element, it is necessary to apportion that value to the imported goods. Various possibilities exist. For example, the value might be apportioned to the first shipment if the importer wishes to pay duty on the entire value at one time. As another example, the importer may request that the value be apportioned over the number of units produced up to the time of the first shipment. As a further example, he may request that the value be apportioned over the entire anticipated production where contracts or firm commitments exist for that

production. The method of apportionment used will depend upon the documentation provided by the importer.

4. As an illustration of the above, an importer provides the producer with a mould to be used in the production of the imported goods and contracts with him to buy 10,000 units. By the time of arrival of the first shipment of 1,000 units, the producer has already produced 4,000 units. The importer may request the customs administration to apportion the value of the mould over 1,000 units, 4,000 units or 10,000 units.

Paragraph 1(b)(iv)

1. Additions for the elements specified in Article 8.1(b)(iv) should be based on objective and quantifiable data. In order to minimize the burden for both the importer and customs administration in determining the values to be added, data readily available in the buyer's commercial record system should be used in so far as possible.

2. For those elements supplied by the buyer which were purchased or leased by the buyer, the addition would be the cost of the purchase or the lease. No addition shall be made for those elements available in the public domain, other than the cost of obtaining copies of them.

3. The ease with which it may be possible to calculate the values to be added will depend on a particular firm's structure and management practice, as well as its accounting methods.

4. For example, it is possible that a firm which imports a variety of products from several countries maintains the records of its design centre outside the country of importation in such a way as to show accurately the costs attributable to a given product. In such cases, a direct adjustment may appropriately be made under the provisions of Article 8.

5. In another case, a firm may carry the cost of the design centre outside the country of importation as a general overhead expense without allocation to specific products. In this instance, an appropriate adjustment could be made under the provisions of Article 8 with respect to the imported goods by apportioning total design centre costs over total production benefiting from the design centre and adding such apportioned cost on a unit basis to imports.

6. Variations in the above circumstances will, of course, require different factors to be considered in determining the proper method of allocation.

7. In cases where the production of the element in question involves a number of countries and over a period of time, the adjustment should be limited to the value actually added to that element outside the country of importation.

Paragraph 1(c)

1. The royalties and licence fees referred to in Article 8.1(c) may include, among other things, payments in respect to patents, trademarks and copyrights. However, the charges for the right to reproduce the imported goods in the country of importation shall not be added to the price actually paid or payable for the imported goods in determining the customs value.

2. Payments made by the buyer for the right to distribute or resell the imported goods shall not be added to the price actually paid or payable for the imported goods if such payments are not a condition of the sale for export to the country of importation of the imported goods.

Paragraph 3

Where objective and quantifiable data do not exist with regard to the additions required to be made under the provisions of Article 8, the transaction value cannot be determined under the provisions of Article 1. As an illustration of this, a royalty is paid on the basis of the price in a sale in the importing country of a litre of a particular product that was imported by the kilogram and made up into a solution after importation. If the royalty is based partially on the imported goods and partially on other factors which have nothing to do with the imported goods (such as when the imported goods are mixed with domestic ingredients and are no longer separately identifiable, or when the royalty cannot be distinguished from special financial arrangements between the buyer and the seller), it would be inappropriate to attempt to make an addition for the royalty. However, if the amount of this royalty is based only on the imported goods and can be readily quantified, an addition to the price actually paid or payable can be made.

Note to Article 9

For the purposes of Article 9, "time of importation" may include the time of entry for customs purposes.

Note to Article 11

1. Article 11 provides the importer with the right to appeal against a valuation determination made by the customs administration for the goods being valued. Appeal may first be to a higher level in the customs administration, but the importer shall have the right in the final instance to appeal to the judiciary.

2. "Without penalty" means that the importer shall not be subject to a fine or threat of fine merely because he chose to exercise his right of appeal. Payment of normal court costs and lawyers' fees shall not be considered to be a fine.

3. However, nothing in Article 11 shall prevent a party from requiring full payment of assessed customs duties prior to an appeal.

Note to Article 15

Paragraph 4

For the purposes of this Article, the term "persons" includes legal persons, where appropriate.

Paragraph 4(e)

For the purposes of this Agreement, one person shall be deemed to control another when the former is legally or operationally in a position to exercise restraint or direction over the latter.

ANNEX II

Technical Committee on Customs Valuation

1. In accordance with Article 18 of this Agreement, the Technical Committee shall be established under the auspices of the Customs Co-operation Council with a view, at the technical level; towards uniformity in interpretation and application of this Agreement.

2. The responsibilities of the Technical Committee shall include the following:

(a) to examine specific technical problems arising in the day-to-day administration of the customs valuation systems of parties to this Agreement and to give advisory opinions on appropriate solutions based upon the facts presented;

(b) to study, as requested, valuation laws, procedures and practices as they relate to this Agreement and to prepare reports on the results of such studies;

(c) to prepare and circulate annual reports on the technical aspects of the operation and status of this Agreement;

(d) to furnish such information and advice on any matters concerning the valuation of imported goods for customs purposes as may be requested by any party to this Agreement or the Committee. Such information and advice may take the form of advisory opinions, commentaries or explanatory notes;

(e) to facilitate, as requested, technical assistance to parties to this Agreement with a view to furthering the international acceptance of this Agreement; and

(f) to exercise such other responsibilities as the Committee may assign to it.

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General

3. The Technical Committee shall attempt to conclude its work on specific matters, especially those referred to it by parties to this Agreement or the Committee, in a reasonably short period of time.

4. The Technical Committee shall be assisted as appropriate in its activities by the Secretariat of the Customs Co-operation Council.

Representation

5. Each party to this Agreement shall have the right to be represented on the Technical Committee. Each party may nominate one delegate and one or more alternates to be its representatives on the Technical Committee. Such a party so represented on the Technical Committee is hereinafter referred to as a member of the Technical Committee. Representatives of members of the Technical Committee may be assisted by advisers. The GATT secretariat may also attend such meetings with observer status.

6. Members of the Customs Co-operation Council who are not parties to this Agreement may be represented at meetings of the Technical Committee by one delegate and one or more alternates. Such representatives shall attend meetings of the Technical Committee as observers.

7. Subject to the approval of the Chairman of the Technical Committee, the Secretary-General of the Customs Co-operation Council (hereinafter referred to as "the Secretary-General") may invite representatives of governments which are neither parties to this Agreement nor members of the Customs Co-operation Council and representatives of international governmental and trade organizations to attend meetings of the Technical Committee as observers.

8. Nominations of delegates, alternates and advisers to meetings of the Technical Committee shall be made to the Secretary-General.

Technical Committee meetings

9. The Technical Committee shall meet as necessary but at least two times a year. The date of each meeting shall be fixed by the Technical Committee at its preceding session. The date of the meeting may be varied either at the request of any member of the Technical Committee concurred in by a simple majority of the members of the Technical Committee or, in cases requiring urgent attention, at the request of the Chairman.

10. The meetings of the Technical Committee shall be held at the headquarters of the Customs co-operation Council unless otherwise decided.

11. The Secretary-General shall inform all members of the Technical Committee and those included under paragraphs 6 and 7 at least thirty days in advance, except in urgent cases, of the opening date of each session of the Technical Committee.

Agenda

12. A provisional agenda for each session shall be drawn up by the Secretary-General and circulated to the members of the Technical Committee and to those included under paragraphs 6 and 7 at least thirty days in advance of the session, except in urgent cases. This agenda shall comprise all items whose inclusion has been approved by the Technical Committee during its preceding session, all items included by the Chairman on his own initiative, and all items whose inclusion has been requested by the Secretary-General, by the Committee or by any member of the Technical Committee.

13. The Technical Committee shall determine its agenda at the opening of each session. During the session the agenda may be altered at any time by the Technical Committee.

Officers and conduct of business

14. The Technical Committee shall elect from among the delegates of its members a Chairman and one or more Vice Chairmen. The Chairman and Vice Chairmen shall each hold office for a period of one year. The retiring Chairman and Vice Chairmen are eligible for re-election. A Chairman or Vice Chairman who ceases to represent a member of the Technical Committee shall automatically lose his mandate.

15. If the Chairman is absent from any meeting or part thereof, a Vice Chairman shall preside. In that event, the latter shall have the same powers and duties as the Chairman.

16. The Chairman of the meeting shall participate in the proceedings of the Technical Committee as such and not as the representative of a member of the Technical Committee.

17. In addition to exercising the powers conferred upon him elsewhere by these rules, the Chairman shall declare the opening and closing of each meeting, direct the discussion, accord the right to speak, and, pursuant to these rules, have control of the proceedings. The Chairman may also call a speaker to order if his remarks are not relevant.

18. During discussion of any matter a delegation may raise a point of order. In this event, the Chairman shall immediately state his ruling. If this ruling is challenged, the Chairman shall submit it to the meeting for decisions and it shall stand unless overruled.

19. The Secretary-General, or officers of the Secretariat designated by him, shall perform the secretarial work of meetings of the Technical Committee.

Quorum and voting

20. Representatives of a simple majority of the members of the Technical Committee shall constitute a quorum.

21. Each member of the Technical Committee shall have one vote. A decision of the Technical Committee shall be taken by a majority comprising at least two thirds of the members present. Regardless of the outcome of the vote on a particular matter, the Technical Committee shall be free to make a full report to the Committee and to the Customs Co-operation Council on that matter indicating the different views expressed in the relevant discussions.

Languages and records

22. The official languages of the Technical Committee shall be English, French and Spanish. Speeches or statements made in any of these three languages shall be immediately translated into the official languages unless all delegations agree to dispense with translation. Speeches or statements made in any other language shall be translated into English, French and Spanish, subject to the same conditions, but in the event the delegation concerned shall provide the translation into English, French or Spanish. Only English, French and Spanish shall be used for the official documents of the Technical Committee. Memoranda and correspondence for the consideration of the Technical Committee must be presented in one of the official languages.

23. The Technical Committee shall draw up a report of all its sessions and, if the Chairman considers it necessary, minutes or summary records of its meetings. The Chairman or his designee shall report on the work of the Technical Committee at each meeting of the Committee and at each meeting of the Customs Co-operation Council.

ANNEX III

Ad hoc panels

1. Ad hoc panels established by the Committee under this Agreement shall have the following responsibilities:

(a) to examine the matter referred to it by the Committee;

(b) to consult with the parties to the dispute and give full opportunity for them to develop a mutually satisfactory solution; and

(c) to make a statement concerning the facts of the matter as they relate to the application of the provisions of this Agreement and, make such findings as will assist the Committee in making recommendations or giving rulings on the matter.

2. In order to facilitate the constitution of panels, the Chairman of the Committee shall maintain an informal indicative list of government officials knowledgeable in the area of customs valuation and experienced in the field of trade relations and economic development. This list may also include persons other than government officials. In this connection, each party to this Agreement shall be invited to indicate at the beginning of every year to the Chairman of the Committee the name(s) of the one or two governmental experts whom the parties to this Agreement would be willing to make available for such work. When a panel is established, the Chairman, after consultation with the parties concerned, shall, within seven days of such establishment, propose the composition of the panel consisting of three or five members and preferably government officials. The parties directly concerned shall react within seven working days to nominations of panel members by the Chairman and shall not oppose nominations except for compelling reasons.

Citizens of countries whose governments are parties to a dispute shall not be eligible for membership of the panel concerned with that dispute. Panel members shall serve in their individual capacities and not as government representatives, nor as representatives of any organization. Governments or organizations shall therefore not give them instructions with regard to matters before a panel.

3. Each panel shall develop its own working procedures. All parties having a substantial interest in the matter and having notified this to the Committee shall have an opportunity to be heard. Each panel may consult and seek information and technical advice from any source it deems appropriate. Before a panel seeks such information or technical advice from a source within the jurisdiction of a party, it shall inform the government of that party. Any party to this Agreement shall respond promptly and fully to any request by a panel for such information as the panel considers necessary and appropriate. Confidential information provided to the panel shall not be disclosed without the specific permission of the person or government providing such information. Where such information is requested from the panel but release of such information by the panel is not authorized, a non-confidential summary of the information, authorized by the person or government providing the information, will be provided.

4. Where the parties to the dispute have failed to reach a satisfactory solution, the panel shall submit its findings in writing. The report of a panel should normally set out the rationale behind its findings. Where a settlement of the matter is reached between the parties, the report of the panel may be confined to a brief description of the dispute and to a statement that a solution has been reached.

5. Panels shall use such report of the Technical Committee as may have been issued under Article 20.4 of this Agreement as the basis for their consideration of issues that involve questions of a technical nature.

6. The time required by panels will vary with the particular case. They should aim to deliver their findings, and where appropriate, recommendations, to the Committee without undue delay, normally within a period of three months from the date that the panel was established.

7. To encourage development of mutually satisfactory solutions between the parties to a dispute and with a view to obtaining their comments, each panel should first submit the descriptive part of its report to the parties concerned, and should subsequently submit to the parties to the dispute its conclusions, or an outline thereof, a reasonable period of time before they are circulated to the parties to this Agreement.

RECTIFICATIONS TO AGREEMENT TO IMPLEMENTATION OF ARTICLE VII OF THE GNEERAL AGREEMENT ON TARIFFS AND TRADE

Page 1: Preamble, first sentence - insert after "the Parties to this Agreement,", "(hereinafter referred to as "Parties")" and make consequential changes throughout the text

Page 1: Preamble, second sentence - insert after "the General Agreement on Tariffs and Trade", "(hereinafter referred to as "The General Agreement" or the "GATT")" and make consequential changes throughout the text

Page 5: Article 2:1(b), 6th line - delete the words "shall be used," and insert them in the 8th line, after "quantity"

Page 6: Article 3:1(b), 6th line - delete the words "shall be used," and insert them in the 7th line, after "quantity"

Page 7: Article 5:1(a)(iii) - add "and" after "Article 8.2;"

Page 17: Part II - the title should read:

"ADMINISTRATION, CONSULTATION AND DISPUTE SETTLEMENT"

Page 17: Article 18:1, in the Ninth line replace "and to carry out" by "and carrying out".

Subheading "Consultations" should read "Consultation"

Page 18: The title preceding Article 20 should read "Dispute settlement"

Page 22: Article 22 - paragraph 2 will become paragraph 3, paragraph 3 will be deleted and replaced by a new paragraph 4, a new paragraph 2 will be added. The revised text will read:

"2. This Agreement shall be open for acceptance by signature or otherwise by governments having provisionall acceded to the GATT on terms related to the effective application of rights and obligations under this Agreement, which take into account rights and obligations in the instruments providing for their provisional accession.

3. This Agreement shall be open to accession by any other governments on terms, related to the effective application of rights and obligations under this Agreement, to be agreed between that government and the Parties, by the deposit with the Director-General to the CONTRACTING PARTIES to the GATT of an instrument of accession which states the terms so agreed.

4. In regard to acceptance, the provisions of Article XXVI:5(a) and (b) of the General Agreement would be applicable."

Page 24: Deposit, Article 30 should read:

"This Agreement shall be deposited with the Director-General to the CONTRACTING PARTIES to the GATT, who shall promptly furnish to each Party and each contracting party to the GATT a certified copy thereof, of each amendment thereto pursuant to Article 27, and a notification of each acceptance thereof or accession thereto pursuant to Article 22 and of each withdrawal therefrom pursuant to Article 28.

Page 29: Note to Article 1:1(a)(iii), first line - insert "actually" before "paid or payable".

THE AGREEMENT ON GOVERNMENT PROCUREMENT

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

MTN/NTM/W/211/Rev.2*
11 April 1979

Special Distribution

Multilateral Trade Negotiations

Group "Non-Tariff Measures"
Sub-Group "Government Procurement"

AGREEMENT ON GOVERNMENT PROCUREMENT

(69)

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PREAMBLE

Parties to this Agreement,

Considering that Ministers agreed in the Tokyo Declaration of 14 September 1973 that comprehensive Multilateral Trade Negotiations in the framework of GATT should aim, inter alia, to reduce or eliminate non-tariff measures or, where this is not appropriate, their trade restricting or distorting effects, and to bring such measures under more effective international discipline;

Considering that Ministers also agreed that negotiations should aim to secure additional benefits for the international trade of developing countries, and recognized the importance of the application of differential measures in ways which will provide special and more favourable treatment for them where this is feasible and appropriate;

Recognizing that in order to achieve their economic and social objectives to implement programmes and policies of economic development aimed at raising the standard of living of their people, taking into account their balance-of-payments position, developing countries may need to adopt agreed differential measures;

Considering that Ministers in the Tokyo Declaration recognized that the particular situation and problems of the least developed among the developing countries shall be given special attention and stressed the need to ensure that these countries receive special treatment in the context of any general or specific measures taken in favour of the developing countries during the negotiations;

Recognizing the need to establish an agreed international framework of rights and obligations with respect to laws, regulations, procedures and practices regarding government procurement with a view to achieving greater liberalization and expansion of world trade and improving the international framework for the conduct of world trade;

Recognizing that laws, regulations, procedures and practices regarding government procurement should not be prepared, adopted or applied to foreign or domestic products and to foreign or domestic suppliers so as to afford protection to domestic products or suppliers and should not discriminate among foreign products or suppliers;

Recognizing that it is desirable to provide transparency of laws, regulations, procedures and practices regarding government procurement;

Recognizing the need to establish international notification, consultation, surveillance and dispute settlement procedures with a view to ensuring a fair, prompt and effective enforcement of the international provisions on government procurement and to maintain the balance of rights and obligations at the highest possible level;

Hereby agree as follows:

PART I

Scope and Coverage

1. This Agreement applies to:

(a) any law, regulation, procedure and practice regarding the procurement of products by the entities[1] subject to this Agreement. This includes services incidental to the supply of products if the value of these incidental services does not exceed that of the products themselves, but not service contracts per se;

(b) any procurement contract of a value of SDR 150,000 or more.[2] No procurement requirement shall be divided with the intent of reducing the value of the resulting contracts below SDR 150,000. If an individual requirement for the procurement of a product of the same type results in the award of more than one contract or in contracts being awarded in separate parts, the value of these recurring contracts in the twelve months subsequent to the initial contract shall be the basis for the application of this Agreement;

(c) procurement by the entities under the direct or substantial control of parties to this Agreement and other designated entities with respect to their procurement procedures and practices. Until the review and further negotiations referred to in the Final Provisions, the coverage of this Agreement is specified by the lists of entities, and to the extent that rectifications, modifications or amendments may have been made, their successor entities, in Annex I.

2. Parties shall inform their entities not covered by this Agreement and the regional and local governments and authorities within their territories of the objectives, principles and rules of this Agreement, in particular the rules on national treatment and non-discrimination, and draw their attention to the overall benefits of liberalization of government procurement.

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[1] Throughout this Agreement, the word entities is understood to include agencies.

[2] For contracts below the threshold, the parties to this Agreement shall consider, in accordance with paragraph 6 of Part IX, the application in whole or in part of this Agreement. In particular, they shall review the procurement practices and procedures utilized and the application of non-discrimination and transparency for such contracts in connexion with the possible inclusion of contracts below the threshold in the Agreement.

PART II

National Treatment and Non-Discrimination

1. With respect to all laws, regulations, procedures and practices regarding government procurement covered by this Agreement, parties to this Agreement shall provide immediately and unconditionally to the products and suppliers of other parties offering products originating within the customs territories (including free zones) of the parties to this Agreement treatment no less favourable than:

(a) that accorded to domestic products and suppliers; and

(b) that accorded to products and suppliers of any other party.

2. The provisions of paragraph 1 shall not apply to customs duties and charges of any kind imposed on or in connexion with importation, the method of levying such duties and charges, and other import regulations and formalities.

3. Parties to this Agreement shall not apply rules of origin to products imported for purposes of government procurement covered by this Agreement from other parties to this Agreement, which are different from the rules of origin applied in the normal course of trade and at the time of importation to imports of the same products from the same parties to this Agreement.

PART III

Special and Differential Treatment for Developing Countries

Objectives

1. Parties to this Agreement shall, in the implementation and administration of this Agreement, through the provisions set out in this Part, duly take into account the development, financial and trade needs of developing countries, in particular the least-developed countries, in their need to:

(a) safeguard their balance-of-payments position and ensure a level of reserves adequate for the implementation of programmes of economic development;

(b) promote the establishment or development of domestic industries including the development of small-scale and cottage industries in rural or backward areas; and economic development of other sectors of the economy;

(c) support industrial units so long as they are wholly or substantially dependent on government procurement;

(d) encourage their economic development through regional or global arrangements among developing countries presented to the CONTRACTING PARTIES to GATT and not disapproved by them.

2. Consistently with the provisions of this Agreement, parties to it shall, in the preparation and application of laws, regulations and procedures affecting government procurement, facilitate increased imports from developing countries, bearing in mind the special problems of the least-developed countries and of those at low stages of economic development.

Coverage

3. With a view to ensuring that developing countries are able to adhere to this Agreement on terms consistent with their development, financial and trade needs, the objectives listed in paragraph 1 above shall be duly taken into account in the course of the negotiations with respect to the lists of entities of developing countries to be covered by the provisions of this Agreement. Developed countries, in the preparation of their lists of entities to be covered by the provisions of the Agreement shall endeavour to include entities purchasing products of export interest to developing countries.

Agreed exclusions

4. Developing countries may negotiate with other participants in the negotiation of this Agreement mutually acceptable exclusions from the rules on national treatment with respect to certain entities or products that are included in their lists of entities having regard to the particular circumstances of each case. In such negotiations, the considerations mentioned in paragraph 1(a)-(c) above shall be duly taken into account. Developing countries participating in regional or global arrangements among developing countries referred to in paragraph 1(d) above, may also negotiate exclusions to their lists, having regard to the particular circumstances of each case, taking into account, inter alia, the provisions on government procurement provided for in the regional or global arrangements concerned and taking into account, in particular, products which may be subject to common industrial development programmes.

5. After entry into force of this Agreement, developing countries parties to this Agreement may modify their lists of entities in accordance with the provisions for modification of such lists contained in paragraph 5 of Part IX of this Agreement, having regard to their development, financial and trade needs, or may request the Committee to grant exclusions from the rules on national treatment for certain entities or products that are included in their lists of entities, having regard to the particular circumstances of each case and taking duly into account the provisions of paragraph 1(a)-(c) above. Developing countries parties to this Agreement may also request, after entry into force of the Agreement, the Committee to grant exclusions for certain entities or products that are included in their lists in the light of their participation in regional or global arrangements among developing countries, having regard to the particular circumstances of each case and taking duly into account the provisions of paragraph 1(d) above. Each request to the Committee by a developing country party relating to modification of a list shall be accompanied by documentation relevant to the request or by such information as may be necessary for consideration of the matter.

6. Paragraphs 4 and 5 above shall apply mutatis mutandis to developing countries acceding to this Agreement after its entry into force.

7. Such agreed exclusions as mentioned in paragraphs 4, 5 and 6 above shall be subject to review in accordance with the provisions of paragraph 13 of this Part.

Technical assistance for developing country parties

8. Developed country parties to this Agreement shall, upon request, provide all technical assistance which they may deem appropriate to developing country parties in resolving their problems in the field of government procurement.

9. This assistance which shall be provided on the basis of non-discrimination among developing country parties shall relate, inter alia, to:

- the solution of particular technical problems relating to the award of a specific contract;

- any other problem which the party making the request and another party agree to deal with in the context of this assistance.

Information centres

10. Developed country parties to this Agreement shall establish, individually or jointly, information centres to respond to reasonable requests from developing country parties for information relating to, inter alia, laws, regulations, procedures and practices regarding government procurement, notices about proposed purchases which have been published, addresses of the entities covered by this Agreement, and the nature and volume of products purchased or to be purchased, including available information about future tenders. The Committee may also set up an information centre.

Special treatment for least-developed countries

11. Having regard to paragraph 6 of the Tokyo Declaration, special treatment shall be granted to least-developed countries parties to this Agreement and to the suppliers in those countries with respect to products originating in those countries, in the context of any general or specific measures in favour of the developing countries parties to this Agreement. Parties may also grant the benefits of this Agreement to suppliers in least-developed countries which are not parties, with respect to products originating in those countries.

12. Developed country parties shall, upon request, provide assistance which they may deem appropriate to potential tenderers in the least-developed countries in submitting their tenders, selecting the products which are likely to be of interest to entities of developed countries as well as to suppliers in the least-developed countries and likewise assist them to comply with technical regulations and standards relating to products which are the subject of the proposed purchase.

Review

13. The Committee shall review annually the operation and effectiveness of this Part and after each three years of its operation on the basis of reports to be submitted by the parties to this Agreement shall carry out a

major review in order to evaluate its effects. As part of the three-yearly reviews and with a view to achieving the maximum implementation of the provisions of this Agreement, including in particular Part II, and having regard to the development, financial and trade situation of the developing countries concerned, the Committee shall examine whether exclusions provided for in accordance with the provisions of paragraphs 4 to 6 of this Part shall be modified or extended.

14. In the course of further rounds of negotiations in accordance with the provisions of Part IX, paragraph 6, developing countries parties to this Agreement shall give consideration to the possibility of enlarging their lists of entities having regard to their economic, financial and trade situation.

PART IV

Technical Specifications

(a) Technical specifications laying down the characteristics of the products to be purchased such as quality, performance, safety and dimensions, testing and test methods, symbols, terminology, packaging, marking and labelling, and conformity certification requirements prescribed by procurement entities, shall not be prepared, adopted or applied with a view to creating obstacles to international trade nor have the effect of creating unnecessary obstacles to international trade.

(b) Any technical specification prescribed by procurement entities shall, where appropriate:

(i) be in terms of performance rather than design; and

(ii) be based on international standards, national technical regulations, or recognized national standards.

(c) There shall be no requirement or reference to a particular trade mark or name, patent, design or type, specific origin or producer, unless there is no sufficiently precise or intelligible way of describing the procurement requirements and provided that words such as "or equivalent" are included in the tenders.

PART V

Tendering Procedures

1. Parties to this Agreement shall ensure that the tendering procedures of their entities are consistent with the provisions below. Open tendering procedures for the purposes of this Agreement are those procedures under which all interested suppliers may submit a tender. Selective tendering procedures, for the purposes of this Agreement are those procedures under which, consistent with paragraph 7 and other relevant provisions of this Part, those suppliers invited to do so by the entity may submit a tender. Single tendering for the purposes of this Agreement, is a procedure where the entity contacts suppliers individually, only under the conditions specified in paragraph 15 below.

Qualification of suppliers

2. Entities, in the process of qualifying suppliers, shall not discriminate among foreign suppliers or between domestic and foreign suppliers. Qualification procedures shall be consistent with the following:

(a) any conditions for participation in tendering procedures shall be published in adequate time to enable interested suppliers to initiate and, to the extent that it is compatible with efficient operation of the procurement process, complete the qualification procedures;

(b) any conditions for participation required from suppliers, including financial guarantees, technical qualifications, information necessary for establishing the financial, commercial and technical capacity of suppliers, as well as the verification of qualifications, shall be no less favourable to foreign suppliers than to domestic suppliers and shall not discriminate among foreign suppliers;

(c) the process of, and the time required for, qualifying suppliers shall not be used in order to keep foreign suppliers off a suppliers' list or from being considered for a particular proposed purchase. Entities shall recognize as qualified suppliers such domestic or foreign suppliers who meet the conditions for participation in a particular proposed purchase. Suppliers requesting to participate in a particular proposed purchase who may not yet be qualified shall also be considered, provided there is sufficient time to complete the qualification procedure;

(d) entities maintaining permanent lists of qualified suppliers shall ensure that all qualified suppliers so requesting are included in the lists within a reasonably short time;

(e) any supplier having requested to become a qualified supplier shall be advised by the entities concerned of the decision in this regard. Qualified suppliers included on permanent lists by entities shall also be notified of the termination of any such lists or of their removal from them;

(f) nothing in sub-paragraphs (a) to (e) above shall preclude the exclusion of any supplier on grounds such as bankruptcy or false declarations, provided that such an action is consistent with the national treatment and non-discrimination provisions of this Agreement.

Notice of proposed purchase and tender documention

3. Entities shall publish a notice of each proposed purchase in the appropriate publication listed in Annex II. Such notice shall constitute an invitation to participate in either open or selective tendering procedures.

4. Each notice of proposed purchase shall contain the following information:

(a) the nature and quantity of the products to be supplied, or envisaged to be purchased in the case of contracts of a recurring nature; (b) whether the procedure is open or selective; (c) any delivery date; (d) the address and final date for submitting an application to be invited to tender or for qualifying for the suppliers' lists, or for receiving tenders, as well as the language or languages in which they must be submitted; (e) the address of the entity awarding the contract and providing any information necessary for obtaining specifications and other documents; (f) any economic and technical requirements, financial guarantees and information required from suppliers; (g) the amount and terms of payment of any sum payable for the tender documentation.

The entity shall publish in one of the official languages of the GATT a summary of the notice of proposed purchase containing at least the following:

(i) subject matter of the contract;

(ii) time-limits set for the submission of tenders; and

(iii) addresses from which documents relating to the contracts may be requested.

5. To ensure optimum effective international competition under selective tendering procedures, entities shall, for each proposed purchase, invite tenders from the maximum number of domestic and foreign suppliers, consistent with efficient operation of the procurement system. They shall select the suppliers to participate in the procedure in a fair and non-discriminatory manner.

6. (a) In the case of selective tendering procedures, entities maintaining permanent lists of qualified suppliers shall publish annually in one of the publications listed in Annex III, a notice of the following:

(i) the enumeration of the lists maintained, including their headings, in relation to the products or categories of products to be purchased through the lists;

(ii) the conditions to be filled by potential suppliers in view of their inscription on those lists and the methods according to which each of those conditions be verified by the entity concerned;

(iii) the period of validity of the lists, and the formalities for their renewal.

(b) Entities maintaining permanent lists of qualified suppliers may select suppliers to be invited to tender from among those listed. Any selection shall allow for equitable opportunities for suppliers on the lists.

(c) If, after publication of the notice under paragraph 3 above, a supplier not yet qualified requests to participate in a particular tender, the entity shall promptly start the procedure of qualification.

7. Suppliers requesting to participate in a particular proposed purchase shall be permitted to submit a tender and be considered provided, in the case of those not yet qualified, there is sufficient time to complete the qualification procedure under paragraphs 2-6 of this Part. The number of additional suppliers permitted to participate shall be limited only by the efficient operation of the procurement system.

8. If after publication of a notice to purchase but before the time set for opening or receipt of tenders as specified in the notices or the tender documentation, it becomes necessary to amend or re-issue the notice, the amendment or the re-issued notice shall be given the same circulation as the

original documents upon which the amendment is based. Any significant information given to one supplier with respect to a particular proposed purchase shall be given simultaneously to all other suppliers concerned in adequate time to permit the suppliers to consider such information and to respond to it.

9. (a) Any prescribed time-limit shall be adequate to allow foreign as well as domestic suppliers to prepare and submit tenders before the closing of the tendering procedures. In determining any such time-limit, entities shall, consistent with their own reasonable needs, take into account such factors as the complexity of the proposed purchase, the extent of sub-contracting anticipated, and the normal time for transmitting tenders by mail from foreign as well as domestic points.

(b) Consistent with the entity's own reasonable needs, any delivery date shall take into account the normal time required for the transport of goods from the different points of supply.

10. (a) In open procedures, the period for the receipt of tenders shall in no case be less than thirty days from the date of publication referred to in paragraph 3 of this Part.

(b) In selective procedures not involving the use of a permanent list of qualified suppliers, the period for submitting an application to be invited to tender shall in no case be less than thirty days from the date of the publication referred to in paragraph 3; the period for receipt of tenders shall in no case be less than thirty days from the date of issuance of the invitation to tender.

(c) In selective procedures involving the use of a permanent list of qualified suppliers, the period for receipt of tenders shall in no case be less than thirty days from the date of the initial issuance of invitations to tender. If the date of initial issuance of invitations to tender does not coincide with the date of the publication referred to in paragraph 3, there shall in no case be less than thirty days between those two dates.

(d) The periods referred to in (a), (b) and (c) above may be reduced either where a state of urgency duly substantiated by the entity renders impracticable the periods in question or in the case of the second or subsequent publications dealing with contracts of a recurring nature within the meaning of paragraph 4 of this Part.

11. If, in tendering procedures, an entity allows tenders to be submitted in several languages, one of those languages shall be one of the official languages of the GATT.

12. Tender documentation provided to suppliers shall contain all information necessary to permit them to submit responsive tenders, including the following:

(a) the address of the entity to which tenders should be sent;

(b) the address where requests for supplementary information should be sent;

(c) the language or languages in which tenders and tendering documents must be submitted;

(d) the closing date and time for receipt of tenders and the length of time during which any tender should be open for acceptance;

(e) the persons authorized to be present at the opening of tenders and the date, time and place of this opening;

(f) any economic and technical requirement, financial guarantees and information or documents required from suppliers;

(g) a complete description of the products required or of any requirements including technical specifications, conformity certification to be fulfilled by the products, necessary plans, drawings and instructional materials;

(h) the criteria for awarding the contract, including any factors other than price that are to be considered in the evaluation of tenders and the cost elements to be included in evaluating tender prices, such as transport, insurance and inspection costs, and in the case of foreign products, customs duties and other import charges, taxes and currency of payment;

(i) the terms of payment;

(j) any other terms or conditions.

13. (a) In open procedures, entities shall forward the tender documentation at the request of any supplier participating in the procedure, and shall reply promptly to any reasonable request for explanations relating thereto.

(b) In selective procedures, entities shall forward the tender documentation at the request of any supplier requesting to participate and shall reply promptly to any reasonable request for explanations relating thereto.

(c) Entities shall reply promptly to any reasonable request for relevant information submitted by a supplier participating in the tendering procedure, on condition that such information does not give that supplier an advantage over its competitors in the procedure for the award of the contract.

Submission, receipt and opening of tenders and awarding of contracts

14. The submission, receipt and opening of tenders and awarding of contracts shall be consistent with the following:

(a) tenders shall normally be submitted in writing directly or by mail. If tenders by telex, telegram or telecopy are permitted, the tender made thereby must include all the information necessary for the evaluation of the tender, in particular the definitive price proposed by the tenderer and a statement that the tenderer agrees to all the terms, conditions and provisions of the invitation to tender. The tender must be confirmed promptly by letter or by the despatch of a signed copy of the telex, telegram or telecopy. Tenders presented by telephone shall not be permitted. The content of the telex, telegram or telecopy shall prevail where there is a difference or conflict between that content and any documentation received after the time-limit; requests to participate in selective tendering procedures may be submitted by telex, telegram or telecopy;

(b) the opportunities that may be given to tenderers to correct unintentional errors between the opening of tenders and the awarding of the contract shall not be permitted to give rise to any discriminatory practice;

(c) a supplier shall not be penalized if a tender is received in the office designated in the tender documents after the time specified because of delay due solely to mishandling on the part of the entity. Tenders may also be considered in other exceptional circumstances if the procedures of the entity concerned so provide;

(d) all tenders solicited under open and selective procedures by entities shall be received and opened under procedures and conditions guaranteeing the regularity of the openings as well as the availability of information from the openings. The receipt and opening of tenders shall also be consistent with the national treatment and non-discrimination provisions of this Agreement. To this effect, and in connexion with open procedures, entities

shall establish provisions for the opening of tenders in the presence of either tenderers or their representatives, or an appropriate and impartial witness not connected with the procurement process. A report on the opening of the tenders shall be drawn up in writing. This report shall remain with the entities concerned at the disposal of the government authorities responsible for the entity in order that it may be used if required under the procedures of Parts VI and VII of this Agreement;

(e) to be considered for award, a tender must, at the time of opening, conform to the essential requirements of the notices or tender documentation and be from suppliers which comply with the conditions for participation. If an entity has received a tender abnormally lower than other tenders submitted, it may enquire with the tenderer to ensure that it can comply with the conditions of participation and be capable of fulfilling the terms of the contract;

(f) unless in the public interest an entity decided not to issue the contract, the entity shall make the award to the tenderer who has been determined to be fully capable of undertaking the contract and whose tender, whether for domestic or foreign products, is either the lowest tender or the tender which in terms of the specific evaluation criteria set forth in the notices or tender documentation is determined to be the most advantageous;

(g) if it appears from evaluation that no one tender is obviously the most advantageous in terms of the specific evaluation criteria set forth in the notices or tender documentation, the entity shall, in any subsequent negotiations, give equal consideration and treatment to all tenders within the competitive range;

(h) entities should normally refrain from awarding contracts on the condition that the supplier provide offset procurement opportunities or similar conditions. In the limited number of cases where such requisites are part of a contract, parties to this Agreement concerned shall limit the offset to a reasonable proportion within the contract value and shall not favour suppliers from one party over suppliers from any other party. Licensing of technology should not normally be used as a condition of award but instances where it is required should be as infrequent as possible and suppliers from one party shall not be favoured over suppliers from any other party.

Use of single tendering

15. The provisions of paragraphs 1-14 above governing open and selective tendering procedures need not apply in the following conditions, provided that single tendering is not used with a view to avoiding maximum possible competition or in a manner which would constitute a means of discrimination among foreign suppliers or protection to domestic producers:

(a) in the absence of tenders in response to an open or selective tender, or when the tenders submitted have been either collusive or do not conform to the essential requirements in the tender, or from suppliers who do not comply with the conditions for participation provided for in accordance with this Agreement, on condition, however, that the requirements of the initial tender are not substantially modified in the contract as awarded;

(b) when, for works of art or for reasons connected with protection of exclusive rights, such as patents or copyrights, the products can be supplied only by a particular supplier and no reasonable alternative or substitute exists;

(c) insofar as is strictly necessary when, for reasons of extreme urgency brought about by events unforeseeable by the entity, the products could not be obtained in time by means of open or selective tendering procedures;

(d) for additional deliveries by the original supplier which are intended either as parts replacement for existing supplies or installations, or as the extension of existing supplies or installations where a change of supplier would compel the entity to purchase equipment not meeting requirements of interchangeability with already existing equipment;

(e) when an entity purchases prototypes or a first product which are developed at its request in the course of, and for, a particular contract for research, experiment, study or original development. When such contracts have been fulfilled, subsequent purchases of products shall be subject to paragraphs 1-14 of this Part.[1]

16. Entities shall prepare a report in writing on each contract awarded under the provisions of paragraph 15 of this Part. Each report shall contain the name of the purchasing entity, value and kind of goods purchased, country of origin, and a statement of the conditions in paragraph 15 of this Part which prevailed. This report shall remain with the entities concerned at the disposal of the government authorities responsible for the entity in order that it may be used if required under the procedures of Parts VI and VII of this Agreement.

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[1]Original development of a first product may include limited production in order to incorporate the results of field testing and to demonstrate that the product is suitable for production in quantity to acceptable quality standards. It does not extend to quantity production to establish commercial viability or to recover research and development costs.

PART VI

Information and Review

1. Any law, regulation, judicial decision, administrative ruling of general application, and any procedure (including standard contract clauses) regarding government procurement covered by this Agreement, shall be published promptly by the parties to this Agreement in the appropriate publications listed in Annex IV and in such a manner as to enable other parties and suppliers to become acquainted with them. Parties to this Agreement shall be prepared, upon request, to explain to any other party their government procurement procedures. Entities shall be prepared, upon request, to explain to any supplier from a country which is a party to this Agreement their procurement practices and procedures.

2. Entities shall, upon request by any supplier, promptly provide pertinent information concerning the reasons why that supplier's application to qualify for the suppliers' list was rejected, or why that supplier was not invited or admitted to tender.

3. Entities shall promptly, and in no case later than seven working days from the date of the award of a contract, inform the unsuccessful tenderers by written communication or publication that a contract has been awarded.

4. Upon request by an unsuccessful tenderer, the purchasing entity shall promptly provide that tenderer with pertinent information concerning the reasons why the tender was not selected, including information on the characteristics and the relative advantages of the tender selected, as well as the name of the winning tenderer.

5. Entities shall establish a contact point to provide additional information to any unsuccessful tenderer dissatisfied with the explanation for rejection of his tender or who may have further questions about the award of the contract. There shall also be procedures for the hearing and reviewing of complaints arising in connexion with any phase of the procurement process, so as to ensure that, to the greatest extent possible, disputes under this Agreement will be equitably and expeditiously resolved between the suppliers and the entities concerned.

6. The government of the unsuccessful tenderer, which is a party to this Agreement, may seek, without prejudice to the provisions under Part VII, such additional information on the contract award as may be necessary to ensure that the purchase was made fairly and impartially. To this end, the purchasing government shall provide information on both the characteristics

and relative advantages of the winning tender and the contract price. Normally this latter information may be disclosed by the government of the unsuccessful tenderer provided it exercises this right with discretion. In cases where release of this information would prejudice competition in future tenders this information shall not be disclosed except after consultation with and agreement of the party which gave the information to the government of the unsuccessful tenderer.

7. Available information concerning individual contract awards shall be provided, upon a request, to any other party.

8. Confidential information provided to any party to this Agreement which would impede law enforcement or otherwise be contrary to the public interest or would prejudice the legitimate commercial interest of particular enterprises, public or private, or might prejudice fair competition between suppliers, shall not be revealed without formal authorization from the party providing the information.

9. Parties to this Agreement shall collect and provide to the Committee on an annual basis statistics on their purchases. Such reports shall contain the following information with respect to contracts awarded by all procurement entities covered under the Agreement:

(a) global statistics on estimated value of contracts awarded, both above and below the threshold value;

(b) statistics on number and total value of contracts awarded above the threshold value, broken down by entities, categories of products and either nationality of the winning tenderer or country of origin of the product, according to a recognized trade or other appropriate classification system;

(c) statistics on the total number and value of contracts awarded under each of the cases of Part V, paragraph 15.

PART VII

Enforcement of Obligations

Institutions

1. There shall be established under this Agreement a Committee on Government Procurement (referred to in this Agreement as "the Committee") composed of representatives from each of the parties to this Agreement. This Committee shall elect its own Chairman and shall meet as necessary but not less than once a year for the purpose of affording parties the opportunity to consult on any matters relating to the operation of the Agreement or the furtherance of its objectives, and to carry out such other responsibilities as may be assigned to it by the parties.

2. The Committee may establish ad hoc panels in the manner and for the purposes set out in paragraph 8 of this Part and working parties or other subsidiary bodies which shall carry out such functions as may be given to them by the Committee.

Consultations

3. Each party shall afford sympathetic consideration to, and shall afford adequate opportunity for consultations regarding, representations made by another party with respect to any matter affecting the operation of this Agreement.

4. If any party considers that any benefit accruing to it, directly or indirectly, under this Agreement is being nullified or impaired, or that the achievement of any objective of the Agreement is being impeded by another party or parties, it may, with a view to reaching a mutually satisfactory resolution of the matter, request in writing consultations with the party or parties in question. Each party shall afford sympathetic consideration to any request from another party for consultations. The parties concerned shall initiate requested consultations promptly.

5. Parties engaged in consultations on a particular matter affecting the operation of the Agreement shall provide information concerning the matter subject to the provisions of Part VI, paragraph 8, and attempt to conclude such consultations within a reasonably short period of time.

Resolution of disputes

6. If no mutually satisfactory solution has been reached as a result of consultations under paragraph 4 between the parties concerned, the Committee shall meet at the request of any party to the dispute within thirty days of

receipt of such a request to investigate the matter, with a view to facilitating a mutually satisfactory solution.

7. If no mutually satisfactory solution has been reached after detailed examination by the Committee under paragraph 6 within three months, the Committee shall, at the request of any party to the dispute establish a panel to:

(a) examine the matter;

(b) consult regularly with the parties to the dispute and give full opportunity for them to develop a mutually satisfactory solution;

(c) make a statement concerning the facts of the matter as they relate to application of this Agreement and make such findings as will assist the Committee in making recommendations or giving rulings on the matter.

8. In order to facilitate the constitution of panels, the Chairman of the Committee shall maintain an informal indicative list of governmental officials experienced in the field of trade relations. This list may also include persons other than governmental officials. In this connexion, each party to this Agreement shall be invited to indicate at the beginning of every year to the Chairman of the Committee the name(s) of the one or two persons whom the parties to this Agreement would be willing to make available for such work. When a panel is established under paragraph 7, the Chairman, within seven days, shall propose to the parties to the dispute the composition of the panel consisting of three or five members and preferably government officials. The parties directly concerned shall react within seven working days to nominations of panel members by the Chairman and shall not oppose nominations except for compelling reasons.

Citizens of countries whose governments are parties to a dispute shall not be eligible for membership of the panel concerned with that dispute. Panel members shall serve in their individual capacities and not as governmental representatives nor as representatives of any organization. Governments or organizations shall therefore not give them instructions with regard to matters before a panel.

9. Each panel shall develop its own procedures. All parties, having a substantial interest in the matter and having notified this to the Committee, shall have an opportunity to be heard. Each panel may consult with and seek information from any source it deems appropriate. Before a panel seeks such information from a source within the jurisdiction of a party it shall inform the government of that party. Any party to this Agreement shall respond promptly and fully to any request by a panel for such information as the panel considers necessary and appropriate. Confidential

information provided to the panel shall not be revealed without formal authorization from the government or person providing the information. Where such information is requested from the panel but release of such information by the panel is not authorized, a non-confidential summary of the information, authorized by the government or person providing the information, will be provided.

Where a mutually satisfactory solution to a dispute cannot be found or where the dispute relates to an interpretation of the Agreement, the panel should first submit the descriptive part of its report to the parties concerned, and should subsequently submit to the parties to the dispute its conclusions, or an outline thereof, a reasonable period of time before they are circulated to the Committee. Where an interpretation of the Agreement is not involved and where a bilateral settlement of the matter has been found, the report of the panel may be confined to a brief description of the case and to reporting that a solution had been reached.

10. The time required by panels will vary with the particular case. Panels should aim to deliver their findings, and where appropriate, recommendations, to the Committee without undue delay, taking into account the obligation of the Committee to ensure prompt settlement in cases of urgency, normally within a period of four months from the date the panel was established.

Enforcement

11. After the examination is complete or after the report of a panel, working party or other subsidiary body is presented to the Committee, the Committee shall give the matter prompt consideration. With respect to these reports, the Committee shall take appropriate action normally within thirty days of receipt of the report unless extended by the Committee, including:

(a) a statement concerning the facts of the matter;

(b) recommendations to one or more parties to the Agreement; and/or

(c) any other ruling which it deems appropriate.

Any recommendations by the Committee shall aim at the positive resolution of the matter on the basis of the operative provisions of this Agreement and its objectives set out in the Preamble.

12. If a party to which recommendations are addressed considers itself unable to implement them, it should promptly furnish reasons in writing to the Committee. In that event, the Committee shall consider what further action may be appropriate.

13. The Committee shall keep under surveillance any matter on which it has made recommendations or given rulings.

Balance of rights and obligations

14. If the Committee's recommendations are not accepted by a party, or parties, to the dispute, and if the Committee considers that the circumstances are serious enough to justify such action, it may authorize a party or parties to this Agreement to suspend in whole or in part, and for such time as may be necessary, the application of this Agreement to any other party or parties, as is determined to be appropriate in the circumstances.

PART VIII

Exceptions to the Agreement

1. Nothing in this Agreement shall be construed to prevent any party to this Agreement from taking any action or not disclosing any information which it considers necessary for the protection of its essential security interests relating to the procurement of arms, ammunition or war materials, or to procurement indispensable for national security or for national defence purposes.

2. Subject to the requirement that such measures are not applied in a manner which would constitute a means of arbitrary or unjustifiable discrimination between countries where the same conditions prevail or a disguised restriction on international trade, nothing in this Agreement shall be construed to prevent any party from imposing or enforcing measures necessary to protect public morals, order or safety, human, animal or plant life or health, intellectual property, or relating to the products of handicapped persons, of philanthropic institutions or of prison labour.

PART IX

Final Provisions

1. Acceptance and accession

(a) This Agreement shall be open for acceptance by signature or otherwise, by governments contracting parties to the GATT and by the European Economic Community whose agreed lists of entities are contained in Annex I.

(b) Any government contracting party to the GATT not a party to this Agreement may accede to it on terms to be agreed between that government and the parties to this Agreement. Accession shall take place by the deposit with the Director-General to the CONTRACTING PARTIES to the GATT of an instrument of accession which states the terms so agreed.

(c) This Agreement shall be open to accession by any other government on terms, related to the effective application of rights and obligations under this Agreement, to be agreed between that government and the parties to this Agreement, by the deposit with the Director-General to the CONTRACTING PARTIES to the GATT of an instrument of accession which states the terms so agreed.

(d) Contracting parties may accept this Agreement in respect of those territories for which they have international responsibility, provided that the GATT is being applied in respect of such territories in accordance with the provisions of Article XXVI:5(a) or (b) of the General Agreement; and in terms of such acceptance each such territory shall be treated as though it were a party to this Agreement.

2. Reservations

Reservations may not be entered in respect of any of the provisions of this Agreement.

3. Entry into force

This Agreement shall enter into force on 1 January 1981 for the governments[1] which have accepted or acceded to it by that date. For each other government, it shall enter into force on the thirtieth day following the date of its acceptance or accession to this Agreement.

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[1]For the purpose of this Agreement, the term "government" is deemed to include the competent authorities of the European Economic Community.

4. National legislation

(a) Each government accepting or acceding to this Agreement shall ensure, not later than the date of entry into force of this Agreement for it, the conformity of its laws, regulations and administrative procedures, and the rules, procedures and practices applied by the entities contained in its list annexed hereto, with the provisions of this Agreement.

(b) Each party to this Agreement shall inform the Committee of any changes in its laws and regulations relevant to this Agreement and in the administration of such laws and regulations.

5. Rectifications or modifications

(a) Rectifications of a purely formal nature and minor amendments relating to Annexes I-IV to this Agreement shall be notified to the Committee and shall become effective provided there is no objection within thirty days to such rectifications or amendments.

(b) Any modifications to lists of entities other than those referred to in sub-paragraph (a) may be made only in exceptional circumstances. In such cases, a party proposing to modify its list of entities shall notify the Chairman of the Committee who shall promptly convene a meeting of the Committee. The parties to this Agreement shall consider the proposed modification and consequent compensatory adjustments, with a view to maintaining a comparable level of mutually agreed coverage provided in the Agreement prior to such modification. In the event of agreement not being reached on any modification taken or proposed, the matter may be pursued in accordance with the provisions contained in Part VII of this Agreement, taking into account the need to maintain the balance of rights and obligations at the highest possible level.

6. Review and negotiations

(a) The Committee shall review annually the implementation and operation of this Agreement taking into account the objectives thereof. The Committee shall annually inform the CONTRACTING PARTIES to the GATT of developments during the periods covered by such reviews.

(b) Not later than the end of the third year from the entry into force of this Agreement and periodically thereafter, the parties thereto shall undertake further negotiations, with a view to broadening and improving the Agreement on the basis of mutual reciprocity

having regard to the provisions of Part III relating to developing countries. In this connexion, the Committee shall, at an early stage, explore the possibilities of expanding the coverage of the Agreement to include service contracts.

7. Amendments

The parties may amend this Agreement having regard, inter alia, to the experience gained in its implementation. Such an amendment, once the parties have concurred in accordance with the procedures established by the Committee, shall not come into force for any party until it has been accepted by such party.

8. Withdrawal

Any party may withdraw from this Agreement. The withdrawal shall take effect upon the expiration of sixty days from the day on which written notice of withdrawal is received by the Director-General to the CONTRACTING PARTIES to the GATT. Any party to this Agreement may upon such notification request an immediate meeting of the Committee.

9. Non-application of this Agreement between particular parties

This Agreement shall not apply as between any two parties to this Agreement if either of the parties, at the time either accepts or accedes to this Agreement, does not consent to such application.

10. Annexes

The annexes to this Agreement constitute an integral part thereof.

11. Secretariat

This Agreement shall be serviced by the GATT secretariat.

12. Deposit

This Agreement shall be deposited with the Director-General to the CONTRACTING PARTIES to the GATT, who shall promptly furnish to each party to this Agreement and each contracting party to the GATT a certified copy thereof and of each rectification or modification thereto pursuant to paragraph 5, each amendment thereto pursuant to paragraph 7, and a notification of each acceptance thereof or accession thereto pursuant to paragraph 1, or each withdrawal therefrom pursuant to paragraph 8, of this Part.

13. Registration

This Agreement shall be registered in accordance with the provisions of Article 102 of the Charter of the United Nations.

Done at Geneva this ..... day of ..... nineteen hundred and seventy-nine in a single copy, in the English, French and Spanish languages, each text being authentic.

NOTES

Part I, paragraph 1

Having regard to general policy considerations relating to tied aid, including the objective of developing countries with respect to the untying of such aid, this Agreement does not apply to procurement made in furtherance of tied aid to developing countries so long as it is practised by parties to this Agreement.

Part V, paragraph 14(h)

Having regard to the general policy considerations of developing countries in relation to Government Procurement, it is noted that under the provisions of Paragraph 14(h) of Part V, developing countries may require incorporation of domestic content, offset procurement, or transfer of technology as criteria for award of contracts. It is noted that suppliers from one party shall not be favoured over suppliers from any other party.

ANNEX I

LISTS OF ENTITIES REFERRED TO IN PART I, PARAGRAPH 1(C)[1]

[1] For technical reasons, some adjustments to the lists which follow may be needed.

AUSTRIA

I. Federal Chancellery
Austrian Central Statistical Office

II. Federal Ministry of Foreign Affairs
Procurement Office

III. Federal Ministry of the Interior
Procurement Office

IV. Federal Ministry of Justice
Procurement Office

V. Federal Ministry of Social Affairs
Procurement Office

VI. Federal Ministry of Health and Environment
Procurement Office

EUROPEAN ECONOMIC COMMUNITY

PART I

Notes:

1. This Agreement does not apply to procurement by entities otherwise falling under this Agreement made on behalf of and under the specific procedure of an international organization.

2. This Agreement shall not apply to procurement by entities falling under this Agreement of agricultural products made in furtherance of agricultural support programmes and human feeding programmes.

BELGIUM

1. List of Belgian Permanent-Departments

1. Services du Premier Ministre
2. Ministère des Affaires Economiques
3. Ministère des Affaires Etrangères, Commerce Extérieur et Coopération au Développement
4. Ministère de l'Agriculture
5. Ministère des Classes Moyennes
6. Ministère des Communications
7. Ministère de la Défense Nationale[1/]
8. Ministère de l'Education Nationale et de la Culture
9. Ministère de l'Emploi et du Travail
10. Ministère des Finances
11. Ministère de l'Intérieur
12. Ministère de la Justice
13. Ministère de la Prévoyance Sociale
14. Ministère de la Santé Publique et de l'Environnement
15. Ministère des Travaux Publics, dont
    - Fonds de Routes
    - Régie de Bâtiments
16. Régie des Postes[2/]

[1/] Non-warlike materials contained in Part II of this list

[2/] Postal Business only.

2. <u>List of actual Ministries, purchasing through entities listed under n° 1</u>

Premier Ministre

Vice-Premier Ministre et Ministre de la Fonction publique

Vice-Premier Ministre et Ministre de la Défense nationale[1/]

Ministre de la Justice

Ministre des Affaires étrangères

Ministre des Affaires économiques

Ministre de la Prévoyance sociale et Secrétaire d'Etat aux Affaires sociales, adjoint au Ministre des Affaires wallonnes

Ministre des Communications

Ministre de l'Education nationale (Néerlandaise)

Ministre de l'Agriculture et des Classes Moyennes

Ministre de la Culture néerlandaise et Ministre des Affaires flamandes

Ministre de l'Education nationale (Française)

Ministre de la Santé publique et de l'Environnement

Ministre des Finances

Ministre du Commerce extérieur

Ministre de la Coopération au Développement

Ministre des Postes, Télégraphes et Téléphones et Ministre des Affaires bruxelloises[2/]

Ministre des Pensions

Ministre de l'Emploi et du Travail

Ministre de l'Intérieur

Ministre de la Politique scientifique

Ministre de la Culture française

Ministre des Travaux publics et Ministre des Affaires wallonnes

Secrétaire d'Etat à l'Economie régionale, adjoint au Ministre des Affaires wallonnes

Secrétaire d'Etat au Budget, adjoint au Premier Ministre, et Secrétaire d'Etat à l'Economie régionale, adjoint au Ministre des Affaires flamandes

Secrétaire d'Etat à la Réforme des Institutions, adjoint au Premier Ministre

Secrétaire d'Etat à la Culture française, adjoint au Ministre de la Culture française

Secrétaire d'Etat aux Affaires économiques, adjoint au Ministre des Affaires économiques, et
Secrétaire d'Etat aux Affaires sociales, adjoint au Ministre des Affaires flamandes

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[1/] Non-warlike materials contained in Part II of this list

[2/] Postal Business only

Secrétaire d'Etat à la Réforme des Institutions, adjoint au Vice-Premier Ministre

Secrétaire d'Etat à la Culture néerlandaise adjoint au Ministre de la Culture néerlandaise, et
Secrétaire d'Etat aux Affaires sociales, adjoint au Ministre des Affaires bruxelloises.

3. Other entities under direct control of central government

La Régie des Services Frigorifiques de l'Etat Belge

Le Fonds des bâtiments scolaires

La Société nationale du Logement

La Société nationale terrienne

L'Office national de sécurité sociale

L'Institut national d'assurances sociales pour travailleurs indépendants

L'Institut national d'assurance maladie-invalidité

La Caisse nationale des pensions de retraite et de survie

L'Office national des pensions pour travailleurs salariés

La Caisse auxiliaire d'assurance maladie-invalidité

Le Fonds des maladies professionnelles

La Caisse nationale de crédit professionnel

La Caisse générale d'Epargne et de Retraite

L'Office national des débouchés agricoles et horticoles

L'Office national du lait et de ses dérivés

L'Office national de l'emploi

Le Fonds de construction hospitalière et médico-sociale

DENMARK

Danish Government Procurement Entities

1.	Prime Minister's Office	
2.	Ministry of Labour	4 directorates and institutions
3.	Ministry of Foreign Affairs	2 departments
4.	Ministry of Housing	1 directorate
5.	Ministry of Finance (3 departments)	Directorate for Government Procurement with Government Printing Office 3 other institutions
6.	Ministry of Taxes and Duties (2 departments)	5 directorates and institutions
7.	Ministry of Fisheries	4 institutions
8.	Ministry of Trade, Industry and Shipping	- Research Establishment Risoe - 20 directorates and institutions
9.	Ministry of the Interior	- State Serum Institute - Danish National Civil Defence Directorate - 3 other directorates and institutions
10.	Ministry of Justice	- Office of the Chief of Danish Police - 3 other directorates and institutions
11.	Ministry of Religious Affairs	
12.	Ministry of Agriculture	- 19 directorates and institutions
13.	Ministry of Environment	- 5 directorates
14.	Ministry of Greenland	- Royal Greenland Trade Department - Greenland Technical Organization - 2 other institutions
15.	Ministry of Cultural Affairs	- 2 directorates and several state owned museums and higher educational institutions
16.	Ministry of Social Affairs	- 5 directorates
17.	Ministry of Education	- University Hospital of Copenhagen - 6 directorates - 11 universities and other higher educational institutions
18.	Ministry of Economic Affairs (3 departments)	- State harbours and State airports - 4 directorates and several institutions

19. Ministry of Public Works[1]
20. Ministry of Defence[2]

[1] With the exception of Danish State Railways. Postal Business only.
[2] Non-warlike materials contained in Part II of this list.

FRANCE

List of entities

1) Main purchasing entities

A. General Budget

Premier Ministre

Ministre délégué auprès du Premier Ministre, chargé de la condition féminine

Ministre de la justice

Ministre de la santé et de la famille

Ministre de l'intérieur

Ministre des affaires étrangères

Ministre de la défense[1/]

Ministre du travail et de la participation

Ministre de la coopération

Ministre de l'économie

Ministre du budget

Ministre de l'environnement et du cadre de vie

Ministre de l'éducation

Ministre des universités

Ministre de l'agriculture

Ministre de l'industrie

Ministre des transports

Ministre du commerce et de l'artisanat

Ministre du commerce extérieur

Ministre de la jeunesse, des sports et des loisirs

Ministre de la culture et de la communication

Secrétaire d'Etat aux postes et télécommunications[2/]

Secrétaire d'Etat aux anciens combattants

Secrétaire d'Etat auprès du Premier Ministre

Secrétaire d'Etat auprès du Premier Ministre (Relations avec le Parlement)

Secrétaire d'Etat auprès du Premier Ministre (Recherche)

Secrétaire d'Etat auprès du Garde des sceaux, Ministre de la justice

Secrétaire d'Etat auprès du Ministre de la santé et de la famille

Secrétaire d'Etat auprès du Ministre de l'intérieur (Départements et territoires d'outre-mer)

Secrétaire d'Etat auprès du Ministre de l'intérieur (Collectivités locales)

[1/] Non-warlike materials contained in Part II of this list

[2/] Postal business only.

Secrétaire d'Etat auprès du Ministre des affaires étrangères

Secrétaire d'Etat auprès du Ministre du travail et de la participation (Formation professionnelle)

Secrétaire d'Etat auprès du Ministre du travail et de la participation (Travailleurs manuels et immigrés)

Secrétaire d'Etat auprès du Ministre du travail et de la participation (Emploi féminin)

Secrétaire d'Etat auprès du Ministre de l'environnement et du cadre de vie (Logement)

Secrétaire d'Etat auprès du Ministre de l'environnement et du cadre de vie (Environnement)

Secrétaire d'Etat auprès du Ministre de l'éducation

Secrétaire d'Etat auprès du Ministre de l'agriculture

Secrétaire d'Etat auprès du Ministre de l'industrie (Petite et moyenne indus

B. Budget annexe

Imprimerie Nationale

C. Comptes spéciaux du trésor

On peut notamment signaler:

- Fonds forestier national
- soutien financier de l'industrie cinématographique
- fonds spécial d'investissement routier
- fonds national d'aménagement foncier et d'urbanisme
- Union des groupements d'achats publics (UGAP)

2) Etablissements publics nationaux à caractère administratif

- Agence Nationale pour l'Emploi
- Institut national de la propriété industrielle
- Commission des opérations de Bourse
- Agence nationale pour l'amélioration de l'habitat
- Etablissement public du Centre Beaubourg
- Centre national de la cinématographie
- Office national des Anciens combattants et victimes de guerre
- Agence nationale pour l'indemnisation des français rapatriés d'outre-mer
- Office national d'immigration
- Fonds d'action sociale pour les travailleurs migrants
- Caisse d'aide à l'équipement des collectivités locales
- Caisse nationale des autoroutes
- Caisse des prêts aux organismes d'HLM
- Centre national des lettres
- Caisse nationale des monuments historiques et des sites

(3) Other entities

Académie de France à Rome

Académie de Marine

Académie des Sciences d'Outre-mer

Agence Centrale des Organismes de Sécurité Sociale (A.C.O.S.S.)

Agences Financières de Bassins

Agence Nationale pour l'Amélioration des Conditions de Travail (A.N.A.C.T.)

Agence Nationale pour l' Amélioration de l'Habitat (A.N.A.H.)

Agence Nationale pour l' Emploi (A.N.P.E.)

Agence Nationale pour l' Indemnisation des Français d'Outre-Mer (A.N.I.F.O.M.)

Assemblée Permanente des Chambres d'Agriculture (A.P.C.A.)

Bibliothèque Nationale

Bibliothèque Nationale et Universitaire de Strasbourg

Bureau d'Etudes des Postes et Télécommunications d'Outre-Mer (B.E.P.T.O.M.)

Caisse d'Aide à l'Equipment des Collectivités locales (C.A.E.C.)

Caisse Autonome de la Reconstruction

Caisse des Dépôts et Consignations

Caisse Nationale des Allocations Familiales (C.N.A.F.)

Caisse Nationale des Autoroutes (C.N.A.)

Caisse Nationale d' Assurance Maladie des Travailleurs Salariés (C.N.A.M.)

Caisse Nationale d' Assurance Vieillesse des Travailleurs Salariés (C.N.A.V.T.S.)

Caisse Nationale Militaire de Sécurité Sociale (C.N.M.S.S.)

Caisse Nationale des Monuments Historiques et des Sites

Caisse Nationale des Télécommunications*

Caisse de Prêts aux Organismes H.L.M.

Casa de Velasquez

Centre d' Enseignement Zootechnique de Rambouillet

Centre d' Etudes du Milieu et de Pédagogie Appliquées du Ministère de l' Agriculture

Centre d'Etudes Supérieures de Sécurité Sociale

Centres de Formation Professionnelle Agricole

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*Postal business only.

Centre National d'Art et de Culture Georges Pompidou

Centre National de la Cinématographie Française

Centre National d'Etudes et de Formation pour l'Enfance Inadaptée

Centre National d'Etudes et d'Expérimentation du Machinisme Agricole

Centre National d'Etudes et de Formation pour l'Adaptation Scolaire et l'Education Spécialisée (C.N.E.F.A.S.E.S.)

Centre National de Formation et de Perfectionnement des Professeurs d'Enseignement Ménager et Ménager Agricole

Centre National des Lettres

Centre National de Documentation Pédagogique

Centre National des Oeuvres Universitaires et Scolaires (C.N.O.U.S.)

Centre National d'Ophtalmologie des Quinze-Vingts

Centre National de Préparation au Professorat de Travaux Manuels Educatifs et d'Enseignement Ménager

Centre National de la Promotion Rurale de Marmilhat

Centre National de la Recherche Scientifique (C.N.R.S.)

Centres Pédagogiques Régionaux

Centre Régional d'Education Populaire

Centres Régionaux d'Education Physique et Sportive (C.R.E.P.S.)

Centres Régionaux des Oeuvres Universitaires (C.R.O.U.S.)

Centres Régionaux de la Propriété Forestière

Centre de Sécurité Sociale des Travailleurs Migrants

Centres Universitaires

Chancelleries des Universités

Collèges

Collèges Agricoles

Commission des Opérations de Bourse

Conseil Supérieur de la Pêche

Conservatoire de l'Espace Littoral et des Rivages Lacustres

Conservatoire National des Arts et Métiers

Conservatoire National Supérieur de Musique

Conservatoire National Supérieur d'Art Dramatique

Domaine de Pompadour

Ecole Centrale - Lyon

Ecole Centrale des Arts et Manufactures

Ecole Française d'Archéologie d'Athènes

Ecole Française d'Extrême-Orient

Ecole Française de Rome

Ecole des Hautes Etudes en Sciences Sociales

Ecole Nationale d'Adminsitration

Ecole Nationale de l'Aviation Civile (E.N.A.C.)

Ecole Nationale des Chartes

Ecole Nationale d'Equitation

Ecole Nationale Féminine d'Agronomie de Marmalhat (Put-de-Dôme)

Ecole Nationale Féminine d'Agronomie de Toulouse (Htd-Garonne)

Ecole Nationale du Génie Rural et des eaux et forêts (E.N.G.R.E.F.)

Ecoles Nationales de l'Industrie Laitière

Ecoles Nationales d'Ingénieurs

Ecole Nationale d'Ingénieurs des Industries des Techniques Agricoles et Alimentaires

Ecoles Nationales d'Ingénieurs des Travaux Agricoles

Ecole Nationale des Ingénieurs des Travaux Ruraux et Techniques Sanitaires

Ecole Nationale des Ingénieurs des Travaux des Eaux et Forêts (E.N.I.T.E.F.)

Ecole Nationale de la Magistrature

Ecoles Nationales de la Marine Marchande

Ecole Nationale de la Santé Publique (E.N.S.P.)

Ecole Nationale de ski et d'alpinisme

Ecole Nationale Supérieure Agronomique - Montpellier

Ecole Nationale Supérieure Agronomique - Rennes

Ecole Nationale Supérieure des Arts Décoratifs

Ecole Nationale Supérieure des Arts et Industries - Strasbourg

Ecole Nationale Supérieure des Arts et Industries Textiles - Roubaix

Ecole Nationale Supérieure d'Arts et Métiers

Ecole Nationale Supérieure des Beaux-Arts

Ecole Nationale Supérieure des Bibliothécaires

Ecole Nationale Supérieure de Céramique Industrielle - Sèvres

Ecole Nationale Supérieure de l'Electronique et de ses Applications (E.N.S.E.A.)

Ecole Nationale Supérieure d'Horticulture

Ecole Nationale Supérieure des Industries Agricoles Alimentaires

Ecole Nationale Supérieure du Paysage

Ecole Nationale Supérieure des Sciences Agronomiques Appliquées (E.N.S.S.A.A.)

Ecoles Nationales Vétérinaires

Ecoles Nationales de Perfectionnement

Ecoles Nationales de Premier Degré

Ecole Nationale de Voirie

Ecoles Normales d'Instituteurs et d'Institutrices

Ecoles Normales Nationales d'Apprentissage

Ecoles Normales Supérieures

Ecole Polytechnique

Ecole de Sylviculture - Crogny (Aube)

Ecole Technique Professionnelle Agricole et Forestière de Meymac (Corrèze)

Ecole de Viticulture et d'Oenologie de la Tour Blanche (Gironde)

Ecole de Viticulture - Avize (Marne)

Etablissement National de Convalescentes du Vésinet (E.N.C.V.)

Etablissement National de Convalescents de Saint-Maurice

Etablissement National des Invalides de la Marine (E.N.I.M.)

Etablissement National de Koenigs Warter

Fondation Carnégie

Fondation Singer-Polignac

Fonds d'Action Sociale pour les Travailleurs Migrants

Hôpital Hospice National Dufresne-Sommeiller

Institut d'Elevage et de Médecine Vétérinaires des Pays Tropicaux (I.E.M.V.P.T.)

Institut Français d'Archéologie Orientale du Caire

Institut Géographique National

Institut Industriel du Nord

Institut International d'Administration Publique (I.I.A.P.)

Institut National Agronomique de Paris-Grignon

Institut National des Appellations d'Origine des Vins et Eaux-de-vie (I.N.A.O.V.E.V.)

Institut National d'Astronomie et de Géophysique (I.N.A.G.)

Institut National de la Consommation (I.N.C.)

Institut National d'Education Populaire (I.N.E.P.)

Institut National d'Etudes Démographiques (I.N.E.D.)

Institut National des Jeunes Aveugles - Paris

Institut National des Jeunes Sourdes - Bordeaux

Institut National des Jeunes Sourds - Chambéry

Institut National des Jeunes Sourds - Metz

Institut National des Jeunes Sourds - Paris

Institut National de Physique Nucléaire et de Physique des Particules (I.N2.P3)

Institut National de Promotion Supérieure Agricole

Institut National de la Propriété Industrielle

Institut National de la Recherche Agronomique (I.N.R.A.)

Institut National de Recherche Pédagogique (I.N.R.P.)

Institut National de la Santé et de la Recherche Médicale (I.N.S.E.R.M.)

Institut National des Sports

Instituts Nationaux Polytechniques

Instituts Nationaux des Sciences Appliquées

Institut National Supérieur de Chimie Industrielle de Rouen

Institut de Recherches d'Informatique et d'Automatique (I.R.I.A.)

Institut de Recherche des Transports (I.R.T.)

Instituts Régionaux d'Administration

Institut Scientifique et Technique des Pêches Maritimes (I.S.T.P.M.)

Institut Supérieur des Matériaux et de la Construction Mécanique de Saint-Ouen

Lycées Agricoles

Lycées Classiques et Modernes

Lycées d'Enseignement Professionnel

Lycées Techniques

Musée de l'Armée

Musée Gustave Moreau

Musée de la Marine

Musée National J.J. Henner

Musée National de la Légion d'Honneur

Musée Postal

Muséum National d'Histoire Naturelle

Musée Auguste Rodin

Observatoire de Paris

Office de Coopération et d'Accueil Universitaire

Office Français de Protection des Réfugiés et Rapatriés

Office National des Anciens Combattants

Office National de la Chasse

Office National d'Information sur les Enseignements et les Professions (O.N.I.S.E.P.)

Office National d'Immigration (O.N.I.)

Office de la Recherche Scientifique et Technique d'Outre-Mer (O.R.S.T.O.M.)

Office Universitaire et Culturel Français pour l'Algérie

Palais de la Découverte

Parcs Nationaux

Réunion des Musées Nationaux

Service National des Examens du Permis de Conduire

Syndicat des Transports Parisiens

Thermes Nationaux - Aix-les-Bains

Universités

FEDERAL REPUBLIC OF GERMANY

I. List of Central Purchasing Entities

1. Ministry of Foreign Affairs
2. Ministry of Labour and Social Affairs
3. Ministry of Education and Science
4. Ministry of Food, Agriculture and Forests
5. Ministry of Finance
6. Ministry of Research and Technology
7. Ministry of Internal Relations
8. Ministry of Interior
9. Ministry of Youth, Family and Health
10. Ministry of Justice
11. Ministry of Planning, Public Works and Urban Affairs
12. Ministry of Posts and Telecommunications[1]
13. Ministry of Economic Affairs
14. Ministry of Economic Co-operation
15. Ministry of Defence[2]

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[1] Postal Buisness only.

[2] Non-warlike materials contained in Part II of this list.

NOTE

According to existing national obligations the entities, contained in this list, shall in conformity with special procedures award contracts in certain regions which, as consequence of the division of Germany, are confronted with economic disadvantages.

The same applies to the awarding of contracts to remove the difficulties of certain groups caused by the last war.

FEDERAL REPUBLIC OF GERMANY

(1) List of Central Purchasing Entities

1. Auswärtiges Amt
2. Bundesministerium für Arbeit und Sozialordnung
3. Bundesministerium für Bildung und Wissenschaft
4. Bundesministerium für Ernährung, Landwirtschaft und Forsten
5. Bundesministerium der Finanzen
6. Bundesministerium für Forschung und Technologie
7. Bundesministerium für innerdeutsche Beziehungen
8. Bundesministerium des Innern (nur ziviles Material)
9. Bundesministerium für Jugend, Familie und Gesundheit
10. Bundesministerium der Justiz
11. Bundesministerium für Raumordnung, Bauwesen und Städtebau
12. Bundesministerium für das Post- und Fernmeldewesen (1)
13. Bundesministerium für Wirtschaft
14. Bundesministerium für wirtschaftliche Zusammenarbeit
15. Bundesministerium der Verteidigung (2)

(1) Nur Postwesen.

(2) Non-military materials contained in Part II of this list.

Note

According to existing national obligations the entities, contained in this list, shall in conformity with special procedures award contracts in certain regions which, as consequence of the division of Germany, are confronted with economic disadvantages.

The same applies to the awarding of contracts to remove the difficulties of certain groups caused by the last war.

IRELAND

1. Main purchasing entities

   (a) Office of Public Works

   (b) Stationery Office

2. Other departments

   President's Establishment
   Office of the Houses of the Oireachtas (Parliament)
   Department of the Taoiseach (Prime Minister)
   Central Statistics Office
   Department of Finance
   Office of the Comptroller and Auditor General
   Office of the Revenue Commissioners
   State Laboratory
   Office of the Attorney General
   Office of the Director of Public Prosecutions
   Valuation Office
   Ordnance Survey
   Department of the Public Service
   Civil Service Commission
   Department of Economic Planning and Development
   Department of Justice
   Land Registry
   Charitable Donations and Bequests Office
   Department of the Environment
   Department of Education
   National Gallery of Ireland
   Department of the Gaelteacht (Irish speaking areas)
   Department of Agriculture
   Department of Fisheries and Forestry
   Department of Labour
   Department of Industry, Commerce and Energy
   Department of Tourism and Transport
   Department of Foreign Affairs
   Department of Social Welfare
   Department of Health
   Department of Defence[1]
   Department of Posts and Telegraphs[2]

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[1] Non-warlike materials contained in Part II of this list.
[2] Postal Business only.

ITALY

Purchasing entities

1. Treasury[1]
2. Finance[2]
3. Justice
4. External Affairs
5. Public Instruction
6. Interior
7. Public Works
8. Agriculture and Forest
9. Industry, Trade and Craftworks
10. Employment and Social Affairs
11. Health
12. Cultural Affairs
13. Defence[3]
14. Postal Services[4]

Note: This Agreement shall not prevent the implementation of provisions contained in Italian Law No. 835 of 6 October 1950 (Official Gazette No. 245 of 24 October 1950 of the Italian Republic) and in modifications thereto in force on the date on which this Agreement is adopted.

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[1]Acting as centralized purchasing entity for most of other Ministries or entities.

[2]Except for purchases by the monopoly administration for tobacco and salt.

[3]Non-warlike materials contained in Part II of this list.

[4]Postal Business only

LUXEMBOURG

"Liste des entités acheteuses centrales susceptibles de relever du champ d'application de l'instrument"

1. Ministère d'Etat: Service Central des imprimés et des fournitures de l'Etat;
2. Ministère de l'Agriculture: Administration des Services Techniques de l'Agriculture;
3. Ministère de l'Education Nationale: Ecoles de l'enseignement secondaire, de l'enseignement moyen, de l'enseignement professionnel;
4. Ministère de la Famille et de la Solidarité sociale: Maisons de retra ;
5. Ministère de la Force publique: Armée[1/] - Gendarmerie - Police;
6. Ministère de la Justice: Etablissements pénitentiaires;
7. Ministère de la Santé Publique: Mondorf-Etat, Hôpital neuropsychiatrique;
8. Ministère des Travaux publics: Bâtiments publics - Ponts et Chaussées;
9. Ministère des Finances: Postes et Télécommunications[2/]
10. Ministère des Transports et de l'Energie: Centrales électriques de la Haute et Basse Sarre;
11. Ministère de l'Environnement: Commissariat général à la Protection des Eaux.

[1/] Non-warlike materials contained in Part II of this list

[2/] Postal Business only.

NETHERLANDS

Lists of entities

A.

1. Ministry of General Affairs
2. Ministry of Foreign Affairs
3. Ministry of Justice
4. Ministry of Home Affairs
5. Ministry of Defence (1)
6. Ministry of Finance
7. Ministry of Economic Affairs
8. Ministry of Education and Science
9. Ministry of Housing and Town and Country Planning
10. Ministry of Transport and Waterways, including
    (a) Department of Civil Aviation
    (b) Postal, telephone and telegraph services (2)
11. Ministry of Agriculture and Fisheries
12. Ministry of Social Affairs
13. Ministry of Culture, Recreation and Social Welfare
14. Ministry of Public Health and Environment
15. Ministry of Development Co-operation
16. Ministry of Science Policy
17. Cabinet of Netherlands Antilles Affairs
18. Higher Colleges of State.

B. Central procurement offices and the amount of their purchases

Entities listed above in A generally make their own specific purchases; other general purchases are effected through the entities listed below:

1. The Netherlands Government Purchasing Office
2. Directorate of Water Control
3. Quarter Master General's Office (1)
4. Air Material Directorate (1)

(1) Non-warlike materials contained in Part II of this list.
(2) Postal Business only.

5. Procurement Division of the Royal Netherlands Navy (1)
6. State Printing and Publishing Office
7. Postal Services(2)
8. Governmental Motorvehicle Department
9. Governmental Centre for Office Mechanization and Automation
10. Governmental Forestry Directorate
11. Directorate for Ijsselmeer Polders

(1) Non-warlike materials contained in Part II of this list.

(2) Postal Business only.

NETHERLANDS

Lists of entities

A Ministeries en centrale overheidsorganen.

1. Ministerie van Algemene Zaken
2. Ministerie van Buitenlandse Zaken
3. Ministerie van Justitie
4. Ministerie van Binnenlandse Zaken
5. Ministerie van Defensie (1)
6. Ministerie van Financiën
7. Ministerie van Economische Zaken
8. Ministerie van Onderwijs en Wetenschappen
9. Ministerie van Volkshuisvesting en Ruimtelijke Ordening
10. Ministerie van Verkeer & Waterstaat (2)

11. Ministerie van Landbouw en Visserij
12. Ministerie van Sociale Zaken
13. Ministerie van Cultuur, Recreatie en Maatschappelijk Werk
14. Ministeries van Volksgezondheid en Milieuhygiëne
15. Ministerie van Ontwikkelingssamenwerking
16. Ministerie van Wetenschapsbeleid
17. Kabinet van de Nederlandse Antillen
18. Hoge Colleges van Staat

B Bovengenoemde organen kopen in het algemeen specifieke artikelen zelfstandig in ; voor de aanschaffing van artikelen voor algemeen gebruik, maken zij gebruik van een of meer van de navolgende centrale aanschaffingsdiensten.

1. Rijksinkoopbureau
2. Directoraal-Generaal voor de Waterstaat
3. Dienst van de Kwartiermeester-Generaal (1)
4. Directie (Materieel Koninklijke Luchtmacht (1)

(1) non-warlike materials contained in Part II of this list

5. Hoofdafdeling Materieel Koninklijke Marine (1)
6. Staatsdrukkerij - en - uitgeverijbedrijf
7. Centrale Afdeling Inkoop en Materieel controle van het Staatsbedrijf der P.T.T.(2).
8. Rijksautomobielcentrale
9. Rijkskantoormachinecentrale
10. Staatsbosbeheer
11. Rijksdienst IJsselmeerpolders.

(1) Non-warlike materials contained in Part II of this list.

(2) Postal Business only.

UNITED KINGDOM

List of entities

Board of Inland Revenue
British Museum
British Museum (Natural History)
Cabinet Office
Central Office of Information
Charity Commission
Civil Service Department
  Ancient Monuments (Scotland) Commission
  Ancient Monuments (Wales) Commission
  Boundary Commission for England and Wales
  Boundary Commission for Northern Ireland
  Central Computer Agency
  Chessington Computer Centre
  Civil Service Catering Organisation
  Civil Service College
  Civil Service Commission
  Civil Service Pay Research Unit
  Historical Manuscripts Commission
  Historical Monuments (England) Commission
  Medical Advisory Service
  Museums and Galleries Standing Commission
  Office of the Parliamentary Counsel
  Review Board for Government Contracts
  Royal Commission on Criminal Procedure
  Royal Commission on Environmental Pollution
  Royal Commission on Gambling
  Royal Commission on Legal Services (England, Wales and Northern Ireland)
  Royal Commission on Legal Services (Scotland)
  Royal Fine Art Commission (England)
  Royal Fine Art Commission (Scotland)
Crown Estate Office (Vote-borne services only)
Crown Office, Scotland
Customs and Excise Department

Department for National Savings
Department of Agriculture and Fisheries for Scotland
  Artificial Insemination Service
  Crofters Commission
  Red Deer Commission
  Royal Botanic Garden, Edinburgh etc.
Department of Education and Science
  University Grants Committee
Department of Employment
  Duchess of Gloucester House
  Employment Appeal Tribunal
  Industrial Tribunals
  Office of Manpower Economics
  Royal Commission on the Distribution of Income and Wealth
Department of Energy
Department of Health and Social Security
  Attendance Allowance Board
  Central Council for Education and Training in Social Work
  Council for the Education and Training of Health Visitors
  Dental Estimates Board
  Joint Board of Clinical Nursing Studies
  Medical and Dental Referee Service
  Medical Boards and Examining Medical Officers (War Pensions)
  National Health Service
  National Health Service Authorities
  National Insurance Commissioners
  Occupational Pensions Board
  Prescription Pricing Authority
  Public Health Laboratory Service Board
  Supplementary Benefits Appeal Tribunals
  Supplementary Benefits Commission
Department of Industry
  Computer-Aided Design Centre
  Laboratory of the Government Chemist
  National Engineering Laboratory
  National Maritime Institute
  National Physical Laboratory
  Warren Spring Laboratory

Department of Prices and Consumer Protection
  Domestic Coal Consumers' Council
  Electricity Consultative Councils for England and Wales
  Gas Consumers' Councils
  Metrication Board
  Monopolies and Mergers Commission
Department of the Environment
  British Urban Development Services Unit
  Building Research Establishment
  Commons Commissioners - (except payment of rates)
  Countryside Commission
  Directorate of Estate Management Overseas
  Fire Research Station/Boreham Wood
  Hydraulics Research Station
  Local Valuation Panels
  Location of Offices Bureau
  Property Services Agency
  Rent Control Tribunals and Rent Assessment Panels and Committees
Department of the Government Actuary
Department of the Registers of Scotland
Department of Trade
  Coastguard Services
  British Export Marketing Centre, Tokyo
  Market Entry Guarantee Scheme
  Patent Office
Department of Transport
  Road Construction Units and Sub-Units
  Transport and Road Research Laboratory
  Transport Tribunal - (except payment of rates)
  Transport Users Consultative Committees - (except payment of rates)
Director of Public Prosecutions
Exchequer and Audit Department
Exchequer Office Scotland
Export Credits Guarantee Department
Foreign and Commonwealth Office
  Government Communications Headquarters
  Middle East Centre for Arab Studies
  Wiston House Conference and European Discussion Centre

Home Office
  Gaming Board for Great Britain
  Immigration Appeals Tribunal
  Inspectors of Constabulary
  Parole Board and Local Review Committees
House of Commons
House of Lords
Imperial War Museum
Intervention Board for Agricultural Produce
Legal Aid Funds
Lord Chancellor's Department
  Council on Tribunals
  County Courts
  Courts Martial Appeal Court
  Crown Courts
  Judge Advocate General and Judge Advocate of the Fleet
  Lands Tribunal
  Law Commission
  Pensions Appeal Tribunals
  Supreme Court
Ministry of Agriculture Fisheries and Food
  Advisory Services
  Agricultural Development and Advisory Service
  Agricultural Dwelling House Advisory Committees
  Agricultural Land Tribunals
  Agricultural Wages Board and Committees
  Artificial Insemination Research Centres
  Central Council for Agricultural and Horticultural Co-operation
  Plant Pathology Laboratory
  Plant Variety Rights Office
  Royal Botanic Gardens, Kew
Ministry of Defence (1)
  Procurement Executive
Meteorological Office
Ministry of Overseas Development
  Centre for Overseas Pest Research
  Directorate of Overseas Surveys
  Land Resources Division
  Tropical Products Institute

(1) Non-warlike materials contained in Part II of this list

National Debt Office and Pensions Commutation Board
National Gallery
National Galleries of Scotland
National Library of Scotland
National Maritime Museum
National Museum of Antiquities of Scotland
National Portrait Gallery
Northern Ireland Government Departments and Public Authorities
  Department of the Civil Service
  Department of Agriculture
  Department of Commerce
  Department of Education
  Department of the Environment
  Department of Finance
  Department of Health and Social Security
  Department of Manpower Services
  Northern Ireland Police Authority
Northern Ireland Office
  Coroners Courts
  County Courts
  Crown Solicitor's Office
  Department of the Director of Public Prosecutions
  Enforcement of Judgements Office
  Forensic Science Service
  Magistrates Courts
  Pensions Appeal Tribunals
  Probation Service
  Registration of Electors and Conduct of Elections
  State Pathologist Service
  Supreme Court of Judicature and Court of Criminal Appeal of Northern Ireland
Office of Fair Trading
Office of Population Censuses and Surveys
  National Health Service Central Register
Office of the Parliamentary Commissioner for Administration and Health Service Commissioners

Paymaster General's Office
The Post Office[1]
Privy Council Office
Public Record Office
Public Trustee Office
Public Works Loan Commission
Queen's and Lord Treasurer's Remembrancer
  Crown Office
  Department of Procurators Fiscal
  Lord Advocate's Department
  Lands Tribunal
Registrar General's Office, Scotland
  National Health Service Central Register
Registry of Friendly Societies
Royal Commission, etc. (see references under Civil Service Department)
  Commission on the Constitution
  Royal Commission on the National Health Service
  Royal Commission on Gambling
Royal Hospital, Chelsea
Royal Mint
Royal Scottish Museum
Science Museum
Scottish Courts Administration
  Court of Session
  Court of Justiciary
  Accountant of Court's Office
  Sheriff Courts
  Scottish Land Court
  Scottish Law Commission
  Pensions Appeal Tribunals
Scottish Development Department
  Local Government Reorganisation Commissions etc.
  Rent Assessment Panel and Committees, etc.
Scottish Economic Planning Department
  Scottish Electricity Consultative Councils
Scottish Education Department
  Royal Scottish Museum

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[1] Postal Business only.

Scottish Home and Health Department
  Common Services Agency
  Council for the Education and Training of Health Visitors
  Fire Service Training School
  Inspectors of Constabulary
  Local Health Councils
  Mental Welfare Commission for Scotland
  National Health Service
  National Health Service authorities
  Parole Board for Scotland and Local Review Committees
  Planning Council
  Scottish Antibody Production Unit
  Scottish Crime Squad
  Scottish Criminal Record Office
  Scottish Council for Post-Graduate Medical Education and Training
  Scottish Police College
Scottish Land Court
Scottish Office
Scottish Record Office
Stationery Office
Tate Gallery
Treasury
  Exchequer Office, Scotland
  National Economic Development Council
  Rating of Government Property Department
Treasury Solicitor's Department
  Department of the Director of Public Prosecutions
  Law Officers' Department
  Department of the Procurator-General and Treasury Solicitor
Victoria and Albert Museum
Wallace Collection
Welsh Office
  Central Council for Education and Training in Social Work
  Commons Commissioners
  Council for the Education and Training of Health Visitors

Dental Estimates Board

Local Government Boundary Commission

Local Valuation Panels and Courts

National Health Service

National Health Service authorities

Public Health Laboratory Service Board

Rent Control Tribunals and Rent Assessment Panels and Committees

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PARTIE II

LISTE DES MATERIELS ACHETES PAR LES MINISTERES DE LA DEFENSE ET SOUMIS AU CODE "ACHATS GOUVERNEMENTAUX"

Chapitre 25: Sel; soufre; terres et pierres; plâtres, chaux et ciments

Chapitre 26: Minerais métallurgiques, scories et cendres

Chapitre 27: Combustibles minéraux, huiles minérales et produits de leur distillation; matières bitumineuses; cires minérales

à l'exception de:

ex 27.10 carburants spéciaux

Chapitre 28: Produits chimiques inorganiques; composés inorganiques ou organiques de métaux précieux, d'éléments radio-actifs, de métaux des terres rares et d'isotopes

à l'exception de:

ex 28.09 explosifs
ex 28.13 explosifs
ex 28.14 gaz lacrymogènes
ex 28.28 explosifs
ex 28.32 explosifs
ex 28.39 explosifs
ex 28.50 produits toxicologiques
ex 28.51 produits toxicologiques
ex 28.54 explosifs

Chapitre 29: Produits chimiques organiques

à l'exception de:

ex 29.03 explosifs
ex 29.04 explosifs
ex 29.07 explosifs
ex 29.08 explosifs
ex 29.11 explosifs
ex 29.12 explosifs
ex 29.13 produits toxicologiques
ex 29.14 produits toxicologiques
ex 29.15 produits toxicologiques
ex 29.21 produits toxicologiques
ex 29.22 produits toxicologiques
ex 29.23 produits toxicologiques
ex 29.26 explosifs
ex 29.27 produits toxicologiques
ex 29.29 explosifs

Chapitre 30: Produits pharmaceutiques

Chapitre 31: Engrais

Chapitre 32: Extraits tannants et tinctoriaux; tanins et leurs dérivés; matières colorantes, couleurs, peintures, vernis et teintures; mastics; encres.

Chapitre 33: Huiles essentielles et résinoides; produits de parfumerie ou de toilette et cosmétiques

Chapitre 34: Savons, produits organiques tensio-actifs, préparations pour lessives, préparations lubrifiantes, cires artificielles, cires préparées, produits d'entretien, bougies et articles similaires, pâtes à modeler et "cires pour l'art dentaire".

Chapitre 35: Matières albuminoïdes; colles; enzymes

Chapitre 37: Produits photographiques et cinématographiques

Chapitre 38: Produits divers des industries chimiques

à l'exclusion de:
ex 38.19: produits toxicologiques

Chapitre 39: Matières plastiques artificielles, éthers et esters de la cellulose, résines artificielles et ouvrages en ces matières

à l'exception de:
ex 39.03: explosifs

Chapitre 40: Caoutchouc naturel ou synthétique, factice pour caoutchouc et ouvrages en caoutchouc

à l'exception de:
ex 40.11: pneus à l'épreuve des balles

Chapitre 41: Peaux et cuirs

Chapitre 42: Ouvrages en cuir; articles de bourrellerie et de sellerie; articles de voyage, sacs à main et contenants similaires; ouvrages en boyaux

Chapitre 43: Pelleteries et fourrures; pelleteries factices

Chapitre 44: Bois, charbon de bois et ouvrages en bois

Chapitre 45: Liège et ouvrages en liège

Chapitre 46: Ouvrages de sparterie et de vannerie

Chapitre 47: Matières servant à la fabrication du papier

Chapitre 48: Papiers et cartons; ouvrages en pâte de cellulose, en papier et en carton

Chapitre 49: Articles de librairie et produits des arts graphiques

Chapitre 65: Coiffures et parties de coiffures

Chapitre 66: Parapluies, parasols, cannes, fouets, cravaches et leurs parties

Chapitre 67: Plumes et duvet apprêtés et articles en plumes ou en duvet; fleurs artificielles; ouvrages en cheveux

Chapitre 68: Ouvrages en pierres, plâtre, ciment, amiante, mica et matières analogues

Chapitre 69: Produits céramiques

Chapitre 70: Verre et ouvrages en verre

Chapitre 71: Perles fines, pierres gemmes et similaires, métaux précieux, plaqués ou doublés de métaux précieux et ouvrages en ces matières; bijouterie de fantaisie

Chapitre 73: Fonte, fer et acier

Chapitre 74: Cuivre

Chapitre 75: Nickel

Chapitre 76: Aluminium

Chapitre 77: Magnésium, béryllium (glucinium)

Chapitre 78: Plomb

Chapitre 79: Zinc

Chapitre 80: Etain

Chapitre 81: Autres métaux communs

Chapitre 82: Outillage; articles de coutellerie et couverts de table, en métaux communs

à l'exception de:

ex 82.05 : outillage
ex 82.07 : pièces d'outillage

Chapitre 83: Ouvrages divers en métaux communs

Chapitre 84: Chaudières, machines, appareils et engins mécaniques

à l'exception de:

ex 84.06 : moteurs
ex 84.08 : autres propulseurs
ex 84.45 : machines
ex 84.53 : machines automatiques de traitement de l'information
ex 84.55 : pièces du 84.53
ex 84.59 : réacteurs nucléaires

Chapitre 85: Machines et appareils électriques et objets servant à des usages électrotechniques

à l'exception de:

ex 85.13 : télécommunications
ex 85.15 : appareils de transmission

Chapitre 86: Véhicules et matériel pour voies ferrées; appareils de signalisation non électriques pour voies de communication

à l'exception de:

ex 86.02 : locomotives blindées
ex 86.03 : autres locoblindés
ex 86.05 : wagons blindés
ex 86.06 : wagons ateliers
ex 86.07 : wagons

Chapitre 87: Voitures automobiles, tracteurs, cycles et autres véhicules terrestres

à l'exception de:

87.08 : chars et automobiles blindés
ex 87.01 : tracteurs
ex 87.02 : véhicules militaires
ex 87.03 : voitures de dépannage
ex 87.09 : motocycles
ex 87.14 : remorques

Chapitre 89: Navigation maritime et fluviale

à l'exception de:

89.01A : bateaux de guerre

Chapitre 90: Instruments et appareils d'optique, de photographie et de cinématographie, de mesure, de vérification, de précision; instruments et appareils médico-chirurgicaux;

à l'exception de:

ex 90.05 : jumelles
ex 90.13 : instruments divers, lasers
ex 90.14 : télémètres
ex 90.28 : instruments de mesure électriques ou électroniques
ex 90.11 : microscopes
ex 90.17 : instruments médicaux
ex 90.18 : appareils de mécanothérapie
ex 90.19 : appareils d'orthopédie
ex 90.20 : appareils rayon X

Chapitre 91: Horlogerie

Chapitre 92: Instruments de musique; appareils d'enregistrement ou de reproduction du son; appareils d'enregistrement ou de reproduction des images et du son en télévision; parties et accessoires de ces instruments et appareils

Chapitre 94: Meubles; mobilier médico-chirurgical; articles de literie et similaires

à l'exception de:

ex 94.01A: sièges aérodynes

Chapitre 95: Matières à tailler et à mouler, à l'état travaillé (y compris les ouvrages)

Chapitre 96: Ouvrages de brosserie et pinceaux, balais, houppes et articles de tamiserie

Chapitre 98: Ouvrages divers

FINLAND

1. Agricultural Research Centre
2. Board of Navigation
3. Finnish Meteorological Institute
4. Government Printing Centre
5. Ministry of Justice
6. Mint of Finland
7. National Board of Aviation
8. National Board of Forestry
9. National Board of Water Resources
10. National Board of Vocational Education
11. State Fuel Centre
12. State Margarine Factory
13. State Nourishment Centre
14. State Purchasing Centre
15. Technical Research Centre
16. General Headquarters*

Note 1

The listed entities include regional and local subdivisions.

Note 2

When a specific procurement decision may impair important national policy objectives the Finnish Government may consider it necessary in singular procurement cases to deviate from the principle of national treatment in the Agreement. A decision to this effect will be taken at the Finnish cabinet level.

Note 3

Procurement by defence entities (marked with *) covers the following products:

Motor vehicles

- delivery cars
- light trucks
- motorcycles
- buses
- ambulances

Spare parts

Foodstuffs

- coffee, tea
- rice
- frozen fish
- dried fruits
- spices

Machines

- office machines
- laundry machines

Miscellaneous

HONG KONG

Entity

Hong Kong Government Supplies Department.

INDIA

S. No.	Purchasing entity	Categories of goods
1.	Oil and Natural Gas Commission	Offshore oil well drilling and allied equipment
2.	All India Radio)	Radio and TV broadcasting and allied equipment
3.	Doordarshan)	
4.	Ministry of Railways	Parts of railway and tramway locomotives and rolling stock

I. This Agreement is limited to the categories of goods stated in Column 3.

II. Purchases on behalf of All India Radio and Doordarshan are made by the Director-General of Supplies and Disposal.

III. Rail parts are at present being imported against credit from International Development Agency (IDA) and the procedures prescribed for IDA credit are followed.

IV. This Agreement does not extend to purchases in the context of bilateral arrangements that provide for balanced trade through a clearing account system.

JAMAICA

Jamaica Building Materials
(division of the Jamaican State Trading Company)

JAPAN

Entities covered by the Accounts Law including all their subdivisions, local offices and affiliates, as listed below.[1,2]

House of Representatives
House of Councillors
Supreme Court of Justice
Board of Audit
Cabinet
Prime Minister's Office
Fair Trade Commission
National Public Safety Commission (National Police Agency)
Environmental Disputes Co-ordination Commission
Imperial Household Agency
Administrative Management Agency
Hokkaido Development Agency
Defence Agency[3]
Economic Planning Agency
Science and Technology Agency
Environment Agency
Okinawa Development Agency
National Land Agency
Ministry of Justice
Ministry of Foreign Affairs
Ministry of Finance
Ministry of Education
Ministry of Health and Welfare
Ministry of Agriculture, Forestry and Fisheries
Ministry of International Trade and Industry
Ministry of Transport
Ministry of Posts and Telecommunications
Ministry of Labour
Ministry of Construction
Ministry of Home Affairs
Japanese National Railways[4]
Japan Tobacco and Salt Public Corporation
Nippon Telegraph and Telephone Public Corporation[5]

Notes

[1]Products for resale or for the use in the production of goods for sale are not included.

[2]Where it is provided under the laws and regulations existing at the time of the entry into force of this Agreement for Japan, entities contained in this list may award contracts to specific co-operatives or associations thereof in accordance with the special procedures.

[3]Procurement by the Defence Agency cover the following items:

FSC	Description
22	Railway equipment
24	Tractors
32	Woodworking machinery and equipment
34	Metalworking machinery
35	Service and trade equipment
36	Special industry machinery
37	Agricultural machinery and equipment
38	Construction, mining, excavating and highway maintenance equipment
39	Materials handling equipment
40	Rope, cable, chain and fittings
41	Refrigeration, air conditioning, and air-circulating equipment
43	Pumps and compressors
45	Plumbing, heating and sanitation equipment
46	Water purification and sewage treatment equipment
47	Pipe, tubing, hose and fitting
48	Valves
51	Hand tools
52	Measuring tools
55	Lumber, millwork, plywood and veneer
61	Electric wire, and power and distribution equipment
62	Lighting fixtures and lamps
65	Medical, dental, and veterinary equipment and supplies
6630	Chemical analysis instruments
6635	Physical properties testing equipment

FSC	Description
6640	Laboratory equipment and supplies
6645	Time-measuring instruments
6650	Optical instruments
6655	Geophysical and astronomical instruments
6660	Meteorological instruments and apparatus
6670	Scales and balances
6675	Drafting, surveying and mapping instruments
6680	Liquid and gas flow, liquid level, and mechanical motion measuring instruments
6685	Pressure, temperature, and humidity measuring and controlling instruments
6695	Combination and miscellaneous instruments
67	Photographic equipment
68	Chemicals and chemical products
71	Furniture
72	Household and commercial furnishings and appliances
73	Food preparation and serving equipment
74	Office machines and visible record equipment
75	Office supplies and devices
76	Books, maps and other publications
77	Musical instruments, phonographs and home-type radios
79	Cleaning equipment and supplies
80	Brushes, paints, sealers and adhesives
8110	Drums and cans
8115	Boxes, cartons and crates
8125	Bottles and jars
8130	Reels and spools
8135	Packaging and packing bulk materials
85	Toiletries
87	Agricultural supplies
93	Non-metallic fabricated materials
94	Non-metallic crude materials
99	Miscellaneous

[4]Materials connected with operational safety of transportation are not included.

[5]Public telecommunications equipment is not included.

NIGERIA

1. Nigeria National Supplies Company:

For purchases of the following products:[1]

(a) Power generating equipment
(b) Telecommunications equipment
(c) Railway and structural parts and equipment
(d) Public clearing equipment
(e) Contractors plant
(f) Drilling equipment for water, oil and geological surveys
(g) Scientific instruments for survey
(h) Aircraft and equipment
(i) Fire fighting vehicles and equipment
(j) Petrol industrial engines.

[1] Subject to confirmation and modification.

NORWAY

1. National Road Services
2. Central Government Purchasing Office
3. Postal Services Administration
4. State Hospital
5. University of Oslo
6. Police Services
7. Norwegian Broadcasting Corporation
8. University of Trondheim
9. University of Bergen
10. Coastal Directorate
11. University of Tromsø
12. State Pollution Control Authority
13. National Civil Aviation Administration
14. Ministry of Defence*
15. Norwegian Defence Medical Service*
16. Airforce Material Command*
17. Army Material Command*
18. Navy Material Command*
19. Combined Defence Material Command*

Note 1

The listed entities include regional and local subdivisions

Note 2

When a specific procurement decision may impair important national policy objectives the Norwegian Government may consider it necessary in singular procurement cases to deviate from the principle of national treatment in the Agreement. A decision to this effect will be taken at the Norwegian cabinet level.

Note 3

Procurement by defence entities (marked with *) covers the following products:

Replenishment material

- office machines and equipment, furniture, material for education, sport, welfare and other non-technical material

Running supplies

- technical consumption material
- medical and dental supplies and dressings
- kitchen and mess inventory
- stationary and office supply
- publications
- musical instruments

Fuels

- fuels, lubricants and other oil products

Motor vehicles

- passenger cars and transport vehicles
- ambulances
- fire engines
- aircraft service vehicles
- special purpose vehicles

Other technical equipment

- pilot equipment
- parachute equipment
- rescue equipment
- photo equipment
- pyro-technical equipment
- emergency electricity aggregate
- base, workshop, hangar and store equipment
- chemical/radiological equipment
- abc-safety protection equipment, workshops and stores

Medical and dental instruments

Catering equipment

- permanent operational equipment for kitchens, canteens, conference rooms, catering workshops and stores

SUISSE

1) Division centrale fédérale du matériel
2) Bibliothèque centrale fédérale
3) Direction des constructions fédérales
4) Ecole polytechnique fédérale de Zurich
5) Ecole polytechnique fédérale de Lausanne
6) Institut fédéral de recherches en matière de réacteurs
7) Institut fédéral de recherches forestières
8) Institut pour l'étude de la neige et des avalanches
9) Institut suisse de recherches nucléaires
10) Institut suisse de météorologie
11) Institut pour l'aménagement, l'épuration et la protection de l'eau
12) Service fédéral de l'hygiène publique
13) Bibliothèque nationale
14) Office fédéral de la protection civile[1]
15) Administration fédérale des douanes[2]
16) Régie fédérale des alcools
17) Monnaie fédérale
18) Bureau fédéral des mesures
19) Division de l'agriculture
20) Office fédéral de l'air
21) Office fédéral de l'économie hydraulique
22) Division commerciale du groupement de l'armement[1]
23) Département de la poste

Si une décision particulière concernant un marché peut compromettre la réalisation d'importants objectifs de politique nationale, le gouvernement suisse pourra juger nécessaire de dévier, dans le cas de marchés déterminés, au principe du traitement national inscrit dans l'Accord. Une décision à cet effet sera prise à l'échelon du gouvernement suisse.

Note 1
pour les produits, voir liste de matériel civil de la défense et de la protection civile.

Note 2
pour le corps des gardes frontière et les douaniers, voir liste de matériel civil de la défense et de la protection civile.

LISTE DES MATERIELS CIVILS DE LA DEFENSE ET DE LA PROTECTION CIVILE SOUMIS AU CODE "ACHATS GOUVERNEMENTAUX"

Chapitre 25: Sel; soufre; terres et pierres; plâtres; chaux et ciments

Chapitre 26: Minerais métallurgiques, scories et cendres

Chapitre 27: Combustibles minéraux, huiles minérales et produits de leur distillation; matières bitumineuses; cires minérales

Chapitre 28: Produits chimiques inorganiques; composés inorganiques ou organiques de métaux précieux, d'éléments radioactifs, de métaux des terres rares et d'isotopes.

à l'exception de:

ex 28.09 : explosifs
ex 28.13 : explosifs
ex 28.14 : gaz lacrymogènes
ex 28.28 : explosifs
ex 28.32 : explosifs
ex 28.39 : explosifs
ex 28.50 : produits toxicologiques
ex 28.51 : produits toxicologiques
ex 28.54 : explosifs

Chapitre 29: Produits chimiques organiques

à l'exception de:

ex 29.03 : explosifs
ex 29.04 : explosifs
ex 29.07 : explosifs
ex 29.08 : explosifs
ex 29.11 : explosifs
ex 29.12 : explosifs
ex 29.13 : produits toxicologiques
ex 29.14 : produits toxicologiques
ex 29.15 : produits toxicologiques
ex 29.21 : produits toxicologiques
ex 29.22 : produits toxicologiques
ex 29.23 : produits toxicologiques
ex 29.26 : explosifs
ex 29.27 : produits toxicologiques
ex 29.29 : explosifs

Chapitre 30: Produits pharmaceutiques

Chapitre 31: Engrais

Chapitre 32: Extraits tannants et tinctoriaux; tanins et leurs dérivés; matières colorantes, couleurs, peintures, vernis et teintures; mastics; encres

Chapitre 33: Huiles essentielles et résinoïdes; produits de parfumerie ou de toilette et cosmétiques

Chapitre 34: Savons, produits organiques tensio-actifs, préparations pour lessives, préparations lubrifiantes, cires artificielles, cires préparées, produits d'entretien, bougies et articles similaires, pâtes à modeler et "cires pour l'art dentaire".

Chapitre 35: Matières albuminoïdes; colles; enzymes

Chapitre 36: Poudres et explosifs; articles de pyrotechnie; allumettes; alliages pyrophoriques; matières inflammables

à l'exception de:

ex 36.01: poudres
ex 36.02: explosifs préparés
ex 36.04: détonnants
ex 36.08: explosifs

Chapitre 37: Produits photographiques et cinématographiques

Chapitre 38: Produits divers des industries chimiques

à l'exception de:

ex 38.19: produits toxicologiques

Chapitre 39: Matières plastiques artificielles, éthers et esters de la cellulose, résines artificielles et ouvrages en ces matières

à l'exception de:

ex 39.03: explosifs

Chapitre 40: Caoutchouc naturel ou synthétique, factice pour caoutchouc et ouvrages en caoutchouc

à l'exception de:

ex 40.11: pneus

Chapitre 43: Pelleteries et fourrures; pelleteries factices

Chapitre 45: Liège et ouvrages en liège

Chapitre 46: Ouvrages de sparterie et de vannerie

Chapitre 47: Matières servant à la fabrication du papier

Chapitre 65: Coiffures et parties de coiffures

Chapitre 66: Parapluies, parasols, cannes, fouets, cravaches et leurs parties

Chapitre 67: Plumes et duvet apprêtés et articles en plumes ou en duvet; fleurs artificielles; ouvrages en cheveux

Chapitre 68: Ouvrages en pierres, plâtre, ciment, amiante, mica et matières analogues

Chapitre 69: Produits céramiques

Chapitre 70: Verre et ouvrages en verre

Chapitre 71: Perles fines, pierres gemmes et similaires, métaux précieux, plaqués ou doublés de métaux précieux et ouvrages en ces matières; bijouterie de fantaisie

Chapitre 73: Fonte, fer et acier

Chapitre 74: Cuivre

Chapitre 75: Nickel

Chapitre 76: Aluminium

Chapitre 77: Magnésium, beryllium (glucinium)

Chapitre 78: Plomb

Chapitre 79: Zinc

Chapitre 80: Etain

Chapitre 81: Autres métaux communs

Chapitre 82: Outillage; articles de coutellerie et couverts de table, en métaux communs

Chapitre 83: Ouvrages divers en métaux communs

Chapitre 84: Chaudières, machines, appareils et engins mécaniques

Chapitre 85: Machines et Appareils électriques et Objets servant à des Usages électroniques.

à l'exception de:

ex 85.03: Piles électriques
ex 85.13: Télécommunications
ex 85.15: Appareils de transmission

Chapitre 86: Véhicules et Matériel pour Voies ferrées; Appareils de Signalisation non électriques pour Voies de communication

à l'exception de:

ex 86.02: Locomotives blindées
ex 86.03: Autres Locoblindés
ex 86.05: Wagons blindés
ex 86.06: Wagons Ateliers
ex 86.07: Wagons

Chapitre 87: Voitures automobiles, Tracteurs, Cycles et autres Véhicules terrestres

à l'exception de:

87.08: Chars et Automobiles blindés
ex 87.02: Camions lourds
ex 87.09: Motocycles
ex 87.14: Remorques

Chapitre 88: Navigation aérienne

à l'exception de:

ex 88.02: Avions

Chapitre 89: Navigation maritime et fluviale

Chapitre 90: Instruments et Appareils d'Optique, de Rotographie et de Cinématographie, de Mesure, de Vérification, de Précision; Instruments et Appareils médico-chirurgicaux;

à l'exception de:

ex 90.05: Jumelles
ex 90.13: Instruments divers, Lasers
ex 90.14: Télémètres
ex 90.28: Instruments de Mesure électriques ou électroniques

Chapitre 91: Horlogerie

Chapitre 92: Instruments de Musique; Appareils d'Enregistrement ou de Reproduction du Son; Appareils d'Enregistrement ou de Reproduction des Images et du Son en Télévision; Parties et Accessoires de ces Instruments et Appareils

Chapitre 93: Armes et munitions

à l'exception de:

ex 93.01: Armes blanches
ex 93.02: Pistolets
ex 93.03: Armes de guerre
ex 93.04: Armes à feu
ex 93.05: Autres armes
ex 93.07: Projectiles et munitions

Chapitre 95: Matières à tailler et à mouler, à l'état travaillé (y compris les ouvrages)

Chapitre 96: Ouvrages de brosserie et pinceaux, balais, houppes et articles de tamiserie

Chapitre 98: Ouvrages divers

SWEDEN

1. Defence Material Administration*
2. National Road Administration
3. National Board of Public Building
4. National Industries Corporation*
5. Post Office Administration
6. Swedish Forest Service
7. National Civil Aviation Administration
8. Royal Fortifications Administration*
9. National Board of Education
10. National Police Board
11. Agency for Administrative Development
12. National Prison and Probation Administration
13. National Administration of Shipping and Navigation
14. National Tax Board
15. National Board of Forestry
16. Medical Board of the Armed Forces*
17. National Road Safety Office
18. Royal Civil Defence Board*
19. National Industrial Board
20. National Board of Health and Welfare
21. Central Bureau of Statistics

Note 1

The listed entities include regional and local subdivisions.

Note 2

When a specific procurement decision may impair important national policy objectives the Swedish Government may consider it necessary in singular procurement cases to deviate from the principle of national treatment in the Agreement. A decision to this effect will be taken at the Swedish cabinet level.

Note 3

Procurement by defence entities (marked with a *)covers products falling under the following BTN-chapters:

BTN chapters	Exceptions	
25 - 26		
27	ex 27.10	special fuels
28	ex 28.09	explosives
	ex 28.13	explosives
	ex 28.14	tear gas
	ex 28.28	explosives
	ex 28.32	explosives
	ex 28.39	explosives
	ex 28.50	toxic products
	ex 28.51	toxic products
	ex 28.54	explosives
29	ex 29.03	explosives
	ex 29.04	explosives
	ex 29.07	explosives
	ex 29.08	explosives
	ex 29.11	explosives
	ex 29.12	explosives
	ex 29.13	toxic products
	ex 29.14	toxic products
	ex 29.15	toxic products
	ex 29.21	toxic products
	ex 29.22	toxic products
	ex 29.23	toxic products
	ex 29.26	explosives
	ex 29.27	toxic products
	ex 29.29	explosives
30 - 81		
82	ex 82.05	hand tools
	ex 82.07	hand tool parts
83		
84	ex 84.06	engines
	ex 84.08	other engines
	ex 84.45	machinery
	ex 84.53	ADP-machines
85	ex 85.13	telecommunication equipment
	ex 85.15	transmission apparatus

BTN chapters	Exceptions	
86	ex 86.02	armoured locomotives
	86.03	other armoured locos
	86.05	armoured wagons
	86.06	repair wagons
	86.07	wagons
87	87.08	tanks and armoured vehicles
	ex 87.01	tractors
	ex 87.02	military vehicles
	ex 87.03	break-down lorries
	ex 87.09	motorcycles
	ex 87.14	towing vehicles
89	ex 89.01	warships
90	ex 90.05	binoculars
	ex 90.13	misc. instruments, lasers
	ex 90.14	telemotors
	ex 90.28	electric and electronic measurement instruments
91 - 92		
94	ex 94.01	aerodynamic seats
95 - 98		

UNITED STATES

The following entities are included in the coverage of this Agreement by the United States.

1. Department of Agriculture (This Agreement does not apply to procurement of agricultural products made in furtherance of agricultural support programmes or human feeding programmes.)
2. Department of Commerce
3. Department of Health, Education and Welfare
4. Department of Housing and Urban Development
5. Department of the Interior (excluding the Bureau of Reclamation)
6. Department of Justice
7. Department of Labour
8. Department of State
9. Department of the Treasury
10. General Services Administration (Purchases by the Automated Data and Telecommunications Service are not included; purchases by the National Tool Centre are not included; purchases by the Regional 9 Office of San Francisco, California are not included)
11. National Aeronautics and Space Administration
12. Veterans Administration
13. Environmental Protection Agency
14. United States International Communication Agency
15. National Science Foundation
16. Panama Canal Company and Canal Zone Government
17. Executive Office of the President
18. Farm Credit Administration
19. National Credit Union Administration
20. Merit Systems Protection Board
21. ACTION
22. United States Arms Control and Disarmament Agency
23. Civil Aeronautics Board
24. Federal Home Loan Bank Board
25. National Labour Relations Board
26. National Mediation Board

UNITED STATES (cont'd)

27. Railroad Retirement Board
28. American Battle Monuments Commission
29. Federal Communications Commission
30. Federal Trade Commission
31. Indian Claims Commission
32. Inter-State Commerce Commission
33. Securities and Exchange Commission
34. Office of Personnel Management
35. United States International Trade Commission
36. Export-Import Bank of the United States
37. Federal Mediation and Conciliation Service
38. Selective Service System
39. Smithsonian Institution
40. Federal Deposit Insurance Corporation
41. Consumer Product Safety Commission
42. Equal Employment Opportunity Commission
43. Federal Maritime Commission
44. National Transportation Safety Board
45. Nuclear Regulatory Commission
46. Overseas Private Investment Corporation
47. Renegotiation Board
48. Administrative Conference of the United States
49. Board for International Broadcasting
50. Commission on Civil Rights
51. Commodity Futures Trading Commission
52. Community Services Administration
53. Department of Defence (excluding Corps of Engineers)

This Agreement will not apply to the following purchases of the DOD:

(a) Federal Supply Classification (FSC) 83 - all elements of this classification other than pins, needles, sewing kits, flagstaffs, flagpoles, and flagstaff trucks;

(b) FSC 84 - all elements other than sub-class 8460 (luggage);

(c) FSC 89 - all elements other than sub-class 8975 (tobacco products)

UNITED STATES (cont'd)

(d) FSC 2310 - (buses only);

(e) Specialty metals, defined as steels melted in steel manufacturing facilities located in the United States or its possessions, where the maximum alloy content exceeds one or more of the following limits, must be used in products purchased by DOD: (1) manganese, 1.65 per cent; silicon, 0.60 per cent; or copper, 0.06 per cent; or which contains more than 0.25 per cent of any of the following elements: aluminium, chromium, cobalt, columgium, molybdenum, nickel, titanium, tungsten, or vanadium; (2) metal alloys consisting of nickel, iron-nickel and cobalt base alloys containing a total of other alloying metals (except iron) in excess of 10 per cent; (3) titanium and titanium alloys; or, (4) zirconium base alloys;

(f) FSC 19 and 20 - that part of these classifications defined as naval vessels or major components of the hull or superstructure thereof;

(g) FSC 51

(h) Following FSC categories are not generally covered due to application of Part VIII, paragraph 1:

10, 12, 13, 14, 15, 16, 17, 19, 20, 28, 31, 58, 59, 95

This Agreement will generally apply to purchases of the following FSC categories subject to United States Government determinations under the provisions of Part VIII, paragraph 1:

22. Railway Equipment
23. Motor Vehicles, Trailers, and Cycles (except buses in 2310)
24. Tractors
25. Vehicular Equipment Components
26. Tyres and Tubes
29. Engine Accessories
30. Mechanical Power Transmission Equipment
32. Woodworking Machinery and Equipment
34. Metalworking Machinery
35. Service and Trade Equipment

UNITED STATES (cont'd)

36. Special Industry Machinery
37. Agricultural Machinery and Equipment
38. Construction, Mining, Excavating, and Highway Maintenance Equipment
39. Materials Handling Equipment
40. Rope, Cable, Chain and Fittings
41. Refrigeration and Air Conditioning Equipment
42. Fire Fighting, Rescue and Safety Equipment
43. Pumps and Compressors
44. Furnace, Steam Plant, Drying Equipment and Nuclear Reactors
45. Plumbing, Heating and Sanitation Equipment
46. Water Purification and Sewage Treatment Equipment
47. Pipe, Tubing, Hose and Fittings
48. Valves
49. Maintenance and Repair Ship Equipment
52. Measuring Tools
53. Hardware and Abrasives
54. Prefabricated Structures and Scaffolding
55. Lumber, Millwork, Plywood and Veneer
56. Construction and Building Materials
61. Electric Wire, and Power and Distribution Equipment
62. Lighting Fixtures and Lamps
63. Alarm and Signal Systems
65. Medical, Dental, and Veterinary Equipment and Supplies
66. Instruments and Laboratory Equipment
67. Photographic Equipment
68. Chemicals and Chemical Products
69. Training Aids and Devices
70. General Purpose ADPE, Software, Supplies and Support Equipment
71. Furniture
72. Household and Commercial Furnishings and Appliances
73. Food Preparation and Serving Equipment
74. Office Machines, Visible Record Equipment and ADP Equipment
75. Office Supplies and Devices
76. Books, Maps and Other Publications

UNITED STATES (cont'd)

77. Musical Instruments, Phonographs, and Home Type Radios
78. Recreational and Athletic Equipment
79. Cleaning Equipment and Supplies
80. Brushes, Paints, Sealers and Adhesives
81. Containers, Packaging and Packing Supplies
85. Toiletries
87. Agricultural Supplies
88. Live Animals
91. Fuels, Lubricants, Oils and Waxes
93. Non-metallic Fabricated Materials
94. Non-metallic Crude Materials
96. Ores, Minerals and their Primary Products
99. Miscellaneous

General Notes

1. Notwithstanding the above, this Agreement will not apply to set asides on behalf of small and minority businesses.

2. Pursuant to Part I, paragraph 1(a), transportation is not included in services incidental to procurement contracts.

ANNEX II[1]

PUBLICATIONS UTILIZED BY PARTIES TO THIS AGREEMENT FOR THE PUBLICATION OF NOTICES OF PROPOSED PURCHASES - PART V, PARAGRAPH 3

EUROPEAN ECONOMIC COMMUNITY

Belgium	- Official Journal of the European Communities - Le Bulletin des Adjudications - Other publications in the specialized press
Denmark	- Official Journal of the European Communities
France	- Official Journal of the European Communities
F.R. Germany	- Official Journal of the European Communities - Bundesanzeiger Postfach 108006 5000 Köln 1 - Bundesausschreibungsblatt GmbH Poststrasse 13 4000 Düsseldorf 1
Ireland	- Official Journal of the European Communities - Daily Press: "Irish Independant", "Irish Times", "Irish Press", "Cork Examiner"
Italy	- Official Journal of the European Communities
Luxembourg	- Official Journal of the European Communities - Daily Press
Netherlands	- Official Journal of the European Communities
United Kingdom	- Official Journal of the European Communities

FINLAND

Official Gazette of Finland

JAPAN

Kampō (Official Gazette)

[1] To be completed.

NORWAY

Official Gazette of Norway

SUISSE

Feuille officielle suisse du commerce

SWEDEN

Gazette of Government

Contracts, supplement to the Official Gazette

UNITED STATES

Commerce Business Daily

ANNEX III[1/]

PUBLICATIONS UTILIZED BY PARTIES TO THIS AGREEMENT FOR THE PUBLICATION ANNUALLY OF INFORMATION ON PERMANENT LISTS OF SUPPLIERS IN THE CASE OF SELECTIVE TENDERING PROCEDURES - PART V, PARAGRAPH 6

JAPAN

Kampō (Official Gazette)

[1/] To be completed.

ANNEX IV[1/]

PUBLICATIONS UTILIZED BY PARTIES TO THIS AGREEMENT FOR THE PROMPT PUBLICATION OF LAWS, REGULATIONS, JUDICIAL DECISIONS, ADMINISTRATIVE RULINGS OF GENERAL APPLICATION AND ANY PROCEDURE REGARDING GOVERNMENT PROCUREMENT COVERED BY THIS AGREEMENT - PART VI, PARAGRAPH 1

EUROPEAN ECONOMIC COMMUNITY

Belgium - Laws, royal regulations, ministerial regulations, main circulars on government procurement - Le Moniteur Belge
- Jurisprudence - pasicrisie

Denmark - Laws and regulations - Lovtidende
- Judicial decisions - Ugeskrift for retsvaesen
- Administrative rulings and procedures - ministerialtidende

France - Legislation - Bulletin officiel
- Jurisprudence - no official publication

Germany - Legislation - Bundesgesetzblatt
- Herausgeber: Der Bundesminister der Justiz
- Verlag: Bundesanzeiger
- Bundesanzeiger
  Postfach 108006
  5000 Köln 1.
- Judicial and administrative rulings:
  Entscheidungsammlungen des
  - Bundesverfassungsgerichts
  - Bundesgerichtshofs
  - Bundesverwaltungsgerichts
  - Bundesfinanzhofs sowie der Oberlandsgerichts

Ireland - Legislation and regulations - Iris Oifigiuil (official Gazette of the Irish Government)

[1/] To be completed.

Italy	- Legislation - Gazette Ufficiale
	- Jurisprudence - no official publication
Luxembourg	- Legislation - memorial
	- Jurisprudence - Pasicrisie
Netherlands	- Legislation - Nederlandse Staatscourant and/or Staatsblad
	- Jurisprudence - no official publication
United Kingdom	- Legislation - no such legislation
	- Jurisprudence - Law Reports
	- Standard Contract conditions - Document GC/Stores/1 obtainable from the Ministry of Defence. It should be noted that special conditions may apply to some contracts: details may be obtained from the department concerned.

FINLAND

The Code of Statutes of Finland (Suomen Asetuskokoelma - Finlands Författningssamling)

JAPAN

Genkō-nihon-hōki (Compilation of Current Laws and Regulations of Japan), and/or Kampo (Official Gazette)

NORWAY

The Code of Statutes of Norway (Norsk Lovtidend)

SUISSE

Recueil officiel des lois et ordonnances de la Confédération suisse (RO)

SWEDEN

1. The Swedish Code of Statutes (Svensk forfattningssamling, SFS)
2. Instructions to the Royal proclamations on Government Procurement, issued by the National Audit Bureau. (Riksrevisionsverkets tillampningsanvisningar till upphandlingskungorelsen)

UNITED STATES

All U.S. laws, regulations, judicial decisions, administrative rulings and procedures regarding government procurement covered by this Agreement are codified in the Defense Acquisitions Regulation (DAR) and the Federal Procurement Regulations (FPR), both of which are published as a part of the U.S. Code of Federal Regulations (CFR). The DAR is published in Title 32 of CFR and the FPR is in Title 41, Chapter 1 (CFR). Copies may be purchased from the Government Printing Office. These regulations are also published in loose leaf versions which are available by subscription from the Government Printing Office. Changes are provided to subscribers as they are issued.

For those who wish to consult original sources, the following published sources are provided:

Material	Publication Name
U.S. Laws	U.S. Statutes at Large
Decisions:	
- U.S. Supreme Court	U.S. Reports
- Circuit Court of Appeals	Federal Reporter - 2nd Series
- District Courts	Federal Supplement Reporter
- Court of Claims	Court of Claims Reports
Decisions:	
- Boards of Contract Appeals	Unofficial publication by Commerce Clearing House

Decisions:

- Comptroller General of the U.S. — Those not officially published as decisions of the Comptroller General are published unofficially by Federal Publications, Inc.

GENERAL AGREEMENT ON TARIFFS AND TRADE

ACCORD GENERAL SUR LES TARIFS DOUANIERS ET LE COMMERCE

RESTRICTED
MTN/NTM/W/211/Rev.2/Add.1
11 April 1979
Special Distribution

Multilateral Trade Negotiations

Group "Non-Tariff Measures"
Sub-Group "Government Procurement"

Original: English/French/anglais/français/inglés/francés

AGREEMENT ON GOVERNMENT PROCUREMENT

Communication from Canada

Addendum

The following list of Canadian entities should be inserted after page 34 in Annex I of document MTN/NTM/W/211/Rev.2.

Négociations commerciales multilatérales

Groupe "Mesures non tarifaires"
Sous-Groupe "Achats gouvernementaux"

ACCORD SUR LES MARCHES PUBLICS

Communication du Canada

Addendum

Il convient d'insérer après la page 34 de l'annexe I du document MTN/NTM/W/211/Rev.2 la liste suivante des entités canadiennes.

Negociaciones Comerciales Multilaterales

Grupo "Medidas no arancelarias"
Subgrupo "Compras del Estado"

ACUERDO SOBRE COMPRAS DEL SECTOR PÚBLICO

Comunicación del Canadá

Addendum

La siguiente lista de entidades del Canadá debe incluirse a continuación de la página 34, en el anexo I del documento MTN/NTM/W/211/Rev.2.

CANADA

1. Department of Agriculture

2. Department of Consumer and Corporate Affairs

3. Department of Energy, Mines and Resources

4. Department of Fisheries and Environment
   (except Fisheries and Marine Service)
   including: Fisheries Price Support Board

5. Department of External Affairs

6. Department of Finance
   including: Department of Insurance
   Anti-Inflation Board
   Anti-Dumping Tribunal
   Municipal Development and Loan Board
   Auditor General

7. Department of Indian Affairs and Northern Development

8. Department of Industry, Trade and Commerce
   including: Statistics Canada
   Machinery and Equipment Advisory Board

9. Department of Justice
   including: Canadian Human Rights Commission
   Criminal Code Revision Commission
   Statute Revision Commission

10. Department of Labour
    including: Canada Labour Relations Board

11. Department of Employment and Immigration
    including: Immigration Appeal Board
    Canada Employment and Immigration Commission

12. Department of National Defence*
    including: Defence Construction (1951) Limited

13. Department of National Health and Welfare
    including: Medical Research Council
    Office of the Coordinator, Status of Women

14. Department of Post Office [1]

[1] The Department of the Post Office is on this list of entities on the understanding that, should it cease to be a government department, the provisions of Part IX, paragraph 5(b) would not apply.

15. Department of Public Works

16. Department of Regional Economic Expansion

17. Department of Secretary of State of Canada
    including: National Library
    National Museum
    Public Archives
    Public Service Commission
    Office of the Representation Commissioner

18. Department of Solicitor General
    including: Royal Canadian Mounted Police *
    Canadian Penitentiary Service
    National Parole Board

19. Department of Supply and Services (on its own account)
    including: Canadian Government Specifications Board

20. Department of Veterans Affairs
    including: Director of Veterans Land Act

21. National Research Council

22. Privy Council Office
    including: Canada Intergovernmental Conference Secretariat
    Commissioner of Official Languages
    Economic Council
    Public Service Staff Relations Board
    Federal Provincial Relations Office
    Office of the Governor General's Secretary
    Task Force on Canadian Unity

23. National Capital Commission

24. Ministry of State for Science and Technology
    including: Science Council

25. National Battlefields Commission

26. Office of the Chief Electoral Officer

27. Treasury Board

28. Canadian International Development Agency (on its own account)

* The following products purchased by the Department of National Defence and the RCMP are included in the coverage of this Agreement, subject to the application of paragraph 1 of Part VIII.

(Numbers refer to the Federal Supply Classification Code)

22. Railway equipment

2340. Motorcycles, motor scooters and bicycles

24. Tractors

25. Vehicular equipment components

26. Tires and tubes

29. Engine accessories

30. Mechanical power transmission equipment

32. Woodworking machinery and equipment

34. Metal working machinery

35. Service and trade equipment

36. Special industry machinery

37. Agricultural machinery and equipment

38. Construction, mining, excavating and highway maintenance equipment

39. Materials handling equipment

40. Rope; cable, chain and fittings

41. Refrigeration and air conditioning equipment

42. Fire fighting, rescue and safety equipment
(except 4220 Marine lifesaving and diving equipment
4230 Decontaminating and impregnating equipment)

43. Pumps and compressors

44. Furnace, steam plant, drying equipment and nuclear reactors

45. Plumbing, heating and sanitation equipment

46. Water purification and sewage treatment equipment

47. Pipe, tubing, hose and fittings

48. Valves

52. Measuring tools

53. Hardware and abrasives

54. Prefabricated structures and scaffolding

55. Lumber, millwork, plywood and veneer

56. Construction and building materials

61. Electric wire and power and distribution equipment

62. Lighting fixtures and lamps

63. Alarm and signal systems

65. Medical, dental and veterinary equipment and supplies

66. Instruments and laboratory equipment
(except 6615: Automatic pilot mechanisms and airborne Gyro components
6665: Hazard-detecting instruments and apparatus)

67. Photographic equipment

68. Chemicals and chemical products

70. General purpose automatic data processing equipment, software, supplies and support equipment
(except 7010 ADPE configurations)

71. Furniture

72. Household and commercial furnishings and appliances

73. Food preparation and serving equipment

74. Office machines, visible record equipment and automatic data processing equipment

75. Office supplies and devices

76. Books, maps and other publications
(except 7650: Drawings and specifications)

77. Musical instruments, phonographs and home-type radios

78. Recreational and athletic equipment

79. Cleaning equipment and supplies

80. Brushes, paints, sealers and adhesives

81. Containers, packaging and packing supplies

8460. Luggage

85. Toiletries

87. Agricultural supplies

88. Live animals

91. Fuels, lubricants, oils and waxes

93. Non-metallic fabricated materials

94. Non-metallic crude materials

96. Ores, minerals and their primary products

99. Miscellaneous

General Note:

Notwithstanding the above, this Agreement does not apply to contracts set aside for small businesses.

CANADA

1. Ministère de l'agriculture

2. Ministère de la consommation et des corporations

3. Ministère de l'énergie, des mines et des ressources

4. Ministère des pêches et de l'environnement
(sauf le Service des pêches et de la mer)
y inclus: Office des prix des produits de la pêche

5. Ministère des affaires extérieures

6. Ministère des finances
y inclus: Département des assurances
Commission de lutte contre l'inflation
Tribunal anti-dumping
Office du developpement municipal et des prêts aux municipalités
Vérificateur général

7. Ministère des affaires indiennes et du Nord

8. Ministère de l'industrie et du commerce
y inclus: Statistiques Canada
Conseil consultatif de la machinerie et de l'équipement

9. Ministère de la justice
y inclus: Commission canadienne des droits de la personne
Commission de révision du Code pénal
Commission de révision des lois

10. Ministère du travail
y inclus: Conseil canadien des relations du travail

11. Ministère de l'emploi et de l'immigration
y inclus: Commission d'appel de l'immigration
Commission de l'emploi et de l'immigration du Canada

12. Ministère de la défense nationale *
y inclus: Construction de défense (1951) limitée

13. Ministère de la santé nationale et du bien-être social
y inclus: Conseil de recherches médicales
Bureau du coordonnateur de la situation de la femme

14. Ministère des postes (1)

(1) Le Ministère des postes est inclus dans cette liste d'entités, étant entendu que les dispositions du paragraphe 5(b) de la partie IX ne s'appliqueraient pas, dans l'éventualité où cette entité cesserait d'être un ministère.

15. Ministère des travaux publics

16. Ministère de l'expansion économique régionale

17. Secrétariat d'Etat
    y inclus: Bibliothèque nationale
    Musées nationaux
    Archives publiques
    Commission de la fonction publique
    Bureau du commissaire à la représentation

18. Ministère du Solliciteur général
    y inclus: Gendarmerie royale du Canada*
    Service canadien des pénitenciers
    Commission nationale des libérations conditionnelles

19. Ministère des approvisionnements et services (pour son propre compte)
    y inclus: Office des normes du gouvernement canadien

20. Ministère des affaires des anciens combattants
    y inclus: Office de l'établissement agricole des anciens combattants

21. Conseil national de recherches

22. Bureau du Conseil privé
    y inclus: Secrétariat des conférences intergouvernementales canadiennes
    Commissaire aux langues officielles
    Conseil économique
    Commission des relations de travail dans la fonction publique
    Bureau des relations fédérales-provinciales
    Bureau du secrétaire du Gouverneur-Général
    Commission sur l'unité canadienne

23. Commission de la capitale nationale

24. Ministère d'Etat aux sciences et à la technologie
    y inclus: Conseil des sciences du Canada

25. Commission des champs de bataille nationaux

26. Bureau du directeur général des élections

27. Conseil du trésor

28. Agence canadienne de développement international (pour son propre compte)

* Les produits suivants achetés par le Ministère de la défense nationale et la GRC font partie du champ d'application de cet Accord, sous réserve de l'application du paragraphe 1 de la partie VIII.

(Les numéros sont ceux de la classification fédérale d'approvisionnement)

22. Matériel ferroviaire

2340. Motocyclettes, scooters et bicyclettes

24. Tracteurs

25. Organes de matériel véhiculaire

26. Pneus et chambres à air

29. Accessoires de moteurs

30. Matériel de transmission de force mécanique

32. Matériel et machines à bois

34. Machines-outils pour le travail des métaux

35. Equipement commercial et de service

36. Machinerie industrielle spéciale

37. Machines et équipement aratoires

38. Equipement pour la construction, les mines, le déblaiement et l'entretien des routes

39. Equipement de manutention des matériaux

40. Cordes, cables, chaînes et raccords

41. Matériel de refrigération et de climatisation

42. Equipement de sécurité, de secours et de lutte contre l'incendie

(sauf 4220 Equipement de plongée et de secours marin
4230 Equipement d'imprégnation et de décontamination)

43. Pompes et compresseurs

44. Matériel de fours, de machines à vapeur, de sécheurs et de réacteurs nucléaires

45. Matériel de plomberie, de chauffage et matériel sanitaire

46. Matériel d'épuration de l'eau et de traitement des eaux d'égouts

47. Tuyaux rigides, tubes, tuyaux flexibles et raccords

48. Soupapes

52. Instruments de mesure

53. Quincaillerie et abrasifs

54. Structures et échafaudages préfabriqués

55. Bois de construction, de menuiserie, contre-plaqué et placages

56. Matériaux de construction

61. Fils électriques et matériel d'alimentation et de distribution électrique

62. Lampes et accessoires électriques

63. Systèmes d'alarme et de signalisation

65. Equipement et approvisionnement médicaux, dentaires et vétérinaires

66. Instruments et équipement de laboratoire
(sauf 6615 Mécanismes de pilote automatique et parties constituantes gyroscopiques aéroportées
6665 Instruments et appareils de détection des dangers)

67. Equipement photographique

68. Produits chimiques

70. Equipement de traitement automatique des données de nature générale, logiciel, fournitures et matériel de soutien
(sauf 7010 Configurations d'équipement de traitement automatique des données)

71. Ameublement

72. Fournitures et accessoires commerciaux et ménagers

73. Equipement de préparation et de services alimentaires

74. Machines de bureau, matériel d'enregistrement visuel et de traitement des données

75. Fournitures et matériel de bureau

76. Livres, cartes et publications diverses
(sauf 7650 Plans et spécifications)

77. Instruments de musique, phonographes et postes de radio domestiques

78. Equipement d'athlétisme et de récréation

79. Matériel et fourniture de nettoyage

80. Pinceaux, peintures, matériel à sceller et adhésifs

81. Conteneurs, matériel d'emballage et d'empaquetage

8460. Bagages

85. Nécessaires de toilette

87. Provisions agricoles

88. Animaux vivants

91. Carburants, lubrificants, huiles et cires

93. Matériel fabriqué non-métallique

94. Matériel brut non-métallique

96. Minerais, minéraux et leurs produits de base

99. Divers

Note de portée générale

Malgré ce qui précède, cet Accord ne s'applique pas aux marchés réservés aux petites entreprises.

AGREEMENT ON GOVERNMENT PROCUREMENT

Rectifications of a Formal Character

Index, to become "Table of Contents".

The full title of the Agreement should be typed before the table of contents and again before the legal text (the table of contents not being a part of an international treaty). The word "Part" (I-IX) shall read "Article" throughout the Table. The words "to this Agreement" shall be deleted in the references to Annexes II through IV. The reference to the heading "Resolution of Disputes" (page 2) shall read "Dispute Settlement".

Preamble

Shall start as follows: "Parties to this Agreement (hereinafter referred to as "Parties")".

First preambular paragraph, third line shall read: "framework of the General Agreement on Tariffs and Trade (hereinafter referred to as "the General Agreement" or "the GATT") should".

Eighth preambular paragraph: Delete the word "procedures" in second line and add "procedures on" between "international" and "notification" in first line.

Part I, to become "Article I"

Paragraph 1(b), fourth line: add "or products" after "product".

Paragraph 1(c), second line shall read "of Parties and other designated entities, with respect".

Paragraph 2 shall start with "The Parties shall".

Footnote 2, first line shall read "... the Parties shall";
second line: replace "Part IX" by "Article IX";
Last line: "the Agreement" shall read "this Agreement".

Part II, to become "Article II".

Paragraph 1, second/third line shall read: "... this Agreement, the Parties shall provide ...";
fourth line: capital letter in "Parties";
fifth line: capital letter in "Parties" and delete "to this Agreement";
last line: capital letter in "Party".

Paragraph 3, the words "to this Agreement" shall be deleted in first, third and last line. The paragraph shall start with"The Parties" and "Parties" shall be with capital letter also in third and last lines.

Part III, to become Article III

Paragraph 1 shall start with "The Parties shall,". In second line "Part" shall be replaced by "Article".

Paragraph 1(d): add "the" before "GATT" in last line.

Paragraph 2, first line shall read: "...this Agreement, the Parties to it..."; last line: add "countries" between "those" and "at".

Paragraph 3: Change "the Agreement" to "this Agreement" in seventh line.

Paragraph 5, first/second line shall read: "...this Agreement, the developing country Parties may modify...";
third line: "Part IX" shall read "Article IX";
ninth line shall read: "above. The developing country Parties may also request,";
tenth line: "the Agreement" shall read "this Agreement";
fifteenth line: "Party" shall be with capital letter.

Paragraph 7, last line: "Part" shall be replaced by "Article".

Paragraph 8, heading, first and third lines: "Parties" shall be with capital letter. Delete "to this Agreement" in first line.

Paragraph 9, second line shall read: "...among the developing country Parties...."
fifth line: "Party" shall be with capital letter.

Paragraph 10, first line shall read: "The developed country Parties shall...";
third line: capital letter in "Parties".

Paragraph 11, second line shall read: "...to the least-developed country Parties";
fifth line shall read: "... developing country Parties. The Parties may ":,
sixth line: add "the" before "least-developed";
seventh line: capital letter in "Parties".

Paragraph 12, first line: capital letter in "Parties";
third line: delete comma and add "and" between "tenders" and "selecting".

Paragraph 13, second, sixth and next to last lines: replace "Part" by "Article";
third line shall read: "... by the Parties shall carry...".

Paragraph 14, second/third line shall read: "provisions of Article IX, paragraph 6, the developing country Parties shall give..."

Part IV, to become "Article IV"

Paragraphs (a), (b) and (c) shall be replaced by "1", "2" and "3". In paragraph 2, (i) and (ii) shall be replaced by "(a)"and"(b)".

Part V, to become "Article V"

Paragraph 1, first line shall read: "The Parties shall...";
third line: add comma after the first word "procedures" and the word "Agreement";
fifth line: add comma after "Agreement";
seventh line: "Part" shall read "Article";
eighth line shall read: "Single tendering procedures, for the purposes of this Agreement, are those procedures where".

Paragraph 2, (b), second line: add "and" and delete comma between "qualifications" and "information".

Paragraph 3: In heading before the paragraph the last word shall read "documentation".

Paragraph 4, item (ii): add after "tenders ": "or an application to be invited to tender".

Paragraph 7, fourth line: replace "Part" by "Article".

Paragraph 8, first line: "notice to purchase" shall be replaced by "notice of a proposed purchase".

Paragraph 10(a), last line and 10(d), last line: replace "Part" by "Article".

Paragraph 14(c), second line: "documents" shall be replaced by "documentation".

Paragraph 14(d), next to last line: replace "Parts" by "Articles".

Paragraph 14(h), fourth/fifth line shall read".. a contract, Parties concerned shall...";
seventh, tenth and eleventh lines: "Party" shall be spelled with capital letter.

Paragraph 15(e), last line: replace "Part" by "Article".

Paragraph 16, second and fifth lines: replace "Part" by "Article". In last line, replace "Parts" by Articles".

Part VI, to b ecome "Article VI"

Paragraph 1, fourth line shall read "... by the Parties in the appropriate";
sixth/seventh line, second sentence shall read: "The Parties shall..."
ninth line: capital letter in "Party".

Paragraph 6, first and next to last lines: capital letter in "Party";
second line: replace "Part" by "Article ".

Paragraph 7, second line: capital letter in "Party".

Paragraph 8, first line shall read: "... any Party which";
next to last line: capital letter in "Party".

Paragraph 9, first line shall read: "The Parties shall...";
fourth line: replace "the"by "this";
sub-paragraph (c), last line: replace "Part" by "Article".

Part VII, to become "Article VII"

Paragraph 1, third, fifth and last lines: capital letter in "Parties". Delete "to this Agreement" in third line. Replace "the Agreement" by "this Agreement" in sixth line.

Paragraph 2: replace "Part" by "Article".

Paragraph 3: capital letter in "Party".

Paragraph 4: capital letter whenever "Party" and"Parties"are used. Replace "the Agreement" by"this Agreement" in third line.

Paragraph 5; Insert "The" before "Parties" in first line. Replace "the Agreement" by "this "Agreement" in second line. Replace "Part" by "Article" in third line.

Paragraph 6: heading before the paragraph shall read "Dispute settlement". In second line, "Parties" shall read with capital letter.

Paragraph 8, fifth and seventh lines: Delete "to this Agreement" and make it capital letter in "Party" and "Parties", respectively.

Paragraph 9, first, fifth and sixth lines: capital letter in "Parties" or "Party", as the case may be. Delete "to this Agreement" in sixth line. In sub-paragraph to paragraph 9: replace"the Agreement" by "this Agreement" in second and sixth lines. "Parties" in third line shall be read with capital letter.

Paragraph 11(b) shall read: "recommendations to one or more Parties; and/or".

Paragraph 12, first line: capital letter in "Party".

Paragraph 14: capital letter in "Party" in third and sixth lines, and in "Parties" in fourth and sixth lines. Delete "to this Agreement" in fourth line.

Part VIII, to become Article "VIII"

Paragraph 1, first/second line shall read: ".... any Party from taking....".

Paragraph 2, fifth line: capital letter in "Party".

Part IX, to become "Article IX"

Paragraph 1(b), first line: capital letter in "Party". Third line: capital letter in "Parties". Delete "to this Agreement".

New paragraph 1(c):

"This Agreement shall be open for acceptance by signautre or otherwise by governments having provisionally acceded to the GATT, on terms related to the effective application of rights and obligations under this Agreement, which take into account rights and obligations in the instruments providing for their provisional accession, and whose agreed lists of entities are contained in Annex I." .

Present sub-paragraph (c) becomes (d), the fourth line of which shall read: "... and the Parties, by the ...".

Present sub-paragraph (d) is replaced by a new sub-paragraph (e):

"In regard to acceptance, the provisions of Article XXVI:5(a) and (b) of the General Agreement would be applicable."

Paragraph 4(b) shall read: "Each Party shall ...".

Paragraph 5(b), third line: capital letter in "Party";
fifth line: capital letter in "Parties";
sixth line: delete "to this Agreement";
eighth line: replace "the" by "this".
twelfth line: replace "Part" by "Article".

Paragraph 6, heading shall read "Reviews ...".

Paragraph 6(b), second line: capital letter in "Parties". Fourth and seventh lines: replace "the Agreement by "this Agreement". End of fourth line: add comma. Fifth line: replace "Part" by Article".

Paragraph 7, first, third, fourth and fifth lines: capital letter in "Party" or "Parties", as the case may be.

Paragraph 8, first and fourth lines: capital letter in "Party". Delete "to this Agreement" in fourth line.

Paragraph 9: capital letter in "Parties" in heading and two first lines. Delete "to this Agreement".

Paragraph 12, second/third line shall read " ... each Party and each contracting party ...". Replace the word "and" by comma after "thereof" in fourth line and add "and of" in fifth line after "paragraph 5". Replace "or" in seventh line by "and of". Delete commas after "paragraph 5" and after "paragraph 1". Replace "Part" by "Article" in last line.

NOTES

Note to Article I, paragraph 1 shall end with "... by Parties".

Note to Article V, paragraph 14(h): In second line "government procurement" shall be with small letters. Replace "Part" by "Article" in third line and use capital letter in "Party" in the two last lines.

THE AGREEMENT ON IMPORT LICENSING PROCEDURES

(191)

RESTRICTED
MTN/NTM/W/231/Rev.2
10 April 1979
Special Distribution

GENERAL AGREEMENT ON
TARIFFS AND TRADE

Multilateral Trade Negotiations

Group "Non-Tariff Measures"
Sub-Group "Quantitative Restrictions"

IMPORT LICENSING PROCEDURES

Agreement on Import Licensing Procedures

(193)

AGREEMENT ON IMPORT LICENSING RESTRICTIONS

PREAMBLE

Having regard to the Multilateral Trade Negotiations, the Parties to this Agreement on Import Licensing Procedures;

Desiring to further the objectives of the General Agreement on Tariffs and Trade;

Taking into account the particular trade, development and financial needs of developing countries;

Recognizing the usefulness of automatic import licensing for certain purposes and that such licensing should not be used to restrict trade;

Recognizing that import licensing may be employed to administer measures such as those adopted pursuant to the relevant provisions of the General Agreement on Tariffs and Trade;

Recognizing also that the inappropriate use of import licensing procedures may impede the flow of international trade;

Desiring to simplify, and bring transparency to, the administrative procedures and practices used in international trade, and to ensure the fair and equitable application and administration of such procedures and practices;

Desiring to provide for a consultative mechanism and the speedy, effective and equitable resolution of disputes arising under this Agreement;

Hereby agree as follows:

General provisions

1. For the purpose of this Agreement, import licensing is defined as administrative procedures[1] used for the operation of import licensing régimes requiring the submission of an application or other documentation (other than that required for customs purposes) to the relevant administrative body as a prior condition for importation into the customs territory of the importing country.

2. The Parties to this Agreement shall ensure that the administrative procedures used to implement import licensing régimes are in conformity with the relevant provisions of the General Agreement on Tariffs and Trade[2] including its annexes and protocols, as interpreted by this Agreement, with a view to preventing trade distortions that may arise from an inappropriate operation of those procedures, taking into account the economic development purposes and financial and trade needs of developing countries.

3. The rules for import licensing procedures shall be neutral in application and administered in a fair and equitable manner.

4. The rules and all information concerning procedures for the submission of applications, including the eligibility of persons, firms and institutions to make such applications, and the lists of products subject to the licensing requirement shall be published promptly in such a manner as to enable governments and traders to become acquainted with them.

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[1] Those procedures referred to as "licensing" as well as other similar administrative procedures.

[2] Hereinafter referred to as "the GATT".

Any changes in either the rules concerning licensing procedures or the list of products subject to import licensing shall also be promptly published in the same manner. Copies of these publications shall also be made available to the GATT Secretariat.

5. Application forms and, where applicable, renewal forms shall be as simple as possible. Such documents and information as are considered strictly necessary for the proper functioning of the licensing régime may be required on application.

6. Application procedures and, where applicable, renewal procedures shall be as simple as possible. Applicants shall have to approach only one administrative body previously specified in the rules referred to in paragraph 4 above in connexion with an application and shall be allowed a reasonable period therefor. In cases where it is strictly indispensable that more than one administrative body is to be approached in connexion with an application, these shall be kept to the minimum number possible.

7. No application shall be refused for minor documentation errors which do not alter basic data contained therein. No penalty greater than necessary to serve merely as a warning shall be imposed in respect of any omission or mistake in documentation or procedures which is obviously made without fraudulent intent or gross negligence.

8. Licensed imports shall not be refused for minor variations in value, quantity or weight from the amount designated on the licence due to differences occurring during shipment, differences incidental to bulk loading and other minor differences consistent with normal commercial practice.

9. The foreign exchange necessary to pay for licensed imports shall be made available to licence holders on the same basis as to importers of goods not requiring import licences.

10. With regard to security exceptions, the provisions of Article XXI of the GATT apply.

11. The provisions of this Agreement shall not require any Party to this Agreement to disclose confidential information which would impede law enforcement or otherwise be contrary to the public interest or would prejudice the legitimate commercial interests of particular enterprises, public or private.

Automatic import licensing[1/]

12. Automatic import licensing is defined as import licensing where approval of the application is freely granted.

1/ Those import licensing procedures requiring a security which have no restrictive effects on imports, are to be considered as falling within the scope of paragraphs 12 and 13 below.

13. The following provisions,[1] in addition to those in paragraphs 1 to 12 above, shall apply to automatic import licensing procedures:

(a) Automatic licensing procedures shall not be administered in a manner so as to have restricting effects on imports subject to automatic licensing.

(b) Parties to this Agreement recognize that automatic import licensing may be necessary whenever other appropriate procedures are not available. Automatic import licensing may be maintained as long as the circumstances which gave rise to its introduction prevail or as long as its underlying administrative purposes cannot be achieved in a more appropriate way.

(c) Any person, firm or institution which fulfils the legal requirements of the importing country for engaging in import operations involving products subject to automatic licensing shall be equally eligible to apply for and to obtain import licences.

(d) Applications for licences may be submitted on any working day prior to the customs clearance of the goods.

(e) Applications for licences when submitted in appropriate and complete form shall be approved immediately on receipt, to the extent administratively feasible, but within a maximum of ten working days.

---

[1] A developing country party to this Agreement, which has specific difficulties with the requirements of sub-paragraphs (d) and (e) below, may, upon notification to the Committee referred to in paragraph 15, delay the application of these sub-paragraphs by not more than two years from the date of entry into force of this Agreement for such party.

Non-automatic import licensing

14. The following provisions, in addition to those in paragraphs 1 to 11 above, shall apply to non-automatic import licensing procedures, that is, import licensing procedures not falling under paragraphs 12 and 13 above:

(a) Licensing procedures adopted and practices applied in connexion with the issuance of licences for the administration of quotas and other import restrictions shall not have trade restrictive effects on imports additional to those caused by the imposition of the restriction.

(b) Parties to this Agreement shall provide, upon the request of any Party to this Agreement having an interest in the trade of the product concerned, all relevant information concerning:

(i) the administration of the restrictions;

(ii) the import licences granted over a recent period;

(iii) the distribution of such licences among supplying countries;

(iv) where practicable, import statistics (i.e. value and/or volume) with respect to the products subject to import licensing. The developing countries would not be expected to take additional administrative or financial burdens on this account.

(c) Parties to this Agreement administering quotas by means of licensing shall publish the overall amount of quotas to be applied by quantity and/or value, the opening and closing dates of quotas, and any change thereof.

(d) In the case of quotas allocated among supplying countries, the Party to this Agreement applying the restrictions shall promptly inform all other Parties having an interest in supplying the product concerned of the shares in the quota currently allocated, by quantity or value, to the various supplying countries and shall give public notice thereof.

(e) Where there is a specific opening date for the submission of licensing applications, the rules and product lists referred to in paragraph 4 shall be published as far in advance as possible of such date, or immediately after the announcement of the quota or other measure involving an import licensing requirement.

(f) Any person, firm or institution which fulfils the legal requirements of the importing country shall be equally eligible to apply and be considered for a licence. If the licence application is not approved, the applicant shall, on request, be given the reasons therefor and shall have a right of appeal or review in accordance with the domestic legislation or procedures of the importing country.

(g) The period for processing of applications shall be as short as possible.

(h) The period of licence validity shall be of reasonable duration and not be so short as to preclude imports. The period of licence validity shall not preclude imports from distant sources, except in special cases where imports are necessary to meet unforeseen short-term requirements.

(i) When administering quotas, Parties to this Agreement shall not prevent importation from being effected in accordance with the issued licences, and shall not discourage the full utilization of the quotas.

(j) When issuing licences, Parties to this Agreement shall take into account the desirability of issuing licences for products in economic quantities.

(k) In allocating licences, Parties to this Agreement should consider the import performance of the applicant, including whether licences issued to the applicant have been fully utilized, during a recent representative period.

(l) Consideration shall be given to ensuring a reasonable distribution of licences to new importers, taking into account the desirability of issuing licences for products in economic quantities. In this regard, special consideration should be given to those importers importing products originating in developing countries and, in particular, the least developed countries.

(m) In the case of quotas administered through licences which are not allocated among supplying countries, licence holders[1] shall be free to choose the sources of imports. In the case of quotas allocated among supplying countries, the licence shall clearly stipulate the country or countries.

(n) In applying paragraph 8 above, compensating adjustments may be made in future licence allocations where imports exceeded a previous licence level.

Institutions, consultation and dispute settlement

15. There shall be established under this Agreement a Committee on Import Licensing composed of representatives from each of the Parties to this Agreement (referred to in this Agreement as "the Committee"). The Committee shall elect its own Chairman and shall meet as necessary for the purpose of affording Parties the opportunity of consulting on any matters relating to the operation of this Agreement or the furtherance of its objectives.

16. Consultations and the settlement of disputes with respect to any matter affecting the operation of this Agreement, shall be subject to the procedures of Articles XXII and XXIII of the GATT.

Final provisions

17. Acceptance and accession

(a) This Agreement shall be open for acceptance by signature or otherwise, by governments contracting parties to the GATT and by the European Economic Community.

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[1] Sometimes referred to as "quota holders".

(b) This Agreement shall be open to accession by any other government on terms, related to the effective application of rights and obligations under this Agreement, to be agreed between that government and the parties to this Agreement, by the deposit with the Director-General to the CONTRACTING PARTIES to the GATT of an instrument of accession which states the terms so agreed.

(c) Contracting parties may accept this Agreement in respect of those territories for which they have international responsibility, provided that the GATT is being applied in respect of such territories in accordance with the provisions of Article XXVI:5(a) or (b) of the GATT; and in terms of such acceptance, each such territory shall be treated as though it were a Party to this Agreement.

18. Reservations

Reservations may not be entered in respect of any of the provisions of this Agreement without the consent of the other parties to this Agreement.

19. Entry into force

This Agreement shall enter into force on 1 January 1980 for the governments[1] which have accepted or acceded to it by that date. For each other government it shall enter into force on the thirtieth day following the date of its acceptance or accession to this Agreement.

20. National legislation

(a) Each government accepting or acceding to this Agreement shall ensure, not later than the date of entry into force of this Agreement for it, the conformity of its laws, regulations and administrative procedures with the provisions of this Agreement.

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[1]For the purpose of this Agreement, the term "governments" is deemed to include the competent authorities of the European Economic Community.

(b) Each Party to this Agreement shall inform the Committee of any changes in its laws and regulations relevant to this Agreement and in the administration of such laws and regulations.

21. Review

The Committee shall review as necessary, but at least once every two years, the implementation and operation of this Agreement taking into account the objectives thereof and shall inform the CONTRACTING PARTIES to the GATT of developments during the period covered by such reviews.

22. Amendments

The Parties to this Agreement may amend it, having regard, inter alia, to the experience gained in its implementation. Such an amendment, once the Parties have concurred in accordance with procedures established by the Committee, shall not come into force for any Party until it has been accepted by such Party.

23. Withdrawal

Any Party to this Agreement may withdraw from this Agreement. The withdrawal shall take effect upon the expiration of sixty days from the day on which written notice of withdrawal is received by the Director-General to the CONTRACTING PARTIES to the GATT. Any Party to this Agreement may upon such notification request an immediate meeting of the Committee.

24. Non-application of this Agreement between particular parties

This Agreement shall not apply as between any two Parties to this Agreement if either of the Parties, at the time either accepts or accedes to this Agreement, does not consent to such application.

25. Secretariat

This Agreement shall be serviced by the GATT secretariat.

26. Deposit

This Agreement shall be deposited with the Director-General to the CONTRACTING PARTIES to the GATT, who shall promptly furnish to each Party to this Agreement and each contracting party to the GATT a certified copy thereof and of each amendment thereto pursuant to paragraph 22 and a notification of each acceptance thereof or accession thereto pursuant to paragraph 17, or each withdrawal therefrom pursuant to paragraph 23.

27. Registration

This Agreement shall be registered in accordance with the provisions of Article 102 of the Charter of the United Nations.

Done at Geneva this ..... day of ..... nineteen hundred and seventy-nine in a single copy, in the English, French and Spanish languages, each text being authentic.

List of rectifications to MTN/NTM/W/231/Rev.2

Page 2, title	:	"RESTRICTIONS" should be replaced by "PROCEDURES"
Page 2, 1st paragraph, 2nd line	:	Delete the semicolon and insert "hereinafter referred to as "Parties" and "this Agreement", respectively);".
Page 2, 4th line	:	Delete the semicolon and insert "(hereinafter referred to as "GATT");"
Page 2, 5th paragraph, last line	:	"General Agreement on Tariffs and Trade" should be replaced by "GATT".
Page 3	:	The title "General provisions" should read "Article 1. General provisions". Similar changes should be made throughout the text as follows:
Page 5	:	Article 2. Automatic import licensing.
Page 3	:	Article 3. Non-automatic import licensing.
Page 10	:	Article 4. Institutions, consultations and dispute settlement.
Page 10	:	Article 5. Final provisions.

The numbering of the paragraphs should start with 1. under each Article.

Pages 3-13	:	Wherever appearing, "Party to this Agreement" and "Parties to this Agreement" should be replaced by "Party" and "Parties", respectively.
Page 3, paragraph 2, 3rd line	:	"General Agreement on Tariffs and Trade" should be replaced by "GATT", delete the number "2".
Page 3, footnote number 2	:	Delete the number "2" and the text of the footnote.
Page 6, footnote number 1	:	"...party to this Agreement" and "...party" should read "Party".
Page 7, paragraph 14(a), 1st line	:	Insert a comma after "adopted"

Page 7, sub-paragraph 14(a), 1 st line and 3rd line	:	Insert a comma after "applied" and also after "restrictions".
Page 7, sub-paragraph 14(b), 2nd line	:	"of" should be replaced by "in"
Page 10[1]	:	In the Final provisions, insert a new sub-paragraph 17(b) as follows: "This Agreement shall be open for acceptance by signature or otherwise by governments having provisionally acceded to the GATT, on terms related to the effective application of rights and obligations under this Agreement, which take into account rights and obligations in the instruments providing for their provisional accession."
Page 11	:	Existing sub-paragraph 17(b) should be renumbered 17(c).
Page 11	:	In the existing sub-paragraoh 17(b), "parties to this Agreement" should read "Parties".
Page 11	:	In the paragraph 18, "parties to this Agreement" should read "Parties".
Page 11[2]	:	Existing sub-paragraph 17(c) should be renumbered 17(d). The existing text should be replaced by the following: "In regard to acceptance, the provisions of Article XXVI:5(a) and (b) of the GATT would be applicable."
Page 13	:	On line 6 of 26. Deposit, "or each withdrawal" should read "and of each withdrawal".

[1] Cf. MTN/P/5, paragraph 3.

[2] Cf. MTN/P/5, paragraph 5.

THE AGREEMENT ON TECHNICAL BARRIERS TO TRADE (RELATING TO PRODUCT STANDARDS)

GENERAL AGREEMENT ON
TARIFFS AND TRADE

RESTRICTED

MTN/NTM/W/192/Rev.5
29 March 1979

Special Distribution

Multilateral Trade Negotiations

Group "Non-Tariff Measures"
Sub-Group "Technical Barriers to Trade"

TECHNICAL BARRIERS TO TRADE

DRAFT AGREEMENT ON TECHNICAL BARRIERS TO TRADE

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PREAMBLE

Having regard to the Multilateral Trade Negotiations, the Parties to the Agreement on Technical Barriers to Trade, hereinafter referred to as "the Parties" and "this Agreement";

Desiring to further the objectives of the General Agreement on Tariffs and Trade;

Recognizing the important contribution that international standards and certification systems can make in this regard by improving efficiency of production and facilitating the conduct of international trade;

Desiring therefore to encourage the development of such international standards and certification systems;

Desiring however to ensure that technical regulations and standards, including packaging, marking and labelling requirements, and methods for certifying conformity with technical regulations and standards do not create unnecessary obstacles to international trade;

Recognizing that no country should be prevented from taking measures necessary to ensure the quality of its exports, or for the protection of human, animal or plant life or health, of the environment, or for the prevention of deceptive practices subject to the requirement that they are not applied in a manner which would constitute a means of arbitrary or unjustifiable discrimination between countries where the same conditions prevail or a disguised restriction on international trade;

Recognizing that no country should be prevented from taking measures necessary for the protection of its essential security interest;

Recognizing the contribution which international standardization can make to the transfer of technology from developed to developing countries;

Recognizing that developing countries may encounter special difficulties in the formulation and application of technical regulations and standards and methods for certifying conformity with technical regulations and standards, and desiring to assist them in their endeavours in this regard;

Hereby agree as follows:

1. General provisions

1.1 General terms for standardization and certification shall normally have the meaning given to them by definitions adopted within the United Nations System and by international standards organizations taking into account their context and in the light of the object and purpose of this Agreement.

1.2 However, for the purposes of this Agreement the meaning of the terms given in Annex 1 applies.

1.3 All products, including industrial and agricultural products, shall be subject to the provisions of this Agreement.

1.4 Purchasing specifications prepared by governmental bodies for production or consumption requirements of governmental bodies are not subject to the provisions of this Agreement but are addressed in the Agreement on Government Procurement, according to its coverage.

1.5 All references in this Agreement to technical regulations, standards, methods for assuring conformity with technical regulations or standards and certification systems shall be construed to include any amendments thereto and any additions to the rules or the product coverage thereof, except amendments and additions of an insignificant nature.

Technical regulations and standards

2. Preparation, adoption and application of technical regulations and standards by central government bodies

With respect to their central government bodies:

2.1 Parties shall ensure that technical regulations and standards are not prepared, adopted or applied with a view to creating obstacles to international trade. Furthermore, products imported from the territory of any Party shall be accorded treatment no less favourable than that accorded to like products of national origin and to like products originating in any other country in relation to such technical regulations or standards. They shall likewise ensure that neither technical regulations nor standards themselves nor their application have the effect of creating unnecessary obstacles to international trade.

2.2 Where technical regulations or standards are required and relevant international standards exist or their completion is imminent, Parties shall use them, or the relevant parts of them, as a basis for the technical regulations or standards except where, as duly explained upon request, such international standards or relevant parts are inappropriate for the Parties concerned, for inter alia such reasons as national security requirements; the prevention of deceptive practices; protection for human health or safety, animal or plant life or health, or the environment; fundamental climatic or other geographical factors; fundamental technological problems.

2.3 With a view to harmonizing technical regulations or standards on as wide a basis as possible, Parties shall play a full part within the limits of their resources in the preparation by appropriate international standardizing bodies of international standards for products for which they either have adopted, or expect to adopt, technical regulations or standards.

2.4 Wherever appropriate, Parties shall specify technical regulations and standards in terms of performance rather than design or descriptive characteristics.

2.5 Whenever a relevant international standard does not exist or the technical content of a proposed technical regulation or standard is not substantially the same as the technical content of relevant international standards, and if the technical regulation or standard may have a significant effect on trade of other Parties, Parties shall:

2.5.1 publish a notice in a publication at an early appropriate stage, in such a manner as to enable interested Parties to become acquainted with it, that they proposed to introduce a particular technical regulation or standard;

2.5.2 notify other Parties through the GATT secretariat of the products to be covered by technical regulations together with a brief indication of the objective and rationale of proposed technical regulations;

2.5.3 upon request, provide without discrimination, to other Parties in regard to technical regulations and to interested parties in other Parties in regard to standards, particulars or copies of the proposed technical regulation or standard and whenever possible, identify the parts which in substance deviate from relevant international standards;

2.5.4 in regard to technical regulations allow, without discrimination, reasonable time for other Parties to make comments in writing, discuss these comments upon request, and take these written comments and the results of these discussions into account;

2.5.5 in regard to standards, allow reasonable time for interested parties in other Parties to make comments in writing, upon request discuss these comments with other Parties and take these written comments and the results of these discussions into account.

2.6 Subject to the provisions in the heading of Article 2.5, where urgent problems of safety, health, environmental protection or national security arise or threaten to arise for a Party, that Party may omit such of the steps enumerated in Article 2.5 as it finds necessary provided that the Party, upon adoption of a technical regulation or standard, shall:

2.6.1 notify immediately other Parties through the GATT secretariat of the particular technical regulation, the products covered, with a brief indication of the objective and the rationale of the technical regulation, including the nature of the urgent problems;

2.6.2 upon request provide, without discrimination other Parties with copies of the technical regulation and interested parties in other Parties with copies of the standard;

2.6.3 allow, without discrimination, other Parties with respect to technical regulations and interested parties in other Parties with respect to standards, to present their comments in writing, upon request discuss these comments with other Parties and take the written comments and the results of any such discussion into account;

2.6.4 take also into account any action by the Committee as a result of consultations carried out in accordance with the procedures established in Article 14.

2.7 Parties shall ensure that all technical regulations and standards which have been adopted are published promptly in such a manner as to enable interested Parties to become acquainted with them.

2.8 Except in those urgent circumstances referred to in Article 2.6, parties shall allow a reasonable interval between the publication of a technical regulation and its entry into force in order to allow time for producers in exporting countries, and particularly in developing countries, to adapt their products or methods of production to the requirements of the importing country.

2.9 Parties shall take such reasonable measures as may be available to them to ensure that regional standardizing bodies of which they are members comply with the provisions of Articles 2.1 to 2.8. In addition Parties shall not take measures which have the effect of, directly or indirectly, requiring or encouraging such bodies to act in a manner inconsistent with those provisions.

2.10 Parties which are members of regional standardizing bodies shall, when adopting a regional standard as a technical regulation or standard fulfil the obligations of Articles 2.1 to 2.8 except to the extent that the regional standardizing bodies have fulfilled these obligations.

3. Preparation, adoption and application of technical regulations and standards by local government bodies

3.1 Parties shall take such reasonable measures as may be available to them to ensure that local government bodies within their territories comply with the provisions of Article 2 with the exception of Articles 2.3, 2.5.2, 2.9 and 2.10, noting that provision of information regarding technical regulations referred to in Articles 2.5.3 and 2.6.2 and comment and discussion referred to in Articles 2.5.4 and 2.6.3 shall be through Parties. In addition, Parties shall not take measures which have the effect of, directly or indirectly, requiring or encouraging such local government bodies to act in a manner inconsistent with any of the provisions of Article 2.

4. Preparation, adoption and application of technical regulations and standards by non-governmental bodies

4.1 Parties shall take such reasonable measures as may be available to them to ensure that non-governmental bodies within their territories comply with the provisions of Article 2, with the exception of Article 2.5.2 and providing that comment and discussion referred to in Articles 2.5.4 and 2.6.3 may also be with interested parties in other Parties. In addition, Parties shall not take measures which have the effect of, directly or indirectly, requiring or encouraging such non-governmental bodies to act in a manner inconsistent with any of the provisons of Article 2.

Conformity with technical regulations and standards

5. Determination of conformity with technical regulations or standards by central government bodies

5.1 Parties shall ensure that, in cases where a positive assurance is required that products conform with technical regulations or standards, central government bodies apply the following provisions to products originating in the territories of other Parties:

5.1.1 imported products shall be accepted for testing under conditions no less favourable than those accorded to like domestic or imported products in a comparable situation;

5.1.2 the test methods and administrative procedures for imported products shall be no more complex and no less expeditious than the corresponding methods and procedures, in a comparable situation for like products of national origin or originating in any other country;

5.1.3 any fees imposed for testing imported products shall be equitable in relation to any fees chargeable for testing like products of national origin or originating in any other country;

5.1.4 the results of tests shall be made available to the exporter or importer or their agents, if requested, so that corrective action may be taken if necessary;

5.1.5 the siting of testing facilities and the selection of samples for testing shall not be such as to cause unnecessary inconvenience for importers, exporters or their agents;

5.1.6 the confidentiality of information about imported products arising from or supplied in connexion with such tests shall be respected in the same way as for domestic products.

5.2 However, in order to facilitate the determination of conformity with technical regulations and standards where such positive assurance is required, Parties shall ensure whenever possible, that their central government bodies:

accept test results, certificates or marks of conformity issued by relevant bodies in the territories of other Parties; or

rely upon self-certification by producers in the territories of other Parties;

even when the test methods differ from their own, provided they are satisfied that the methods employed in the territory of the exporting Party provide a sufficient means of determining conformity with the relevant technical regulations or standards. It is recognized that prior consultations may be necessary in order to arrive at a mutually satisfactory understanding regarding self-certification, test methods and results, and certificates or marks of conformity employed in the territory of the exporting Party, in particular in the case of perishable products or of other products which are liable to deteriorate in transit.

5.3 Parties shall ensure that test methods and administrative procedures used by central government bodies are such as to permit, so far as practicable, the implementation of the provisions in Article 5.2.

5.4 Nothing in Article 5 shall prevent Parties from carrying out reasonable spot checks within their territories.

6. Determination by local government bodies and non-governmental bodies of conformity with technical regulations or standards

6.1 Parties shall take such reasonable measures as may be available to them to ensure that local government bodies and non-governmental bodies within their territories comply with the provisions of Article 5. In addition, Parties shall not take measures which have the effect of, directly or indirectly, requiring or encouraging such bodies to act in a manner inconsistent with any of the provisions of Article 5.

Certification systems

7. Certification systems operated by central government bodies

With respect to their central government bodies:

7.1 Parties shall ensure that certification systems are not formulated or applied with a view to creating obstacles to international trade. They shall likewise ensure that neither such certification systems themselves nor their application have the effect of creating unnecessary obstacles to international trade.

7.2 Parties shall ensure that certification systems are formulated and applied so as to grant access for suppliers of like products originating in the territories of other Parties under conditions no less favourable than those accorded to suppliers of like products of national origin or originating in any other country, including the determination that such suppliers are able and willing to fulfil the requirements of the system. Access for suppliers is obtaining certification from the importing adherent under the rules of the system. Access for suppliers also includes receiving the mark of the system, if any, under conditions no less favourable than those accorded to suppliers of like products of national origin or originating in any other country.

7.3 Parties shall:

7.3.1 publish a notice in a publication at an early appropriate stage, in such a manner as to enable interested parties to become acquainted with it, that they propose to introduce a certification system;

7.3.2 notify the GATT secretariat of the products to be covered, including a brief description of the objective of the proposed system;

7.3.3 upon request provide, without discrimination, to other Parties particulars or copies of the proposed rules of the system;

7.3.4 allow, without discrimination, reasonable time for other Parties to make comments in writing on the formulation and operation of the system, discuss the comments upon request and take them into account.

7.4 However, where urgent problems of safety, health, environmental protection or national security arise or threaten to arise for a Party, that Party may omit such of the steps enumerated in Article 7.3 as it finds necessary provided that the Party, upon adoption of the certification system, shall:

7.4.1 notify immediately the other Parties through the GATT secretariat of the particular certification system, the products covered, with a brief indication of the objective and the rationale of the certification system including the nature of the urgent problems;

7.4.2 upon request provide, without discrimination, other Parties with copies of the rules of the system;

7.4.3 allow, without discrimination, other parties to present their comments in writing, discuss these comments upon request and take the written comments and results of any such discussion into account.

7.5 Parties shall ensure that all adopted rules of certification systems are published.

8. Certification systems operated by local government and non-governmental bodies

8.1 Parties shall take such reasonable measures as may be available to them to ensure that local government bodies and non-governmental bodies within their territories when operating certification systems comply with the provisions of Article 7, except 7.3.2, noting that the provision of information referred to in Article 7.3.3 and 7.4.2, the notification referred to in Article 7.4.1, and the comment and discussion referred to in Article 7.4.3, shall be through Parties. In addition, Parties shall not take measures which have the effect of, directly or indirectly, requiring or encouraging such bodies to act in a manner inconsistent with any of the provisions of Article 7.

8.2 Parties shall ensure that their central government bodies rely on certification systems operated by local government and non-governmental bodies only to the extent that these bodies and systems comply with the relevant provisions of Article 7.

9. International and regional certification systems

9.1 Where a positive assurance, other than by the supplier, of conformity with a technical regulation or standard is required, Parties shall, wherever practicable, formulate international certification systems and become members thereof or participate therein.

9.2 Parties shall take such reasonable measures as may be available to them to ensure that international and regional certification systems in which relevant bodies within their territories are members or participants comply with the provisions of Article 7, with the exception of 7.2 having regard to the provisions of Article 9.3. In addition, Parties shall not take any measures which have the effect of, directly or indirectly, requiring or encouraging such systems to act in a manner inconsistent with any of the provisions of Article 7.

9.3 Parties shall take such reasonable measures as may be available to them to ensure that international and regional certification systems, in which relevant bodies within their territories are members or participants, are formulated and applied so as to grant access for suppliers of like products originating in the territories of other Parties, under conditions no less favourable than those accorded to suppliers of like products originating in a member country, a participant country or in any other country, including the determination that such suppliers are able and willing to fulfil the requirements of the system. Access for suppliers is obtaining certification from an importing Party which is a member of or participant in the system, or from a body authorized by the system to grant certification, under the rules of the system. Access for suppliers also includes receiving the mark of the system, if any, under conditions no less favourable than those accorded to suppliers of like products originating in a member country or a participant country.

9.4 Parties shall ensure that their central government bodies rely on international or regional certification systems only to the extent that the systems comply with the provisions of Article 7 and Article 9.3.

Information and assistance

10. Information about technical regulations, standards and certification systems

10.1 Each Party shall ensure that an enquiry point exists which is able to answer all reasonable enquiries from interested parties in other Parties regarding:

10.1.1 any technical regulations adopted or proposed within its territory by central or local government bodies, by non-governmental bodies which have legal power to enforce a technical regulation, or by regional standardizing bodies of which such bodies are members or participants;

10.1.2 any standards adopted or proposed within its territory by central or local government bodies, or by regional standardizing bodies of which such bodies are members or participants;

10.1.3 any certification systems, or proposed certification systems, which are operated within its territory by central or local government bodies, or by non-governmental bodies which have legal power to enforce a technical regulation, or by regional certification bodies of which such bodies are members or participants;

10.1.4 the location of notices published pursuant to this Agreement, or to provide information as to where such information can be obtained; and

10.1.5 the location of the enquiry points mentioned in Article 10.2.

10.2 Each Party shall take such reasonable measures as may be available to it to ensure that one or more enquiry points exist which are able to answer all reasonable enquiries from interested parties in other Parties regarding:

10.2.1 any standards adopted, or proposed within its territory by non-governmental standardizing bodies, or by regional standardizing bodies of which such bodies are members or participants; and

10.2.2 any certification systems, or proposed certification systems, which are operated within its territory by non-governmental certification bodies, or by regional certification bodies of which such bodies are members or participants.

10.3 Parties shall take such reasonable measures as may be available to them to ensure that where copies of documents are requested by other Parties, or by interested Parties in other Parties in accordance with the provisions of this Agreement, they are supplied at the same price (if any) as to the nationals of the party concerned.

10.4 The GATT secretariat will, when it receives notifications in accordance with the provisions of this Agreement, circulate copies of the notifications to all Parties and interested international standardizing and certification bodies and draw the attention of developing parties to any notifications relating to products of particular interest to them.

10.5 Nothing in this Agreement shall be construed as requiring:

10.5.1 the publication of texts other than in the language of the Party.

10.5.2 the provision of particulars or copies of drafts other than in the language of the Party; or

10.5.3 Parties to furnish any information, the disclosure of which they consider contrary to their essential security interests.

10.6 Notifications to the GATT secretariat shall be in English, French or Spanish.

10.7 Parties recognize the desirability of developing centralized information systems with respect to the preparation, adoption and application of all technical regulations, standards and certification systems within their territories.

11. Technical assistance to other Parties

11.1 Parties shall, if requested, advise other Parties, especially the developing countries, on the preparation of technical regulations.

11.2 Parties shall, if requested, advise other Parties, especially the developing countries and shall grant them technical assistance on mutually agreed terms and conditions regarding the establishment of national standardizing bodies and participation in the international standardizing bodies and shall encourage their national standardizing bodies to do likewise.

11.3 Parties shall, if requested, take such reasonable measures as may be available to them to arrange for the regulatory bodies within their territories to advise other Parties, especially the developing countries, and shall grant them technical assistance on mutually agreed terms and conditions regarding:

11.3.1 the establishment of regulatory bodies, or certification bodies for providing a certificate or mark of conformity with technical regulations; and

11.3.2 the methods by which their technical regulations can best be met.

11.4 Parties shall, if requested, take such reasonable measures as may be available to them to arrange for advice to be given to other Parties, especially the developing countries, and shall grant them technical assistance on mutually agreed terms and conditions regarding the establishment of certification bodies for providing a certificate or mark of conformity with standards adopted within the territory of the requesting Party.

11.5 Parties shall, if requested, advise other Parties, especially the developing countries, and shall grant them technical assistance on mutually agreed terms and conditions regarding the steps that should be taken by their producers, if they wish to take part in certification systems operated by governmental or non-governmental bodies within the territory of the Party receiving the request.

11.6 Parties which are members or participants of international or regional certification systems shall, if requested, advise other Parties, especially the developing countries, and shall grant them technical assitance on mutually agreed terms and conditions regarding the establishment of the institutions and legal framework which would enable them to fulfil the obligations of membership or participation in such systems.

11.7 Parties shall, if so requested, encourage certification bodies within their territories, if such bodies are members or participants of international or regional certification systems to advise other Parties, especially the developing countries, and should consider requests for technical assistance from them regarding the establishment of the institutions which would enable the relevant bodies within their territories to fulfil the obligations of membership or participation.

11.6 In providing advice and technical assistance to other Parties in terms of Article 11.1 to 11.7, Parties shall give priority to the needs of the least-developed countries.

12. Special and differential treatment of developing countries

12.1 Parties shall provide differential and more favourable treatment to developing countries Parties to this Agreement, through the following provisions as well as through the relevant provisions of other Articles of this Agreement.

12.2 Parties shall give particular attention to the provisions of this Agreement concerning developing countries' rights and obligations and shall take into account the special development, financial and trade needs of developing countries in the implementation of this Agreement both nationally and in the operation of this Agreement's institutional arrangements.

12.3 Parties shall, in the preparation and application of technical regulations, standards, test methods and certification systems, take account of the special development, financial and trade needs of developing countries, with a view to ensuring that such technical regulations, standards, test methods and certification systems and the determination of conformity with technical regulations and standards do not create unnecessary obstacles to exports from developing countries.

12.4 Parties recognize that, although international standards may exist, in their particular technological and socio-economic conditions developing countries adopt certain technical regulations or standards, including test methods, aimed at preserving indigenous technology and production methods and processes compatible with their development needs. Parties therefore

recognize that developing countries should not be expected to use international standards as a basis for their technical regulations or standards, including test methods, which are not appropriate to their development, financial and trade needs.

12.5 Parties shall take such reasonable measures as may be available to them to ensure that international standardizing bodies and international certification systems are organized and operated in a way which facilitates active and representative participation of relevant bodies in all Parties, taking into account the special problems of developing countries.

12.6 Parties shall take such reasonable measures as may be available to them to ensure that international standardizing bodies, on request of developing countries, examine the possibility of, and, if practicable, prepare international standards concerning products of special interest to developing countries.

12.7 Parties shall, in accordance with the provisions of Article 11, provide technical assistance to developing countries to ensure that the preparation and application of technical regulations, standards, test methods and certification systems do not create unnecessary obstacles to the expansion and diversification of exports from developing countries. In determining the terms and conditions of the technical assistance, account shall be taken of the stage of development of the requesting country and in particular of the least-developed countries.

12.8 It is recognized that developing countries may face special problems, including institutional and infrastructural problems, in the field of preparation and application of technical regulations, standards, test methods and certification systems. It is further recognized that the special development and trade needs of developing countries, as well as their stage of technological development, may hinder their ability to discharge fully their obligations under this Agreement. Parties, therefore, shall take this fact fully into account. Accordingly with a view to ensuring that developing countries are able to comply with this Agreement, the Committee is enabled to grant upon request specified, time-limited exceptions in whole or in part from obligations under this Agreement. When considering such requests the Committee shall take into account the special problems, in the field of preparation and application of technical regulations, standards, test methods and certification systems and the special development and trade needs of the developing country, as well as its stage of technological development, which may hinder its ability to discharge fully its obligations under this Agreement. The Committee shall in particular, take into account the special problems of the least-developed countries.

12.9 During consultations, developed countries shall bear in mind the special difficulties experienced by developing countries in formulating and implementing standards and technical regulations and methods of ensuring conformity with those standards and technical regulations, and in their desire to assist developing countries with their efforts in this direction, developed countries shall take account of the special needs of the former in regard to financing, trade and development.

12.10 The Committee shall examine periodically the special and differential treatment as laid down in this Agreement, granted to developing countries, on national and international levels.

Institutions, consultation and dispute settlement

13. The Committee on Technical Barriers to Trade

There shall be established under this Agreement:

13.1 A Committee on Technical Barriers to Trade composed of representatives from each of the Parties to this Agreement (hereinafter referred to as "the Committee"). The Committee shall elect its own Chairman and shall meet as necessary but no less than once a year for the purpose of affording Parties to this Agreement the opportunity of consulting on any matters relating to the operation of this Agreement or the furtherance of its objectives and shall carry out such responsibilities as assigned to it under this Agreement or by the Parties;

13.2 Working parties, technical expert groups, panels or other bodies as may be appropriate, which shall carry out such responsibilities as may be assigned to them by the Committee in accordance with the relevant provisions of this Agreement.

13.3 It is understood that unnecessary duplication should be avoided between the work under this Agreement and that of governments in other technical bodies, e.g. Codex Alimentarius. The Committee shall examine this problem with a view to minimizing such duplication.

14. Consultation and dispute settlement

Consultation

14.1 Each Party shall afford sympathetic consideration to and adequate opportunity for prompt consultation regarding representations made by other Parties with respect to any matter affecting the operation of this Agreement.

14.2 If any Party considers that any benefit accruing to it, directly or indirectly, under this Agreement is being nullified or impaired, or that the attainment of any objective of this Agreement is being impeded by another Party or Parties, and that its trade interests are significantly affected, the Party may make written representations or proposals to the other Party or Parties which it considers to be concerned. Any Party shall give sympathetic consideration to the representations or proposals made to it, with a view to reaching a satisfactory resolution of the matter.

Resolution of disputes

14.3 It is the firm intention of Parties that all disputes under this Agreement shall be promptly and expeditiously resolved, particularly in the case of perishable products.

14.4 If no solution has been reached after consultations under Article 14.1 and 14.2, the Committee shall meet at the request of any party to the dispute within thirty days of receipt of such a request, to investigate the matter with a view to facilitating a mutually satisfactory solution.

14.5 In investigating the matter and in selecting subject, inter alia, to the provisions of Article 14.9 and 14.4, the appropriate procedures the Committee shall take into account whether the issues in dispute relate to commercial policy considerations and/or to questions of a technical nature requiring detailed consideration by experts.

14.6 In the case of perishable products the Committee shall, in keeping with Article 14.3, consider the matter in the most expeditious manner possible with a view to facilitating a mutually satisfactory solution within three months of the request for the Committee investigation.

14.7 It is understood that where disputes arise affecting products with a definite crop cycle of twelve months, every effort would be made by the Committee to deal with these disputes within a period of twelve months.

14.8 During any phase of a dispute settlement procedure including the earliest phase, competent bodies and experts in matters under consideration may be consulted and invited to attend the meetings of the Committee; appropriate information and assistance may be requested from such bodies and experts.

Technical issues

14.9 If no mutually satisfactory solution has been reached under the procedures of Article 14.4 within three months of the request for the Committee investigation, upon the request of any Party to the dispute who considers the issues to relate to questions of a technical nature the Committee shall establish a technical expert group and direct it to:

examine the matter;

consult with the parties to the dispute and give full opportunity for them to develop a mutually satisfactory solution;

make a statement concerning the facts of the matter; and

make such findings as will assist the Committee in making recommendations or giving rulings on the matter, including inter alia, and if appropriate, findings concerning the detailed scientific judgments involved, whether the measure was necessary for the protection of human, animal or plant life or health, and whether a legitimate scientific judgment is involved.

14.10 Technical expert groups shall be governed by the procedures of Annex 2.

14.11 The time required by the technical expert group considering questions of a technical nature will vary with the particular case. The technical expert group should aim to deliver its findings to the Committee within six months from the date the technical issue was referred to it, unless extended by mutual agreement between the parties to the dispute.

14.12 Reports should set out the rationale behind any findings that they make.

14.13 If no mutually satisfactory solution has been reached after completion of the procedures in this Article, and any party to the dispute requests a panel, the Committee shall establish a panel which shall operate under the provisions of Article 14.15 to 14.18 below.

Panel proceedings

14.14 If no mutually satisfactory solution has been reached under the procedures of Article 14.4 within three months of the request for the Committee investigation and the procedures of Article 14.9 to 14.13 have not been invoked, the Committee shall, upon request of any party to the dispute, establish a panel.

14.15 When a panel is established, the Committee shall direct it to:

examine the matter;

consult with Parties to the dispute and give full opportunity for them to develop a mutually satisfactory solution;

make a statement concerning the facts of the matter as they relate to the application of provisions of this Agreement and make such findings as will assist the Committee in making recommendations or giving rulings on the matter.

14.16 Panels shall be governed by the procedures in Annex 3.

14.17 Panels shall use the report of any technical expert group established under Article 14.9 as the basis for its consideration of issues that involve questions of a technical nature.

14.18 The time required by panels will vary with the particular case. They should aim to deliver their findings, and where appropriate, recommendations to the Committee without undue delay, normally within a period of four months from the date that the panel was established.

Enforcement

14.19 After the investigation is complete or after the report of a technical expert group, working group, panel or other body is presented to the Committee, the Committee shall give the matter prompt consideration. With respect to panel reports, the Committee shall take appropriate action normally within thirty days of receipt of the report, unless extended by the Committee, including:

a statement concerning the facts of the matter; or

recommendations to one or more Parties to this Agreement; or

any other ruling which it deems appropriate.

14.20 If a Party to which recommendations are addressed considers itself unable to implement them, it should promptly furnish reasons in writing to the Committee. In that event the Committee shall consider what further action may be appropriate.

14.21 If the Committee considers that the circumstances are serious enough to justify such action, it may authorize one or more Parties to this Agreement to suspend, in respect of any other Party, the application of such obligations under this Agreement as it determines to be appropriate in the circumstances. In this respect, the Committee may, inter alia, authorize the suspension of the application of obligations, including those in Articles 5 to 9, in order to restore mutual economic advantage and balance of rights and obligations.

14.22 The Committee shall keep under surveillance any matter on which it has made recommendations or given rulings.

Other provisions relating to dispute settlement

Procedures

14.23 If disputes arise between Parties relating to rights and obligations of this Agreement, Parties should complete the dispute settlement procedures under this Agreement before availing themselves of any rights which they have under the GATT. Parties recognize that, in any case so referred to the CONTRACTING PARTIES, any finding, recommendation or ruling pursuant to Article 14.9 to 14.18 may be taken into account by the CONTRACTING PARTIES, to the extent they relate to matters involving equivalent rights and obligations under the General Agreement. When Parties resort to GATT Article XXIII a determination under that Article shall be based on GATT provisions only.

Levels of obligation

14.24 The dispute settlement provisions set out above can be invoked in cases where a Party considers that another Party has not achieved satisfactory results under Articles 3, 4, 6, 8 and 9 and its trade interests are significantly affected. In this respect, such results shall be equivalent to those envisaged in Articles 2, 5 and 7 as if the body in question were a Party.

Processes and production methods

14.25 The dispute settlement procedures set out above can be invoked in cases where a Party considers that obligations under this Agreement are being circumvented by the drafting of requirements in terms of processes and production methods rather than in terms of characteristics of products.

Retroactivity

14.26 To the extent that a Party considers that technical regulations, standards, methods for assuring conformity with technical regulations or standards, or certification systems which exist at the time of entry into force of this Agreement are not consistent with the provisions of this Agreement, such regulations, standards, methods and systems shall be subject to the provisions in Articles 13 and 14 of this Agreement, in so far as they are applicable.

15. Final provisions

Acceptance and accession

15.1 This Agreement shall be open for acceptance by signature or otherwise, by governments contracting parties to the General Agreement on Tariffs and Trade, hereinafter referred to as "the GATT", and by the European Economic Community.

15.2 This Agreement shall be open to accession by any other government on terms, related to the effective application of rights and obligations under this Agreement, to be agreed between that government and the Parties to this Agreement, by the deposit with the Director-General to the CONTRACTING PARTIES to the GATT of an instrument of accession which states the terms so agreed.

15.3 Contracting parties may accept this Agreement in respect of those territories for which they have international responsibility, provided that the GATT is being applied in respect of such territories in accordance with the provisions of Article XXVI:5(a) or (b) of the General Agreement; and in terms of such acceptance, each such territory shall be treated as though it were a Party to this Agreement.

Reservations

15.4 Reservations may not be entered in respect of any of the provisions of this Agreement without the consent of the other Parties to this Agreement.

Entry into force

15.5 This Agreement shall enter into force on 1 January 1980 for the governments* which have accepted or acceded to it by that date. For each other government it shall enter into force on the thirtieth day following the date of its acceptance or accession to this Agreement.

Review

15.6 Each Party shall, promptly after the date on which this Agreement enters into force for the Party concerned, inform the Committee of measures in existence or taken to ensure the implementation and administration of this Agreement. Any changes of such measures thereafter shall also be notified to the Committee.

*The term "government" is deemed to include the competent authorities of the European Economic Community.

15.7 The Committee shall review annually the implementation and operation of this Agreement taking into account the objectives thereof. The Committee shall annually inform the CONTRACTING PARTIES to the GATT of developments during the period covered by such reviews.

15.8 Not later than the end of the third year from the entry into force of this Agreement and at the end of each three-year period thereafter, the Committee shall review the operation and implementation of this Agreement, including the provisions relating to transparency, with a view to adjusting the rights and obligations of this Agreement where necessary to ensure mutual economic advantage and balance of rights and obligations, without prejudice to the provisions of Article 12, and where appropriate proposing amendments to the text of this Agreement having regard, inter alia, to the experience gained in its implementation.

Amendments

15.9 The Parties may amend this Agreement having regard, inter alia, to the experience gained in its implementation. Such an amendment, once the Parties have concurred in accordance with procedures established by the Committee, shall not come into force for any Party until it has been accepted by such Party.

Withdrawal

15.10 Any Party to this Agreement may withdraw from this Agreement. The withdrawal shall take effect upon the expiration of sixty days from the day on which written notice of withdrawal is received by the

Director-General to the CONTRACTING PARTIES to the GATT. Any Party to this Agreement may upon such notification request an immediate meeting of the Committee.

Non-application of this Agreement between particular Parties

15.11 This Agreement shall not apply as between any two Parties to this Agreement if either of the Parties, at the time either accepts or accedes to this Agreement, does not consent to such application.

Annexes

15.12 The annexes to this Agreement constitute an integral part thereof.

Secretariat

15.13 This Agreement shall be serviced by the GATT secretariat.

Deposit

15.14 This Agreement shall be deposited with the Director-General to the CONTRACTING PARTIES to the GATT, who shall promptly furnish to each Party to this Agreement and each contracting party to the GATT a certified copy thereof and of each amendment thereto pursuant to Article 15.9, and a notification of each acceptance thereof or accession thereto pursuant to Articles 15.1 and 15.2, or each withdrawal therefrom pursuant to Article 15.10.

Registration

15.15 This Agreement shall be registered in accordance with the provisions of Article 102 of the Charter of the United Nations.

Done at Geneva this ..... day of ..... nineteen hundred and seventy-nine in a single copy, in the English, French and Spanish languages, each text being authentic.

ANNEX 1

TERMS AND THEIR DEFINITIONS FOR THE SPECIFIC PURPOSES OF THIS AGREEMENT

Note: References to the definitions of international standardizing bodies in the explanatory notes are made as they stood in March 1979.

1. Technical specification

A specification contained in a document which lays down characteristics of a product such as levels of quality, performance, safety or dimensions. It may include, or deal exclusively with terminology, symbols, testing and test methods, packaging, marking or labelling requirements as they apply to a product.

Explanatory note:

This Agreement deals only with technical specifications relating to products. Thus the wording of the corresponding Economic Commission for Europe/International Organization for Standardization definition is amended in order to exclude services and codes of practice.

2. Technical regulation

A technical specification, including the applicable administrative provisions, with which compliance is mandatory.

Explanatory note:

The wording differs from the corresponding Economic Commission for Europe/International Organization for Standardization definition because the latter is based on the definition of regulation which is not defined in this Agreement. Furthermore the Economic Commission

for Europe/International Organization for Standardization definition contains a normative element which is included in the operative provisions of this Agreement. For the purposes of this Agreement, this definition covers also a standard of which the application has been made mandatory not by separate regulation but by virtue of a general law.

3. Standard

A technical specification approved by a recognized standardizing body for repeated or continuous application, with which compliance is not mandatory.

Explanatory note:

The corresponding Economic Commission for Europe/International Organization for Standardization definition contains several normative elements which are not included in the above definition. Accordingly, technical specifications which are not based on consensus are covered by this Agreement. This definition does not cover technical specifications prepared by an individual company for its own production or consumption requirements. The word "body" covers also a national standardizing system.

4. International body or system

A body or system whose membership is open to the relevant bodies of at least all Parties to this Agreement.

5. Regional body or system

A body or system whose membership is open to the relevant bodies of only some of the Parties.

6. Central government body

Central government, its ministries and departments or any body subject to the control of the central government in respect of the activity in question.

Explanatory note:

In the case of the European Economic Commity the provisions governing central government bodies apply. However, regional bodies or certification systems may be established within the European Economic Community, and in such cases would be subject to the provisions of this Agreement on regional bodies or certification systems.

7. Local government body

A government other than a central government (e.g. states, provinces, lander, cantons, municipalities, etc.), its ministries or departments or any body subject to the control of such a government in respect of the activity in question.

8. Non-governmental body

A body other than a central government body or a local government body, including non-governmental bodies which has legal power to enforce a technical regulation.

9. Standardizing body

A governmental or non-governmental body, one of whose recognized activities is in the field of standardization.

10. International standard

A standard adopted by an international standardizing body.

Explanatory note:

The wording differs from the corresponding Economic Commission for Europe/International Organization for Standardization definition in order to make it consistent with other definitions of this Agreement.

ANNEX 2

Technical Expert Groups

The following procedures shall apply to technical expert groups established in accordance with the provisions of Article 14.

1. Participation in technical expert groups shall be restricted to persons, preferably government officials, of professional standing and experience in the field in question.

2. Citizens of countries whose central governments are parties to a dispute shall not be eligible for membership of the technical expert group concerned with that dispute. Members of technical expert groups shall serve in their individual capacities and not as government representatives, nor as representatives of any organization. Governments or organizations shall therefore not give them instructions with regard to matters before a technical expert group.

3. The parties to a dispute shall have access to all relevant information provided to a technical expert group, unless it is of a confidential nature. Confidential information provided to the technical expert group shall not be revealed without formal authorization from the government or person providing the information. Where such information is requested from the technical expert group but release of such information by the technical expert group is not authorized, a non-confidential summary of the information will be provided by the government or person supplying the information.

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4. To encourage development of mutually satisfactory solutions between the parties and with a view to obtaining their comments, each technical expert group should first submit the descriptive part of its report to the parties concerned, and should subsequently submit to the parties to the dispute its conclusions, or an outline thereof, a reasonable period of time before they are circulated to the Parties.

ANNEX 3

PANELS

The following procedures shall apply to panels established in accordance with the provisions of Article 14.

1. In order to facilitate the constitution of panels, the Chairman of the Committee shall maintain an informal indicative list of government officials knowledgeable in the area of technical barriers to trade and experienced in the field of trade relations and economic development. This list may also include persons other than government officials. In this connexion, each adherent shall be invited to indicate at the beginning of every year to the Chairman of the Committee the name(s) of the one or two governmental experts whom the Parties to this Agreement would be willing to make available for such work. When a panel is established under Article 14.13, the Chairman, within seven days shall propose the composition of the panel consisting of three or five members, preferably government officials. The parties directly concerned shall react within seven working days to nominations of panel members by the Chairman and shall not oppose nominations except for compelling reasons. Citizens of countries whose central governments are parties to a dispute shall not be eligible for membership of the panel concerned with that dispute. Panel members shall serve in their individual capacities and not as government representatives, nor as representatives of any organization. Governments or organizations shall therefore not give them instructions with regard to matters before a panel.

2. Each panel shall develop its own working procedures. All Parties having a substantial interest in the matter and having notified this to the Committee, shall have an opportunity to be heard. Each panel may consult and seek information and technical advice from any source it deems appropriate. Before a panel seeks such information or technical advice from a source within the jurisdiction of a Party, it shall inform the government of that Party. In case such consultation with competent bodies and experts is necessary it should be at the earliest possible stage of the dispute settlement procedure. Any Party shall respond promptly and fully to any request by a panel for such information as the panel considers necessary and appropriate. Confidential information provided to the panel shall not be revealed without formal authorization from the government or person providing the information. Where such information is requested from the panel but release of such information by the panel is not authorized, a non-confidential summary of the information will be provided by the government or person supplying the information.

3. Where the parties to a dispute have failed to come to a satisfactory solution, the panel shall submit its findings in a written form. Panel reports should normally set out the rationale behind any findings and recommendations that it makes. Where a bilateral settlement of the matter has been found, the report of the panel may be confined to a brief description of the case and to reporting that a solution has been reached.

4. To encourage development of mutually satisfactory solutions between the parties and with a view to obtaining their comments, each panel should first submit the descriptive part of its report to the parties concerned, and should subsequently submit to the parties to the dispute its conclusions, or an outline thereof, a reasonable period of time before they are circulated to the Parties.

List of Rectifications to MTN/NTM/W/192/Rev.5

Page 2:	Remove the word "Draft" from the title.
Page 4:	Sixth paragraph, fourth line: add a comma after "deceptive practices".
Page 5:	The title "1. General provisions" should read "Article 1. General provisions". Similar changes should be made to the heading of the other articles throughout the text. Article 1.1, third line, should read "Nations system and by international standardizing bodies taking into ..."
Page 7	Third line "...that they proposed to introduce..." should read "that they propose to introduce ...".
Page 8:	Article 2.5.5, second and third lines: take out the words "upon request", now at the end of the second line, and insert them after "these comments" in the third line.
Page 9:	Article 2.8, second line: "parties" should read "Parties".

Page 10: Article 4.1, fourth line: the word "providing" should read "provided".

Page 12: Article 5.2, third line: insert a comma after "Parties shall ensure".

Article 5.4, first line: "Nothing in Article 5" should read "Nothing in this Article".

Page 13: Article 7.2, seventh line: "from the importing adherent" should read "from an importing Party".

Page 14: Article 7.3.2, first and second lines: "products to be covered including a brief description" should read "products to be covered by the proposed system together with a brief description".

Article 7.4.1, second line: replace the comma after "certification system" by "and".

Page 15: Article 7.4.3, first line: "parties" should read "Parties".

Page 16: Article 9.2, fourth line: "the exception of 7.2" should read "the exception of Article 7.2".

Page 18: Article 10.2.1, first line: delete the comma after "any standards adopted".

Article 10.3, third line: "by interested Parties" should read "by interested parties".

Fifth line: "of the party concerned" should read "of the Party concerned".

Article 10.4, fourth line: "developing parties" should read "developing countries Parties".

Article 10.5.3, first line: it should be made clear that the first word is "Parties".

Page 21: Article 12.1, second line: "developing parties" should read "developing country Parties".

Page 21: Article 12.4, second line: insert a comma after the words "socio-economic conditions".

Page 22: Article 12.6, second line: "on request" should read "upon request".

Page 24: Article 13.3, third line: "Codex Alimentarius" should read "the Joint FAO/WHO Codex Alimentarius Commission".

Page 25: The title before Article 14.3 should read "Dispute Settlement".

Article 14.3, second line: "expeditiously resolved" should read "expeditiously settled".

Article 14.4, second line: "any party" should read "any Party".

Article 14.5, first line: insert a comma after "selecting".

Second line: "Article 14.9 and 14.4" should read "Article 14.9 and 14.14".

Page 26: Seventh line: "consult with the parties" should read "consult with the Parties".

Page 27: Article 14.11, fifth line: "agreement between the parties" should read "agreement between the Parties".

Article 14.13, second and seventh line: "parties" should read "Parties".

Article 14.14, fourth line: "request of any party" should read "request of any Party".

Page 29: Article 14.23, next to last line: insert a comma after the words "GATT Article XXIII".

Page 30: Article 15.1, second line: Replace "General Agreement on Tariffs and Trade, hereinafter referred to as "the GATT", by "GATT";".

Page 31: Insert new Article 15.2 to read:

"This Agreement shall be open for acceptance by signature or otherwise by governments having provisionally acceded to the GATT, on terms related to the effective application of rights and obligations under this Agreement, which take into account rights and obligations in the instruments providing for their provisional accession."

Article 15.2 becomes 15.3.

Article 15.3 (old numbering) becomes 15.4 and should read: "In regard to acceptance, the provisions of Article XXVI:5(a) and (b) of the General Agreement would be applicable."

Pages 31 and 32: Article 15.4 to 15.15 become Articles 15.5 to 15.16.

Page 32: Article 15.14 (old numbering), the references to Articles 15.9, 15.2 and 15.10 should read Article 15.10, 15.3 and 15.11.

Page 36: Definition 6, first line of explanatory note: "Commity" should read "Community"

Definition 7, second line: "lander" should read "Länder".

Definition 8, second line: "including non-governmental bodies" should read "including a non-governmental body".

Page 37: Paragraph 2, first line: "governments are parties" should read "governments are Parties".

Paragraph 3, first line: "The parties to a dispute" should read "The Parties to a dispute".

Page 38: Paragraph 4, second line: "parties and with" should read "Parties and with".

Third line: "report to the parties" should read "report to the Parties".

Fourth line: "submit to the parties" should read "submit to the Parties".

Last line: add at the end, "to this Agreement.".

Page 39: Paragraph 1, sixth line: "adherent" should read "Party".

Paragraph 1, ninth line: "under Article 14.13" should read "under Article 14.13 or 14.14".

Eleventh line: "The parties" should read "The Parties".

Fifteenth line: "parties to a dispute" should read "Parties to a dispute".

Page 40: Paragraph 3, first line: "Where the parties" should read "Where the Parties".

Page 41: Paragraph 4, second line: "the parties and" should read "the Parties and".

Third line: "report to the parties" should read "report to the Parties".

Fourth line: "submit to the parties" should read "submit to the Parties".

Last line: add at the end, "to this Agreement.".

Page 4: Above the title "Preamble", add the title of the code.

Page 4: Second paragraph: add after "... the General Agreement on Tariffs and Trade", "(hereinafter referred to as the "General Agreement" or the "GATT")

Page 7: Article 2.5.1 second line: "Parties" should read "parties".

Page 9: Article 2.7, second line: "Parties" should read "parties".

Page 33: Article 15.4, line 6, "or each withdrawal" should read "and of each withdrawal".

THE AGREEMENT ON INTERPRETATION AND APPLICATION OF ARTICLES VI, XVI, AND XXIII OF THE GENERAL AGREEMENT ON TARIFFS AND TRADE (RELATING TO SUBSIDIES AND COUNTERVAILING MEASURES)

AGREEMENT ON INTERPRETATION AND APPLICATION OF ARTICLES VI, XVI AND XXIII OF THE GENERAL AGREEMENT ON TARIFFS AND TRADE*

The signatories[1] to this Agreement,

Noting that Ministers on 12-14 September 1973 agreed that the Tokyo Round of Multilateral Trade Negotiations should, inter alia, reduce or eliminate the trade restricting or distorting effects of non-tariff measures, and bring such measures under more effective international discipline;

Recognizing that subsidies are used by governments to promote important objectives of national policy;

Recognizing also that subsidies may have harmful effects on trade and production;

[1] The term "signatories" is hereinafter used to mean parties to this Agreement.

* This Agreement has been prepared and advanced by the delegations of Austria, Brazil, Bulgaria, Canada, European Communities, Finland, Hungary, India, Japan, Mexico, Norway, Poland, Sweden, Switzerland and the United States.

Recognizing that the emphasis of this Agreement should be on the effects of subsidies and that these effects are to be assessed in giving due account to the internal economic situation of the signatories concerned as well as to the state of international economic and monetary relations;

Desiring to ensure that the use of subsidies does not adversely affect or prejudice the interests of any signatory to this Agreement, and that countervailing measures do not unjustifiably impede international trade, and that relief is made available to producers adversely affected by the use of subsidies within an agreed international framework of rights and obligations;

Taking into account the particular trade, development and financial needs of developing countries;

Desiring to apply fully and to interpret the provisions of Articles VI, XVI and XXIII of the General Agreement on Tariffs and Trade[1] (hereinafter referred to as "the General Agreement" or "GATT") only with respect to subsidies and countervailing measures and to elaborate rules for their application in order to provide greater uniformity and certainty in their implementation;

Desiring to provide for the speedy, effective and equitable resolution of disputes arising under this Agreement,

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[1] Wherever in this Agreement there is reference to "the terms of this Agreement" or the "articles" or "provisions of this Agreement" it shall be taken to mean, as the context requires, the provisions of the General Agreement as interpreted and applied by this Agreement.

Have agreed as follows:

PART I

Article 1 - Application of Article VI of the General Agreement[1]

Signatories shall take all necessary steps to ensure that the imposition of a countervailing duty[2] on any product of the territory of any signatory imported into the territory of another signatory is in accordance with the provisions of Article VI of the General Agreement and the terms of this Agreement.

Article 2 - Domestic procedures and related matters

1. Countervailing duties may only be imposed pursuant to investigations initiated[3] and conducted in accordance with the provisions of this Article. An investigation to determine the existence, degree and effect of any alleged subsidy shall normally be initiated upon a written request by or on behalf of the industry affected. The request shall include sufficient evidence of the existence of (a) a subsidy and, if possible, its amount; (b) injury

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[1]The provisions of both Part I and Part II of this Agreement may be invoked in parallel: however, with regard to the effects of a particular subsidy in the domestic market of the importing country, only one form of relief (either a countervailing duty or an authorized countermeasure) shall be available.

[2]The term "countervailing duty" shall be understood to mean a special duty levied for the purpose of off-setting any bounty or subsidy bestowed directly or indirectly upon the manufacture, production or export of any merchandise, as provided for in Article VI:3 of the General Agreement.

[3]The term "initiated" as used hereinafter means procedural action by which a signatory formally commences an investigation as provided in paragraph 3 of this Article.

within the meaning of Article VI as interpreted by this Agreement[1] and (c) a causal link between the subsidized imports and the alleged injury. If in special circumstances the authorities concerned decide to initiate an investigation without having received such a request, they shall proceed only if they have sufficient evidence on all points under (a) to (c) above.

2. Each signatory shall notify the Committee of Signatories[2] (a) which of its authorities are competent to initiate and conduct investigations referred to in this Article and (b) its domestic procedures governing the initiation and conduct of such investigations.

3. When such authorities are satisfied that there is sufficient evidence to justify initiating an investigation, the signatory or signatories, the products of which are subject to such investigation and the exporters and importers known to the investigating authorities to have an interest therein and the complainants shall be notified and a public notice shall be given. In determining whether to initiate an investigation, the investigating authority should take into account the position adopted by the affiliates of a complainant party[3] which are resident in the territory of another signatory.

4. Upon initiation of an investigation and thereafter, the evidence of both a subsidy and injury caused thereby should be considered simultaneously. In any event the evidence of both the existence of subsidy

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[1] Under this Agreement the term "injury" shall, unless otherwise specified, be taken to mean material injury to a domestic industry, threat of material injury to a domestic industry or material retardation of the establishment of such an industry and shall be interpreted in accordance with the provisions of Article 6.

[2] As established in Part V of this Agreement and hereinafter referred to as the Committee.

[3] For the purpose of this Agreement "party" means any natural or juridical person resident in the territory of any signatory.

and injury shall be considered simultaneously (a) in the decision whether or not to initiate an investigation and (b) thereafter during the course of the investigation, starting on a date not later than the earliest date on which in accordance with the provisions of this Agreement provisional measures may be applied.

5. The public notice referred to in paragraph 3 above shall describe the subsidy practice or practices to be investigated. Each signatory shall ensure that its authorities afford all interested signatories and all interested parties[1] a reasonable opportunity, upon request, to see all relevant information that is not confidential (as indicated in paragraphs 6 and 7 below) and that is used by the authorities in the investigation, and to present in writing, and upon justification orally, their views to the investigating authorities.

6. Any information which is by nature confidential or which is provided on a confidential basis by parties to an investigation shall, upon cause shown, be treated as such by the investigating authorities. Such information shall not be disclosed without specific permission of the party submitting it.[2] Parties providing confidential information may be requested to furnish non-confidential summaries thereof. In the event such parties indicate that such information is not susceptible of summary, a statement of reasons why summarization is not possible must be provided.

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[1] Any "interested signatory" or "interested party" shall refer to a signatory or a party economically affected by the subsidy in question.

[2] Signatories are aware that in the territory of certain signatories disclosure pursuant to a narrowly-drawn protective order may be required.

7. However, if the investigating authorities find that a request for confidentiality is not warranted and if the party requesting confidentiality is unwilling to disclose the information, such authorities may disregard such information unless it can otherwise be demonstrated to their satisfaction that the information is correct.[1]

8. The investigating authorities may carry out investigations in the territory of other signatories as required, provided they have notified in good time the signatory in question and unless the latter objects to the investigation. Further, the investigating authorities may carry out investigations on the premises of a firm and may examine the records of a firm if (i) the firm so agrees and (ii) the signatory in question is notified and does not object.

9. In cases in which any interested party or signatory refuses access to, or otherwise does not provide, necessary information within a reasonable period or significantly impedes the investigation, preliminary and final findings[2], affirmative or negative, may be made on the basis of the facts available.

10. The procedures set out above are not intended to prevent the authorities of a signatory from proceeding expeditiously with regard to initiating an investigation, reaching preliminary or final findings, whether affirmative or negative, or from applying provisional or final measures, in accordance with relevant provisions of this Agreement.

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[1]Signatories agree that requests for confidentiality should not be arbitrarily rejected.

[2]Because of different terms used under different systems in various countries the term "finding" is hereinafter used to mean a formal decision or determination.

11. In cases where products are not imported directly from the country of origin but are exported to the country of importation from an intermediate country, the provisions of this Agreement shall be fully applicable and the transaction or transactions shall, for the purposes of this Agreement, be regarded as having taken place between the country of origin and the country of importation.

12. An investigation shall be terminated when the investigating authorities are satisfied either that no subsidy exists or that the effect of the alleged subsidy on the industry is not such as to cause injury.

13. An investigation shall not hinder the procedures of customs clearance.

14. Investigations shall, except in special circumstances, be concluded within one year after their initiation.

15. Public notice shall be given of any preliminary or final finding whether positive or negative and of the revocation of a finding. In the case of a positive finding each such notice shall set forth the findings and conclusions reached on all issues of fact and law considered material by the investigating authorities, and the reasons and basis therefor. In the case of a negative finding each notice shall set forth at least the basic conclusions and a summary of the reasons therefor. All notices of finding shall be forwarded to the signatory or signatories the products of which are subject to such finding and to the exporters known to have an interest therein.

16. Signatories shall report without delay to the Committee all preliminary or final actions taken with respect to countervailing duties. Such reports will be available in the GATT secretariat for inspection by government representatives. The signatories shall also submit, on a semi-annual basis, reports on any countervailing duty actions taken within the preceding six months.

Article 3 - Consultations

1. As soon as possible after a request for initiation of an investigation is accepted, and in any event before the initiation of any investigation, signatories the products of which may be subject to such investigations shall be afforded a reasonable opportunity for consultations with the aim of clarifying the situation as to the matters referred to in Article 2, paragraph 1 above and arriving at a mutually agreed solution.

2. Furthermore, throughout the period of investigation, signatories the products of which are the subject of the investigation shall be afforded a reasonable opportunity to continue consultations, with a view to clarifying the factual situation and to arriving at a mutually agreed solution.[1]

3. Without prejudice to the obligation to afford reasonable opportunity for consultation, these provisions regarding consultations are not intended to prevent the investigating authorities, in accordance with the provisions of this Agreement, from proceeding expeditiously with regard to initiating the investigation, reaching a preliminary or final finding, affirmative or negative, or applying a provisional or final measure.

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[1] It is particularly important, in accordance with the provisions of this paragraph, that no affirmative finding whether preliminary or final be made without reasonable opportunity for consultations having been given. Such consultations may establish the basis for proceeding under the provisions of Part VI of this Agreement.

4. The signatory which intends to initiate any investigation or is conducting such an investigation shall permit, on request, the signatory or signatories the products of which are subject to such investigation access to non-confidential evidence including the non-confidential summary of confidential data being used for initiating or conducting the investigation.

Article 4 - Imposition of countervailing duties

1. The decision whether or not to impose a countervailing duty in cases where all requirements for the imposition have been fulfilled and the decision whether the amount of the countervailing duty to be imposed shall be the full amount of the subsidy or less are decisions to be made by the authorities of the importing signatory. It is desirable that the imposition be permissive in the territory of all signatories and that the duty be less than the total amount of the subsidy if such lesser duty would be adequate to remove the injury to the domestic industry.

2. No countervailing duty shall be levied[1] on any imported product in excess of the amount of the subsidy found to exist, calculated in terms of subsidization per unit of the subsidized and exported product.[2]

3. When a countervailing duty is imposed in respect of any product, such countervailing duty shall be levied, in the appropriate amounts, on a non-discriminatory basis on imports of such product from all sources found to be subsidized and to be causing injury, except as to imports from those sources which have renounced any subsidies in question or from which undertakings under the terms of this Agreement have been accepted.

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[1] As used in this Agreement "levy" shall mean the definitive or final legal assessment or collection of a duty or tax.

[2] An understanding among signatories should be developed setting out the criteria for the calculation of the amount of the subsidy.

4. If, after reasonable efforts have been made to complete consultations, a signatory makes a final determination of the existence and amount of the subsidy and that, through the effects of the subsidy, the subsidized imports are causing injury, it may impose a countervailing duty in accordance with the provisions of this section unless the subsidy is withdrawn.

5(a) Proceedings may[1] be suspended or terminated without the imposition of provisional measures or countervailing duties, if undertakings are accepted under which:

(1) the government of the exporting country agrees to eliminate or limit the subsidy or take other measures concerning its effects; or

(2) the exporter agrees to revise its prices so that the investigating authorities are satisfied that the injurious effect of the subsidy is eliminated. Price increases under undertakings shall not be higher than necessary to eliminate the amount of the subsidy. Price undertakings shall not be sought or accepted from exporters unless the importing signatory has first (a) initiated an investigation in accordance with the provisions of Article 2 of this Agreement and (b) obtained the consent of the exporting signatory. Undertakings offered need not be accepted if the authorities of the importing signatory consider their acceptance impractical, for example if the number of actual or potential exporters is too great, or for other reasons.

(b) If the undertakings are accepted, the investigation of injury shall nevertheless be completed if the exporting signatory so desires or the importing signatory so decides. In such a case, if a determination of

[1]The word "may" shall not be interpreted to allow the simultaneous continuation of proceedings with the implementation of price undertakings, except as provided in paragraph 5(b) of this Article.

no injury or threat thereof is made, the undertaking shall automatically lapse, except in cases where a determination of no threat of injury is due in large part to the existence of an undertaking; in such cases the authorities concerned may require that an undertaking be maintained for a reasonable period consistent with the provisions of this Agreement.

(c) Price undertakings may be suggested by the authorities in the importing country, but no exporter shall be forced to enter into such an undertaking. The fact that governments or exporters do not offer such undertakings or do not accept an invitation to do so, shall in no way prejudice the consideration of the case. However, the authorities are free to determine that a threat of injury is more likely to be realized if the subsidized imports continue.

6. Authorities in an importing country may require any government or exporter from whom undertakings have been accepted to provide periodically information relevant to the fulfilment of such undertakings, and to permit verification of pertinent data. In case of violation of undertakings, the authorities of the importing country may take expeditious actions under this Agreement in conformity with its provisions which may constitute immediate application of provisional measures using the best information available. In such cases definitive duties may be levied in accordance with this Agreement on goods entered for consumption not more than ninety days before the application of such provisional measures, except that any such retroactive assessment shall not apply to imports entered before the violation of the undertaking.

7. Undertakings shall not remain in force any longer than countervailing duties could remain in force under the Agreement. The authorities of an

importing country shall review the need for the continuation of any undertaking, where warranted, on their own initiative, or if interested exporters or importers of the product in question so request and submit positive information substantiating the need for such review.

8. Whenever a countervailing duty investigation is suspended or terminated pursuant to the provisions of paragraph 5 above and whenever an undertaking is terminated, this fact shall be officially notified and must be published. Such notices shall set forth at least the basic conclusions and a summary of the reasons therefor.

9. A countervailing duty shall remain in force only as long as, and to the extent necessary to counteract the subsidization which is causing injury. The investigating authorities shall review the need for continued imposition of the duty, where warranted, on their own initiative or if any interested party so requests and submits positive information substantiating the need for review.

Article 5 - Provisional measures and retroactivity

1. Provisional measures may be taken only after a preliminary positive finding has been made that a subsidy exists and that there is sufficient evidence of injury as provided for in Article 2, paragraph 1(a) to (c). Provisional measures shall not be applied unless the authorities concerned judge that they are necessary to prevent injury being caused during the period of investigation.

2. Provisional measures may take the form of provisional countervailing duties guaranteed by cash deposits or bonds equal to the amount of the provisionally calculated amount of subsidization.

3. The imposition of provisional measures shall be limited to as short a period as possible, not exceeding four months.

4. Relevant provisions of Article 4 shall be followed in the imposition of provisional measures.

5. Where a final finding of injury (but not of a threat thereof or of a material retardation of the establishment of an industry) is made or in the case of a final finding of threat of injury where the effect of the subsidized imports would, in the absence of the provisional measures, have led to a finding of injury, countervailing duties may be levied retroactively for the period for which provisional measures, if any, have been applied.

6. If the definitive countervailing duty is higher than the amount guaranteed by the cash deposit or bond, the difference shall not be collected. If the definitive duty is less than the amount guaranteed by the cash deposit or bond, the excess amount shall be reimbursed or the bond released in an expeditious manner.

7. Except as provided in paragraph 5 above,where a finding of threat of injury or material retardation is made (but no injury has yet occurred) a definitive countervailing duty may be imposed only from the date of the finding of threat of injury or material retardation and any cash deposit made during the period of the application of provisional measures shall be refunded and any bonds released in an expeditious manner.

8. Where a final finding is negative any cash deposit made during the period of the application of provisional measures shall be refunded and any bonds released in an expeditious manner.

9. In critical circumstances where for the subsidized product in question the authorities find that injury which is difficult to repair is caused by massive imports in a relatively short period of a product benefiting from

export subsidies paid or bestowed inconsistently with the provisions of the General Agreement and of this Agreement and where it is deemed necessary, in order to preclude the recurrence of such injury, to assess countervailing duties retroactively on those imports, the definitive countervailing duties may be assessed on imports which were entered for consumption not more than ninety days prior to the date of application of provisional measures.

Article 6 - Determination of injury

1. A determination of injury[1] for purposes of Article VI of the General Agreement shall involve an objective examination of both (a) the volume of subsidized imports and their effect on prices in the domestic market for like products[2] and (b) the consequent impact of these imports on domestic producers of such products.

2. With regard to volume of subsidized imports the investigating authorities shall consider whether there has been a significant increase in subsidized imports, either in absolute terms or relative to production or consumption in the importing country. With regard to the effect of the subsidized imports on prices, the investigating authorities shall consider whether there has been a significant price undercutting by the subsidized imports as compared with the price of a like product of the importing country, or whether the effect of such imports is otherwise to depress

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[1] Determinations of injury under the criteria set forth in this Article shall be based on positive evidence. In determining threat of injury the investigating authorities, in examining the factors listed in this Article, may take into account the evidence on the nature of the subsidy in question and the trade effects likely to arise therefrom.

[2] Throughout this Agreement the term "like product" ("produit similaire") shall be interpreted to mean a product which is identical, i.e. alike in all respects to the product under consideration or in the absence of such a product, another product which, although not alike in all respects, has characteristics closely resembling those of the product under consideration.

prices to a significant degree or prevent price increases, which otherwise would have occurred, to a significant degree. No one or several of these factors can necessarily give decisive guidance.

3. The examination of the impact on the industry concerned shall include an evaluation of all relevant economic factors and indices having a bearing on the state of the industry such as actual and potential decline in output, sales, market share, profits, productivity, return on investments, or utilization of capacity; factors affecting domestic prices; actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital or investment and, in the case of agriculture, whether there has been an increased burden on government support programmes. This list is not exhaustive, nor can one or several of these factors necessarily give decisive guidance.

4. It must be demonstrated that the subsidized imports are, through the effects[1] of the subsidy, causing injury within the meaning of this Agreement. There may be other factors[2] which at the same time are injuring the industry, and the injuries caused by other factors must not be attributed to the subsidized imports.

5. In determining injury, the term "domestic industry" shall, except as provided in paragraph 7 below, be interpreted as referring to the domestic producers as a whole of the like products or to those of them whose

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[1]As set forth in paragraphs 2 and 3 of this Article.

[2]Such factors can include inter alia, the volume and prices of non-subsidized imports of the product in question, contraction in demand or changes in the pattern of consumption, trade restrictive practices of and competition between the foreign and domestic producers, developments in technology and the export performance and productivity of the domestic industry.

collective output of the products constitutes a major proportion of the total domestic production of those products, except that when producers are related[1] to the exporters or importers or are themselves importers of the allegedly subsidized product the industry may be interpreted as referring to the rest of the producers.

6. The effect of the subsidized imports shall be assessed in relation to the domestic production of the like product when available data permit the separate identification of production in terms of such criteria as: the production process, the producers' realization, profits. When the domestic production of the like product has no separate identity in these terms the effects of subsidized imports shall be assessed by the examination of the production of the narrowest group or range of products, which includes the like product, for which the necessary information can be provided.

7. In exceptional circumstances the territory of a signatory may, for the production in question, be divided into two or more competitive markets and the producers within each market may be regarded as a separate industry if (a) the producers within such market sell all or almost all of their production of the product in question in that market, and (b) the demand in that market is not to any substantial degree supplied by producers of the product in question located elsewhere in the territory. In such circumstances, injury may be found to exist even where a major portion of

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[1] The Committee should develop a definition of the word "related" as used in this paragraph.

the total domestic industry is not injured provided there is a concentration of subsidized imports into such an isolated market and provided further that the subsidized imports are causing injury to the producers of all or almost all of the production within such market.

8. When the industry has been interpreted as referring to the producers in a certain area, as defined in paragraph 7 above, countervailing duties shall be levied only on the products in question consigned for final consumption to that area. When the constitutional law of the importing country does not permit the levying of countervailing duties on such a basis, the importing signatory may levy the countervailing duties without limitation, only if (1) the exporters shall have been given an opportunity to cease exporting at subsidized prices to the area concerned or otherwise give assurances pursuant to Article 4, paragraph 5, of this Agreement, and adequate assurances in this regard have not been promptly given, and (2) such duties cannot be levied only on products of specific producers which supply the area in question.

9. Where two or more countries have reached under the provisions of Article XXIV:8(a) of the General Agreement such a level of integration that they have the characteristics of a single, unified market the industry in the entire area of integration shall be taken to be the industry referred to in paragraphs 5 to 7 above.

PART II

Article 7 - Notification of subsidies[1]

1. Having regard to the provisions of Article XVI:1 of the General Agreement, any signatory may make a written request for information on the nature and extent of any subsidy granted or maintained by another signatory (including any form of income or price support) which operates directly or indirectly to increase exports of any product from or reduce imports of any product into its territory.

2. Signatories so requested shall provide such information as quickly as possible and in a comprehensive manner, and shall be ready upon request to provide additional information to the requesting signatory. Any signatory which considers that such information has not been provided may bring the matter to the attention of the Committee.

3. Any interested signatory which considers that any practice of another signatory having the effects of a subsidy has not been notified in accordance with the provisions of Article XVI:1 of the General Agreement may bring the matter to the attention of such other signatory. If the subsidy practice is not thereafter notified promptly, such signatory may itself bring the subsidy practice in question to the notice of the Committee.

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[1] In this Agreement, the term "subsidies" shall be deemed to include subsidies granted by any government or any public body within the territory of a signatory. However, it is recognized that for signatories with different federal systems of government, there are different divisions of powers. Such signatories accept nonetheless the international consequences that may arise under this Agreement as a result of the granting of subsidies within their territories.

Article 3 - Subsidies - General Provisions

1. Signatories recognize that subsidies are used by governments to promote important objectives of social and economic policy. Signatories also recognize that subsidies may cause adverse effects to the interests of other signatories.

2. Signatories agree not to use export subsidies in a manner inconsistent with the provisions of this Agreement.

3. Signatories further agree that they shall seek to avoid causing, through the use of any subsidy:

(a) injury to the domestic industry of another signatory[1];

(b) nullification or impairment of the benefits accruing directly or indirectly to another signatory under the General Agreement[2]; or

(c) serious prejudice to the interests of another signatory.[3]

4. The adverse effects to the interests of another signatory required to demonstrate nullification or impairment[4] or serious prejudice may arise through:

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[1]The term injury to domestic industry is used here in the same sense as it is used in Part I of this Agreement.

[2]Benefits accruing directly or indirectly under the General Agreement include the benefits of tariff concessions bound under Article II of the General Agreement.

[3]Serious prejudice to the interests of another signatory is used in this Agreement in the same sense as it is used in Article XVI:1 of the General Agreement and includes threat of serious prejudice.

[4]Signatories recognize that nullification or impairment of benefits may also arise through the failure of a signatory to carry out its obligations under the General Agreement or this Agreement. Where such failure concerning export subsidies is determined by the Committee to exist, adverse effects may, without prejudice to paragraph 9 of Article 18 below, be presumed to exist. The other signatory will be accorded a reasonable opportunity to rebut this presumption.

(a) the effects of the subsidized imports in the domestic market of the importing signatory;

(b) the effects of the subsidy in displacing or impeding the imports of like products into the market of the subsidizing country; or

(c) the effects of the subsidized exports in displacing[1] the exports of like products of another signatory from a third country market.[2]

Article 9 - Export subsidies on products other than certain primary products[3]

1. Signatories shall not grant export subsidies on products other than certain primary products.

2. The practices listed in points (a) to (l) in the Annex are illustrative of export subsidies.

Article 10 - Export subsidies on certain primary products[4]

1. In accordance with the provisions of Article XVI:3 of the General Agreement, signatories agree not to grant directly or indirectly any export subsidy on certain primary products in a manner which results in the signatory granting such subsidy having more than an equitable share of world export trade in such product, account being taken of the shares of the signatories in trade in the product concerned during a previous representative period, and any special factors which may have affected or may be affecting trade in such product.

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[1] The term "displacing" shall be interpreted in a manner which takes into account the trade and development needs of developing countries and in this connection is not intended to fix traditional market shares.

[2] The problem of third country markets so far as certain primary products are concerned are dealt with exclusively under Article 10 below.

[3] For definition of "certain primary products" see footnote to Article 10 below.

[4] For purposes of this Agreement "certain primary products" means the products enumerated in Note Ad Article XVI of the General Agreement, Section B, paragraph 2, with the deletion of the words "or any mineral".

2. For purposes of Article XVI:3 of the General Agreement and paragraph 1 above:

(a) "more than an equitable share of world export trade" shall include any case in which the effect of an export subsidy granted by a signatory is to displace the exports of another signatory bearing in mind the developments on world markets;

(b) with regard to new markets traditional patterns of supply of the product concerned to the world market, region or country, in which the new market is situated shall be taken into account in determining "equitable share of world export trade";

(c) "a previous representative period" shall normally be the three most recent calendar years in which normal market conditions existed.

3. Signatories further agree not to grant export subsidies on exports of certain primary products to a particular market in a manner which results in prices materially below those of other suppliers to the same market.

Article 11 - Subsidies other than export subsidies

1. Signatories recognize that subsidies other than export subsidies are widely used as important instruments for the promotion of social and economic policy objectives and do not intend to restrict the right of signatories to use such subsidies to achieve these and other important policy objectives which they consider desirable. Signatories note that among such objectives are:

- the elimination of industrial, economic and social disadvantages of specific regions;

- to facilitate the restructuring, under socially acceptable conditions, of certain sectors, especially where this has become necessary by reason of changes in trade and economic policies, including international agreements resulting in lower barriers to trade;
- generally to sustain employment and to encourage re-training and change in employment;
- to encourage research and development programmes, especially in the field of high-technology industries;
- the implementation of economic programmes and policies to promote the economic and social development of developing countries;
- redeployment of industry in order to avoid congestion and environmental problems.

2. Signatories recognize, however, that subsidies other than export subsidies, certain objectives and possible forms of which are described, respectively, in paragraphs 1 and 3 of this Article, may cause or threaten to cause injury to a domestic industry of another signatory or serious prejudice to the interests of another signatory or may nullify or impair benefits accruing to another signatory under the General Agreement, in particular where such subsidies would adversely affect the conditions of normal competition. Signatories shall therefore seek to avoid causing such effects through the use of subsidies. In particular, signatories, when drawing up their policies and practices in this field, in addition to evaluating the essential internal objectives to be achieved, shall also weigh, as far as practicable, taking account of the nature of the particular case, possible adverse effects on

trade. They shall also consider the conditions of world trade, production (e.g. price, capacity utilization etc.) and supply in the product concerned.

3. Signatories recognise that the objectives mentioned in paragraph 1 above may be achieved, inter alia, by means of subsidies granted with the aim of giving an advantage to certain enterprises. Examples of possible forms of such subsidies are: government financing of commercial enterprises, including grants, loans or guarantees; government provision or government financed provision of utility, supply distribution and other operational or support services or facilities; government financing of research and development programmes; fiscal incentives; and government subscription to, or provision of, equity capital.

The signatories note that the above forms of subsidy are normally granted either regionally or by sector. The enumeration of forms of subsidy set out above is illustrative and non-exhaustive, and reflects those currently granted by a number of signatories to this Agreement.

Signatories recognize, nevertheless, that the enumeration of forms of subsidy set out above should be reviewed periodically and that this should be done, through consultations, in conformity with the spirit of Article XVI:5 of the General Agreement.

4. The signatories recognize further that, without prejudice to their rights under this Agreement, nothing in paragraphs 1-3 above and in particular the enumeration of forms of subsidy creates, in itself, any basis for action under the General Agreement, as interpreted by this Agreement.

Article 12 - Consultations

1. Whenever a signatory has reason to believe that an export subsidy is being granted or maintained by another signatory in a manner inconsistent with the provisions of this Agreement, such signatory may request consultations with such other signatory.

2. A request for consultations under paragraph 1 above shall include a statement of available evidence with regard to the existence and nature of the subsidy in question.

3. Whenever a signatory has reason to believe that any subsidy is being granted or maintained by another signatory and that such subsidy either causes injury to its domestic industry, nullification or impairment of benefits accruing to it under the General Agreement, or serious prejudice to its interests, such signatory may request consultations with such other signatory.

4. A request for consultations under paragraph 3 above shall include a statement of available evidence with regard to (a) the existence and nature of the subsidy in question and (b) the injury to the domestic industry caused or, in the case of nullification or impairment, or serious prejudice, the adverse effects caused to the interests of the signatory requesting consultations.

5. Upon request for consultations under paragraph 1 or paragraph 3 above, the signatory believed to be granting or maintaining the subsidy practice in question shall enter into such consultations as quickly as possible. The purpose of the consultations shall be to clarify the facts of the situation and to arrive at a mutually acceptable solution.

Article 13 - Conciliation, dispute settlement and authorized countermeasures

1. If, in the case of consultations under paragraph 1 of Article 12, a mutually acceptable solution has not been reached within thirty days[1] of the request for consultations, any signatory party to such consultations may refer the matter to the Committee for conciliation in accordance with the provisions of Part VI.

2. If, in the case of consultations under paragraph 3 of Article 12, a mutually acceptable solution has not been reached within sixty days of the request for consultations, any signatory party to such consultations may refer the matter to the Committee for conciliation in accordance with the provisions of Part VI.

3. If any dispute arising under this Agreement is not resolved as a result of consultations or conciliations, the Committee shall, upon request, review the matter in accordance with the dispute settlement procedures of Part VI.

4. If, as a result of its review, the Committee concludes that an export subsidy is being granted in a manner inconsistent with the provisions of this Agreement or that a subsidy is being granted or maintained in such a manner as to cause injury, nullification or impairment, or serious prejudice, it shall make such recommendations[2] to the parties as may be appropriate to resolve the issue and, in the event the recommendations are not followed, it may authorize such countermeasures as may be appropriate, taking into account the degree and nature of the adverse effects found to exist.

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[1] Any time periods mentioned in this Article and in Article 18 may be extended by mutual agreement.

[2] In making such recommendations, the Committee shall take into account the trade, development and financial needs of developing country signatories.

PART III

Article 14 - Developing countries

1. Signatories recognize that subsidies are an integral part of economic development programmes of developing countries.

2. Accordingly, this Agreement shall not prevent developing country signatories from adopting measures and policies to assist their industries, including those in the export sector. In particular the commitment of Article 9 shall not apply to developing country signatories, subject to the provisions of paragraphs 5 through 8 below.

3. Developing country signatories agree that export subsidies on their industrial products shall not be used in a manner which causes serious prejudice to the trade or production of another signatory.

4. There shall be no presumption that export subsidies granted by developing country signatories result in adverse effects, as defined in this Agreement, to the trade or production of another signatory. Such adverse effects shall be demonstrated by positive evidence, through an economic examination of the impact on trade or production of another signatory.

5. A developing country signatory should endeavour to enter into a commitment[1] to reduce or eliminate export subsidies when the use of such export subsidies is inconsistent with its competitive and development needs.

6. When a developing country has entered into a commitment to reduce or eliminate export subsidies, as provided in paragraph 5 above, countermeasures pursuant to the provisions of Parts II and VI of this Agreement against any export subsidies of such developing country shall not be authorized for other

[1] It is understood that after this Agreement has entered into force, any such proposed commitment shall be notified to the Committee in good time.

signatories of this Agreement, provided that the export subsidies in question are in accordance with the terms of the commitment referred to in paragraph 5 above.

7. With respect to any subsidy, other than an export subsidy, granted by a developing country signatory, action may not be authorized or taken under Parts II and VI of this Agreement, unless nullification or impairment of tariff concessions or other GATT obligations is found to exist as a result of such subsidy, in such a way as to displace or impede imports of like products into the market of the subsidizing country, or unless injury to domestic industry in the importing market occurs in terms of Article VI of the General Agreement, as interpreted and applied by this Agreement. Signatories recognize that in developing countries, governments may play a large rôle in promoting economic growth and development. Intervention by government in the economy, for example through the practices enumerated in paragraph 3 of Article 11, shall not, per se, be considered subsidies.

8. The Committee shall, upon request by an interested signatory, undertake a review of a specific export subsidy practice of a developing country signatory to examine the extent to which the practice is in conformity with the objectives of this Agreement. If a developing country has entered into a commitment pursuant to paragraph 5 of this Article, it shall not be subject to such review for the period of that commitment.

9. The Committee shall, upon request by an interested signatory, also undertake similar reviews of measures maintained or taken by developed country signatories under the provisions of this Agreement which affect interests of a developing country signatory.

10. Signatories recognize that the obligations of this Agreement with respect to export subsidies for certain primary products apply to all signatories.

PART IV

Article 15 - Special situations

In cases of alleged injury caused by imports from a country described in the notes and supplementary provisions to the General Agreement (Annex I, Article VI, paragraph 1, point 2) the importing signatory may base its procedures and measures either

(a) on this Agreement, or, alternatively

(b) on the Anti-dumping Code,

it being understood that in both cases the calculation of the margin of dumping or of the amount of the estimated subsidy can be made by comparison of the export price with:

(a) the price at which a like product of a country other than the importing signatory or those mentioned above is sold, or

(b) the constructed value[1] of a like product in a country other than the importing signatory or those mentioned above.

If neither prices nor constructed value as established under (a) or (b) above provide an adequate basis for determination of dumping or subsidization then the price in the importing signatory, if necessary duly adjusted to reflect reasonable profits, may be used.

All calculations shall be based on prices or costs ruling at the same level of trade, normally at the ex factory level, and in respect of operations made as nearly as possible at the same time. Due allowance shall be made in each case, on its merits, for the difference in conditions and terms of sale or in taxation and for the other differences affecting price comparability, so that the method of comparison applied is appropriate and not unreasonable.

[1]Constructed value means cost of production plus a reasonable amount for administration, selling and any other costs and for profits.

PART V

Article 16 - Committee of Signatories

1. There shall be established under this Agreement a Committee of Signatories composed of representatives from each of the signatories to this Agreement. The Committee shall elect its own Chairman and shall meet not less than twice a year and otherwise as envisaged by relevant provisions of this Agreement at the request of any signatory. The Committee shall carry out responsibilities as assigned to it under this Agreement or by the signatories and it shall afford signatories the opportunity of consulting on any matters relating to the operation of the Agreement or the furtherance of its objectives. The GATT secretariat shall act as the secretariat to the Committee.

2. The Committee may set up subsidiary bodies as appropriate.

3. In carrying out their functions, the Committee and any subsidiary bodies may consult with and seek information from any source they deem appropriate. However, before the Committee or a subsidiary body seeks such information from a source within the jurisdiction of a signatory, it shall inform the signatory involved.

PART VI

Article 17 - Conciliation

1. In cases where matters are referred to the Committee for conciliation failing a mutually agreed solution in consultations under any provision of this Agreement, the Committee shall immediately review the facts involved and, through its good offices, shall encourage the signatories involved to develop a mutually acceptable solution.[1]

2. Signatories shall make their best efforts to reach a mutually satisfactory solution throughout the period of conciliation.

3. Should the matter remain unresolved, notwithstanding efforts at conciliation made under paragraph 2 above, any signatory involved may, thirty days after the request for conciliation, request that a panel be established by the Committee in accordance with the provisions of Article 18 below.

Article 18 - Dispute settlement

1. The Committee shall establish a panel upon request pursuant to paragraph 3 of Article 17.[2] A panel so established shall review the facts of the matter and, in light of such facts, shall present to the Committee

[1]In this connection, the Committee may draw signatories' attention to those cases in which, in its view, there is no reasonable basis supporting the allegations made.

[2]This does not preclude, however, the more rapid establishment of a panel when the Committee so decides, taking into account the urgency of the situation.

its findings concerning the rights and obligations of the signatories party to the dispute under the relevant provisions of the General Agreement as interpreted and applied by this Agreement.

2. A panel should be established within thirty days of a request therefor[1] and a panel so established should deliver its findings to the Committee within sixty days after its establishment.

3. When a panel is to be established, the Chairman of the Committee, after securing the agreement of the signatories concerned, should propose the composition of the panel. Panels shall be composed of three or five members, preferably governmental, and the composition of panels should not give rise to delays in their establishment. It is understood that citizens of countries whose governments[2] are parties to the dispute would not be members of the panel concerned with that dispute.

4. In order to facilitate the constitution of panels, the Chairman of the Committee should maintain an informal indicative list of governmental and non-governmental persons qualified in the fields of trade relations, economic development, and other matters covered by the General Agreement and this Agreement, who could be available for serving on panels. For this purpose, each signatory would be invited to indicate at the beginning of every year to the Chairman of the Committee the name of one or two persons who would be available for such work.

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[1]The parties to the dispute would respond within a short period of time, i.e., seven working days, to nominations of panel members by the Chairman of the Committee and would not oppose nominations except for compelling reasons.

[2]The term "governments" is understood to mean governments of all member countries in cases of customs unions.

5. Panel members would serve in their individual capacities and not as government representatives, nor as representatives of any organization. Governments would therefore not give them instructions with regard to matters before a panel. Panel members should be selected with a view to ensuring the independence of the members, a sufficiently diverse background and a wide spectrum of experience.

6. To encourage development of mutually satisfactory solutions between the parties to a dispute and with a view to obtaining their comments, each panel should first submit the descriptive part of its report to the parties concerned, and should subsequently submit to the parties to the dispute its conclusions, or an outline thereof, a reasonable period of time before they are circulated to the Committee.

7. If a mutually satisfactory solution is developed by the parties to a dispute before a panel, any signatory with an interest in the matter has a right to enquire about and be given appropriate information about that solution and a notice outlining the solution that has been reached shall be presented by the panel to the Committee.

8. In cases where the parties to a dispute have failed to come to a satisfactory solution, the panels shall submit a written report to the Committee which should set forth the findings of the panel as to the questions of fact and the application of the relevant provisions of the General Agreement as interpreted and applied by this Agreement and the reasons and bases therefor.

9. The Committee shall consider the panel report as soon as possible and, taking into account the findings contained therein, may make recommendations to the parties with a view to resolving the dispute. If the Committee's recommendations are not followed within a reasonable period, the Committee may authorize appropriate countermeasures (including withdrawal of GATT concessions or obligations) taking into account the nature and degree of the adverse effect found to exist. Committee recommendations should be presented to the parties within thirty days of the receipt of the panel report.

PART VII

Article 19 - Final provisions

1. No specific action against a subsidy of another signatory can be taken except in accordance with the provisions of the General Agreement, as interpreted by this Agreement.[1]

Acceptance and accession

2. (a) This Agreement shall be open for acceptance by signature or otherwise, by governments contracting parties to the GATT and by the European Economic Community.

(b) This Agreement shall be open to accession by any other government on terms, related to the effective application of rights and obligations under this Agreement, to be agreed between that government and the signatories, by the deposit with the Director-General to the CONTRACTING PARTIES to the GATT of an instrument of accession which states the terms so agreed.

[1] This paragraph is not intended to preclude action under other relevant provisions of the General Agreement, where appropriate.

(c) Contracting parties may accept this Agreement in respect of those territories for which they have international responsibility, provided that the GATT is being applied in respect of such territories in accordance with the provisions of Article XXVI:5(a) or (b) of the General Agreement; and in terms of such acceptance, each such territory shall be treated as though it were a signatory.

Reservations

3. Reservations may not be entered in respect of any of the provisions of this Agreement without the consent of the other signatories.

Entry into force

4. This Agreement shall enter into force on 1 January 1980 for the governments[1] which have accepted or acceded to it by that date. For each other government it shall enter into force on the thirtieth day following the date of its acceptance or accession to this Agreement.

National legislation

5. (a) Each government accepting or acceding to this Agreement shall take all necessary steps, of a general or particular character, to ensure, not later than the date of entry into force of this Agreement for it, the conformity of its laws, regulations and administrative procedures with the provisions of this Agreement as they may apply to the signatory in question.

(b) Each signatory shall inform the Committee of any changes in its laws and regulations relevant to this Agreement and in the administration of such laws and regulations.

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[1]The term "governments" is deemed to include the competent authorities of the European Economic Community.

Review

6. The Committee shall review annually the implementation and operation of this Agreement taking into account the objectives thereof. The Committee shall annually inform the CONTRACTING PARTIES to the GATT of developments during the period covered by such reviews.[1]

Amendments

7. The signatories may amend this Agreement having regard, inter alia, to the experience gained in its implementation. Such an amendment, once the signatories have concurred in accordance with procedures established by the Committee, shall not come into force for any signatory until it has been accepted by such signatory.

Withdrawal

8. Any signatory may withdraw from this Agreement. The withdrawal shall take effect upon the expiration of sixty days from the day on which written notice of withdrawal is received by the Director-General to the CONTRACTING PARTIES to the GATT. Any signatory may upon such notification request an immediate meeting of the Committee.

Non-application of this Agreement between particular signatories

9. This Agreement shall not apply as between any two signatories if either of the signatories, at the time either accepts or accedes to this Agreement, does not consent to such application.

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[1]At the first such review, the Committee shall, in addition to its general review of the operation of the Agreement, offer all interested signatories an opportunity to raise questions and discuss issues concerning specific subsidy practices and the impact on trade, if any, of certain direct tax practices.

Annex

10. The annex to this Agreement constitutes an integral part thereof.

Secretariat

11. This Agreement shall be serviced by the GATT secretariat.

Deposit

12. This Agreement shall be deposited with the Director-General to the CONTRACTING PARTIES to the GATT, who shall promptly furnish to each signatory and each contracting party to the GATT a certified copy thereof and of each amendment thereto pursuant to paragraph 7, and a notification of each acceptance thereof or accession thereto pursuant to paragraph 2, or each withdrawal therefrom pursuant to paragraph 8 above.

Registration

13. This Agreement shall be registered in accordance with the provisions of Article 102 of the Charter of the United Nations.

Done at Geneva this ..... day of ..... nineteen hundred and seventy-nine in a single copy, in the English, French and Spanish languages, each text being authentic.

ANNEX

Illustrative List of Export Subsidies

(a) The provision by governments of direct subsidies to a firm or an industry contingent upon export performance.

(b) Currency retention schemes or any similar practices which involve a bonus on exports.

(c) Internal transport and freight charges on export shipments, provided or mandated by governments, on terms more favourable than for domestic shipments.

(d) The delivery by governments or their agencies of imported or domestic products or services for use in the production of exported goods, on terms or conditions more favourable than for delivery of like or directly competitive products or services for use on the production of goods for domestic consumption, if (in the case of products) such terms or conditions are more favourable than those commercially available on world markets to its exporters.

(e) The full or partial exemption, remission, or deferral specifically related to exports, of direct taxes[1/] or social welfare charges paid or payable by industrial or commercial enterprises.[2/]

(f) The allowance of special deductions directly related to exports or export performance, over and above those granted in respect to production for domestic consumption, in the calculation of the base on which direct taxes are charged.

(g) The exemption or remission in respect of the production and distribution of exported products, of indirect taxes[1/] in excess of those levied in respect of the production and distribution of like products when sold for domestic consumption.

(h) The exemption, remission or deferral of prior stage cumulative indirect taxes[1/] on goods or services used in the production of exported products in excess of the exemption, remission or deferral of like prior stage cumulative indirect taxes on goods or services used in the production of like products when sold for domestic consumption; provided, however, that prior stage cumulative indirect taxes may be exempted, remitted or deferred on exported products even when not exempted, remitted or deferred on like products when sold for domestic consumption, if the prior stage cumulative indirect taxes are levied on goods that are physically incorporated (making normal allowance for waste) in the exported product.[3/]

(i) The remission or drawback of import charges[1/] in excess of those levied on imported goods that are physically incorporated (making normal allowance for waste) in the exported product; provided, however, that in particular cases a firm may use a quantity of home market goods equal to, and having the same quality and characteristics as, the imported goods as a substitute for them in order to benefit from this provision if the import and the corresponding export operations both occur within a reasonable time period, normally not to exceed two years.

(j) The provision by governments (or special institutions controlled by governments) of export credit guarantee or insurance programmes,

of insurance or guarantee programmes against increases in the costs of exported products[4/] or of exchange risk programmes, at premium rates, which are manifestly inadequate to cover the long-term operating costs and losses of the programmes.[5/]

(k) The grant by governments (or special institutions controlled by and/or acting under the authority of governments) of export credits at rates below those which they actually have to pay for the funds so employed (or would have to pay if they borrowed on international capital markets in order to obtain funds of the same maturity and denominated in the same currency as the export credit), or the payment by them of all or part of the costs incurred by exporters or financial institutions in obtaining credits, in so far as they are used to secure a material advantage in the field of export credit terms.

Provided, however, that if a signatory is a party to an international undertaking on official export credits to which at least twelve original signatories[6/] to this Agreement are parties as of 1 January 1979 (or a successor undertaking which has been adopted by those original signatories), or if in practice a signatory applies the interest rates provisions of the relevant undertaking, an export credit practice which is in conformity with those provisions shall not be considered an export subsidy prohibited by this Agreement.

(l) Any other charge on the public account constituting an export subsidy in the sense of Article XVI of the General Agreement.

NOTES

1/ For the purpose of this Agreement:

The term "direct taxes" shall mean taxes on wages, profits, interest, rents, royalties, and all other forms of income, and taxes on the ownership of real property.

The term "import charges" shall mean tariffs, duties, and other fiscal charges not elsewhere enumerated in this note that are levied on imports.

The term "indirect taxes" shall mean sales, excise, turnover, value added, franchise, stamp, transfer, inventory and equipment taxes, border taxes and all taxes other than direct taxes and import charges.

"Prior stage" indirect taxes are those levied on goods or services used directly or indirectly in making the product.

"Cumulative" indirect taxes are multi-staged taxes levied where there is no mechanism for subsequent crediting of the tax if the goods or services subject to tax at one stage of production are used in a succeeding stage of production.

"Remission" of taxes includes the refund or rebate of taxes.

2/ The signatories recognize that deferral need not amount to an export subsidy where, for example, appropriate interest charges are collected. The signatories further recognize that nothing in this text prejudges the disposition by the Contracting Parties of the specific issues raised in GATT document L/4422.

The signatories reaffirm the principle that prices for goods in transactions between exporting enterprises and foreign buyers under their or under the same control should for tax purposes be the prices which would be charged between independent enterprises acting at arm's length. Any signatory may draw the attention of another signatory to administrative or other practices which may contravene this principle and which result in a significant saving of direct taxes in export transactions. In such circumstances the signatories shall normally attempt to resolve their differences using the facilities of existing bilateral tax treaties or other specific international mechanisms, without prejudice to the rights and obligations of signatories under the General Agreement, including the right of consultation created in the preceding sentence.

Paragraph (e) is not intended to limit a signatory from taking measures to avoid the double taxation of foreign source income earned by its enterprises or the enterprises of another signatory.

Where measures incompatible with the provisions of paragraph (e) exist, and where major practical difficulties stand in the way of the signatory concerned bringing such measures promptly into conformity with the Agreement, the signatory concerned shall, without prejudice to the rights of other signatories under the General Agreement or this Agreement, examine methods of bringing these measures into conformity within a reasonable period of time.

In this connection the European Economic Community has declared that Ireland intends to withdraw by 1 January 1981 its system of preferential tax measures related to exports, provided for under the Corporation Tax Act of 1976, whilst continuing nevertheless to honour legally binding commitments entered into during the lifetime of this system.

3/ Paragraph (h) does not apply to value-added tax systems, and border-tax adjustment in lieu thereof and the problem of the excessive remission of value-added taxes is exclusively covered by paragraph (g).

4/ The signatories agree that nothing in this paragraph shall prejudge or influence the deliberations of the panel established by the GATT Council on 6 June 1978 (C/M/126).

5/ In evaluating the long-term adequacy of premium rates, costs and losses of insurance programmes, in principle only such contracts shall be taken into account that were concluded after the date of entry into force of this Agreement.

6/ An original signatory to this Agreement shall mean any signatory which adheres ad referendum to the Agreement on or before 30 June 1979.

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RECTIFICATIONS TO THE AGREEMENT ON INTERPRETATION AND APPLICATION OF ARTICLES VI, XVI AND XXIII OF THE GENERAL AGREEMENT ON TARIFFS AND TRADE

Page 1, Preamble, second line - delete "Tokyo Round of"

Footnote 1 - replace "Parties" for "parties"

Footnote* - delete

Page 4, Article 2:1(b), top of the page - add "of the General Agreement" after "Article VI"

Article 2:2 - replace "Committee of Signatories" by "Committee on Subsidies and Countervailing Measures"

Art. 2:3, first line - replace "such" by "the investigating"

Art, 2:3, seventh line - replace "authority" by "authorities"

Page 5, Article 2:5, third line - replace "its" by "the investigating"

Article 2:5, sixth line - insert "investigating" before "authorities"

Page 6, Article 2:8 - replace "(i)" and "(ii)" by "(a)" and "(b)" respectively.

Page 7, Article 2:15, second and third line - replace "positive" by "affirmative"

Page 8, Article 3:3

"3. Without prejudice to the obligation to afford reasonable opportunity for consultations, these provisions regarding consultations are not intended to prevent the authorities of a signatory from proceeding expeditiously with regard to initiating the investigation reaching preliminary or final findings, whether affirmative or negative, or from applying provisional or final measures, in accordance with relevant provisions to this Agreement".

Page 9, Article 3:4, third line - replace "on request" by "upon request"

Page 10, Article 4:5(a) - sub.paragraphs (1) and (2) are renumbered (i) and (ii) respectively and the sub-paragraph (a) and (b) are renumbered (1) and (2).

Page 11, Article 4:5(c), second line - replace "country" by "signatory"

Article 4:6, first and fifth line - replace "country" by "signatory"

Article 4:7, second line - replace "the Agreement" by "this Agreement"

Page 12, Article 4:7, first line from the top of the page - replace "country" by "signatory"

Page 13, Article 5:4 - insert "The" before "Relevant".

Page 14, Article 6:2, fourth ane eight line - replace "country" by "signatory"

Page 15, Article 6:3, first line and Article 6:4, third line - insert "domestic" before "industry".

Page 17, Article 6:8, fifth line, - replace "country" by "signatory". In the same paragraph renumber the sub-paragraphs (1) and (2) as (a) and (b) respectively.

Page 20, Article 9, footnote 3 should be delete and the footnote 4 will become footnote 3. In this footnote, second line - replace "enumerated" by "referred to".

Article 10 - delete reference to footnote 4.

Pages 21/22, Article 11:1 - objectives enumerated in this paragraph are numbered from (a) to (f).

Page 23, Article 11 - at the beginning of the second sub-paragraph of paragraph 3 and of paragraph 4 delete "The" and in the second and third sub-paragraphs of paragraph 3 and in paragraph 4 replace "forms of subsidy" by forms of subsidies"

Page 24, Article 12:4 - sub-paragraph(b) should start "(b) the injury caused to the domestic industry or, ..."

Page 25, Article 3:4, last line, add at the end", in accordance with the relevant provisions of Part VI."

Page 27, Article 14:7, fourth line - replace "GATT obligations" by "obligations under the General Agreement".

- seventh line - insert "of a signatory after "market"
- tenth line - the last sentence should start with "Intervention by such governments in their economy .... "

Page 28, Article 15 - the beginning should read: "1. In cases of alleged injury caused by imports from a country described in NOTES AND SUPPLEMENTARY PROVISIONS to the General Agreement ..."

- sub-paragraph (b) - replace "Anti-Dumping Code" by Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade".
- second alinéa should start: "2. It is understood that in both cases (a) and (b) above ..."
- third alinéa should start: "3. If neither prices nor constructed value as established under (a) or (b) of paragraph 2 ..."
- fourth alinéa should start: "4. All calculations under the provisions of paragraphs 2 and 3 above ..."

Page 29, Article 16 - the title should read: "Committee on Subsidies and Countervailing Measures" and a corresponding change should be made in the first line of paragraph 1.

Page 36 Article 19:12 - in the third line insert a comma after "thereof" and delete "and",

- in the fifth line delete ",or" after "paragraph 2" and insert "and".

Page 37, item (d) - replace "its" by "their".

Agreement on Interpretation and Application of Articles VI, XVI and XXIII of the General Agreement on Tariffs and Trade

Page 4: In footnote 2, the word "Committee" should appear in quotation marks.

Page 11: Article 4:6, replace "in" by "of" in first line.

Page 11: Article 4:5(c), replace "in" by "of" in first line.

Page 19: Footnote 1 should read: "Injury to the domestic industry is used here in the same sense as it is used in Part I of this Agreement."

Page 33: Article 19 - paragraph (b) will become paragraph (c), paragraph (c) will be deleted and replaced by a new paragraph (d), a new paragraph (b) will be added. The revised text will read:

"(b) This Agreement shall be open for acceptance by signature or otherwise by governments having provisionally acceded to the GATT on terms related to the effective application of rights and obligations under this Agreement, which take into account rights and obligations in the in struments providing for their provisional accession.

(c) This Agreement shall be open to accession by any other governments on terms, related to the effective application of rights and obligations under this Agreement, to be agreed between that government and the Parties, by the deposit with the Director-General to the CONTRACTING PARTIES to the GATT of an instrument of accession which states the terms so agreed.

(d) In regard to acceptance, the provisions of Article XXVI:5(a) and (b) of the General Agreement would be applicable."

Page 42: Note 3 - in the first line delete comma after "value-added tax systems" and insert a semicolon after "in lieu thereof" and delete the second "and".

THE AGREEMENT ON IMPLEMENTATION OF ARTICLE VI OF THE GENERAL AGREEMENT ON TARIFFS AND TRADE (RELATING TO ANTIDUMPING MEASURES)

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9 April 1979
Special Distribution

GENERAL AGREEMENT ON TARIFFS AND TRADE

Multilateral Trade Negotiations

Group "Non-Tariff Measures"

ANTI-DUMPING

Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade

(311)

47-231 O - 79 - 21

AGREEMENT ON IMPLEMENTATION OF ARTICLE VI OF THE GENERAL AGREEMENT ON TARIFFS AND TRADE

The Parties to this Agreement (hereinafter referred to as the Parties)

Recognizing that anti-dumping practices should not constitute an unjustifiable impediment to international trade and that anti-dumping duties may be applied against dumping only if such dumping causes or threatens material injury to an established industry or materially retards the establishment of an industry;

Considering that it is desirable to provide for equitable and open procedures as the basis for a full examination of dumping cases;

Taking into account the particular trade development and financial needs of developing countries;

Desiring to interpret the provisions of Article VI of the General Agreement and to elaborate rules for their application in order to provide greater uniformity and certainty in their implementation; and

Desiring to provide for the speedy, effective and equitable resolution of disputes arising under this Agreement;

Hereby agree as follows:

PART I - ANTI-DUMPING CODE

Article 1

Principles

The imposition of an anti-dumping duty is a measure to be taken only under the circumstances provided for in Article VI of the General Agreement and pursuant to investigations initiated[1] and conducted in accordance with the provisions of this Code. The following provisions govern the application of Article VI of the General Agreement in so far as action is taken under anti-dumping legislation or regulations.

Article 2

Determination of Dumping

1. For the purpose of this Code a product is to be considered as being dumped, i.e. introduced into the commerce of another country at less than its normal value, if the export price of the product exported from one country to another is less than the comparable price, in the ordinary course of trade, for the like product when destined for consumption in the exporting country.

[1] The term "initiated" as used hereinafter means the procedural action by which a Party formally commences an investigation as provided in paragraph 6 of Article 6.

2. Throughout this Code the term "like product" ("produit similaire") shall be interpreted to mean a product which is identical, i.e. alike in all respects to the product under consideration, or in the absence of such a product, another product which, although not alike in all respects, has characteristics closely resembling those of the product under consideration.

3. In the case where products are not imported directly from the country of origin but are exported to the country of importation from an intermediate country, the price at which the products are sold from the country of export to the country of importation shall normally be compared with the comparable price in the country of export. However, comparison may be made with the price in the country of origin, if, for example, the products are merely trans-shipped through the country of export, or such products are not produced in the country of export, or there is no comparable price for them in the country of export.

4. When there are no sales of the like product in the ordinary course of trade in the domestic market of the exporting country or when, because of the particular market situation, such sales do not permit a proper comparison, the margin of dumping shall be determined by comparison with a comparable price of the like product when exported to any third country which may be the highest such export price but should be a representative price, or with the cost of production in the country of origin plus a reasonable amount for administrative, selling and any other costs and for profits. As a general rule, the addition for profit shall not exceed the profit normally realized on sales of products of the same general category in the domestic market of the country of origin.

5. In cases where there is no export price or where it appears to the authorities[1] concerned that the export price is unreliable because of association or a compensatory arrangement between the exporter and the importer or a third party, the export price may be constructed on the basis of the price at which the imported products are first resold to an independent buyer, or if the products are not resold to an independent buyer, or not resold in the condition as imported, on such reasonable basis as the authorities may determine.

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[1]When in this Code the term "authorities" is used, it shall be interpreted as meaning authorities at an appropriate, senior level.

6. In order to effect a fair comparison between the export price and the domestic price in the exporting country (or the country of origin) or, if applicable, the price established pursuant to the provisions of Article VI:1(b) of the General Agreement, the two prices shall be compared at the same level of trade, normally at the ex-factory level, and in respect of sales made at as nearly as possible the same time. Due allowance shall be made in each case, on its merits, for the differences in conditions andterms of sale, for the differences in taxation, and for the other differences affecting price comparability. In the cases referred to in paragraph 5 of Article 2 allowance for costs, including duties and taxes, incurred between importation and resale, and for profits accruing, should also be made.

7. This Article is without prejudice to the second Supplementary Provision to paragraph 1 of Article VI in Annex I of the General Agreement.

Article 3

Determination of Injury[1]

1. A determination of injury for purposes of Article VI of the General Agreement shall be based on positive evidence and involve an objective examination of both (a) the volume of the dumped imports and their effect on prices in the domestic market for like products, and (b) the consequent impact of these imports on domestic producers of such products.

2. With regard to volume of the dumped imports the investigating authorities shall consider whether there has been a significant increase in dumped imports, either in absolute terms or relative to production or consumption in the importing country. With regard to the effect of the dumped imports on prices, the investigating authorities shall consider whether there has been a significant price undercutting by the dumped imports as compared with the price of a like product of the importing country, or whether the effect of such imports is otherwise to depress prices to a significant degree or prevent price increases, which otherwise would have occurred, to a significant degree. No one or several of these factors can necessarily give decisive guidance.

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[1]Under this Code the term "injury" shall, unless otherwise specified, be taken to mean material injury to a domestic industry, threat of material injury to a domestic industry or material retardation of the establishment of such an industry and shall be interpreted in accordance with the provisions of this Article.

3. The examination of the impact on the industry concerned shall include an evaluation of all relevant economic factors and indices having a bearing on the state of the industry such as actual and potential decline in output, sales, market share, profits, productivity, return on investments, or utilization of capacity; factors affecting domestic prices; actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital or investments. This list is not exhaustive, nor can one or several of these factors necessarily give decisive guidance.

4. It must be demonstrated that the dumped imports are, through the effects[1] of dumping, causing injury within the meaning of this Code. There may be other factors[2] which at the same time are injuring the industry, and the injuries caused by other factors must not be attributed to the dumped imports.

5. The effect of the dumped imports shall be assessed in relation to the domestic production of the like product when available data permit the separate identification of production in terms of such criteria as: the production process, the producers' realizations, profits. When the domestic production of the like product has no separate identity in these terms the effects of the dumped imports shall be assessed by the examination of the production of the narrowest group or range of products, which includes the like product, for which the necessary information can be provided.

6. A determination of threat of injury shall be based on facts and not merely on allegation, conjecture or remote possibility. The change in circumstances which would create a situation in which the dumping would cause injury must be clearly foreseen and imminent.[3]

7. With respect to cases where injury is threatened by dumped imports, the application of anti-dumping measures shall be studied and decided with special care.

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[1] As set forth in paragraphs 2 and 3 of this Article.

[2] Such factors include, inter alia, the volume and prices of imports not sold at dumping prices, contraction in demand or changes in the patterns of consumption, trade restrictive practices of and competition between the foreign and domestic producers, developments in technology and the export performance and productivity of the domestic industry.

[3] One example, though not an exclusive one, is that there is convincing reason to believe that there will be, in the immediate future, substantially increased importations of the product at dumped prices.

Article 4

Definition of Industry

1. In determining injury the term "domestic industry" shall be interpreted as referring to the domestic producers as a whole of the like products or to those of them whose collective output of the products constitutes a major proportion of the total domestic production of those products except that

(i) when producers are related[1] to the exporters or importers or are themselves importers of the allegedly dumped product the industry may be interpreted as referring to the rest of the producers;

(ii) in exceptional circumstances the territory of a Party may, for the production in question, be divided into two or more competitive markets and the producers within each market may be regarded as a separate industry if (a) the producers within such market sell all or almost all of their production of the product in question in that market, and (b) the demand in that market is not to any substantial degree supplied by producers of the product in question located elsewhere in the territory. In such circumstances, injury may be found to exist even where a major portion of the total domestic industry is not injured provided there is a concentration of dumped imports into such an isolated market and provided further that the dumped imports are causing injury to the producers of all or almost all of the production within such market.

2. When the industry has been interpreted as referring to the producers in a certain area, i.e. a market as defined in paragraph 1(ii), anti-dumping duties shall be levied[2] only on the products in question consigned for final consumption to that area. When the constitutional law of the importing country does not permit the levying of anti-dumping duties on such a basis, the importing Party may levy the anti-dumping duties without limitation only if (1) the exporters shall have been given an opportunity to cease exporting at dumped prices to the area concerned or otherwise give assurances pursuant to Article 7 of this Code, and adequate assurances in this regard have not been promptly given, and (2) such duties cannot be levied on specific producers which supply the area in question.

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[1] An understanding among Parties should be developed defining the word "related" as used in this Code.

[2] As used in this Code "levy" shall mean the definitive or final legal assessment or collection of a duty or tax.

3. Where two or more countries have reached under the provisions of Article XXIV:8(a) of the General Agreement such a level of integration that they have the characteristics of a single, unified market, the industry in the entire area of integration shall be taken to be the industry referred to in paragraph 1 above.

4. The provisions of paragraph 5 of Article 3 shall be applicable to this Article.

Article 5

Initiation and Subsequent Investigation

1. An investigation to determine the existence, degree and effect of any alleged dumping shall normally be initiated upon a written request by or on behalf of the industry[1] affected. The request shall include sufficient evidence of the existence of (a) dumping; (b) injury within the meaning of Article VI as interpreted by this Code and (c) a causal link between the dumped imports and the alleged injury. If in special circumstances the authorities concerned decide to initiate an investigation without having received such a request, they shall proceed only if they have sufficient evidence on all points under (a) to (c) above.

2. Upon initiation of an investigation and thereafter, the evidence of both dumping and injury caused thereby should be considered simultaneously. In any event the evidence of both dumping and injury shall be considered simultaneously (a) in the decision whether or not to initiate an investigation, and (b) thereafter, during the course of the investigation, starting on a date not later than the earliest date on which in accordance with the provisions of this Code provisional measures may be applied, except in the cases provided for in paragraph 3 of Article 10 in which the authorities accept the request of the exporters.

3. An application shall be rejected and an investigation shall be terminated promptly as soon as the authorities concerned are satisfied that there is not sufficient evidence of either dumping or of injury to justify proceeding with the case. There should be immediate termination in cases where the margin of dumping or the volume of dumped imports, actual or potential, or the injury is negligible.

4. An anti-dumping proceeding shall not hinder the procedures of customs clearance.

5. Investigations shall, except in special circumstances, be concluded within one year after their initiation.

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[1] As defined in Article 4.

Article 6

Evidence

1. The foreign suppliers and all other interested parties shall be given ample opportunity to present in writing all evidence that they consider useful in respect to the anti-dumping investigation in question. They shall also have the right, on justification, to present evidence orally.

2. The authorities concerned shall provide opportunities for the complainant and the importers and exporters known to be concerned and the governments of the exporting countries, to see all information that is relevant to the presentation of their cases, that is not confidential as defined in paragraph 3 below, and that is used by the authorities in an anti-dumping investigation, and to prepare presentations on the basis of this information.

3. Any information which is by nature confidential (for example, because its disclosure would be of significant competitive advantage to a competitor or because its disclosure would have a significantly adverse effect upon a person supplying the information or upon a person from whom he acquired the information) or which is provided on a confidential basis by parties to an anti-dumping investigation shall, upon cause shown, be treated as such by the investigating authorities. Such information shall not be disclosed without specific permission of the party submitting it.[1] Parties providing confidential information may be requested to furnish non-confidential summaries thereof. In the event that such parties indicate that such information is not susceptible of summary, a statement of the reasons why summarization is not possible must be provided.

4. However, if the authorities concerned find that a request for confidentiality is not warranted and if the supplier is either unwilling to make the information public or to authorize its disclosure in generalized or summary form, the authorities would be free to disregard such information unless it can be demonstrated to their satisfaction from appropriate sources that the information is correct.[2]

5. In order to verify information provided or to obtain further details the authorities may carry out investigations in other countries as required, provided they obtain the agreement of the firms concerned and provided they notify the representatives of the government of the country in question and unless the latter object to the investigation.

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[1] Parties are aware that in the territory of certain Parties disclosure pursuant to a narrowly drawn protective order may be required.

[2] Parties agree that requests for confidentiality should not be arbitrarily rejected.

6. When the competent authorities are satisfied that there is sufficient evidence to justify initiating an anti-dumping investigation pursuant to Article 5, the Party or Parties the products of which are subject to such investigation and the exporters and importers known to the investigating authorities to have an interest therein and the complainants shall be notified and a public notice shall be given. In determining whether to initiate an investigation, the investigating authority should take into account the position adopted by the affiliates of a complainant party which are resident in the territory of another Party.

7. Throughout the anti-dumping investigation all parties shall have a full opportunity for the defence of their interests. To this end, the authorities concerned shall, on request, provide opportunities for all directly interested parties to meet those parties with adverse interests, so that opposing views may be presented and rebuttal arguments offered. Provision of such opportunities must take account of the need to preserve confidentiality and of the convenience to the parties. There shall be no obligation on any party to attend a meeting and failure to do so shall not be prejudicial to that party's case.

8. In cases in which any interested party refuses access to, or otherwise does not provide, necessary information within a reasonable period or significantly impedes the investigation, preliminary and final findings, affirmative or negative, may be made on the basis of the facts available.

9. The provisions of this Article are not intended to prevent the authorities of a Party from proceeding expeditiously with regard to initiating an investigation, reaching preliminary or final findings, whether affirmative or negative, or from applying provisional or final measures in accordance with the relevant provisions of this Code.

Article 7

Price Undertakings

1. Proceedings may[1] be suspended or terminated without the imposition of provisional measures or anti-dumping duties upon receipt of satisfactory voluntary undertakings from any exporter to revise its prices or to cease exports to the area in question at dumped prices so that the authorities are satisfied that the injurious effect of the dumping is eliminated. Price increases under such undertakings shall not be higher than necessary to eliminate the margin of dumping.

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[1]The word "may" shall not be interpreted to allow the simultaneous continuation of proceedings with the implementation of price undertakings except as provided in paragraph 3.

2. Price undertakings shall not be sought or accepted from exporters unless the authorities have initiated an investigation in accordance with the provisions of Article 5 of this Code. Undertakings offered need not be accepted if the authorities of the importing country consider their acceptance impractical, for example, if the number of actual or potential exporters is too great, or for other reasons.

3. If the undertakings are accepted, the investigation of injury shall nevertheless be completed if the exporter so desires or the authorities so decide. In such a case, if a determination of no injury or threat thereof is made, the undertaking shall automatically lapse except in cases where a determination of no threat of injury is due in large part to the existence of a price undertaking. In such cases the authorities concerned may require that an undertaking be maintained for a reasonable period consistent with the provisions of this Code.

4. Price undertakings may be suggested by the authorities in the importing country, but no exporter shall be forced to enter into such an undertaking. The fact that exporters do not offer such undertakings, or do not accept an invitation to do so, shall in no way prejudice the consideration of the case. However, the authorities are free to determine that a threat of injury is more likely to be realized if the dumped imports continue.

5. Authorities in an importing country may require any exporter from whom undertakings have been accepted to provide periodically information relevant to the fulfilment of such undertakings, and to permit verification of pertinent data. In case of violation of undertakings, the authorities of the importing country may take, under this Code in conformity with its provisions, expeditious actions which may constitute immediate application of provisional measures using the best information available. In such cases definitive duties may be levied in accordance with this Code on goods entered for consumption not more than ninety days before the application of such provisional measures, except that any such retroactive assessment shall not apply to imports entered before the violation of the undertaking.

6. Undertakings shall not remain in force any longer than anti-dumping duties could remain in force under the Code. The authorities of an importing country shall review the need for the continuation of any price undertaking, where warranted, on their own initiative or if interested exporters or importers of the product in question so

request and submit positive information substantiating the need for such review.

7. Whenever an anti-dumping investigation is suspended or terminated pursuant to the provisions of paragraph 1 above and whenever an undertaking is terminated, this fact shall be officially notified and must be published. Such notices shall set forth at least the basic conclusions and a summary of the reasons therefor.

Article 8

Imposition and Collection of Anti-Dumping Duties

1. The decision whether or not to impose an anti-dumping duty in cases where all requirements for the imposition have been fulfilled and the decision whether the amount of the anti-dumping duty to be imposed shall be the full margin of dumping or less, are decisions to be made by the authorities of the importing country or customs territory. It is desirable that the imposition be permissive in all countries or customs territories Parties to this Agreement, and that the duty be less than the margin, if such lesser duty would be adequate to remove the injury to the domestic industry.

2. When an anti-dumping duty is imposed in respect of any product, such anti-dumping duty shall be collected in the appropriate amounts in each case, on a non-discriminatory basis on imports of such product from all sources found to be dumped and causing injury, except as to imports from those sources, from which price undertakings under the terms of this Code have been accepted. The authorities shall name the supplier or suppliers of the product concerned. If, however, several suppliers from the same country are involved, and it is impracticable to name all these suppliers, the authorities may name the supplying country concerned. If several suppliers from more than one country are involved, the authorities may name either all the suppliers involved, or, if this is impracticable, all the supplying countries involved.

3. The amount of the anti-dumping duty must not exceed the margin of dumping as established under Article 2. Therefore, if subsequent to the application of the anti-dumping duty it is found that the duty so collected exceeds the actual dumping margin the amount in excess of the margin shall be reimbursed as quickly as possible.

4. Within a basic price system the following rules shall apply provided that their application is consistent with the other provisions of this Code:

If several suppliers from one or more countries are involved, anti-dumping duties may be imposed on imports of the product in question found to have been dumped and to be causing injury from the country or countries concerned, the duty being equivalent to the amount by which the export price is less than the basic price established for this purpose, not exceeding the lowest normal price in the supplying country or countries where normal conditions of competition are prevailing. It is understood that for products which are sold below this already established basic price a new anti-dumping investigation shall be carried out in each particular case, when so demanded by the interested parties and the demand is supported by relevant evidence. In cases where no dumping is found, anti-dumping duties collected shall be reimbursed as quickly as possible. Furthermore, if it can be found that the duty so collected exceeds the actual dumping margin, the amount in excess of the margin shall be reimbursed as quickly as possible.

5. Public notice shall be given of any preliminary or final finding whether positive or negative and of the revocation of a finding. In the case of positive finding each such notice shall set forth the findings and conclusions reached on all issues of fact and law considered material by the investigating authorities, and the reasons and basis therefor. In the case of a negative finding, each notice shall set forth at least the basic conclusions and a summary of the reasons therefor. All notices of finding shall be forwarded to the Party or Parties the products of which are subject to such finding and to the exporters known to have an interest therein.

Article 9

Duration of Anti-Dumping Duties

1. An anti-dumping duty shall remain in force only as long as, and to the extent necessary to counteract dumping which is causing injury.

2. The investigating authorities shall review the need for the continued imposition of the duty, where warranted, on their own initiative or if any interested party so requests and submits positive information substantiating the need for review.

Article 10

Provisional Measures

1. Provisional measures may be taken only after a preliminary positive finding has been made that there is dumping and that there is sufficient evidence of injury as provided for in (a) to (c) of paragraph 1 of Article 5. Provisional measures shall not be applied unless the authorities concerned judge that they are necessary to prevent injury being caused during the period of investigation.

2. Provisional measures may take the form of a provisional duty or, preferably, a security - by deposit or bond - equal to the amount of the anti-dumping duty provisionally estimated, being not greater than the provisionally estimated margin of dumping. Withholding of appraisement is an appropriate provisional measure provided that the normal duty and the estimated amount of the anti-dumping duty be indicated and as long as the withholding of appraisement is subject to the same conditions as other provisional measures.

3. The imposition of provisional measures shall be limited to as short a period as possible, not exceeding four months or, on decision of the authorities concerned, upon request by exporters representing a significant percentage of the trade involved to a period not exceeding six months.

4. The relevant provisions of Article 8 shall be followed in the application of provisional measures.

Article 11

Retroactivity

1. Anti-dumping duties and provisional measures shall only be applied to products which enter for consumption after the time when the decision taken under paragraph 1 of Article 8 and paragraph 1 of Article 10, respectively, enters into force, except that in cases:

(i) Where a final finding of injury (but not of a threat thereof or of a material retardation of the establishment of an industry) is made or in the case of a final finding of threat of injury, where the effect of the dumped imports would, in the absence of the provisional measures, have led to a finding of injury, anti-dumping duties may be levied retroactively for the period for which provisional measures, if any, have been applied.

If the anti-dumping duty fixed in the final decision is higher than the provisionally paid duty, the difference shall not be collected. If the duty fixed in the final decision is lower than the provisionally paid duty or the amount estimated for the purpose of the security, the difference shall be reimbursed or the duty recalculated, as the case may be.

(ii) Where for the dumped product in question the authorities determine

(a) either that there is a history of dumping which caused injury or that the importer was, or should have been, aware that the exporter practices dumping and that such dumping would cause injury, and

(b) that the injury is caused by sporadic dumping (massive dumped imports of a product in a relatively short period) to such an extent that, in order to preclude it recurring, it appears necessary to levy an anti-dumping duty retroactively on those imports,

the duty may be levied on products which were entered for consumption not more than 90 days prior to the date of application of provisional measures.

2. Except as provided in paragraph 1 above where a finding of threat of injury or material retardation is made (but no injury has yet occurred) a definitive anti-dumping duty may be imposed only from the date of the finding of threat of injury or material retardation and any cash deposit made during the period of the application of provisional measures shall be refunded and any bonds released in an expeditious manner.

3. Where a final finding is negative any cash deposit made during the period of the application of provisional measures shall be refunded and any bonds released in an expeditious manner.

Article 12

Anti-Dumping Action on behalf of a Third Country

1. An application for anti-dumping action on behalf of a third country shall be made by the authorities of the third country requesting action.

2. Such an application shall be supported by price information to show that the imports are being dumped and by detailed information to show that the alleged dumping is causing injury to the domestic industry concerned in the third country. The government of the third country shall afford all assistance to the authorities of the importing country to obtain any further information which the latter may require.

(c) The authorities of the importing country in considering such an application shall consider the effects of the alleged dumping on the industry concerned as a whole in the third country; that is to say the injury shall not be assessed in relation only to the effect of the alleged dumping on the industry's exports to the importing country or even on the industry's total exports.

(d) The decision whether or not to proceed with a case shall rest with the importing country. If the importing country decides that it is prepared to take action, the initiation of the approach to the CONTRACTING PARTIES seeking their approval for such action shall rest with the importing country.

Article 13

Developing Countries

It is recognized that special regard must be given by developed countries to the special situation of developing countries when considering the application of anti-dumping measures under this Code. Possibilities of constructive remedies provided for by this Code shall be explored before applying anti-dumping duties where they would affect the essential interests of developing countries.

PART II

Article 14

Committee on Anti-Dumping Practices

1. There shall be established under this Agreement a Committee on Anti-Dumping Practices composed of representatives from each of the Parties to this Agreement. The Committee shall elect its own Chairman and shall meet not less than twice a year and otherwise as envisaged by relevant provisions of this Agreement at the request of any Party. The Committee shall carry out responsibilities as assigned to it under this Agreement or by the Parties and it shall afford Parties the opportunity of consulting on any matters relating to the operation of the Agreement or the furtherance of its objectives. The GATT secretariat shall act as the secretariat to the Committee.

2. The Committee may set up subsidiary bodies as appropriate.

3. In carrying out their functions, the Committee and any subsidiary bodies may consult with and seek information from any source they deem appropriate. However, before the Committee or a subsidiary body seeks such information from a source within the jurisdiction of a Party, it shall

inform the Party involved. It shall obtain the consent of the Party and any firm to be consulted.

Article 15[1]

Consultation, conciliation and resolution of disputes

1. Each Party shall afford sympathetic consideration to, and shall afford adequate opportunity for consultation regarding, representations made by another Party with respect to any matter affecting the operation of this Agreement.

2. If any Party considers that any benefit accruing to it, directly or indirectly, under this Agreement, is being nullified or impaired, or that the achievement of any objective of the Agreement is being impeded by another Party or Parties, it may, with a view to reaching a mutually satisfactory resolution of the matter, request in writing consultations with the Party or Parties in question. Each Party shall afford sympathetic consideration to any request from another Party for consultation. The Parties concerned shall initiate consultation promptly.

3. If any Party considers that the consultation pursuant to paragraph 2 has failed to achieve a mutually agreed solution and final action has been taken by the administering authorities of the importing country to levy definitive anti-dumping duties or to accept price undertakings, it may refer the matter to the Committee for conciliation. When a provisional measure has a significant impact and the Party considers the measure was taken contrary to the provisions of paragraph 1 of Article 10 of this Agreement, a Party may also refer such matter to the Committee for conciliation. In cases where matters are referred to the Committee for conciliation the Committee shall meet within thirty days to review the matter, and, through its good offices, shall encourage the Parties involved to develop a mutually acceptable solution.[2]

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[1] If disputes arise between Parties relating to rights and obligations under this Agreement, Parties should complete the dispute settlement procedures under this Agreement before availing themselves of any rights which they have under the GATT.

[2] In this connection the Committee may draw Parties' attention to those cases in which, in its view, there are no reasonable bases supporting the allegations made.

4. Parties shall make their best efforts to reach a mutually satisfactory solution throughout the period of conciliation. If no mutually agreed solution has been reached after detailed examination by the Committee under paragraph 3 within three months, the Committee shall, at the request of any party to the dispute, establish a panel to examine the matter, based upon

(a) a statement of the Party making the request indicating how a benefit accruing to it, directly or indirectly, under this Agreement has been nullified or impaired, or that the achieving of the objectives of the Agreement is being impeded, and

(b) the facts made available in conformity with appropriate domestic procedures to the authorities of the importing country.

5. Confidential information provided to the panel shall not be revealed without formal authorization from the person or authority providing the information. Where such information is requested from the panel but release of such information by the panel is not authorized, a non-confidential summary of the information, authorized by the authority or person providing the information, will be provided.

6. Further to paragraphs 1-5 the resolution of disputes shall mutatis mutandis be governed by the provisions of the Understanding regarding Notification, Consultation, Dispute Settlement and Surveillance (MTN/FR/W/20/Rev.2). Panel members shall have relevant experience and be selected from the signatory countries not parties to the dispute.

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PART III

Article 16

Final Provisions

1. No specific action against dumping of exports from another Party can be taken except in accordance with the provisions of the General Agreement, as interpreted by this Agreement.[1]

Acceptance and accession

2. (a) This Agreement shall be open for acceptance by signature or otherwise, by governments contracting parties to the GATT and by the European Economic Community.

(b) This Agreement shall be open to accession by any other government on terms, related to the effective application of rights and obligations under this Agreement, to be agreed between that government and the Parties, by the deposit with the Director-General to the CONTRACTING PARTIES to the GATT of an instrument of accession which states the terms so agreed.

(c) Contracting parties may accept this Agreement in respect of those territories for which they have international responsibility, provided that the GATT is being applied in respect of such territories in accordance with the provisions of Article XXVI:5(a) or (b) of the General Agreement; and in terms of such acceptance, each such territory shall be treated as though it were a Party.

Reservations

3. Reservations may not be entered in respect of any of the provisions of this Agreement without the consent of the other Parties.

Entry into force

4. This Agreement shall enter into force on 1 January 1980 for the governments[2] which have accepted or acceded to it by that date. For each other government it shall enter into force on the thirtieth day following the date of its acceptance or accession to this Agreement.

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[1] This is not intended to preclude action under other relevant provisions of the General Agreement, as appropriate.

[2] The term "government" is deemed to include the competent authorities of the European Economic Community.

Denunciation of acceptance of the 1967 Agreement

5. Acceptance of this Agreement shall carry denunciation of the Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade, done at Geneva on 30 June 1967, which entered into force on 1 July 1968, for Parties to the 1967 Agreement. Such denunciation shall take effect for each Party to this Agreement on the date of entry into force of this Agreement for each such Party.

National legislation

6. (a) Each government accepting or acceding to this Agreement shall take all necessary steps, of a general or particular character, to ensure, not later than the date of entry into force of this Agreement for it, the conformity of its laws, regulations and administrative procedures with the provisions of this Agreement as they may apply for the Party in question.

(b) Each Party shall inform the Committee of any changes in its laws and regulations relevant to this Agreement and in the administration of such laws and regulations.

Review

7. The Committee shall review annually the implementation and operation of this Agreement taking into account the objectives thereof. The Committee shall annually inform the CONTRACTING PARTIES to the GATT of developments during the period covered by such reviews.

Amendments

8. The Parties may amend this Agreement having regard, inter alia, to the experience gained in its implementation. Such an amendment, once the Parties have concurred in accordance with procedures established by the Committee, shall not come into force for any Party until it has been accepted by such Party.

Withdrawal

9. Any Party may withdraw from this Agreement. The withdrawal shall take effect upon the expiration of sixty days from the day on which written notice of withdrawal is received by the Director-General to the CONTRACTING PARTIES to the GATT. Any Party may upon such notification request an immediate meeting of the Committee.

Non-application of this Agreement between particular Parties

10. This Agreement shall not apply as between any two Parties if either of the Parties, at the time either accepts or accedes to this Agreement, does not consent to such application.

Secretariat

11. This Agreement shall be serviced by the GATT secretariat.

Deposit

12. This Agreement shall be deposited with the Director-General to the CONTRACTING PARTIES to the GATT, who shall promptly furnish to each Party and each contracting party to the GATT a certified copy thereof and of each amendment thereto pursuant to paragraph 8, and a notification of each acceptance thereof or accession thereto pursuant to paragraph 2, or each withdrawal therefrom pursuant to paragraph 9 above.

Registration

13. This Agreement shall be registered in accordance with the provisions of Article 102 of the Charter of the United Nations.

Done at Geneva this ..... day of ..... nineteen hundred and seventy-nine in a single copy, in the English, French and Spanish languages, each text being authentic.

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RESTRICTED

MTN/NTM/W/232/Add.2
11 April 1979

Special Distribution

GENERAL AGREEMENT ON TARIFFS AND TRADE

Multilateral Trade Negotiations

Group "Non-Tariff Measures"

ANTI-DUMPING

Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade

Addendum

The following statement is circulated at the request of the delegations of Austria, Canada, European Communities, Japan, Sweden, Switzerland and the United States.

With regard to the Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade (MTN/NTM/W/232 and Add.1 and Corr.1) it is understood that paragraph 6 of Article 15 of the Agreement concerning the settlement of disputes arising under the Agreement is to be interpreted to mean that the measures which may be authorized by the Committee on Anti-Dumping Practices for the purpose of the Agreement may include all such measures as can be authorized under Articles XXII and XXIII of the General Agreement.

RESTRICTED
MTN/NTM/W/232/Corr.1
11 April 1979
Special Distribution

GENERAL AGREEMENT ON TARIFFS AND TRADE

Multilateral Trade Negotiations
Group "Non-Tariff Measures"

ANTI-DUMPING

Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade

Corrigendum

Add the following paragraph 4 to Article 14 - Committee on Anti-Dumping Practices:

4. Parties shall report without delay to the Committee all preliminary or final anti-dumping actions taken. Such reports will be available in the GATT secretariat for inspection by government representatives. The Parties shall also submit, on a semi-annual basis, reports of any anti-dumping actions taken within the preceding six months.

RECTIFICATIONS TO THE AGREEMENT ON IMPLEMENTATION OF ARTICLE VI OF THE GENERAL AGREEMENT ON TARIFFS AND TRADE

1. Preamble

(a) First Line

Put quotation marks around "Parties" at the end of the line.

(b) Third preambular paragraph

Insert a comma between "trade" and "development".

(c) Fourth preambular paragraph

The second line should read: "...Agreement on Tariffs and Trade (hereinafter referred to as the"General Agreement" or the "GATT") and to elaborate rules for their application in order to provide ..."

2. Article 4

(a) Paragraph 1

Insert a comma between "products" and "except" in the fifth line.

(b) Paragraph 1(i)

Insert a comma between "product" and "the industry" in the second line.

3. Paragraph 1 of Article 5

Insert "of the General Agreement"between "ArticleVI" and "as interpreted" in the fifth line.

4. Article 6

(a) Paragraph 8

Add the following footnote to the word "findings" at the end of the third line:

"Because of different terms used under different systems in various countries the term "finding" is hereinafter used to mean a formal decision or determination."

6 Paragraph 9

Insert a comma between "measures" and"in accordance" in the last line.

5. Article 7

(a) Paragraph 2

Move the words "of the importing country" in the fourth line up to the second line between "authorities" and "have".

(b) Paragraph 4

Replace "in" by "of" in the first line.

(c) Paragraph 5

Replace "in" by "of" in the first line.

(d) Paragraph 6

Replace "the Code" by "this Code" in the second line.

6. Article 8

(a) Paragraph 3

Insert a comma between "margin" and "the amount" in the fourth line.

(b) Paragraph 4

(i) Insert a comma after "apply" in the first line.

(ii) Insert commas between "that" and "for products" in the eighth line and between "price" and "a new" in the ninth line.

(c) Paragraph 5

Replace "positive" in the second and third lines by "affirmative".

7. Article 10

(a) Paragraph 1

(i) Replace "positive" in the first line by "affirmative".

(ii) Insert a comma after "injury" in the third line.

(b) Paragraph 2

(i) Insert "cash" between "by" and "deposit" in the second line.

(ii) Insert a comma between "measure" and "provided" in the fifth line.

8. Paragraph 1(i) of Article 11

Insert a comma between "is made or" and "in the case" in the third line.

9. Paragraph 1 of Article 14

Insert "(hereinafter referred to as the "Committee")" after the words "Anti-Dumping Practices" in the second line.

10. Article 15

(a) Heading

Replace "resolution of disputes" by "dispute settlement".

(b) Paragraph 2

Delete the comma between "Agreement" and "is being" in the second line.

(c) Paragraph 5(a)

Insert "written" between "a" and "statement" in the first line.

(d) Paragraph 7

(i) Replace "1-5" in the first line by "1-6".

(ii) Replace "resolution" by "settlement" in the first line.

(iii) Replace "the signatory countries" in the fourth and fifth line by "Parties".

11. Article 16

(a) Paragraph 2

Paragraph (b) will become paragraph (c), paragraph (c) will be deleted and replaced by a new paragraph (d), a new paragraph (b) will be added. The revised text will read:

"(b) This Agreement shall be open for acceptance by signature or otherwise by governments having provisionally acceded to the GATT on terms related to the effective application of rights and obligations under this Agreement, which take into account rights and obligations in the instruments providing for their provisional accession.

(c) This Agreement shall be open to accession by any other governments on terms, related to the effective application of rights and obligations under this Agreement, to be agreed between that government and the Parties, by the deposit with the Director-General to the CONTRACTING PARTIES to the GATT of an instrument of accession which states the terms so agreed.

(d) In regard to acceptance, the provisions of Article XXVI:5(a) and (b) of the General Agreement would be applicable."

(b) Heading of paragraph 5

Delete the words "of acceptance".

(c) Paragraph 12

(i) Replace "or each" at the end of the fifth line by "and of each".

(ii) Replace "above" in the last line by "of this Article".

12. Footnotes

All footnotes shall be numbered continuously throughout the Agreement.

THE INTERNATIONAL DAIRY AGREEMENT

Annex A

INTERNATIONAL DAIRY ARRANGEMENT

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PREAMBLE

Recognizing the importance of milk and dairy products to the economy of many countries[1] in terms of production, trade and consumption;

Recognizing the need, in the mutual interests of producers and consumers, and of exporters and importers, to avoid surpluses and shortages, and to maintain prices at an equitable level;

Noting the diversity and interdependence of dairy products;

Noting the situation in the dairy products market, which is characterized by very wide fluctuations and the proliferation of export and import measures;

Considering that improved co-operation in the dairy products sector contributes to the attainment of the objectives of expansion and liberalization of world trade, and the implementation of the principles and objectives concerning developing countries agreed upon in the Tokyo Declaration of Ministers dated 14 September 1973 concerning the Multilateral Trade Negotiations;

Determined to respect the principles and objectives of the General Agreement on Tariffs and Trade[2] and, in carrying out the aims of this Agreement, effectively to implement the principles and objectives agreed upon in the said Tokyo Declaration;

The participants to the present Arrangement have, through their representatives, agreed as follows:

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[1] In this Arrangement and in the Protocols annexed thereto, the term "country" is deemed to include the European Economic Community.

[2] This preambular provision applies only among participants that are contracting parties to the General Agreement on Tariffs and Trade.

PART ONE

GENERAL PROVISIONS

Article I - Objectives

The objectives of this Arrangement shall be, in accordance with the principles and objectives agreed upon in the Tokyo Declaration of Ministers dated 14 September 1973 concerning the Multilateral Trade Negotiations,

- to achieve the expansion and ever greater liberalization of world trade in dairy products under market conditions as stable as possible, on the basis of mutual benefit to exporting and importing countries;

- to further the economic and social development of developing countries.

Article II - Product Coverage

1. This Arrangement applies to the dairy products sector. For the purpose of this Arrangement, the term "dairy products" is deemed to include the following products, as defined in the Customs Co-operation Council Nomenclature:

		CCCN
(a)	Milk and cream, fresh, not concentrated or sweetened	04.01
(b)	Milk and cream, preserved, concentrated or sweetened	04.02
(c)	Butter	04.03
(d)	Cheese and curd	04.04
(e)	Casein	ex 35.01

2. The International Dairy Products Council established in terms of Article VII:1(a) of this Arrangement (hereinafter referred to as the Council) may decide that the Arrangement is to apply to other products in which dairy products referred to in paragraph 1 of this Article have been incorporated if it deems their inclusion necessary for the implementation of the objectives and provisions of this Arrangement.

Article III - Information

1. The participants agree to provide regularly and promptly to the Council the information required to permit it to monitor and assess the overall situation of the world market for dairy products and the world market situation for each individual dairy product.

2. Participating developing countries shall furnish the information available to them. In order that these participants may improve their data collection mechanisms, developed participants, and any developing participants able to do so, shall consider sympathetically any request to them for technical assistance.

3. The information that the participants undertake to provide pursuant to paragraph 1 of this Article, according to the modalities that the Council shall establish, shall include data on past performance, current situation and outlook regarding production, consumption, prices, stocks and trade, including transactions other than normal commercial transactions, in respect of the products referred to in Article II of this Arrangement, and any other information deemed necessary by the Council. Participants shall also provide information on their domestic policies and trade measures, and on their bilateral, plurilateral or multilateral commitments, in the dairy sector and shall make known, as early as possible, any changes in such policies and measures that are likely to affect international trade in dairy products. The provisions of this paragraph shall not require any participant to disclose confidential information which would impede law enforcement or otherwise be contrary to the public interest or would prejudice the legitimate commercial interests of particular enterprises, public or private.

Note: It is understood that under the provisions of this Article, the Council instructs the secretariat to draw up, and keep up to date, an inventory of all measures affecting trade in dairy products, including commitments resulting from bilateral, plurilateral and multilateral negotiations.

Article IV - Functions of the International Dairy Products Council and Co-operation between the Participants to this Arrangement

1. The Council shall meet in order to:

(a) make an evaluation of the situation in and outlook for the world market for dairy products, on the basis of a status report prepared by the secretariat with the documentation furnished by participants in accordance with Article III of this Arrangement, information arising from the operation of the Protocols covered by Article VI of this Arrangement, and any other information available to it;

(b) review the functioning of this Arrangement.

2. If after an evaluation of the world market situation and outlook, referred to in paragraph 1(a) of this Article, the Council finds that a serious market disequilibrium, or threat of such a disequilibrium, which affects or may affect international trade, is developing for dairy products in general or for one or more products, the Council will proceed to identify, taking particular account of the situation of developing countries, possible solutions for consideration by governments.

3. Depending on whether the Council considers that the situation defined in paragraph 2 of this Article is temporary or more durable, the measures referred to in paragraph 2 of this Article could include short-, medium- or long-term measures to contribute to improve the overall situation of the world market.

4. When considering measures that could be taken pursuant to paragraphs 2 and 3 of this Article, due account shall be taken of the special and more favourable treatment, to be provided for developing countries, where this is feasible and appropriate.

5. Any participant may raise before the Council any matter[1] affecting this Arrangement. Each participant shall promptly afford adequate opportunity for consultation regarding such matter[1] affecting this Arrangement.

6. If the matter affects the application of the specific provisions of the Protocols annexed to this Arrangement, any participant which considers that its trade interests are being seriously threatened and which is unable to reach a mutually satisfactory solution with the other participant or participants concerned, may request the Chairman of the Committee for the relevant Protocol established under Article VII:2(a) of this Arrangement, to convene a special meeting of the Committee on an urgent basis so as to determine as rapidly as possible, and within four working days if requested, any measures which may be required to meet the situation. If a satisfactory solution cannot be reached, the Council shall, at the request of the Chairman of the Committee for the relevant Protocol, meet within a period of not more than fifteen days to consider the matter with a view to facilitating a satisfactory solution.

Article V - Food Aid and Transactions other than Normal Commercial Transactions

1. The participants agree:

(a) In co-operation with FAO and other interested organizations, to foster recognition of the value of dairy products in improving nutritional levels and of ways and means through which they may be made available for the benefit of developing countries.

(b) In accordance with the objectives of this Arrangement, to furnish, within the limits of their possibilities, dairy products to developing countries by way of food aid. Participants should notify the Council in advance each year, as far as practicable, of the scale, quantities and destinations of their proposed contributions of such food aid. Participants

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[1] It is confirmed that the term 'matter' in this paragraph includes any matter which is covered by multilateral agreements negotiated and agreed upon within the framework of the Multilateral Trade Negotiations, in particular those bearing on export and import measures. It is further confirmed that the provisions of Article IV:5 and this footnote are without prejudice to the rights and obligations of the parties to such agreements.

should also give, if possible, prior notification to the Council of any proposed amendments to the notified programme. It would be understood that contributions could be made bilaterally or through joint projects or through multilateral programmes, particularly the World Food Programme.

(c) Recognizing the desirability of harmonizing their efforts in this field, as well as the need to avoid harmful interference with normal patterns of production, consumption and international trade, to exchange views in the Council on their arrangements for the supply and requirements of dairy products as food aid or on concessional terms.

2. Donated exports to developing countries, exports destined for relief purposes or welfare purposes in developing countries, and other transactions which are not normal commercial transactions shall be effected in accordance with the FAO "Principles of Surplus Disposal and Consultative Obligations". Consequently, the Council shall co-operate closely with the Consultative Sub-Committee on Surplus Disposal.

3. The Council shall, in accordance with conditions and modalities that it will establish, upon request, discuss, and consult on, all transactions other than normal commercial transactions and other than those covered by the Agreement on Interpretation and Application of Articles VI, XVI and XXIII of the General Agreement on Tariffs and Trade.

PART TWO

SPECIFIC PROVISIONS

Article VI - Protocols

1. Without prejudice to the provisions of Articles I to V of this Arrangement, the products listed below shall be subject to the provisions of the Protocols annexed to this Arrangement:

Annex I - Protocol Regarding Certain Milk Powders
Milk powder and cream powder, excluding whey powder

Annex II - Protocol Regarding Milk Fat
Milk fat

Annex III - Protocol Regarding Certain Cheeses
Certain cheeses

PART THREE

Article VII - Administration of the Arrangement

1. International Dairy Products Council

(a) An International Dairy Products Council shall be established within the framework of the General Agreement on Tariffs and Trade. The Council shall comprise representatives of all participants to the Arrangement and shall carry out all the functions which are necessary to implement the provisions of the Arrangement. The Council shall be serviced by the GATT secretariat. The Council shall establish its own rules of procedure.

(b) Regular and special meetings

The Council shall normally meet at least twice each year. However, the Chairman may call a special meeting of the Council either on his own initiative, at the request of the Committees established under paragraph 2(a) of this Article, or at the request of a participant to this Arrangement.

(c) Decisions

The Council shall reach its decisions by consensus. The Council shall be deemed to have decided on a matter submitted for its consideration if no member of the Council formally objects to the acceptance of a proposal.

(d) Co-operation with other organizations

The Council shall make whatever arrangements are appropriate for consultation or co-operation with intergovernmental and non-governmental organizations.

(e) Admission of observers

(i) The Council may invite any non-participating country to be represented at any meeting as an observer.

(ii) The Council may also invite any of the organizations referred to in paragraph 1(d) of this Article to attend any meeting as an observer.

2. Committees

(a) The Council shall establish a Committee to carry out all the functions which are necessary to implement the provisions of the Protocol Regarding Certain Milk Powders, a Committee to carry out all the functions which are necessary to implement the provisions of the Protocol Regarding Milk Fat and a Committee to carry out all the functions which are necessary to implement the provisions of the Protocol Regarding Certain Cheeses. Each of these Committees shall comprise representatives of all participants to the relevant Protocol. The Committees shall be serviced by the GATT secretariat. They shall report to the Council on the exercise of their functions.

(b) Examination of the market situation

The Council shall make the necessary arrangements, determining the modalities for the information to be furnished under Article III of this Arrangement, so that

- the Committee of the Protocol Regarding Certain Milk Powders may keep under constant review the situation in and the evolution of the international market for the products covered by this Protocol, and the conditions under which the provisions of this Protocol are applied by participants, taking into account the evolution of prices in international trade in each of the other dairy products having implications for the trade in products covered by this Protocol;

- the Committee of the Protocol Regarding Milk Fat may keep under constant review the situation in and the evolution of the international market for the products covered by this Protocol, and the conditions under which the provisions of this Protocol are applied by participants, taking into account the evolution of prices in international trade in each of the other dairy products having implications for the trade in products covered by this Protocol;

- the Committee of the Protocol Regarding Certain Cheeses may keep under constant review the situation in and the evolution of the international market for the products covered by this Protocol, and the conditions under which the provisions of this Protocol are applied by participants, taking into account the evolution of prices in international trade in each of the other dairy products having implications for the trade in products covered by this Protocol.

(c) Regular and special meetings

Each Committee shall normally meet at least once each quarter. However, the Chairman of each Committee may call a special meeting of the Committee on his own initiative or at the request of any participant.

(d) Decisions

Each Committee shall reach its decisions by consensus. A Committee shall be deemed to have decided on a matter submitted for its consideration if no member of the Committee formally objects to the acceptance of a proposal.

PART FOUR

Article VII - Final Provisions

1. Acceptance[1]

(a) This Arrangement is open for acceptance, by signature or otherwise, by governments members of the United Nations, or of one of its specialized agencies and by the European Economic Community.

(b) Any government[2] accepting this Arrangement may at the time of acceptance make a reservation with regard to its acceptance of any of the Protocols annexed to the Arrangement. This reservation is subject to the approval of the participants.

(c) This Arrangement shall be deposited with the Director-General to the CONTRACTING PARTIES to the General Agreement on Tariffs and Trade who shall promptly furnish a certified copy thereof and a notification of each acceptance thereof to each participant. The texts of this Arrangement in the English, French and Spanish languages shall all be equally authentic.

(d) Acceptance of this Arrangement shall carry denunciation of the Arrangement Concerning Certain Dairy Products, done at Geneva on 12 January 1970 which entered into force on 14 May 1970, for participants having accepted that Arrangement and denunciation of the Protocol Relating to Milk Fat, done at Geneva on 2 April 1973 which entered into force on 14 May 1973, for participants having accepted that Protocol. Such denunciation shall take effect on the date of entry into force of this Arrangement.

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[1] The terms "acceptance" or "accepted" as used in this Article include the completion of any domestic procedures necessary to implement the provisions of this Arrangement.

[2] For the purpose of this Arrangement, the term "government" is deemed to include the competent authorities of the European Economic Community.

2. Provisional application

Any government may deposit with the Director-General to the CONTRACTING PARTIES to the General Agreement on Tariffs and Trade a declaration of provisional application of this Arrangement. Any government depositing such a declaration shall provisionally apply this Arrangement and be provisionally regarded as participating in this Arrangement.

3. Entry into force

(a) This Arrangement shall enter into force, for those participants having accepted it, on 1 January 1980 . For participants accepting this Arrangement after that date, it shall be effective from the date of their acceptance.

(b) The validity of contracts entered into before the date of entry into force of this Arrangement is not affected by this Arrangement.

4. Validity

This Arrangement shall remain in force for three years. The duration of this Arrangement shall be extended for further periods of three years at a time, unless the Council, at least eighty days prior to each date of expiry, decides otherwise.

5. Amendment

Except where provision for modification is made elsewhere in this Arrangement the Council may recommend an amendment to the provisions of this Arrangement. The proposed amendment shall enter into force upon acceptance by the governments of all participants.

6. Relationship between the Arrangement and the Annexes

The following shall be deemed to be an integral part of this Arrangement, subject to the provisions of paragraph 1(b) of this Article:

- the Protocols mentioned in Article VI of this Arrangement and contained in its Annexes I, II and III;

- the lists of reference points mentioned in Article 2:1 of the Protocol Regarding Certain Milk Powders, Article 2:1 of the Protocol Regarding Milk Fat, and Article 2:1 of the Protocol Regarding Certain Cheeses, contained in Annexes Ia, IIa and IIIa respectively;

- the schedules of price differentials according to milk fat content mentioned in Article 3:4, note 2 of the Protocol Regarding Certain Milk Powders and Article 3:4, note 1 of the Protocol Regarding Milk Fat, contained in Annexes Ib and IIb respectively;

- the register of processes and control measures referred to in Article 3:5 of the Protocol Regarding Certain Milk Powders, contained in Annex Ic.

7. Relationship between the Arrangement and the General Agreement on Tariffs and Trade

Nothing in this Arrangement shall affect the rights and obligations of participants under the General Agreement on Tariffs and Trade.[1]

8. Withdrawal

(a) Any participant may withdraw from this Arrangement. Such withdrawal shall take effect upon the expiration of sixty days from the day on which written notice of withdrawal is received by the Director-General to the CONTRACTING PARTIES to the General Agreement on Tariffs and Trade.

(b) Subject to such conditions as may be agreed upon by the participants, any participant may withdraw from any of the Protocols annexed to this Arrangement. Such withdrawal shall take effect upon the expiration of sixty days from the day on which written notice of withdrawal is received by the Director-General to the CONTRACTING PARTIES to the General Agreement on Tariffs and Trade.

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[1]This provision applies only among participants that are contracting parties to the General Agreement on Tariffs and Trade.

ANNEX I

Protocol Regarding Certain Milk Powders

PROTOCOL REGARDING CERTAIN MILK POWDERS

PART ONE

Article 1 - Product Coverage

1. This Protocol applies to milk powder and cream powder falling under CCCN heading No. 04.02, excluding whey powder.

PART TWO

Article 2 - Pilot Products

1. For the purpose of this Protocol, minimum export prices shall be established for the pilot products of the following descriptions:

(a)	Designation:	Skimmed milk powder
	Milk fat content:	Less than or equal to 1.5 per cent by weight
	Water content:	Less than or equal to 5 per cent by weight
(b)	Designation:	Whole milk powder
	Milk fat content:	26 per cent by weight
	Water content:	Less than or equal to 5 per cent by weight
(c)	Designation:	Buttermilk powder[1]
	Milk fat content:	Less than or equal to 11 per cent by weight
	Water content:	Less than or equal to 5 per cent by weight
Packaging:		In packages normally used in the trade, of a net content by weight of not less than 25 kgs., or 50 lbs., as appropriate
Terms of sale:		F.o.b. ocean-going vessels from the exporting country or free-at-frontier exporting country. By derogation from this provision, reference points are designated for the countries listed in Annex Ia. The Committee established in pursuance of Article VII:2(a) of the Arrangement (hereinafter referred to as the Committee) may amend the contents of that Annex. Prompt payment against documents.

[1] Derived from the manufacture of butter and anhydrous milk fat.

PART TWO (cont'd)

Article 3 - Minimum Prices

Level and observance of minimum prices

1. Participants undertake to take the steps necessary to ensure that the export prices of the products defined in Article 2 of this Protocol shall not be less than the minimum prices applicable under the present Protocol. If the products are exported in the form of goods in which they have been incorporated, participants shall take the steps necessary to avoid the circumvention of the price provisions of this Protocol.

2. (a) The minimum price levels set out in the present Article take account, in particular, of the current market situation, dairy prices in producing participants, the need to ensure an appropriate relationship between the minimum prices established in the Protocols to the present Arrangement, the need to ensure equitable prices to consumers, and the desirability of maintaining a minimum return to the most efficient producers in order to ensure stability of supply over the longer term.

(b) The minimum prices provided for in paragraph 1 of the present Article applicable at the date of entry into force of this Protocol are fixed at:

(i) US$425 per metric ton for the skimmed milk powder defined in Article 2 of this Protocol.

(ii) US$725 per metric ton for the whole milk powder defined in Article 2 of this Protocol.

(iii) US$425 per metric ton for the buttermilk powder defined in Article 2 of this Protocol.

3. (a) The levels of the minimum prices specified in the present Article can be modified by the Committee, taking into account, on the one hand, the results of the operation of the Protocol and, on the other hand, the evolution of the situation of the international market.

(b) The levels of the minimum prices specified in the present Article shall be subject to review at least once a year by the Committee. The Committee shall meet in September of each year for this purpose. In undertaking this review the Committee shall take account in particular, to the extent relevant and necessary, of costs faced by producers, other relevant economic factors of the world market, the need to maintain a long-term minimum return to the most economic producers, the need to maintain

PART TWO (cont'd)

Article 3 (cont'd)

stability of supply and to ensure acceptable prices to consumers, and the current market situation and shall have regard to the desirability of improving the relationship between the levels of the minimum prices set out in paragraph 2(b) of the present Article and the dairy support levels in the major producing participants.

Adjustment of minimum prices

4. If the products actually exported differ from the pilot products in respect of the fat content, packaging or terms of sale, the minimum prices shall be adjusted so as to protect the minimum prices established in this Protocol for the products specified in Article 2 of this Protocol according to the following provisions:

Milk fat content: If the milk fat content of the milk powders described in Article 1:1 of the present Protocol excluding buttermilk powder[1] differs from the milk fat content of the pilot products as defined in Article 2:1(a) and (b) of the present Protocol, then for each full percentage point of milk fat as from 2 per cent, there shall be an upward adjustment of the minimum price in proportion to the difference between the minimum prices established for the pilot products defined in Article 2:1(a) and (b) of the present Protocol.[2]

Packaging: If the products are offered otherwise than in packages normally used in the trade, of a net content by weight of not less than 25 kgs. or 50 lbs., as appropriate, the minimum prices shall be adjusted so as to reflect the difference in the cost of packaging from the type of package specified above.

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[1] As defined in Article 2:1(c) of this Protocol.

[2] See Annex I(b), "Schedule of price differentials according to milk fat content".

PART TWO (cont'd)

Article 3 (cont'd)

Terms of sale: If sold on terms other than f.o.b. from the exporting country or free-at-frontier exporting country[1], the minimum prices shall be calculated on the basis of the minimum f.o.b. prices specified in paragraph 2(b) of this Article, plus the real and justified costs of the services provided; if the terms of the sale include credit, this shall be charged for at the prevailing commercial rates in the country concerned.

Exports and imports of skimmed milk powder and buttermilk powder for purposes of animal feed

5. By derogation from the provisions of paragraphs 1 to 4 of this Article participants may, under the conditions defined below, export or import, as the case may be, skimmed milk powder and buttermilk powder for purposes of animal feed at prices below the minimum prices provided for in this Protocol for these products. Participants may make use of this possibility only to the extent that they subject the products exported or imported to the processes and control measures which will be applied in the country of export or destination so as to ensure that the skimmed milk powder and buttermilk powder thus exported or imported are used exclusively for animal feed. These processes and control measures shall have been approved by the Committee and recorded in a register established by it.[2] Participants wishing to make use of the provisions of this paragraph shall give advance notification of their intention to do so to the Committee which shall meet,

[1] See Article 2:1.

[2] See Annex I(c), "Register of Processes and Control Measures". It is understood that exporters would be permitted to ship skimmed milk powder and buttermilk powder for animal feed purposes in an unaltered state to importers which have had their processes and control measures inserted in the Register. In this case, exporters would inform the Committee of their intention to ship unaltered skimmed milk powder and/or buttermilk powder for animal feed purposes to those importers which have their processes and control measures registered.

PART TWO (cont'd)

Article 3 (cont'd)

at the request of a participant, to examine the market situation. The participants shall furnish the necessary information concerning their transactions in respect of skimmed milk powder and buttermilk powder for purposes of animal feed, so that the Committee may follow developments in this sector and periodically make forecasts concerning the evolution of this trade.

Special conditions of sales

6. Participants undertake within the limit of their institutional possibilities to ensure that practices such as those referred to in Article 4:1 of this Protocol do not have the effect of directly or indirectly bringing the export prices of the products subject to the minimum price provisions below the agreed minimum prices.

Field of application

7. For each participant, this Protocol is applicable to exports of the products specified in Article 1 of this Protocol manufactured or repacked inside its own customs territory.

Transactions other than normal commercial transactions

8. The provisions of paragraphs 1 to 7 of this Article shall not be regarded as applying to donated exports to developing countries or to exports destined for relief purposes or food-related development purposes or welfare purposes in developing countries.

Article 4 - Provision of Information

1. In cases where prices in international trade of the products covered by Article 1 of this Protocol are approaching the minimum prices mentioned in Article 3:2(b) of this Protocol, and without prejudice to the provisions of Article III of the Arrangement, participants shall notify to the Committee all the relevant elements for evaluating their own market situation and,

PART TWO (cont'd)

Article 4 (cont'd)

in particular, credit or loan practices, twinning with other products, barter or three-sided transactions, refunds or rebates, exclusivity contracts, packaging costs and details of the packaging, so that the Committee can make a verification.

Article 5 - Obligations of Exporting Participants

1. Exporting participants agree to use their best endeavours, in accordance with their institutional possibilities, to supply on a priority basis the normal commercial requirements of developing importing participants, especially those used for food-related development purposes and welfare purposes.

Article 6 - Co-operation of Importing Participants

1. Participants which import products covered by Article 1 of this Protocol undertake in particular:

(a) to co-operate in implementing the minimum prices objective of this Protocol and to ensure, as far as possible, that the products covered by Article 1 of this Protocol are not imported at less than the appropriate customs valuation equivalent to the prescribed minimum prices;

(b) without prejudice to the provisions of Article III of the Arrangement and Article 4 of this Protocol, to supply information concerning imports of products covered by Article 1 of this Protocol from non-participants;

(c) to consider sympathetically proposals for appropriate remedial action if imports at prices inconsistent with the minimum prices threaten the operation of this Protocol.

2. Paragraph 1 of this Article shall not apply to imports of skimmed milk powder and buttermilk powder for purposes of animal feed, provided that such imports are subject to the measures and procedures provided for in Article 3:5 of this Protocol.

PART THREE

Article 7 - Derogations

1. Upon request by a participant, the Committee shall have the authority to grant derogations from the provisions of Article 3, paragraphs 1 to 5 of this Protocol in order to remedy difficulties which observance of minimum prices could cause certain participants. The Committee shall pronounce on such a request within three months from the date of the request.

Article 8 - Emergency Action

1. Any participant, which considers that its interests are seriously endangered by a country not bound by this Protocol, can request the Chairman of the Committee to convene an emergency meeting of the Committee within two working days to determine and decide whether measures would be required to meet the situation. If such a meeting cannot be arranged within the two working days and the commercial interests of the participant concerned are likely to be materially prejudiced, that participant may take unilateral action to safeguard its position, on the condition that any other participants likely to be affected are immediately notified. The Chairman of the Committee shall also be formally advised immediately of the full circumstances of the case and shall be requested to call a special meeting of the Committee at the earliest possible moment.

ANNEX I a

Protocol Regarding Certain Milk Powders

List of Reference Points

In accordance with the provisions of Article 2:1 of this Protocol, the following reference points are designated for the countries listed below:

Austria: Antwerp, Hamburg, Rotterdam

Finland: Antwerp, Hamburg, Rotterdam

Norway: Antwerp, Hamburg, Rotterdam

Sweden: Antwerp, Hamburg, Rotterdam

Poland: Antwerp, Hamburg, Rotterdam

ANNEX I b

Protocol Regarding Certain Milk Powders

Schedule of Price Differentials According to Milk Fat Content

Milk fat content %	Minimum price US$/metric ton
Less than 2	425
Equal to or more than 2, less than 3	437
" " 3 " 4	449
" " 4 " 5	461
" " 5 " 6	473
" " 6 " 7	485
" " 7 " 8	497
" " 8 " 9	509
" " 9 " 10	521
" " 10 " 11	533
" " 11 " 12	545
" " 12 " 13	557
" " 13 " 14	569
" " 14 " 15	581
" " 15 " 16	593
" " 16 " 17	605
" " 17 " 18	617
" " 18 " 19	629
" " 19 " 20	641
" " 20 " 21	653
" " 21 " 22	665
" " 22 " 23	677
" " 23 " 24	689
" " 24 " 25	701
" " 25 " 26	713
" " 26 " 27	725
" " 27 " 28	737
" " .. " ..	..

ANNEX I c

Protocol Regarding Certain Milk Powders

Register of Processes and Control Measures

In accordance with the provisions of Article 3:5 of this Protocol, the following processes and control measures are approved for the participants listed below:

	Page
Australia	30/31
Austria	34/35
Canada	38/39
European Economic Community	42/43
Finland	45
Japan	48/49
New Zealand	50/51
Norway	53
Spain	56/57
Switzerland	61

AUSTRALIA

Skimmed milk powder[1] may be exported from the customs territory of Australia to third countries:

A. Either, after the competent Australian authorities have ensured that the skimmed milk powder has been denatured according to any one of the following processes:

1. By the addition, per 100 kgs. of skimmed milk powder, of 2.5 kgs. of lucerne meal or grass meal, containing not less than 70 per cent of particles not exceeding 300 microns, uniformly distributed throughout the mixture.

2. By the addition of finely milled alfalfa flour (98 per cent to pass mesh 60, equivalent to 50 United States standard), in a proportion of 2 to 4 parts per 100 and of phenolphthalein in a proportion of 1:20,000 (1 gr. per 20 kgs. of milk).

3. By the addition, in the proportion of 20 per 100 by weight of the product treated (80 per 100 by weight of milk powder and 20 per cent of the denaturing agent) of a mixture composed of 80 per cent bran and 20 per cent potato flour, rice flour or other common starch (at least 10 per cent to pass mesh 60, equivalent to 50 United States standard), with phenolphthalein in the proportion of 1:20,000.

4. By the addition of, for each 100 kgs. of skimmed milk powder, a minimum of 35 kgs. of undeodorized fish meal and 200 grs. of carbonate of iron or sulphate of iron and

   (a) 1.5 kgs. of activated carbon;

   (b) or 100 grs. of mixture composed of four fifths of yellow tartrazine (E 102) and one fifth of patent blue V (E 131);

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[1] These processes and control measures apply to buttermilk powder as well as to skimmed milk powder intended for animal feed.

(c) or 20 grs. of cochineal red A (E 124);

(d) or 40 grs. of patent blue V (E 131).

5. By the addition of, for each 100 kgs. of skimmed milk powder, a minimum of 40 kgs. of undeodorized fish meal and 300 grs. of carbonate of iron or sulphate of iron.

6. By the addition of, for each 100 kgs. of skimmed milk powder, a minimum of 4.5 kgs. of fish oil or fish liver oil and 300 grs. of carbonate of iron or sulphate of iron.

The fish meal noted in processes 4 and 5 must contain at least 25 per cent of particles with dimension below 80 microns. In processes 4, 5 and 6, the iron salts have to contain at least 30 per cent of particles of a size lower than 80 microns. The colouring matters have to contain the following percentages of the pure product:

- at least 30 per cent for cochineal red A (E 124);

- at least 25 per cent for the other colouring matters: colouring matters have to contain at least 30 per cent of particles having a size lower than 80 microns; the acidity of fish oil calculated in oleic acid has to be equal to at least 10 per cent.

The products added to skimmed milk powder, according to processes 4, 5 and 6 have to be uniformly distributed as regards in particular the activated carbon, the iron salts and the colouring matters; two samples of 50 grs. each, taken at random in a lot of 25 kgs., must give by chemical determination the same results within the limits of errors admitted by the analysis method used.

7. Dye to be added to liquid skimmed milk before drying at the rate of 2 to 3 ozs. per 100 gallons of milk (12.5 to 18.7 grs. per hectolitre). The dye to be one of the following colours:

	English Standard Index Nos.
Lissamine green	44.090, 42.095, 44.025
Tartrazine	19.140
Combined with	
(a) Brilliant blue F.C.F.	42.090
or	
(b) Green B.S.	44.090
Cochineal	77.289
Brilliant blue/F.C.F.	42.090

8. By the addition of meat and bone meal in a proportion of 2 to 4 parts of skimmed milk powder.

The bags or containers in which the denatured powder is packed will be labelled "For Animal Feed Only".

B. Or, after its incorporation in compound or mixed stockfoods of a kind falling within item 23.07 of the Customs Co-operation Council Nomenclature.

AUSTRIA

Skimmed milk powder[1] may be exported from the customs territory of Austria to third countries:

A. Either, after the competent Austrian authorities have ensured that the skimmed milk powder has been denatured according to any one of the following processes:

1. By the addition, per 100 kgs. of skimmed milk powder, of 2.5 kgs. of lucerne meal or grass meal, containing not less than 70 per cent of particles not exceeding 300 microns, uniformly distributed throughout the mixture.

2. By the addition of finely milled alfalfa flour (98 per cent to pass mesh 60, equivalent to 50 United States standard), in a proportion of 2 to 4 parts per 100 and of phenolphtalein in a proportion of 1:20,000 (1 gr. per 20 kgs. of milk).

3. By the addition, in the proportion of 20 per 100 by weight of the product treated (80 per 100 by weight of milk powder and 20 per cent of the denaturing agent) of a mixture composed of 80 per cent bran and 20 per cent potato flour, rice flour or other common starch (at least 10 per cent to pass mesh 60, equivalent to 50 United States standard), with phenolphthalein in the proportion of 1:20,000.

4. By the addition of, for each 100 kgs. of skimmed milk powder, a minimum of 35 kgs. of undeodorized fish meal and 200 grs. of carbonate of iron or sulphate of iron and:

   (a) 1.5 kgs. of activated carbon;

   (b) or 100 grs. of mixture composed of four fifths of yellow tartrazine (E 102) and one fifth of patent blue V (E 131);

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[1] These processes and control measures apply to buttermilk powder as well as to skimmed milk powder intended for animal feed.

(c) or 20 grs. of cochineal red A (E 124);

(d) or 40 grs. of patent blue V (E 131).

5. By the addition of, for each 100 kgs. of skimmed milk powder, a minimum of 40 kgs. of undeodorized fish meal and 300 grs. of carbonate of iron or sulphate of iron.

6. By the addition of, for each 100 kgs. of skimmed milk powder, a minimum of 4.5 kgs. of fish oil or fish liver oil and 300 grs. of carbonate of iron or sulphate of iron.

The fish meal noted in processes 4 and 5 must contain at least 25 per cent of particles with dimension below eighty microns. In processes 4, 5 and 6, the iron salts have to contain at least 30 per cent of particles of a size lower than eighty microns. The colouring matters have to contain the following percentages of the pure product:

- at least 30 per cent for cochineal red A (E 124);

- at least 25 per cent for the other colouring matters: colouring matters have to contain at least 30 per cent of particles having a size lower than eighty microns; the acidity of fish oil calculated in oleic acid has to be equal to at least 10 per cent.

The products added to skimmed milk powder, according to processes 4, 5 and 6 have to be uniformly distributed as regards in particular the activated carbon, the iron salts and the colouring matters; two samples of 50 grs. each, taken at random in a lot of 25 kgs., must give by chemical determination the same results within the limits of errors admitted by the analysis method used.

7. Dye to be added to liquid skimmed milk before drying at the rate of 2 to 3 ozs. per 100 gls. of milk (12.5 to 18.7 grs. per hectolitre). The dye to be one of the following colours:

	English Standard Index Nos.
Lissamine green	44.090, 42.095, 44.025
Tartrazine	19.140
Combined with:	
(a) Brilliant blue F.C.F.	42.090
or	
(b) Green B.S.	44.090
Cochineal	77.289
Brilliant blue/F.C.F.	42.090

8. By the addition of meat and bone meal in a proportion of 2 to 4 parts of skimmed milk powder.

The bags or containers in which the denatured powder is packed will be labelled "For Animal Feed Only".

B. Or, after its incorporation in compound or mixed stockfoods of a kind falling within item 23 07 of the Customs Co-operation Council Nomenclature.

CANADA

1. By the addition of finely milled alfalfa flour (98 per cent to pass mesh 60, equivalent to 50 United States standard), in a proportion of 2 to 4 parts per 100 and of phenolphthalein in a proportion of 1:20,000 (1 gramme per 20 kgs. of milk).

2. By the addition, in the proportion of 20 per 100 by weight of the product treated (80 per 100 by weight of milk powder and 20 per 100 of the denaturing agent) of a mixture composed of 80 per cent bran and 20 per cent potato flour, rice flour or other common starch (at least 10 per cent to pass mesh 60, equivalent to 50 United States standard) with phenolphthalein in the proportion of 1:20,000.

3. By the addition of, for each 100 kgs. of skimmed milk powder, a minimum of 35 kgs. of undeodorized fish meal and 200 grammes of carbonate of iron or sulphate of iron and

(a) 1.5 kgs. of activated carbon;

(b) or 100 grammes of mixture composed of four fifths of yellow tartrazine (E 102) and one fifth of patent blue V (E 131);

(c) or 20 grammes of cochineal red A (E 124);

(d) or 40 grammes of patent blue V (E 131).

4. By the addition of, for each 100 kgs. of skimmed milk powder, a minimum of 40 kgs. of undeodorized fish meal and 300 grammes of carbonate of iron or sulphate of iron.

5. By the addition of, for each 100 kgs. of skimmed milk powder, a minimum of 4.5 kgs. of fish oil or fish liver oil and 300 grammes of carbonate of iron or sulphate of iron.

The fish meal noted in processes 3 and 4 must contain at least 25 per cent of particles with dimension below 80 microns. In processes 3, 4 and 5, the iron salts have to contain at least 30 per cent of particles of a size lower than 80 microns. The colouring matters have to contain the following percentages of the pure product:

- at least 30 per cent for cochineal red A (E 124);

- at least 25 per cent for the other colouring matters: colouring matters have to contain at least 30 per cent of particles having a size lower than 80 microns; the acidity of fish oil calculated in oleic acid has to be equal to at least 10 per cent.

The products added to skimmed milk powder, according to processes 3, 4 and 5, have to be uniformly distributed as regards in particular the activated carbon, the iron salts and the colouring matters; two samples of 50 grs. each, taken at random in a lot of 25 kgs., must give by chemical determination the same results within the limits of errors admitted by the analysis method used.

6. By the addition of dye to liquid skimmed milk before drying at the rate of 2 to 3 ounces per 100 gallons of milk (12.5 to 18.7 grs. per hectolitre).

Dye to be one of the following colours:

	English Standard Index Nos.
Lissamine green	44.090, 42.095, 44.025
Tartrazine	19.140
combined with:	
(i) Brilliant blue F.C.F.	42.090
or	
(ii) Green B.S.	44.090
Cochineal	77.289
Brilliant blue/F.C.F.	42.090

7. By the addition of meat and bone meal in a proportion of 2:4 parts of skimmed milk powder.

8. By the addition, per 100 kgs. of skimmed milk powder, of 2.5 kgs. of lucerne meal or grass meal, containing not less than 70 per cent of particles not exceeding 300 microns, uniformly distributed throughout the mixture.

The bags or containers in which the denatured powder is packed will be labelled "For Animal Feed Only".

9. Incorporation of skimmed milk powder in compound or mixed stockfoods of a kind falling within item 23.07 of the Customs Co-operation Council Nomenclature.

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EUROPEAN ECONOMIC COMMUNITY

Skimmed milk powder[1] for use as animal feed may be exported to third countries:

(a) either after being denatured in the customs territory of the Community in accordance with Article 2 of Regulation (EEC) No. 990/72[2], as last amended by Regulation (EEC) No. 804/76[3]

> "Skimmed milk powder shall be denatured by the addition, per 100 kgs. of skimmed milk powder, of 2.5 kgs. of lucerne meal or grass meal, containing not less than 70 per cent of particles not exceeding 300 microns, uniformly distributed throughout the mixture."

This product falls within sub-heading 04.02 A II (b) 1 of the common customs tariff;

(b) or after being incorporated in "sweetened forage; other preparations of a kind used for animal feeding", falling within sub-heading ex 23.07 B of the common customs tariff, containing skimmed milk powder;

(c) or after being dyed by the following dyeing process:

The dyeing is to be by means of the colouring matters identified by the Colour Index numbers - most recent edition - and the designations indicated hereunder.

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[1] These processes and control measures apply to buttermilk powder as well as to skimmed milk powder intended for animal feed. (See Regulation (EEC) No. 804/68, Article 10:1.)

[2] O.J. No. L 115 of 17 May 1972, page 1.

[3] O.J. No. L 93 of 8 April 1976, page 22.

These colouring matters

- are to be used alone or in combination, in the form of very fine impalpable powder

and

- are to be uniformly distributed in the skimmed milk powder

- in minimum quantities of 200 grs./100 kgs.

Designation of colouring matters:

C.I. No.	Designation
19140	Tartrazine[1]
42090	Brilliant blue F.C.F.
42095	Lissamine green
44090	Green B.S., Lissamine green
74260	Pigment green 7
77289	Cochineal

(d) or after denaturing in accordance with Annex III to Regulation (EEC) No. 2054/76,[2] as last amended by Regulation (EEC) No.2823/78:[3]

1. Homogeneous addition to the products to be denatured of 1 per cent blood meal and 1 per cent non-deodorized fish-meal; the two substances must be finely ground and 80 per cent of both must be able to pass through the mesh of a No. 60 sieve of the Tyler fine series (0.246 mm. mesh) or equivalent thereof.

The blood meal must be of a type regarded in the trade as soluble and must satisfy the following conditions: when the meal is diluted in water to 10 per cent strength and the solution has been stirred for fifteen minutes and then centrifuged for another fifteen minutes at 2,000 revolutions per minute it must not deposit more than 5 per cent sediment.

2. Homogeneous addition to the products to be denatured of 1 per cent blood meal and 1 per cent non-deodorized fish solubles.

The blood meal must present the same characteristics as required in the first procedure and the fish solubles must be as fine as required in the above procedure for blood meal and fish meal.

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[1] This colouring matter to be used only in combination with one or more of the others included in the above list.

[2] O.J. No. L 228 of 20 August 1978, page 17.

[3] O.J. No. L 334 of 1 December 1978, page 84.

FINLAND

Skimmed milk powder[1] may be exported from the customs territory of Finland to third countries:

A. Either, after the competent Finnish authorities have ensured that the skimmed milk powder has been denatured according to any one of the following processes:

1. By the addition, per 100 kgs. of skimmed milk powder, of 2.5 kgs. of lucerne meal or grass meal, containing not less than 70 per cent of particles not exceeding 300 microns, uniformly distributed throughout the mixture.

2. By the addition of finely milled alfalfa flour (98 per cent to pass mesh 60, equivalent to 50 United States standard), in a proportion of 2 to 4 parts per 100 and of phenolphtalein in a proportion of 1:20,000 (1 gr. per 20 kgs. of milk).

3. By the addition, in the proportion of 20 per 100 by weight of the product treated (80 per 100 by weight of milk powder and 20 per cent of the denaturing agent) of a mixture composed of 80 per cent bran and 20 per cent potato flour, rice flour or other common starch (at least 10 per cent to pass mesh 60, equivalent to 50 United States standard), with phenolphthalein in the proportion of 1:20,000.

4. By the addition of, for each 100 kgs. of skimmed milk powder, a minimum of 35 kgs. of undeodorized fish meal and 200 grs. of carbonate of iron or sulphate of iron and:

   (a) 1.5 kgs. of activated carbon;

   (b) or 100 grs. of mixture composed of four fifths of yellow tartrazine (E 102) and one fifth of patent blue V (E 131);

---

[1] These processes and control measures apply to buttermilk powder as well as to skimmed milk powder intended for animal feed.

(c) or 20 grs. of cochineal red A (E 124);

(d) or 40 grs. of patent blue V (E 131).

5. By the addition of, for each 100 kgs. of skimmed milk powder, a minimum of 40 kgs. of undeodorized fish meal and 300 grs. of carbonate of iron or sulphate of iron.

6. By the addition of, for each 100 kgs. of skimmed milk powder, a minimum of 4.5 kgs. of fish oil or fish liver oil and 300 grs. of carbonate of iron or sulphate of iron.

The fish meal noted in processes 4 and 5 must contain at least 25 per cent of particles with dimension below eighty microns. In processes 4, 5 and 6, the iron salts have to contain at least 30 per cent of particles of a size lower than eighty microns. The colouring matters have to contain the following percentages of the pure product:

- at least 30 per cent for cochineal red A (E 124);

- at least 25 per cent for the other colouring matters: colouring matters have to contain at least 30 per cent of particles having a size lower than eighty microns; the acidity of fish oil calculated in oleic acid has to be equal to at least 10 per cent.

The products added to skimmed milk powder, according to processes 4, 5 and 6 have to be uniformly distributed as regards in particular the activated carbon, the iron salts and the colouring matters; two samples of 50 grs. each, taken at random in a lot of 25 kgs., must give by chemical determination the same results within the limits of errors admitted by the analysis method used.

7. Dye to be added to liquid skimmed milk before drying at the rate of 2 to 3 ozs. per 100 gls. of milk (12.5 to 18.7 grs. per hectolitre). The dye to be one of the following colours:

	English Standard Index Nos.
Lissamine green	44.090, 42.095, 44.025
Tartrazine	19.140
Combined with:	
(a) Brilliant blue F.C.F.	42.090
or	
(b) Green B.S.	44.090
Cochineal	77.289
Brilliant blue/F.C.F.	42.090

8. By the addition of meat and bone meal in a proportion of 2 to 4 parts of skimmed milk powder.

   The bags or containers in which the denatured powder is packed will be labelled "For Animal Feed Only".

B. Or, after its incorporation in compound or mixed stockfoods of a kind falling within item 23.07 of the Customs Co-operation Council Nomenclature.

JAPAN

Based on the provisions of Article 13 of the Customs Tariff Law, he who wants to import, with customs duty exempted, skimmed milk powder so as to produce animal feed through mixing the powder concerned with other materials shall take the following steps so that the powder concerned will not be diverted to uses other than animal feed:

1. He shall in advance make an application to the Director of Customs Office so that his factory be authorized to produce mixed feed with the duty-exempted skimmed milk powder.

2. When he (himself or through his agent) imports skimmed milk powder for purposes of animal feed, he shall go through necessary importation formalities and customs officers at a port of entry shall keep a record on the quantity of the skimmed milk powder thus imported.

3. He shall deliver the skimmed milk powder to his factory authorized under paragraph 1 above and mix it with fish meal, chrysalis meal or fish soluble.

4. After producing mixed feed, he shall submit, for inspection by the Customs Office, a report which contains, among others, information on the quantities of the skimmed milk powder used in the production and of other materials mixed therewith. The customs officers shall check how much of the quantity recorded at the time of entry has been used in the production and inspect the product concerned before its delivery from the factory.

In cases where he violates the control measures mentioned above, the authorization under paragraph 1 above shall be cancelled and the exempted customs duty shall be collected according to the provisions of the Customs Tariff Law. In addition to the above, he shall be fined or imprisoned, as the case may be, on the ground of the evasion of customs duty as provided for by the Customs Law.

NEW ZEALAND

1. By the addition of finely milled alfalfa flour (98 per cent to pass mesh 60, equivalent to 50 United States standard), in a proportion of 2 to 4 parts per 100 and of phenolphthalein in a proportion of 1:20,000 (1 gr. per 20 kgs. of milk).

2. By the addition, in the proportion of 20 per 100 by weight of the product treated (80 per 100 by weight of milk powder and 20 per 100 of the denaturing agent) of a mixture composed of 80 per cent bran and 20 per cent potato flour, rice flour or other common starch (at least 10 per cent to pass mesh 60, equivalent to 50 United States standard), with phenolphthalein in the proportion of 1:20,000.

3. By the addition of, for each 100 kgs. of skimmed milk powder, a minimum of 35 kgs. of undeodorized fish meal and 200 grs. of carbonate of iron or sulphate of iron and

(a) 1.5 kgs. of activated carbon;

(b) or 100 grs. of mixture composed of four fifths of yellow tartrazine (E 102) and one fifth of patent blue V (E 131);

(c) or 20 grs. of cochineal red A (E 124);

(d) or 40 grs. of patent blue V (E 131);

(e) or 20 grs. of edicol lime.

4. By the addition of, for each 100 kgs. of skimmed milk powder, a minimum of 40 kgs. of undeodorized fish meal and 300 grs. of carbonate of iron or sulphate of iron.

5. By the addition of, for each 100 kgs. of skimmed milk powder, a minimum of 4.5 kgs. of fish oil or fish liver oil and 300 grs. of carbonate of iron or sulphate of iron.

The fish meal noted in processes 3 and 4 must contain at least 25 per cent of particles with dimension below 80 microns. In processes 3, 4 and 5, the iron salts have to contain at least 30 per cent of particles of a size lower than 80 microns. The colouring matters have to contain the following percentages of the pure product:

- at least 30 per cent for cochineal red A (E 124);

- at least 25 per cent for the other colouring matters: colouring matters have to contain at least 30 per cent of particles having a size lower than 80 microns; the acidity of fish oil calculated in oleic acid has to be equal to at least 10 per cent.

The products added to skimmed milk powder, according to processes 3, 4 and 5, have to be uniformly distributed as regards in particular the activated carbon, the iron salts and the colouring matters; two samples of 50 grs. each, taken at random in a lot of 25 kgs., must give by chemical determination the same results within the limits of errors admitted by the analysis method used.

6. By the addition of dye to liquid skimmed milk before drying at the rate of 2 to 3 ounces per 100 gallons of milk (12.5 to 18.7 grs. per hectolitre).

Dye to be one of the following colours:

	English Standard Index Nos.
Lissamine green	44.090, 42.095, 44.025
Tartrazine	19.140
Combined with	
(i) Brilliant blue F.C.F.	42.090
or	
(ii) Green B.S.	44.090
Cochineal	77.289
Brilliant blue/F.C.F.	42.090

7. By the addition of meat and bone meal in a proportion of 2:4 parts of skimmed milk powder.

8. By the addition, per 100 kgs. of skimmed milk powder, of 2.5 kgs. of lucerne meal or grass meal, containing not less than 70 per cent of particles not exceeding 300 microns uniformly distributed throughout the mixture.

The bags or containers in which the denatured powder is packed will be labelled "For Animal Feed Only".

9. Incorporation of skimmed milk powder in compound or mixed stockfoods of a kind falling within item 23.07 of the Customs Co-operation Council Nomenclature.

NORWAY

Skimmed milk powder[1] may be exported from the customs territory of Norway to third countries:

A. Either, after the competent Norwegian authorities have ensured that the skimmed milk powder has been denatured according to any one of the following processes:

1. By the addition, per 100 kgs. of skimmed milk powder, of 2.5 kgs. of lucerne meal or grass meal, containing not less than 70 per cent of particles not exceeding 300 microns, uniformly distributed throughout the mixture.

2. By the addition of finely milled alfalfa flour (98 per cent to pass mesh 60, equivalent to 50 United States standard), in a proportion of 2 to 4 parts per 100 and of phenolphtalein in a proportion of 1:20,000 (1 gr. per 20 kgs. of milk).

3. By the addition, in the proportion of 20 per 100 by weight of the product treated (80 per 100 by weight of milk powder and 20 per cent of the denaturing agent) of a mixture composed of 80 per cent bran and 20 per cent potato flour, rice flour or other common starch (at least 10 per cent to pass mesh 60, equivalent to 50 United States standard), with phenolphthalein in the proportion of 1:20,000.

4. By the addition of, for each 100 kgs. of skimmed milk powder, a minimum of 35 kgs. of undeodorized fish meal and 200 grs. of carbonate of iron or sulphate of iron and:

   (a) 1.5 kgs. of activated carbon;

   (b) or 100 grs. of mixture composed of four fifths of yellow tartrazine (E 102) and one fifth of patent blue V (E 131);

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[1] These processes and control measures apply to buttermilk powder as well as to skimmed milk powder intended for animal feed.

(c) or 20 grs. of cochineal red A (E 124);

(d) or 40 grs. of patent blue V (E 131).

5. By the addition of, for each 100 kgs. of skimmed milk powder, a minimum of 40 kgs. of undeodorized fish meal and 300 grs. of carbonate of iron or sulphate of iron.

6. By the addition of, for each 100 kgs. of skimmed milk powder, a minimum of 4.5 kgs. of fish oil or fish liver oil and 300 grs. of carbonate of iron or sulphate of iron.

The fish meal noted in processes 4 and 5 must contain at least 25 per cent of particles with dimension below eighty microns. In processes 4, 5 and 6, the iron salts have to contain at least 30 per cent of particles of a size lower than eighty microns. The colouring matters have to contain the following percentages of the pure product:

- at least 30 per cent for cochineal red A (E 124);

- at least 25 per cent for the other colouring matters: colouring matters have to contain at least 30 per cent of particles having a size lower than eighty microns; the acidity of fish oil calculated in oleic acid has to be equal to at least 10 per cent.

The products added to skimmed milk powder, according to processes 4, 5 and 6 have to be uniformly distributed as regards in particular the activated carbon, the iron salts and the colouring matters; two samples of 50 grs. each, taken at random in a lot of 25 kgs., must give by chemical determination the same results within the limits of errors admitted by the analysis method used.

7. Dye to be added to liquid skimmed milk before drying at the rate of 2 to 3 ozs. per 100 gls. of milk (12.5 to 18.7 grs. per hectolitre). The dye to be one of the following colours:

	English Standard Index Nos.
Lissamine green	44.090, 42.095, 44.025
Tartrazine	19.140
Combined with:	
(a) Brilliant blue F.C.F.	42.090
or	
(b) Green B.S.	44.090
Cochineal	77.289
Brilliant blue/F.C.F.	42.090

8. By the addition of meat and bone meal in a proportion of 2 to 4 parts of skimmed milk powder.

The bags or containers in which the denatured powder is packed will be labelled "For Animal Feed Only".

B. Or, after its incorporation in compound or mixed stockfoods of a kind falling within item 23.07 of the Customs Co-operation Council Nomenclature.

SPAIN

The control systems applied by Spain to imports of skimmed milk powder intended for animal feed are set forth in the following texts annexed hereto:

1. Circular No. 789 of the General Directorate of Customs, establishing rules for the denaturing of milk powder (Annex 1);

2. Order of Ministry of Agriculture of 30 October 1976 establishing control and surveillance of denatured milk powder and whey powder for use in animal feed (Annex 2).

In addition, other supplementary provisions are in existence such as the Ministry of Finance Order dated 22 September 1969, determining the responsibilities of the customs authorities with respect to chemical analysis, and Customs Circular No. 626 (Official Gazette of 17 October 1969) prescribing the modalities for chemical analysis, rules for the taking of samples and the responsibility of the various laboratories.

ANNEX 1

General Directorate of Customs

Circular No. 789 (Official Gazette of 12 October 1977)
Establishing Rules for the Denaturing of Milk Powder

The denaturing of skimmed milk powder is to be effected by either of the following two processes:

1. Homogeneous addition to the products to be denatured of 1 per cent of blood flour and 1 per cent of fish flour[1]; both substances must be finely ground, and each must pass through a No. 60 screen of the Tyler fine series (0.246 millimetre mesh) or its standard equivalents, in a proportion of not less than 80 per cent.

The blood flour shall be of a type regarded as soluble in the trade and must meet the requirement that when diluted in water in a 10 per cent solution and when the solution is shaken for fifteen minutes and centrifuged for an additional fifteen minutes at 2,000 revolutions per minute, the sediment shall not exceed 5 per cent.

2. Homogeneous addition to the products to be denatured of 1 per cent of blood flour and 1 per cent of non-deodorized fish solubles.

The blood flour shall have the characteristics required in the previous process and the fish solubles shall also have, so far as degree of fineness is concerned, the same characteristics as those indicated in the previous process for blood flour and fish flour.

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[1] It is the understanding of the Spanish authorities that the fish flour must be non-deodorized.

ANNEX 2

Ministry of Agriculture

Order of 30 October 1976 establishing control and surveillance of denatured milk powder and whey powder for use in animal feed

The import of denatured milk powder or whey powder under the Liberalized-Trade Régime exclusively for purposes of animal feed requires regulation of the control and surveillance of use, with the twofold objective of guaranteeing the quality of both the basic product and the denaturing agents employed and of preventing unlawful competition with domestic dairy products.

Quality standards and requirements for substances and products used in animal feed having been approved by Decree 851/1975 of 20 March and Ministerial Order of the Minister of Agriculture of 23 June 1976, it is necessary to make an order regarding procedures for testing and demanding the necessary quality in those products.

In pursuance of the instructions contained in Article 21 of the said Decree regarding the control and surveillance to be exercised by the Ministry of Agriculture over the handling, transport and storage of products for use in animal feed and by virtue of the authority vested in this Department by final provision 4 of the said Decree, I have deemed it fitting to provide as follows:

Article 1. The denatured milk powder and whey powder to be imported must meet the quality requirements laid down for those products in the Ministerial Order of 23 June 1976, taking into account any modifications in those characteristics which may result from the denaturing agent used. The products used as denaturing agents may be those approved by Circular No. 543 of the General Directorate of Customs (Boletín Oficial del Estado of 28 July 1966) or such other products as may subsequently be approved for the purpose.

The foregoing shall be tested by means of analyses performed by laboratories belonging to this Department on samples taken, prior to customs clearance, by the appropriate inspection services from the lots being imported.

Article 2. In order to ensure adequate preservation of the quality of these products, they may only be imported in sacks. Each of the sacks shall bear an appropriate label giving particulars concerning the type of product and the denaturing agent or agents used. Each sack shall be conspicuously marked with the words: "Products for use only in animal feed".

Article 3. The Customs Veterinary Inspection Services of this Department shall take the necessary samples and shall arrange for their despatch to the appropriate laboratory for analysis.

Before issuing the Certificate of Inspection, they shall verify the health documents accompanying the lot to be imported and shall obtain from the importer complete information concerning the destination of the product in question so as to supplement the particulars on the Import and Destination Form that is to accompany the goods (Annex 1). This form shall be signed by the importer or by a person duly authorized by him.

If the imported lot has different destinations, the importer or his representative shall make a declaration for each sub-lot.

Article 4. For purposes of subsequent control of these products, the Customs Veterinary Inspection Services shall send a copy of the Import and Destination Form to the appropriate provincial branch-office for agriculture so that the necessary verifications and procedures may be carried out by the Service for Fraud Prevention and Agricultural Testing and Analysis.

Article 5. Imported denatured dairy products shall be used exclusively in animal feed and accordingly, after clearance by Customs, they shall be consigned exclusively to fodder or additive plants, wholesale warehouses or stock-farmers, all of whom shall preserve the documentation accompanying the goods since its entry in Customs. The subsequent movement of these products shall be restricted to authorized industrial and warehousing enterprises, which must ensure that the goods are always accompanied by documents or invoices certifying the origin thereof. The consignee of the goods shall hold the original of these documents at the disposal of the inspection services for one year, and the consignor shall hold the copy or counterfoil for the same period of time and for the same purpose.

Article 6. The removal or total or partial elimination of the denaturing substances incorporated in the dairy products referred to in this Order, and likewise any other practice that would annul effects indicative of the presence of such substances, shall be prohibited.

Article 7. The inspection services of the Department shall ensure strictest compliance with the provisions of this Order, and any movement or possession of the said products in circumstances other than those authorized by this Order shall be deemed clandestine.

Article 8. Infringements of the provisions laid down in this Order shall be punished in accordance with the provisions of Decree 2177/1973, of 12 July, governing penalties for fraud in respect of agricultural products.

Article 9. The General Directorate of Agrarian Industries and the General Directorate of Agrarian Production are hereby empowered to establish additional rules for the implementation of the present Order.

Communicated for your information and action.

Madrid, 30 October 1976.

SWITZERLAND

Skimmed milk powder may be exported from the customs territory of Switzerland to third countries:

A. Either, after the competent Swiss authorities have ensured that the skimmed milk powder has been denatured according to any one of the following processes:

1. By the addition, per 100 kgs. of skimmed milk powder, of 2.5 kgs. of lucerne meal or grass meal, containing not less than 70 per cent of particles not exceeding 300 microns, uniformly distributed throughout the mixture.

2. By the addition of finely milled alfalfa flour (98 per cent to pass mesh 60, equivalent to 50 United States standard), in a proportion of 2 to 4 parts per 100 and of phenolphthalein in a proportion of 1:20,000 (1 gr. per 20 kgs. of milk).

3. By the addition, in the proportion of 20 per 100 by weight of the product treated (80 per 100 by weight of milk powder and 20 per cent of the denaturing agent) of a mixture composed of 80 per cent bran and 20 per cent potato flour, rice flour or other common starch (at least 10 per cent to pass mesh 60, equivalent to 50 United States standard), with phenolphthalein in the proportion of 1:20,000.

4. By the addition of, for each 100 kgs. of skimmed milk powder, a minimum of 35 kgs. of undeodorized fish meal and 200 grs. of carbonate of iron or sulphate or iron and:

   (a) 1.5 kgs. of activated carbon;

   (b) or 100 grs. of mixture composed of four fifths of yellow tartrazine (E 102) and one fifth of patent blue V (E 131);

(c) or 20 grs. of cochineal red A (E 124);

(d) or 40 grs. of patent blue V (E 131).

5. By the addition of, for each 100 kgs. of skimmed milk powder, a minimum of 40 kgs. of undeodorized fish meal and 300 grs. of carbonate of iron or sulphate of iron.

6. By the addition of, for each 100 kgs. of skimmed milk powder, a minimum of 4.5 kgs. of fish oil or fish liver oil and 300 grs. of carbonate of iron or sulphate of iron.

The fish meal noted in processes 4 and 5 must contain at least 25 per cent of particles with dimension below eighty microns. In processes 4, 5 and 6, the iron salts have to contain at least 30 per cent of particles of a size lower than eighty microns. The colouring matters have to contain the following percentages of the pure product:

- at least 30 per cent for cochineal red A (E 124);

- at least 25 per cent for the other colouring matters: colouring matters have to contain at least 30 per cent of particles having a size lower than eighty microns; the acidity of fish oil calculated in oleic acid has to be equal to at least 10 per cent.

The products added to skimmed milk powder, according to processes 4, 5 and 6 have to be uniformly distributed as regards in particular the activated carbon, the iron salts and the colouring matters; two samples of 50 grs. each, taken at random in a lot of 25 kgs., must give by chemical determination the same results within the limits of errors admitted by the analysis method used.

7. Dye to be added to liquid skimmed milk before drying at the rate of 2 to 3 ozs. per 100 gls. of milk (12.5 to 18.7 grs. per hectolitre). The dye to be one of the following colours:

	English Standard Index Nos.
Lissamine green	44.090, 42.095, 44.025
Tartrazine	19.140
Combined with	
(a) Brilliant blue F.C.F.	42.090
or	
(b) Green B.S.	44.090
Cochineal	77.289
Brilliant blue/F.C.F.	42.090

8. By the addition of meat and bone meal in a proportion of 2 to 4 parts of skimmed milk powder.

The bags or containers in which the denatured powder is packed will be labelled "For Animal Feed Only".

B. Or, after its incorporation in compound or mixed stockfoods of a kind falling within item 23.07 of the Customs Co-operation Council Nomenclature.

ANNEX II

Protocol Regarding Milk Fat

PROTOCOL REGARDING MILK FAT

PART ONE

Article 1 - Product Coverage

1. This Protocol applies to milk fat falling under CCCN heading No. 04.03, having a milk fat content equal to or greater than 50 per cent by weight.

PART TWO

Article 2 - Pilot Products

1. For the purpose of this Protocol, minimum export prices shall be established for the pilot products of the following descriptions:

(a)	Designation:	Anhydrous milk fat
	Milk fat content:	99.5 per cent by weight
(b)	Designation:	Butter
	Milk fat content:	80 per cent by weight
Packaging:		In packages normally used in the trade, of a net content by weight of not less than 25 kgs. or 50 lbs., as appropriate.
Terms of sale:		F.o.b. from the exporting country or free-at-frontier exporting country. By derogation from this provision, reference points are designated for the countries listed in Annex II a. The Committee established in pursuance of Article VII:2(a) of the Arrangement (hereinafter referred to as the Committee) may amend the contents of that Annex. Prompt payment against documents.

PART TWO (cont'd)

Article 3 - Minimum Prices

Level and observance of minimum prices

1. Participants undertake to take the steps necessary to ensure that the export prices of the products defined in Article 2 of this Protocol shall not be less than the minimum prices applicable under the present Protocol. If the products are exported in the form of goods in which they have been incorporated, participants shall take the steps necessary to avoid the circumvention of the price provisions of this Protocol.

2. (a) The minimum price levels set out in the present Article take account, in particular, of the current market situation, dairy prices in producing participants, the need to ensure an appropriate relationship between the minimum prices established in the Protocols to the present Arrangement, the need to ensure equitable prices to consumers, and the desirability of maintaining a minimum return to the most efficient producers in order to ensure stability of supply over the longer term.

(b) The minimum prices provided for in paragraph 1 of the present Article applicable at the date of entry into force of this Protocol are fixed at:

(i) US$1,100 per metric ton for the anhydrous milk fat defined in Article 2 of this Protocol.

(ii) US$925 per metric ton for the butter defined in Article 2 of this Protocol.

3. (a) The levels of the minimum prices specified in the present Article can be modified by the Committee, taking into account, on the one hand, the results of the operation of the Protocol and, on the other hand, the evolution of the situation of the international market.

PART TWO (cont'd)

Article 3 (cont'd)

(b) The levels of the minimum prices specified in the present Article shall be subject to review at least once a year by the Committee. The Committee shall meet in September of each year for this purpose. In undertaking this review the Committee shall take account in particular, to the extent relevant and necessary, of costs faced by producers, other relevant economic factors of the world market, the need to maintain a long-term minimum return to the most economic producers, the need to maintain stability of supply and to ensure acceptable prices to consumers, and the current market situation and shall have regard to the desirability of improving the relationship between the levels of the minimum prices set out in paragraph 2(b) of the present Article and the dairy support levels in the major producing participants.

Adjustment of minimum prices

4. If the products actually exported differ from the pilot products in respect of the fat content, packaging or terms of sale, the minimum prices shall be adjusted so as to protect the minimum prices established in this Protocol for the products specified in Article 2 of this Protocol according to the following provisions:

Milk fat content: If the milk fat content of the product defined in Article 1:1 of the present Protocol differs from the milk fat content of the pilot products as defined in Article 2 of the present Protocol then, if the milk fat content is equal to or greater than 82 per cent or less than 80 per cent, the minimum price of this product shall be, for each full percentage point by which the milk fat content is more than or less than 80 per cent, increased or reduced in proportion to the difference between the minimum prices established for the pilot products defined in Article 2 of the present Protocol.[1]

[1] See Annex II b, "Schedule of price differentials according to milk fat content".

PART TWO (cont'd)

Article 3 (cont'd)

Packaging: If the products are offered otherwise than in packages normally used in the trade, of a net content by weight of not less than 25 kgs. or 50 lbs., as appropriate, the minimum prices shall be adjusted so as to reflect the difference in the cost of packaging from the type of package specified above.

Terms of sale: If sold on terms other than f.o.b. from the exporting country or free-at-frontier exporting country[1], the minimum prices shall be calculated on the basis of the minimum f.o.b. prices specified in paragraph 2(b) of this Article, plus the real and justified costs of the services provided; if the terms of the sale include credit, this shall be charged for at the prevailing commercial rates in the country concerned.

Special conditions of sales

5. Participants undertake within the limit of their institutional possibilities to ensure that practices such as those referred to in Article 4:1 of this Protocol do not have the effect of directly or indirectly bringing the export prices of the products subject to the minimum price provisions below the agreed minimum prices.

Field of application

6. For each participant, this Protocol is applicable to exports of the products specified in Article 1 of this Protocol manufactured or repacked inside its own customs territory.

Transactions other than normal commercial transactions

7. The provisions of paragraphs 1 to 6 of this Article shall not be regarded as applying to donated exports to developing countries or to exports destined for relief purposes or food-related development purposes or welfare purposes in developing countries.

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[1] See Article 2:1

PART TWO (cont'd)

Article 4 - Provision of Information

1. In cases where prices in international trade of the products covered by Article 1 of this Protocol are approaching the minimum prices mentioned in Article 3:2(b) of this Protocol, and without prejudice to the provisions of Article III of the Arrangement, participants shall notify to the Committee all the relevant elements for evaluating their own market-situation and, in particular, credit or loan practices, twinning with other products, barter or three-sided transactions, refunds or rebates, exclusivity contracts, packaging costs and details of the packaging, so that the Committee can make a verification.

Article 5 - Obligations of Exporting Participants

1. Exporting participants agree to use their best endeavours, in accordance with their institutional possibilities, to supply on a priority basis the normal commercial requirements of developing importing participants, especially those used for food-related development purposes and welfare purposes.

Article 6 - Co-operation of Importing Participants

1. Participants which import products covered by Article 1 of this Protocol undertake in particular:

(a) to co-operate in implementing the minimum prices objective of this Protocol and to ensure, as far as possible, that the products covered by Article 1 of this Protocol are not imported at less than the appropriate customs valuation equivalent to the prescribed minimum prices;

(b) without prejudice to the provisions of Article III of the Arrangement and Article 4 of this Protocol, to supply information concerning imports of products covered by Article 1 of this Protocol from non-participants;

(c) to consider sympathetically proposals for appropriate remedial action if imports at prices inconsistent with the minimum prices threaten the operation of this Protocol.

PART THREE

Article 7 - Derogations

1. Upon request by a participant, the Committee shall have the authority to grant derogations from the provisions of Article 3, paragraphs 1 to 4 of this Protocol in order to remedy difficulties which observance of minimum prices could cause certain participants. The Committee shall pronounce on such a request within three months from the date of the request.

Article 8 - Emergency Action

1. Any participant, which considers that its interests are seriously endangered by a country not bound by this Protocol, can request the Chairman of the Committee to convene an emergency meeting of the Committee within two working days to determine and decide whether measures would be required to meet the situation. If such a meeting cannot be arranged within the two working days and the commercial interests of the participan concerned are likely to be materially prejudiced, that participant may take unilateral action to safeguard its position, on the condition that an other participants likely to be affected are immediately notified. The Chairman of the Committee shall also be formally advised immediately of th full circumstances of the case and shall be requested to call a special meeting of the Committee at the earliest possible moment.

ANNEX II a

Protocol Regarding Milk Fat

List of Reference Points

In accordance with the provisions of Article 2:1 of this Protocol, the following reference points are designated for the countries listed below:

Austria: Antwerp, Hamburg, Rotterdam

Finland: Antwerp, Hamburg, Rotterdam.
Basle: for butter exports to Switzerland

Norway: Antwerp, Hamburg, Rotterdam

Sweden: Antwerp, Hamburg, Rotterdam.
Basle: for butter exports to Switzerland

ANNEX II b

Protocol Regarding Milk Fat

Schedule of Price Differentials According to Milk Fat Content

Milk fat content %				Minimum price US$/metric ton
Equal to or more than .., less than ..				..
"	..	"	..	..
"	79	"	80	916.25
"	80	"	82	925
"	82	"	83	942.50
"	83	"	84	951.25
"	84	"	85	960
"	85	"	86	968.75
"	86	"	87	977.50
"	87	"	88	986.25
"	88	"	89	995
"	89	"	90	1,003.75
"	90	"	91	1,012.50
"	91	"	92	1,021.25
"	92	"	93	1,030
"	93	"	94	1,038.75
"	94	"	95	1,047.50
"	95	"	96	1,056.25
"	96	"	97	1,065
"	97	"	98	1,073.75
"	98	"	99	1,082.50
"	99	"	99.5	1,091.25
"	99.5			1,100

ANNEX III

Protocol Regarding Certain Cheeses

PROTOCOL REGARDING CERTAIN CHEESES

PART ONE

Article 1 - Product Coverage

1. This Protocol applies to cheeses falling under CCCN heading No. 04.04, having a fat content in dry matter, by weight, equal to or more than 45 per cent and a dry matter content, by weight, equal to or more than 50 per cent.

PART TWO

Article 2 - Pilot Product

1. For the purpose of this Protocol, a minimum export price shall be established for the pilot product of the following description:

Designation:	Cheese
Packaging:	In packages normally used in the trade of a net content by weight of not less than 20 kgs. or 40 lbs., as appropriate.
Terms of sale:	F.o.b. from the exporting country or free-at-frontier exporting country. By derogation from this provision, reference points are designated for the countries listed in Annex IIIa. The Committee established in pursuance of Article VII:2(a) of the Arrangement (hereinafter referred to as the Committee) may amend the contents of that Annex. Prompt payment against documents.

PART TWO (cont'd)

Article 3 - Minimum Price

Level and observance of minimum price

1. Participants undertake to take the steps necessary to ensure that the export prices of the products defined in Articles 1 and 2 of this Protocol shall not be less than the minimum price applicable under the present Protocol. If the products are exported in the form of goods in which they have been incorporated, participants shall take the steps necessary to avoid the circumvention of the price provisions of this Protocol.

2. (a) The minimum price level set out in the present Article takes account, in particular, of the current market situation, dairy prices in producing participants, the need to ensure an appropriate relationship between the minimum prices established in the Protocols to the present Arrangement, the need to ensure equitable prices to consumers, and the desirability of maintaining a minimum return to the most efficient producers in order to ensure stability of supply over the longer term.

(b) The minimum price provided for in paragraph 1 of the present Article applicable at the date of entry into force of this Protocol is fixed at US$800 per metric ton.

3. (a) The level of the minimum price specified in the present Article can be modified by the Committee, taking into account, on the one hand, the results of the operation of the Protocol and, on the other hand, the evolution of the situation of the international market.

(b) The level of the minimum price specified in the present Article shall be subject to review at least once a year by the Committee. The Committee shall meet in September of each year for this purpose. In undertaking this review the Committee shall take account in particular, to the extent relevant and necessary, of costs faced by producers, other relevant economic factors of the world market, the need to maintain a long-term minimum return to the most economic producers, the need to maintain stability of supply and to ensure acceptable prices to consumers, and the current market situation and shall have regard to the desirability of improving the relationship between the level of the minimum price set out in paragraph 2(b) of the present Article and the dairy support levels in the major producing participants.

PART TWO (cont'd)

Article 3 (cont'd)

Adjustment of minimum price

4. If the products actually exported differ from the pilot product in respect of the packaging or terms of sale, the minimum price shall be adjusted so as to protect the minimum price established in this Protocol, according to the following provisions:

Packaging:	If the products are offered otherwise than in packages as specified in Article 2:1, the minimum price shall be adjusted so as to reflect the difference in the cost of packaging from the type of package specified above.
Terms of sale:	If sold on terms other than f.o.b. from the exporting country or free-at-frontier exporting country[1], the minimum price shall be calculated on the basis of the minimum f.o.b. price specified in paragraph 2(b) of this Article, plus the real and justified costs of the services provided; if the terms of the sale include credit, this shall be charged for at the prevailing commercial rates in the country concerned.

Special conditions of sale

5. Participants undertake within the limit of their institutional possibilities to ensure that practices such as those referred to in Article 4:1 of this Protocol do not have the effect of directly or indirectly bringing the export prices of the products subject to the minimum price provisions below the agreed minimum price.

Field of application

6. For each participant, this Protocol is applicable to exports of the products specified in Article 1 of this Protocol manufactured or repacked inside its own customs territory.

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[1] See Article 2:1.

PART TWO (cont'd)

Article 3 (cont'd)

Transactions other than normal commercial transactions

7. The provisions of paragraphs 1 to 6 of this Article shall not be regarded as applying to donated exports to developing countries or to exports destined for relief purposes or food-related development purposes or welfare purposes in developing countries.

Article 4 - Provision of Information

1. In cases where prices in international trade of the products covered by Article 1 of this Protocol are approaching the minimum price mentioned in Article 3:2(b) of this Protocol and without prejudice to the provisions of Article III of the Arrangement, participants shall notify to the Committee all the relevant elements for evaluating their own market situation and, in particular, credit or loan practices, twinning with other products, barter or three-sided transactions, refunds or rebates, exclusivity contracts, packaging costs and details of the packaging, so that the Committee can make a verification.

Article 5 - Obligations of Exporting Participants

1. Exporting participants agree to use their best endeavours, in accordance with their institutional possibilities, to supply on a priority basis the normal commercial requirements of developing importing participants, especially those used for food-related development purposes and welfare purposes.

Article 6 - Co-operation of Importing Participants

1. Participants which import products covered by Article 1 of this Protocol undertake in particular:

(a) to co-operate in implementing the minimum price objective of this Protocol and to ensure, as far as possible, that the products covered by Article 1 of this Protocol are not imported at less than the appropriate customs valuation equivalent to the prescribed minimum price;

(b) without prejudice to the provisions of Article III of the Arrangement and Article 4 of this Protocol, to supply information concerning imports of products covered by Article 1 of this Protocol from non-participants;

PART TWO (cont'd)

Article 6 (cont'd)

(c) to consider sympathetically proposals for appropriate remedial action if imports at prices inconsistent with the minimum price threaten the operation of this Protocol.

PART THREE

Article 7 - Derogations

1. Upon request by a participant, the Committee shall have the authority to grant derogations from the provisions of Article 3, paragraphs 1 to 4 of this Protocol in order to remedy difficulties which observance of minimum prices could cause certain participants. The Committee shall pronounce on such a request within thirty days from the date of the request.

2. The provisions of Article 3:1 to 4 shall not apply to exports, in exceptional circumstances, of small quantities of natural unprocessed cheese which would be below normal export quality as a result of deterioration or production faults. Participants exporting such cheese shall notify the GATT secretariat in advance of their intention to do so. Participants shall also notify the Committee quarterly of all sales of cheese effected under the provisions of this paragraph, specifying in respect of each transaction, the quantities, prices and destinations involved.

Article 8 - Emergency Action

1. Any participant, which considers that its interests are seriously endangered by a country not bound by this Protocol, can request the Chairman of the Committee to convene an emergency meeting of the Committee within two working days to determine and decide whether measures would be required to meet the situation. If such a meeting cannot be arranged within the two working days and the commercial interests of the participant concerned are likely to be materially prejudiced, that participant may take unilateral action to safeguard its position, on the condition that any other participants likely to be affected are immediately notified. The Chairman of the Committee shall also be formally advised immediately of the full circumstances of the case and shall be requested to call a special meeting of the Committee at the earliest possible moment.

ANNEX III a

Protocol Regarding Certain Cheeses

List of Reference Points

In accordance with the provisions of Article 2:1 of this Protocol, the following reference points are designated for the countries listed below:

Austria:	Antwerp, Hamburg, Rotterdam
Finland:	Antwerp, Hamburg, Rotterdam
Norway:	Antwerp, Hamburg, Rotterdam
Sweden:	Antwerp, Hamburg, Rotterdam
Poland:	Antwerp, Hamburg, Rotterdam

ANNEX B

The United States undertakes to implement the economic provisions of this Arrangement fully within the limit of its institutional possibilities.

Japan undertakes to implement the provisions of this Arrangement fully within the limit of its institutional possibilities.

Japan has accepted Article 3:5 of the Protocol Regarding Certain Milk Powders on the understanding that advance notification of its intention to make use of the provisions of that paragraph may be made globally for a given period and not separately for each transaction.

The Nordic countries have accepted Article V:3 of the Arrangement with the understanding that it does not in any way prejudge their position with regard to the definition of (other than) normal commercial transactions.

Switzerland has indicated that it is reserving the right to request at a later date the designation of two or three European ports as reference points under Article 2 of the Protocol Regarding Certain Milk Powders in the event that its exports made this necessary.

New Zealand has indicated that the annual quantities of its exports under Article 7:2 of the Protocol Regarding Certain Cheeses should normally be of the order of 1,000 metric tons and could, in exceptional circumstances, amount to some 2,000 metric tons.

MTN/DP/W/48
Page 1

Annex A

INTERNATIONAL DAIRY ARRANGEMENT

Page 3* - In the third line of the last preambular paragraph, replace "Agreement" by "Arrangement"

Page 6 - Article IV, paragraph 5
At the end of the first sentence, insert ", inter alia, for the same purposes provided for in paragraph 2 of this Article."

Note 1. Second line, delete "and agreed upon"

Page 19 - Article 3, paragraph 4
In the second line of the sub-paragraph "Milk fat content", delete ":1"

Page 20 - Note 1, delete ":1"

Page 21 - Article 3, paragraph 6
In the third line, delete ":1"

Page 24/25 - Annex I a, "List of Reference Points",
In the first line delete ":1"

Page 50/51 - Processes and control measures of New Zealand, add after "NEW ZEALAND" the footnote reference 1
Insert the following footnote at the bottom of the page:

"[1] These processes and control measures apply to buttermilk powder as well as to skimmed milk powder intended for animal feed."

Page 68 - Article 3, paragraph 4
In the second line of the sub-paragraph "Milk fat content", delete ":1"

Page 69 - Article 3, paragraph 5
In the second line, delete ":1"

Note 1, delete ":1"

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*English text only

Page 72/73 - Annex II a, "List of Reference Points"
In the first line, delete ":1"

Page 80 - Article 3, paragraph 4
In the second line of the sub-paragraph "Packaging" delete ":1"

Article 3, paragraph 5
In the third line, delete ":1"

Note 1, delete ":1"

Page 83 - Annex III a, "List of Reference Points"
In the first line, delete ":1"

CERTAIN BILATERAL AGREEMENTS ON CHEESE, OTHER DAIRY PRODUCTS, AND MEAT

AGREEMENT WITH THE EUROPEAN COMMUNITIES

NEGOCIATIONS COMMERCIALES MULTILATERALES

Des lettres, dont le contenu se trouve en annexe, seront échangées entre les Etats-Unis et la Commission des Communautés Européennes

A Genève, le

Pour la Commission des Communautés européennes

Pour les Etats-Unis

ARRANGEMENT BETWEEN THE U.S. AND THE COMMUNITY CONCERNING CHEESES

1. The U.S. agrees that its import system will be adjusted so that :

   — the chesses which are listed in Annex 1 will not be subject to quotas;

   — the other cheeses will be freely imported within the limits of fixed quotas.

2. The global volume of the quotas granted to the Community for cheeses subject to the quota system will amount to a minimum of 43.554 tons. The distribution of the quotas between the different varieties is that listed in Annex 2 of the present arrangement. The U.S. commits itself to take all necessary measures so that the management of the quotas by the administration will be such as to permit their maximum utilisation.

3. The Community agrees not to grant restitutions or permit other similar practices in a manner such as to result in the prices for cheeses of Community origin on the U.S. wholesale market below the prices of like U.S. domestic cheeses. Other suppliers of cheese under quota to the U.S. will be subject to the same commitment.

4. The U.S. agrees not to impose countervailing duties on cheese imported from the Community as long as the price condition on the American market, as stated in paragraph 3, is met.

   If the American Government considers that the price conditions mentioned in the previous paragraph are no longer respected, it will inform the Community and agree to enter into consultations before undertaking any counteraction.

5. The Community accepts the commitment of the U.S. with regard to the amounts of the quotas, established by virtue of Section 22 and in conformity with the Waiver of 1955, without prejudice to its rights under the General Agreement.

ANNEX 1

1. In accordance with the Arrangement, the cheeses covered by the following tariff categories of the tariff schedules of the United States shall not be subject to quota.

a) Those provided for in items :

TSUS No.	Description
117.0020	Stilton cheese, in original loaves, product of England
117.0520	Stilton cheese, other, product of England
117.1000	Bryndza cheese
117.3000	Gjetost cheese, made from goat's milk whey or from whey obtained from a mixture of goat's milk and not more than 20 percent of cow's milk
117.3500	Gjetost cheese, other
ex 117.4060	Goya cheese, in original loaves
117.4500	Roquefort cheese, in original loaves, product of France
117.5000	Roquefort cheese, other, product of France
117.6060	Gammelost and Nokkelost cheeses
117.6500	Cheeses made from sheep's milk, in original loaves and suitable for grating
117.6700	Pecorino cheese, made from sheep's milk, in original loaves, not suitable for grating
117.7000	Other sheep's milk cheese
117.7575	Other goat's milk cheese valued not over 25 cents per pound
117.8575	Other goat's milk cheese valued over 25 cents per pound

b) Those provided for in an item to be created the wording of which shall be based on the following definition for soft ripened cow's milk cheeses :

"Soft ripened cheese is cured or ripened by biological curing agents such as molds, yeasts, and other organisms which have formed a prominent crust on the surface of the cheese. The curing or ripening is conducted so that the cheese visibly cures or ripens from the surface toward

the center. Fat content in the dry matter is not less than fifty (50) percent. Moisture content, calculated by weight of the non-fatty matter is not less than sixty-five (65) percent.

"The term soft ripened cheese does not include cheeses with yeasts and other organisms on the surface which also contain mold molds, blue or othervise, distributed throughout the interior of the cheese."

2. The following non-comprehensive list is given for illustrative purposes only. Administrative cooperation should be established at the technical level concerning any difficulty related to the classification of these cheeses :

- Hibress
- Brie
- Camembert
- Cambré
- Carré de l'Est
- Chaource
- Coulommiers
- Epoisse
- Herve
- Limbourg
- Livarot
- Maroilles
- Munster - from France and Germany along both sides of the Rhine
- Pont-l'Evêque
- Reblochon
- St. Marcellin
- Taleggio

(Examples offered for sale under commercial names) :

- Boursault
- Caprice des Dieux
- Ducs (Suprême des)
- Explorateur

CHEESE QUOTAS

TSUS Appendix Item Number	Commodity	Annual Import Quota Jan. 1 - Dec. 31 (MT)
950.07	Blue mold (except Stilton produced in England) and cheese substitutes for cheese containing, or processed from, blue mold cheese	2.479
950.08	Cheddar cheese and cheese and substitutes for cheese containing, or processed from, Cheddar cheese	263
950.08 A	American-type cheese, including Colby, washed cured, and granular cheese (but not including Cheddar) and cheese containing, or processed from, such American-type cheese	254
950.09 A	Edam and Gouda cheese	4.011
950.09 B	Cheese and substitutes for cheese containing, or processed from, Edam and Gouda cheese. Italian-type cheeses, made from cow's milk (Romani made from cow's milk, Reggiano, Parmesano, Provoloni, Provolette, and Sbrinz)	1.237
950.10	In original loaves	1.763
950.10 A	Not in original loaves and cheese and substitutes for cheese containing, or processed from, such Italian-type cheeses	47
	Swissor Emmenthaler cheese with eye formation; gruyere-process cheese; and cheese and substitutes for cheese containing, or processed from, such cheeses	
950.10 B	Swiss or Emmenthaler cheese with eye formation	6.000

TSUS Appendix Item Number	Commodity	Annual Import Quota Jan. 1 - Dec. 31 (MT)
950.10 C	Other than Swiss or Emmenthaler with eye formation (reported statistically as Gruyere-process)	3.500
950.10 D	Cheeses and substitutes for cheese provided for in items 117.75 and 117.85, part 4 C Schedule 1 of the Tariff Schedules of the United States (except cheese not containing cow's milk; cheese, except cottage cheese, containing 0.5 percent of less by weight of butterfat, and articles within the scope of other import quotas provided for in this part)	20.000
950.10 E	Cheese, and substitutes for cheese, containing 0.5 percent or less by weight of butterfat as provided for in items 117.75 and 117.85 of subpart C, part 4, Schedule 1 (except articles within the scope of other import quotas provided for in this part)	4.000

UNITED STATES DELEGATION
TO THE
MULTILATERAL TRADE NEGOTIATIONS

1-3, avenue de la Paix
1202 Geneva, Switzerland

April 12, 1979

Mr. Claude Villain
Director General for Agriculture
European Economic Community
200 Rue de la Loi
1049 Brussels, Belgium

Dear Mr. Villain:

As regards the US/EC Arrangement on Cheeses I wish to refer to our understanding that in the event that the EC is unable to supply a given annual quota the U.S. may authorize a temporary country of origin adjustment for the remainder of the quota year so that U.S. importers and licensees may be able to use their import licenses elsewhere.

Sincerely,

Alonzo L. McDonald
Ambassador

EXCHANGE OF LETTERS BETWEEN THE EUROPEAN ECONOMIC COMMUNITY AND THE UNITED STATES CONCERNING THE POULTRY SECTOR

The United States and the European Economic Community have agreed as follows :

1. The Commission will take measures so that at the date of the coming into force of the concessions internal procedures will have been completed modifying the coefficients used in the calculation of the sluice-gate price and the levy for certain turkey parts on the basis of those applicable to whole turkeys, so that these will be fixed at the following levels for the positions :

02.02 B II e) 2 aa)	drumsticks	:	0,75
02.02 B II e) 2 bb)	thighs	:	1,35
02.02 B II d) 2	breasts	:	1,60

These modifications are such that they would have entailed at the date of December 1, 1978, other things being equal, reductions of the threshold prices and levies, respectively of

for the tariff line	02.02 B II e) 2 aa)	drumsticks	:	17 %
	02.02 B II e) 2 bb)	thighs	:	13 %
	02.02 B II d) 2	breasts	:	3 %

2. The E.C. confirms the binding for uncooked seasoned turkey meat under the tariff position 16.02 B I A of the CXT. Uncooked seasoned poultry meat other than turkey meat, now classified under the same tariff position, may be reclassified.

3. If exports of turkey meat from the United States to the European Economic Community exceed the average level realized in the course of the years 1977 and 1978, the United States and the European Economic Community will enter into consultation in order to examine the situation and, if needed, to find a solution to the problem thus created on the Community market for turkey.

47-231 O - 79 - 28

EXCHANGE OF LETTERS BETWEEN THE EUROPEAN ECONOMIC COMMUNITY AND THE UNITED STATES CONCERNING RICE

1. The European Economic Community agrees that at the 1st September 1979 and at the 1st September 1980, internal procedures will be completed in the Community which will reduce, in two stages, the threshold price for long grain rice - which presently exceeds that for round grain rice by 20 UA/MT - to the level of the threshold price for round grain rice including the corresponding modifications of the external corrective amounts used in the calculation of the CIF prices.

2. The European Economic Community agrees to retain the classification of parboiled rice in Chapter 10 of the CXT as provided for in European Economic Community Council Regulation 2800/78 of November 27, 1978. This classification will also be maintained in the future.

3. The European Economic Community agrees that these concessions will not be negated through any changes in the method used for calculating the European Economic Community threshold price and the import levies for rice.

EXCHANGE OF LETTERS BETWEEN THE EUROPEAN ECONOMIC COMMUNITY AND THE UNITED STATES CONCERNING HIGH QUALITY BEEF

1. The European Economic Community agrees to establish a levy free quota of 10,000 MT of high quality beef with an a.v. tariff of 20 percent to be bound in GATT. This beef shall be defined by either of the two following definitions and certified to by the exporting country:

   i) Beef quarters, wholesale cuts, boneless primal and sub-primal cuts or portioned steaks from carcasses possessing the following characteristics:

      A) Minimum external white fat covering over the ribeye muscle at the 12th rib of .4 inch to .9 inch.

      B) Carcass weight of 600 to 850 pounds.

      C) Minimum ribeye area at 12th rib - 9 square inches.

      D) Maximum Age - 30 months. Carcass must have no visible ossification of cartilage buttons over tips of spinous processes associated with the 1st through 11th thoracic vertebrae.

      E) Minimum intermuscular fat intermingled in lean of longissimus (ribeye) muscle at the 12th rib as shown by photographic standard (equivalent to modest or fat content of lean of 6.0 minimum, wet tissue basis, for longissimus). NOTE: This will not apply to other muscles of carcass.

      F) Color: Lean must be a bright, cherry red color at time of cutting of carcass.

G) Fresh chilled carcasses or cuts must be at a temperature (internal or ribeye muscle) of less than 4 degrees C when packed for shipment.

ii) Carcasses or any cuts from cattle not over 30 months of age which have been fed for 100 days or more on a nutritionally balanced, high energy feed concentration ration containing no less than 70 percent grain, and at least 20 pounds total feed per day.

It should be noted that U.S. beef which is graded USDA choice or prime will automatically meet the definition of one of the above.

2. By 1983 the United States and the European Economic Community will consult about the possibility of further expanding trade in high quality beef.

EXCHANGE OF LETTERS BETWEEN THE EUROPEAN ECONOMIC COMMUNITY AND THE UNITED STATES CONCERNING FRESH, CHILLED AND FROZEN BEEF

1. The United States agrees to operate its import system of fresh, chilled and frozen beef in such a manner as to allow access for 5,000 M.T. of E.C. beef from member countries free of foot and mouth disease. The European Economic Community will administer the amount. As regards countervailing duties, the United States will act in conformance with the relevant provisions of the subsidy countervail code.

2. By 1983, the United States and the European Economic Community will consult about the possibility of further expanding trade in fresh, chilled and frozen beef.

EXCHANGE OF LETTERS BETWEEN THE EUROPEAN ECONOMIC COMMUNITY AND THE UNITED STATES CONCERNING THE ELIMINATION OF THE "WINE GALLON ASSESSMENT"

The United States agrees to eliminate the wine gallon method of assessment used in the calculation of the customs duties and of the internal taxes on products imported under the following tariff numbers:

168.05	Aquavit
168.17	Bitters of all kinds containing spirits, fit for use as beverages
	Brandy:
	Pisco and singani:
	in containers each holding not over 1 gallon:
168.18	valued not over $9 per gallon
168.23	valued over $ 9 per gallon
	Other:
	in containers each holding not over 1 gallon:
168.28	valued over $9 per gallon
168.33	Cordials, liqueurs, kirschwasser, and ratafia
168.34	Ethyl alcohol for beverage purposes
168.35	Gin
168.45	Whiskey:
	Irish and Scotch
	Other spirits, and preparations in chief value of distilled spirits, fit for use as beverages or for beverage purposes:
168.55	Other

EXCHANGE OF LETTERS BETWEEN THE EUROPEAN ECONOMIC COMMUNITY AND THE UNITED STATES CONCERNING DISTILLED SPIRITS

The Commission of the European Communities will do everything within its competence to obtain the elimination of those measures in the Member States which result in discrimination against U.S. distilled spirits.

UNITED STATES DELEGATION
TO THE
MULTILATERAL TRADE NEGOTIATIONS

1-3, avenue de la Paix
1202 Geneva, Switzerland

April 11, 1979

Mr. Claude Villain
Director Genenal for Agriculture
European Economic Community
200 Rue de la Loi
1049 Brussels, Belgium

Dear Mr. Villain:

I wish to inform you that the United States intends to eliminate the wine gallon method of assessment also for the products in the TSUS positions 168.10, 168.18, 168.23, 168.27, 168.40 and 168.52, subject to the satisfactory completion of negotiations with the principal suppliers of these products.

Sincerely,

Alonzo L. McDonald
Ambassador

AGREEMENT WITH SWITZERLAND

UNITED STATES DELEGATION
TO THE
MULTILATERAL TRADE NEGOTIATIONS

1-3, avenue de la Paix
1202 Geneva, Switzerland

April 12, 1979

His Excellency
Arthur Dunkel
Ambassador of Switzerland
Permanent Delegation of Switzerland
9-11, rue de Varembe
1211 Geneva

Dear Mr. Ambassador:

Referring to the bilateral negotiations between the United States and Switzerland within the Tokyo Round, I have the honor to confirm the following Understanding reached today in connection with the Arrangement on cheeses concluded between the two countries.

1. The allocation among cheese types within the tariff quota for Switzerland of 6,500 MT shall be:

950.10B	Emmenthaler-type cheese	3,630 MT
950.10C	Gruyere process	1,450 MT
950.10D	Other, NSPF	1,420 MT

2. In principle, the quotas specified above are provided for imports from Switzerland. If, however, an importer submits satisfactory proof that he is unable to obtain his quota share from Switzerland and, through consultation, Switzerland is not able to demonstrate that such cheese is available, reallocation to another supplier could occur. Such reallocation shall take place only after consultations between the Swiss and American authorities.

3. Both sides agreed that the allocation of the import licenses between traditional and new importers shall not hamper the full utilization of the quota. The American side will make its best efforts to allow the full use of the Swiss quota.

4. The reference price level for the cheese imports shall be the wholesale prices of like cheeses in selected major American cities. No imports above such prices will be subject to offsetting measures. From our meetings in Washington in March, 1979, we understand that it is the intention of the Swiss authorities not to allow Swiss exports to undercut the above price level by means of subsidies.

Sincerely yours,

Alonzo L. McDonald

Alonzo L. McDonald
Ambassador

LE DÉLÉGUÉ
AUX ACCORDS COMMERCIAUX

3003 BERNE, 12th April 1979

Dear Mr. Ambassador,

I have the honour to acknowledge receipt of your letter of today, the content of which reads as follows:

"Referring to the bilateral negotiations between Switzerland and the United States within the Tokyo Round, I have the honour to confirm the following Understanding reached today in connexion with the Arrangement on cheeses concluded between the two countries.

1. The allocation among cheese types within the tariff quota for Switzerland of 6,500 MT shall be:

950.10 B	Emmenthaler-type cheese	3,630 MT
950.10 C	Gruyere process	1,450 MT
950.10 D	Other, NSPF	1,420 MT

2. In principle, the quotas specified in paragraph 1 above are provided for imports from Switzerland. If, however, an importer submits satisfactory proof that he is unable to obtain his quota share from Switzerland and, through consultation, Switzerland is not able to demonstrate that such cheese is available, reallocation to another supplier could occur. Such reallocation shall take place only after consultations between the Swiss and American authorities.

3. Both sides agreed that the allocation of the import licences between traditional and new importers shall not hamper

H.E. Mr. Alonzo L. McDonald
Ambassador and Head of Delegation
of United States to the MTN
1-3, av. de la Paix

1202 GENEVA

the full utilization of the quota. The American side will make their best efforts to allow the full use of the Swiss quota.

4. The reference price level for the cheese imports shall be the wholesale prices of like cheeses in selected major American cities. No imports above such prices will be subject to offsetting measures. From our meetings in Washington in March, 1979, we understand that it is the intention of the Swiss authorities not to allow Swiss exports to undercut the above price level by means of subsidies.

I confirm that it is the intention of the Swiss authorities not to allow Swiss exports to undercut the above price level by means of subsidies as mentioned in paragraph 4 of the above letter.

Please accept, dear Mr. Ambassador, the assurance of my highest consideration.

Arthur Dunkel

Arthur Dunkel
Ambassador

ARRANGEMENT BETWEEN THE UNITED STATES AND SWITZERLAND CONCERNING CHEESES

1. The United States agrees to bind in Schedule XX of the General Agreement on Tariffs and Trade the quota levels by type of cheese listed in Annex II. These quotas will be established under the authority of Section 22 of the Agricultural Adjustment Act of 1933 in compliance with the GATT Waiver of 1955.

2. The United States agrees that its import system will be adjusted so that:

- The cheeses which are listed in Annex I will not be subject to quotas; and
- The other cheeses will be freely imported within the limits of fixed quotas.

3. The global volume of the quotas granted to Switzerland for cheeses subject to the quota system will amount to a minimum of 6,500 metric tons. The distribution of the quotas between the different varieties is that listed in Annex II of the present arrangement. The U.S. agrees to take all necessary measures to permit the maximum utilization of the quotas. It is, however, understood that in the event Switzerland is unable to supply a given annual quota, the U.S. will authorize a temporary country of origin adjustment for the remainder of the quota year so that U.S. importers and licensees may be able to use their import licenses elsewhere.

4. Switzerland agrees not to grant restitutions or other government payments in a manner so as to result in price of cheese of Swiss origin below the prices of like U.S. domestic cheese at the wholesale level. Any government payments applied in a manner inconsistent with this commitment would be subject to counteraction by the U.S.

ANNEX I

In accordance with Arrangement, the cheeses covered by the following tariff categories of the tariff schedules of the United States shall not be subject to quota:

TSUS No.	Description
117.0020	Stilton cheese, in original loaves, product of England
117.0520	Stilton cheese, other, product of England
117.1000	Bryndza cheese
117.3000	Gjetost cheese, made from goat's milk whey or from whey obtained from a mixture of goat's milk and not more than 20 percent of cow's milk
117.3500	Gjetost cheese, other
ex 117.4060	Goya cheese, in original loaves
117.4500	Roquefort cheese, in original loaves, product of France
117.5000	Roquefort cheese, other, product of France
117.6060	Gammelost and Mokkelost cheeses
117.6500	Cheeses made from sheep's milk, in original loaves and suitable for grating
117.6700	Pecorino cheese, made from sheep's milk, in original loaves, not suitable for grating
117.7000	Other sheep's milk cheese
117.7575	Other goat's milk cheese valued not over 25 cents per pound
117.8575	Other goat's milk cheese valued over 25 cents per pound
(to be established)	Soft ripened cow's milk cheeses meeting the following definition: "Soft ripened cheese is cured or ripened by biological curing agents such as molds, yeasts, and other organisms which have formed a prominent crust on the surface of the cheese. The curing or ripening is conducted so that the cheese visibly cures or ripens from the surface toward the center. Fat content in the dry matter is not less than fifty (50) percent. Moisture-content,

TSUS No.	Description
	calculated by weight of the non-fatty matter is not less than sixty-five (65) percent. "The term soft ripened cheese does not include cheeses with mold, blue or otherwise, distributed throughout the interior of the cheese."

The following non-comprehensive list is given for illustrative purposes only. Administrative cooperation should be established at the technical level concerning any difficulty related to the classification of these cheeses:

Bibress

Brie

Camembert

Cambre

Carre de l'est

Chaource

Coulommiers

Epoisse

Limbourg

Livarot

Maroilles

Munster - from France and Germany along both sides of the Rhine

Pout l'Eveque

Reblochon

St. Marcellin

Taleggio

(Examples offered for sale under commercial names)

Boursault

Caprice de Dieux

Ducs (Supreme des)

Explorateur

ANNEX II

CHEESE QUOTAS
SWITZERLAND

TSUS Appendix Item No.	Commodity	Annual Import Quota Jan 1 - Dec 31 (MT)
950.10B	Swiss or Emmenthaler cheese with eye formation	3,630 MT
950.10C	Other than Swiss or Emmenthaler with eye formation (reported statistically as Gruyere-process)	1,450
950.10D	Cheeses and substitutes for cheese provided for in items 117.75 and 117.85, part 4C Schedule 1 of the Tariff Schedules of the United States (except cheese not containing cow's milk; cheese, except cottage cheese, containing 0.5 percent or less by weight of butterfat, and articles within the scope of other import quotas provided for in this part)	1,420

Commitment of Switzerland concerning access to its market for beef me

1. As a result of the Multilateral Trade Negotiation held in the framework of GATT, Switzerland takes the commitment to open minimum import possibilities (licences) for the following global quantities of beefmeat, fresh, frozen or chilled, item 0201.20/22 of the Swiss customs tariff : 2'000 t per year.

2. These import possibilities will apply to high quality beef meat from carcasses with lean meat, red, firm and fine grained in texture, with some marbling and a firm, white fat cover.

3. The following cuts will qualify for this regime :

   a) ribs

   b) parts including strip loin, tender loin and rump (either together or cut)

   c) tops including top-butter (topside), silverside, eye round, knuckle

   d) tongues

4. These import possibilities will be opened within the Swiss import system. In very exceptional circumstances, under which it would appear impossible to open the total amount, Switzerland is prepared to hold consultations on request of interested countries.

5. From the above quantity a minimum import possibility of 700 t will be opened for beef meat qualifying under either of the following definitions :

   i) Beef quarters, wholesale cuts, boneless primal and subprimal cuts or portioned steaks from carcasses possessing the following characteristics :

a) Minimum external white fat covering over the ribeye muscle at the 12th rib of .4 inch to .9 inch.

b) Carcass weight of 600 to 850 pounds.

c) Minimum ribeye area at 12th rib - 9 square inches.

d) Maximum Age -- 30 months. Carcass must have no visible ossification of cartilage buttons over tips of spinous processes associated with the 1st through 11th thoracic vertebrae.

e) Minimum intermuscular fat intermingled in lean in longissimus (ribeye) muscle at the 12th rib as shown by photographic standard (equivalent to modest or fat content of lean of 6.0 minimum, wet tissue basis, for longissimus). NOTE : This will not apply to other muscles of carcass.

f) Colour : Lean must be a bright, cherry red colour at time of cutting of carcass.

g) Fresh chilled carcasses or cuts must be at a temperature (internal of ribeye muscle) of less than 4 degrees C when packed for shipment.

ii) Carcasses or any cuts from cattle not over 30 months of age which have been fed for 100 days or more on a nutritionally balanced, high energy feed concentration ration containing no less than 70 percent grain, and at least 20 pounds total feed per day.

6. The above import possibilities will be administered according to the demand of swiss importers.

LE DÉLÉGUÉ
AUX ACCORDS COMMERCIAUX

3003 BERNE, 11th April 1979

Dear Mr. Ambassador,

Referring to the bilateral tariff negotiations between the United States and Switzerland within the Tokyo Round, I have the honour to confirm that the swiss tariff on the items listed below concerning motor vehicles and their parts will be reduced to the following levels :

8406.20	100.--
22	80.--
8702.10	63.--
12	65.--
14	81.--
16	96.--
20	63.--
21	65.--
22	81.--
24	96.--
26	34.--
28	96.--
8705.12	80.--

H.E. Mr. Alonzo L. McDonald
Ambassador and Head of Delegation
of the United States to the MTN
1 - 3, av. de la Paix
1202 GENEVA

8706.20	80.--
26	20.--
34	80.--

For these items Switzerland intends to eliminate entirely the customs tariffs and to replace them by a system of non-discriminatory internal taxes. This modification can be expected to enter into force within the time frame of the implementation of the Tokyo Round.

Please accept, dear Mr. Ambassador, the assurance of my highest consideration.

Arthur Dunkel

Arthur Dunkel

Ambassador

LE DÉLÉGUÉ
AUX ACCORDS COMMERCIAUX

3003 BERNE, 12th April 1979

Dear Mr. Ambassador,

I have the honour to acknowledge receipt of your letter of today the content of which reads as follows :

" The United States Delegation informs the Swiss Delegation that, within the Multilateral Trade Negotiation, the United States cannot make tariff negotiating offers on certain watch movements with a value under 15 dollars because of the employment and economic development in the Virgin Islands for which the watch industry performs an important role".

Please accept, dear Mr. Ambassador, the assurance of my highest consideration.

Arthur Dunkel

Arthur Dunkel

Ambassador

H.E. Mr. Alonzo L. McDonald
Ambassador and Head of Delegation
of United States to the MTN
1-3, av. de la Paix
1202 GENEVA

AGREEMENT WITH NEW ZEALAND

RESULTS OF BILATERAL NEGOTIATIONS BETWEEN THE DELEGATIONS OF NEW ZEALAND AND THE UNITED STATES TO THE MULTILATERAL TRADE NEGOTIATIONS

The Delegation of New Zealand and the Delegation of the United States agree that, subject to approval by their relevant authorities, they have completed bilateral negotiations in the context of the Multilateral Trade Negotiations on the basis of the offers contained in the attached Annexes.

Annex 1: Tariff Offers
Annex 2: Offer by New Zealand on Import Licensing
Annex 3: Offer by the United States on imports of meat
Annex 4: Offer by the United States on imports of dairy products.

The Delegations note that the offers, as contained in the Annexes, are subject to technical rectifications, including any modifications which may result from the preparation of GATT Schedules.

The Delegations further note that the offers and their acceptance are made without prejudice to their rights and obligations under the General Agreement on Tariffs and Trade.

for the Delegation of New Zealand

for the Delegation of the United States

Geneva, 21 May 1979.

ANNEX 1

TARIFF OFFERS

A. OFFERS BY NEW ZEALAND

1. New Zealand's global tariff offer includes the offers set out below on items where the United States made specific requests, and where the United States was the principal MFN supplier in the year ended June 1977.

Item	Description	Concession Offered
ex 10.06.000	Rice; other kinds; broken	Free
ex 29.04.019	Other acyclic alcohols etc; other; other kinds	5%
ex 29.06.009	Other phenols and phenol-alcohols	5%
ex 29.14.000	Monocarboxylic acids etc; other kinds	5%
ex 29.16.039	Carboxylic acids etc; other kinds	5%
ex 29.21.000	Other esters of mineral acids etc	5%
29.25.000	Carboxyamide-function compounds etc	5%
29.31.000	Organo-sulphur compounds	5%
ex 29.35.009	Heterocyclic compounds etc; other	5%
30.05.001	Sterile surgical catgut etc	5%
33.04.029	Mixtures of two or more odiferous substances etc; other kinds	35%
34.02.000	Organic surface active agents etc	35%
ex 35.04.000	Peptones and other protein substances and their derivatives	5%
ex 37.05.000	Plates, imperforated film and perforated film etc; other	15%
ex 38.11	Timber preserving preparations	20%
ex 38.11	Other insecticides and fungicides; other kinds; other	20%
ex 70.06.000	Plate glass	10%
ex 82.03.009	Pliers etc; other	5%
82.04.001	Hammers, having only iron or steel striking face or faces	5%
ex 82.04.079	Hand tools, other kinds	5%
ex 82.04.079	Vices, joiners clamps; as determined	5%
ex 84.06.001	Aircraft engines; other	5%
ex 84.06.001	Parts of aircraft engines; other	5%
ex 84.06.051	Internal combustion piston engines; other kinds; other	5%
ex 84.22.009	Loaders, shovel type, specially designed for use in underground mines	35%

2

Item	Description	Concession Offered
ex 84.22.009	Lifting, handling etc machinery; other	35%
ex 84.23.051	Scrapers; having a struck capacity exceeding 4.587m^3	5%
ex 84.23.051	Scrapers; other	5%
ex 84.23.061	Rock boring machinery	5%
84.49.001	Chain saws.	5%
ex 84.59.059	Machines and mechanical appliances etc; other	35%
85.11.009	Industrial and laboratory electric furnaces etc; other	35%
ex 85.24.001	Carbon brushes	10%
ex 85.24.009	Arc lamp carbons etc; other	5%
ex 86.09.000	Parts of railway stock; other	40%
ex 88.03.000	Parts for goods falling in heading no. 88.01 or 88.02; other	5%
90.17.019	Other electro-medical apparatus	5%
ex 90.17.029	Medical, dental etc instruments etc; other	10%
98.03.001	Propelling and sliding pencils	15%

2. In addition to the above items, New Zealand's global tariff offer contains offers on other tariff items, as set out below, which were the subject of specific requests by the United Stat

Item	Description	Concession Offered
ex 10.06.000	Rice, in the husk or husked etc	Free
ex 10.06.000	Rice; other kinds; other	Free
ex 12.02.001	Soya bean flour and meal; as approved	65c/100kg
20.06.041	Nuts, roasted; other	Free
ex 29.06.009	Cresols, xylenols	5%
ex 29.23.009	Single or complex oxygen-function amino compounds; other	5%

3

Item	Description	Concession Offered
ex 35.04.000	Hide powder, whether or not chromed	5%
ex 37.01.009	Photographic plates and film etc; other kinds	5%
37.08.009	Chemical products for use in photography; other	25%
84.10.029	Pumps etc; other	30%
84.19.001	Washing machines for bottles and other containers	5%
ex 88.02.002	Powered aircraft; Civil	5%
90.20.009	Apparatus based on the use of X-rays etc; other	5%

3. In addition to the above items, New Zealand's global tariff offer contains offers on a wide range of other tariffs for which the United States was the principal MFN supplier in the year ended June 1976.

4. Supplementary Tariff Offers, made by New Zealand in response to specific requests from the United States.

Item	Description	Concession Offered
(a) Agricultural Products		
02.06.009	)Bacon and ham, salted and smoked)Other pigmeat, smoked	10%
05.04.001	Sausage casings, of hog guts	Free
08.02.001	Oranges, fresh	Free
08.02.005	)Lemons, fresh)Grapefruit , fresh	Free
ex 08.04.001	Grapes, fresh (1/7-31/12)	Free
08.06.001*	)Apples, fresh)Pears, fresh	Free

*The New Zealand Apple and Pear Marketing Board will undertake to import a minimum quantity of 3,000 MT on a global basis.

Item	Description	Concession Offered
11.01.001	Cereal flours, with additives	25%
11.01.029	Cereal flours, other	20%
16.02.011	Turkey, prepared or preserved	25%
16.02.031	Other canned meat	10%
ex 21.07.009	Textured vegetable protein	10%
24.01.001	Tobacco, unmanufactured, for cigars	Free
24.01.005	Tobacco, unmanufactured, for cigarettes	$70.00/100kg**

** Binding of "$70.00/100kg minus 25% of the amount by which the CIF value exceeds $360/100kg, provided that the specific rate of duty so determined shall not be less than $40.00/100kg".

(b) Industrial Products

37.02.009	Film in rolls, unexposed other	5%
38.14.005	Oxidation inhibitors	15%
38.14.009	Anti-knock preps, other	15%
38.19.079	Other chemical products	10%
70.17.000	Laboratory etc; glassware	Free
84.08.009	Parts of aircraft engines	5%
84.34.009	Machinery for typesetting etc, other	Free
84.64.001	Gaskets and similar joints of metal sheeting	5%
84.64.009	Other gaskets	30%
87.06.052	Other parts of tractors	Free
ex 90.25.009	Instruments for physical or chemical analysis etc, other than as determined	5%***
ex 90.28.009	Electrical measuring checking analysing etc apparatus, other than as determined	5%***

*** These bindings are offered on the condition that New Zealand retains the right to withdraw approvals and make determinations.

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B. OFFERS BY THE UNITED STATES

1. Offers made by the United States in response to specific requests from New Zealand.

Item	Description	Concession Offered
106.30	Lamb meat	0.5c/lb
115.20	Milk or cream, over 5.5 but not over 45% butterfat, within quota	12c/gal
116.00	Butter and cream over 45% butterfat; Nov.1-Mar.31, within quota	5.6c/lb
116.10	Butter and cream over 45% butterfat, Apr.1-Jul.15, within quota	5.6c/lb
116.20	Butter and cream over 45% butterfat, Jul.16-Oct.31, within quota	5.6c/lb
117.15	Cheese, cheddar, not processed otherwise than by division into pieces	12%
121.54	Sheep skins, vegetable tanned, in the rough	2.4%
306.10	Wool, Aleppo etc and other wool not finer than 40s, on the skin	2.2c/clean lb
306.11	Wool, Aleppo etc and other wool not finer than 40s, in the grease or washed, not sorted	2.5c/clean lb
306.12	Wool, Aleppo etc and other wool not finer than 40s, in the grease or washed, sorted	2.5c/clean lb
306.13	Wool, Aleppo etc and other wool not finer than 40s, scoured	3c/clean lb
306.21	Wool, other, finer than 40s but not finer than 44s, in the grease or washed, not sorted	3c/clean lb
306.22	Wool, other, finer than 40s but not finer than 44s, in the grease, or washed, sorted	3c/clean lb
306.23	Wool, other, finer than 40s but not finer than 44s, scoured	4c/clean lb
306.30	Wool, other, finer than 44s, on the skin	4.5c/clean lb
306.32	Wool, other, finer than 44s, in the grease or washed, sorted	10.5c/clean lb
307.64	Wool or hair yarn, other	9%

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Item	Description	Concession Offered
308.06	Other silk, nes, processed but not made into yarn	3%
374.30	Hosiery, of wool, not embroidered	20%
ex 493.16	Casein mixtures, chief value casein, not including dried milk and not for retail sale	0.2c/lb
660.75	Hydrojet engines for motor boats and parts	2.5%

2. The United States undertakes to make a maximum effort to maintain the following tariff concessions on items of interest to New Zealan

Item	Description	Concession Offered
100.75	Horses, live, not for slaughter valued over $150/head	Free
106.10	Beef and veal, fresh/chilled/frozen	2c/lb
107.55	Beef and veal, prep. or pres., other, valued not over 30c/lb	2c/lb
107.60.40	Beef and veal, prep. or pres., other, valued over 30c/lb	4%
107.75.20	Lamb or mutton, except offal, nes, prep. or pres., valued over 30c/lb	Free
111.92	Fish, nes, smoked or kippered not otherwise prep. or pres., and not in airtight containers	Free
146.90	Cherries, fresh, not in airtight or watertight containers	Free
ex 146.75	Raspberries, prep. or pres.	7%
177.62	Wool grease, nes	1.3c/lb
192.20	Cut flowers	8%
252.79	Other papers, nspf, not impregnated, coated etc, weighing over 9 but not over 18lbs/ream	Free
306.31	Wool, other, finer than 44s, in the grease or washed, not sorted	10c/clean lb
306.33	Wool, other, finer than 44s, scoured	11c/clean lb
360.65	Floor coverings over 50% wool pile or tuft insert, valued not over 40c/sq.ft	5%

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Item	Description	Concession Offered
360.70	Floor coverings over 50% wool pile or tuft insert, valued over 40c/sq.ft	7 %

3. Duty Suspension on Wool.

Subject to the requirements of United States law, the United States will seek to maintain the existing temporary duty suspension on wool provided for in TSUS Items 306.00 through 306.24.

C. IMPLEMENTATION OF TARIFF CONCESSIONS

1. New Zealand agrees to implement in full the concessions listec in section A of this Annex, with effect from 1 January 1980.

2. The United States agrees to implement the concessions listed in section B of this Annex as follows:

(a) For wool items listed in section B.1. (TSUS 306.10; 306.11 306.12; 306.13; 306.21; 306.22; 306.23; 306.30; 306.32), t tariff duties will be reduced to the concession rate showr in three equal annual stages beginning on 1 January 1980.

(b) For certain items listed in section B.1., namely TSUS 106. 115.20; 116.00; 116.10; 116.20; 117.15; 308.06; ex 493.16; and 660.75, the concession rate shown will be implemented in full on 1 January 1980.

(c) For other items listed in section B.1., and items listed in section B.2., the United States undertakes to implement the tariff concessions as rapidly as possible in accordanc with the Trade Act of 1974.

(d) For woollen yarn (TSUS 307.64), the United States undertak to hold bilateral discussions on questions relating to the classification of imports of carpet yarn, with a view to implementing the concession offered as soon as possible.

ANNEX 2

NEW ZEALAND IMPORT LICENSING OFFER MADE IN RESPONSE TO SPECIFIC UNITED STATES REQUESTS

A. New Zealand agrees to exempt the following items from import licensing:

Item	Description
16.02.011	Prepared or preserved turkey
41.02.009	Dressed leather, equine
84.11.001	Vacuum pumps for milking machines
ex 84.34.009	Machinery, for type setting
ex 84.35.000	Printing machinery
ex 84.47.001	Other wood-working machinery
ex 84.48	Parts of machinery in 84.47
ex 85.07	Shavers and hair clippers
ex 88.02.000	Civil aircraft
ex 88.03.000	Parts of aircraft
ex 92.12.011	Blank recording tapes

B. New Zealand agrees to provide additional licensing allocation for items falling within the Basic and C categories, as follows:

1. In the case of certain foodstuffs in retail packs, new, basic licences would be issued to the extent of 10 percent of bulk imports in 1977/78:

ex 08.05.000	Almonds, in retail packs
ex 10.06.000	Rice, in retail packs

2. For certain items, additional licensing provision would be made by-

   (a) in the case of Basic items, by increasing the allocation above that provided for in the Import Licensing Schedule and/or providing for some new entrants, or

   (b) in the case of "C" items, by

      (i) increasing the initial allocation provided for in the Import Licensing Schedule, or

      (ii) creating an initial basic allocation.

Item	Description
03.01.029	Fish fillets
03.03.011	Crustaceans and molluscs, raw, in retail packs
03.03.021	Crustaceans and molluscs, raw, other packs
ex 11.01.001	Specialty flours

2

Item	Description
ex 12.02.001	Soya bean meal and flour
16.02.021	Canned meat, preparations
16.02.031	Canned meat, other
16.02.039	Preserved meat, other than canned
20.06.041	Nuts, roasted
41.02.002	Crust or rough-tanned bovine leather
83.02.009	Base metal fittings and mountings
ex 84.47.001	Other wood-working machinery
ex 84.49.009	Pneumatic or non-electric hand-tools
85.12.001) 85.12.009)	Electrical heating apparatus
97.04	Coin-operated amusement machines

3. For certain items, a new separate basic licence would be created, with further provisions being made to meet reasonable demand:

ex 21.07.009	Textured vegetable protein
ex 71.16.001) ex 71.16.009)	Imitation jewellery

4. For certain items, the existing "C" allocations would be replaced with a substantial basic provision subject to automatic licensing issue:

ex 84.17.001	Water heaters, non-electric, domestic
84.17.005	Pasteurisers
84.18.031) 84.18.039)	Filtering and purifying machinery
84.18.011	Hydro-extractors
ex 84.21	Spraying and dusting machinery
84.22.005	Lifts, for buildings

5. For certain items, where a duty concession in the New Zealand customs tariff is applied, a system of replacement licensing would be introduced with the effect that licence issue would be automatic to offset licence usage or sales performance and to ensure reasonable stocks:

84.61.021) 84.61.029)	Taps, cocks, valves etc
85.15.021	Chassis and radio frequency units for radio and TV.

3

C.1. New Zealand agrees to implement the offers listed in A and B above with effect from 1 January 1980.

2. New Zealand undertakes that licensing allocations for the items concerned would not be diminished in subsequent years, nor would exempted items be subject to recontrol, unless emergency action is required to safeguard industry or if, as a result of further deterioration in New Zealand's balance of payments situation, such action was considered necessary by the New Zealand Government. In such an event, the United States would be informed and invited to consult on the situation, with a view to achieving a mutually satisfactory solution.

ANNEX 3

OFFER BY THE UNITED STATES ON IMPORTS OF MEAT

1. The United States agrees to incorporate in Schedule XX a minimum global access commitment for imports of fresh, chilled or frozen beef, veal, mutton (excluding lamb meat) and goat meat (TSUS 106.10 and 106.20) at 1.2 billion pounds annually.

2. When the base quota calculated in accordance with the U.S. Meat Import Law (PL 88-482) is at or above this level and voluntary restraint agreements are in effect, a minimum global access level of 1.3 billion pounds would be provided.

3. If, in any year, the United States maintains limitations on imports, the United States agrees that country allocations within any minimum global access commitment or level shall be allocated among supplying countries on the basis of shares of the meat articles described in paragraph 1, taking into account the positio of traditional suppliers during a representative period. Any allocation to new entrants shall be subject to consultation.

4. When imports through the operation of the U.S. Meat Import Law (PL 88-482) or any subsequent legislation have been allocated up to the levels provided for in this agreement, any shortfalls in country allocations will be reapportioned promptly among those suppliers able to furnish additional quantities to maintain importations at the minimum levels set forth.

5. The United States notes New Zealand's deep concern at the possibility of counter-cyclical formula based legislation and the possibility that, if such legislation resulted in a level of global imports below 1.3 billion pounds, this could be detrimental to New Zealand interests.

ANNEX 4

OFFER BY THE UNITED STATES ON IMPORTS OF DAIRY PRODUCTS

1. The United States will provide, annually, a nominal quota quantity of chocolate crumb imports from New Zealand, thereby permitting New Zealand to participate in prospective shortfalls in utilisation of quotas from other countries of origin as specified in Part 3 of the Appendix to the Tariff Schedules of the United States under items number 950.15 and 950.16.

2. The United States will provide and bind in Schedule XX a minimum annual quota quantity of 17,422 metric tons of cheese imported from New Zealand to be allocated among the following articles:

TSUS Appendix item number	Articles	Quota quantity Jan 1 - Dec 31 Metric tons
950.08A	Cheddar cheese and cheese and substitutes for cheese containing or processed from cheddar	3,100
950.08B	American-type cheese, including Colby, washed curd, and granular cheese (but not including cheddar) and cheese and substitutes for cheese containing, or processed from, such American-type cheese	2,000
950.10D	Cheese and substitutes for cheese provided for in items 117.75 and 117.85, part 4C, schedule 1 (except cheese not containing cow's milk; cheese, except cottage cheese, containing 0.5 percent or less by weight of butterfat, and articles within the scope of other import quotas provided for in this part)	11,322
950.10E	Cheese, and substitutes for cheese, containing 0.5 percent or less by weight of butterfat, as provided for in items 117.75 and 117.85 of subpart C, part 4, schedule 1, (except articles within the scope of other import quotas provided for in this part)	1,000

3. The United States will implement the quotas, in full, beginning January 1, 1980.

AGREEMENT WITH AUSTRIA

THE UNITED STATES AND AUSTRIA
CONCERNING AGRICULTURAL PRODUCTS

I. CHEESES

1. The United States agrees to bind in Schedule XX of the General Agreement on Tariffs and Trade the quota levels by type of cheese listed in Annex II. These quotas will be established under the authority of Section 22 of the Agricultural Adjustment Act of 1933 in compliance with the GATT Waiver of 1955.

2. The United States agrees that its import system will be adjusted so that:

- The cheeses which are listed in Annex I will not be subject to quotas; and
- The other cheeses will be freely imported within the limits of fixed quotas.

3. The global volume of the quotas granted to Austria for cheeses subject to the quota system will amount to a minimum of 7,850 metric tons. The distribution of the quotas between the different varieties is that listed in Annex II of the present arrangement. The U.S. agrees to take all necessary measures to permit the maximum utilization of the quotas. It is, however, understood that in the event Austria is unable to supply a given annual quota, the U.S. will authorize a temporary country of origin adjustment for the remainder of the quota year so that U.S. importers and licensees may be able to use their import licenses elsewhere.

4. Austria agrees not to grant restitutions or other government payments in a manner so as to result in price of cheese of Austrian origin below the prices of like U.S. domestic cheese at the wholesale level. Any government payments applied in a manner inconsistent with this commitment would be subject to counteraction by the U.S.

In accordance with Arrangement, the cheeses covered by the following tariff categories of the tariff schedules of the United States shall not be subject to quota:

TSUS No.	Description
117.0020	Stilton cheese, in original loaves, product of England
117.0520	Stilton cheese, other, product of England
117.1000	Bryndza cheese
117.3000	Gjetost cheese, made from goat's milk whey or from whey obtained from a mixture of goat's milk and not more than 20 percent of cow's milk
117.3500	Gjetost cheese, other
ex 117.4060	Goya cheese, in original loaves
117.4500	Roquefort cheese, in original loaves, product of France
117.5000	Roquefort cheese, other, product of France
117.6060	Gammelost and Mokkelost cheeses
117.6500	Cheeses made from sheep's milk, in original loaves and suitable for grating
117.6700	Pecorino cheese, made from sheep's milk, in original loaves, not suitable for grating
117.7000	Other sheep's milk cheese
117.7575	Other goat's milk cheese valued not over 25 cents per pound
117.8575	Other goat's milk cheese valued over 25 cents per pound
(to be established)	Soft ripened cow's milk cheeses meeting the following definition: "Soft ripened cheese is cured or ripened by biological curing agents such as molds, yeasts, and other organisms which have formed a prominent crust on the surface of the cheese. The curing or ripening is conducted so that the cheese visibly cures or ripens from the surface toward the center. Fat content in the dry matter is not less than fifty (50) percent. Moisture-content

calculated by weight of the non-fatty matter is not less than sixty-five (65) percent.

"The term soft ripened cheese does not include cheeses with mold, blue or otherwise, distributed throughout the interior of the cheese."

The following non-comprehensive list is given for illustrat: purposes only. Administrative cooperation should be established at the technical level concerning any difficulty related to the classification of these cheeses:

Bibress

Brie

Camembert

Cambre

Carre de l'est

Chaource

Coulommiers

Epoisse

Limbourg

Livarot

Maroilles

Munster - from France and Germany along both sides of the Rhin

Pout l'Eveque

Reblochon

St. Marcellin

Taleggio

(Examples offered for sale under commercial names)

Boursault

Caprice de Dieux

Ducs (Supreme des)

Explorateur

ANNEX II

CHEESE QUOTAS
AUSTRIA

TSUS Appendix Item No.	Commodity	Annual Import Quota Jan 1 - Dec (MT)
950.10B	Swiss or Emmenthaler cheese with eye formation	6,280
950.10C	Other than Swiss or Emmenthaler with eye formation (reported statistically as Gruyere-process)	920
950.10D	Cheeses and substitutes for cheese provided for in items 117.75 and 117.85, part 4C Schedule 1 of the Tariff Schedules of the United States (except cheese not containing cow's milk; cheese, except cottage cheese, containing 0.5 percent or less by weight of butterfat, and articles within the scope of other import quotas provided for in this part)	650

Geneva, Switzerland

April 12, 1979

MEMORANDUM OF UNDERSTANDING

It is agreed by the delegations of Austria and the United States of America that the Article XXVIII negotiations regarding the conversion of certain specific and compound rates of duty in Schedule XX to ad valorem duties have been concluded and that the results will be submitted to the CONTRACTING PARTIES in accordance with the usual GATT procedures subject to completion of their respective domestic requirements.

The Delegation of the United States of America

The Delegation of Austria

THE UNITED STATES AND AUSTRIA
CONCERNING AGRICULTURAL PRODUCTS

1. In securing the access to the US-market for Austrian cheeses, Austria agrees to grant in return
   a) the concessions listed in Annex III
   b) a quota for fresh or chilled high quality beef in cuts for use in hotels and restaurants (ex sub-heading No. 02.01 B1 of the Austrian Customs Tariff) according to the definition of Annex IV.

   This quota amounts to 300 metric tons during the first year and shall increase to 600 metric tons within eight years.
   These concessions will be part of Austria's GATT-obligations. They will be marked with "C" and will be conditional upon the maintenance and/or improvement of the access granted by the United States to its market for Austrian cheeses. In the event of any modification of this import regime to the disadvantage of Austria these concessions may be modified or withdrawn without having recourse to the procedures of Article XXVIII.

2. This quota may be granted in parts according to seasonal demand.
   The following cuts, which shall be in accordance with the definition of Annex IV, are admitted:
   - portioned steaks
   - tenderloins (in separate packings weighing each 1,50 kg or more, without fat and sidemuscles).

3. Each consignment shall be accompanied by a certificate of origin. Such certificates issued by the U.S.-Department of Agriculture shall be presented to the Austrian Customs Authority upon clearance for home consumption. This certificate shall contain furthermore the following statement: "The product as regards origin and quality meets the requirements of the definition of high quality beef as contained in the quota arrangement between Austria and the U.S. from 12 April 1979".
   Each shipment shall be directly consigned from the USA to Austria.

4. Both parties agree that Austria's ability to import beef meat is dependent on its exports of beef and live bovine animals. Austria may therefore in critical circumstances,

when its own exports of beef or live animals are substantially reduced or made impossible by measures of other countries, defer the annual opening of the high quality beef quota or parts of it or to suspend it totally.

In such circumstances Austria shall notify the USA accordingly and shall engage in bilateral consultations prior and with respect to the proposed actions. Both parties shall endeavour to reach an agreement within 30 days from the date the request for consultations has been received.

In critical circumstances where such a delay would cause irreversible damages Austria may provisionally apply the above mentioned actions even prior to consultations.

III. The annexes hereto constitute an integral part of this Arrangement.

Tariff Item Number	Description of Products	Base Rate of Duty	Concession Rate of Duty
		in % ad val. or in Schilling per 100 kg	
02.02	Dead poultry (that is to say, fowls, ducks, geese, turkeys and guinea fowls) and edible offals thereof (except liver), fresh, chilled or frozen:		
	ex C - Turkeys, frozen	-	(c) 150,- *)
	*) Remark: This concession applies to unsubsidized imports which respect the threshold price.		
08.05	Nuts other than those falling within heading No. 08.01, fresh or dried, shelled or not:		
	A - Almonds:		
	1 - Unshelled	56,-	(c) 25,-
	2 - Shelled:		
	a - Bitter almonds	Free	Free
	b - Other	105,-	(c) 50,-

Tariff Item Number	Description of Products	Base Rate of Duty	Concession Rate of Duty
		in % ad val. or in Schilling per 100 kg	
08.12	Fruit, dried, other than that falling within heading No. 08.01, 08.02, 08.03, 08.04 or 08.05:		
	A - Plums:		
	1 - Unpacked or in separate packings of 10 kg or more:		
	a - In separate packings of 80 kg or more	56,-	(C) 40,-
	b - In separate packings of less than 80 kg and down to 10 kg	84,-	(C) 40,-
	c - Unpacked	unbound	(C) 40,-
	2 - In other packings	84,-	(C) 40,-
16.02	Other prepared or preserved meat or meat offal:		
	B - Of poultry:		
	ex 2 - Of turkeys, in air-tight containers of sheet or plate iron or steel, containing each 5 kg or less	30 % but not less than S 400,- per 100 kg	(C) 20 % but not less than S 250,- per 100 kg

Tariff Item Number	Description of Products	Base Rate of Duty	Concession Rate of Duty
		in % ad val. or in Schilling per 100 kg	
20.06	Fruit otherwise prepared or preserved, whether or not containing added sugar or spirit:		
	B - Other:		
	ex 3 - Peaches, preserved in airtight containers of sheet or plate iron or steel, with a total content of sugar of 25 % or less by weight, expressed as invert sugar	32 %	(C) 19 %
	4 - Mixtures of fruit, preserved in airtight containers, containing not less than four separate descriptions of fruit, except apples, in which the percentage of pears does not exceed 35 % by weight	12 % and S 300,- per 100 kg	(C) 7 % and S 175,- per 100 kg
20.07	Fruit juices (including grape must) and vegetable juices, whether or not containing added sugar, but unfermented and not containing spirit:		
	A - Concentrated juices:		
	3 - From fruits of heading No. 08.01 and sub-heading Nos. 08.02 D and E:		
	ex b - Grapefruit juice, frozen	270,-	(C) 170,-

Definition of High Quality Beef

1. Tenderloins (in separate packings weighing each 1,50 kg or more, without fat and sidemuscles) or portioned steaks from carcasses possessing the following characteristics:

A) Minimum external white fat covering over the ribeye muscle at the 12th rib of .4 inch to .9 inch.

B) Carcass weight of 600 to 850 pounds.

C) Minimum ribeye area at 12th rib - 9 square inches.

D) Maximum Age -- 30 months. Carcass must have no visible ossification of cartilage buttons over tips of spinous processes associated with the 1st through 11th thoracic vertebrae.

E) Minimum intermuscular fat intermingled in lean in longismus (ribeye) muscle at the 12th rib (equivalent to modest or fat content of lean of 6.0 minimum, wet tissue basis, for longismus). NOTE: This will not apply to other muscles of carcass.

F) Color: Lean must be a bright, cherry red color at time of cutting of carcass.

G) Fresh chilled carcasses or cuts must be at a temperature (internal of ribeye muscle) of less than 4 degrees C when packed for shipment.

or

2. Carcasses or any cuts from cattle not over 30 months of age which have been fed for 100 days or more on a nutritionally balanced, high energy feed concentrate ration containing no less than 70% grain, and at an average feeding rate of at least 20 pounds total feed per day.

Explanatory Note

A) Carcasses or cuts of beef graded or certified as "Prime" or "Choice" by U.S. standards, shall be regarded as meeting the requirements of definition 1 or 2 without further certification. Bilateral consultations between competent authorities of respective governments shall be held in the event the U.S. standards change.

B) In the case of definition 2, the governments of exporting countries will certify to the governments of importing countries the fact that cattle are not over 30 months of age, have been fed for 100 days or more with a nutritionally balanced, high energy feed concentrate ration containing no less than 70% grain, and at an average feeding rate of at least 20 pounds total feed per day.

The United States agrees to grant Austria Initial Negotiating Rights for the following TSUS items:

309.43
545.57
607.65
649.67
651.11
690.20
722.42
722.44
734.96
734.97
737.07
756.04

ARRANGEMENT BETWEEN THE UNITED STATES AND AUSTRIA CONCERNING AGRICULTURAL PRODUCTS

I. CHEESES

1. The United States agrees to bind in Schedule XX of the General Agreement on Tariffs and Trade the quota levels by type of cheese listed in Annex II. These quotas will be established under the authority of Section 22 of the Agricultural Adjustment Act of 1933 in compliance with the GATT Waiver of 1955.

2. The United States agrees that its import system will be adjusted so that:

- -- The cheeses which are listed in Annex I will not be subject to quotas; and
- -- The other cheeses will be freely imported within the limits of fixed quotas.

3. The global volume of the quotas granted to Austria for cheeses subject to the quota system will amount to a minimum of 7,850 metric tons. The distribution of the quotas between the different varieties is that listed in Annex II of the present arrangement. The U.S. agrees to take all necessary measures to permit the maximum utilization of the quotas. It is, however, understood that in the event Austria is unable to supply a given annual quota, the U.S. will authorize a temporary country of origin adjustment for the remainder of the quota year so that U.S. importers and licensees may be able to use their import licenses elsewhere.

4. Austria agrees not to grant restitutions or other government payments in a manner so as to result in price of cheese of Austrian origin below the prices of like U.S. domestic cheese at the wholesale level. Any government payments applied in a manner inconsistent with this commitment would be subject to counteraction by the U.S.

ANNEX I

In accordance with Arrangement, the cheeses covered by the following tariff categories of the tariff schedules of the United States shall not be subject to quota:

TSUS No.	Description
117.0020	Stilton cheese, in original loaves, product of England
117.0520	Stilton cheese, other, product of England
117.1000	Bryndza cheese
117.3000	Gjetost cheese, made from goat's milk whey or from whey obtained from a mixture of goat's milk and not more than 20 percent of cow's milk
117.3500	Gjetost cheese, other
ex 117.4060	Goya cheese, in original loaves
117.4500	Roquefort cheese, in original loaves, product of France
117.5000	Roquefort cheese, other, product of France
117.6060	Gammelost and Nokkelost cheeses
117.6500	Cheeses made from sheep's milk, in original loaves and suitable for grating
117.6700	Pecorino cheese, made from sheep's milk, in original loaves, not suitable for grating
117.7000	Other sheep's milk cheese
117.7575	Other goat's milk cheese valued not over 25 cents per pound
117.8575	Other goat's milk cheese valued over 25 cents per pound
(to be established)	Soft ripened cow's milk cheeses meeting the following definition: "Soft ripened cheese is cured or ripened by biological curing agents such as molds, yeasts, and other organisms which have formed a prominent crust on the surface of the cheese. The curing or ripening is conducted so that the cheese visibly cures or ripens from the surface toward the center. Fat content in the dry matter is not less than fifty (50) percent. Moisture-content-

TSUS No.	Description
	calculated by weight of the non-fatty matter is not less than sixty-five (65) percent. "The term soft ripened cheese does not include cheeses with mold, blue or otherwise, distributed throughout the interior of the cheese."

The following non-comprehensive list is given for illustrative purposes only. Administrative cooperation should be established at the technical level concerning any difficulty related to the classification of these cheeses:

Bibress

Brie

Camembert

Cambre

Carre de l'est

Chaource

Coulommiers

Epoisse

Limbourg

Livarot

Maroilles

Munster - from France and Germany along both sides of the Rhine

Pout l'Eveque

Reblochon

St. Marcellin

Taleggio

(Examples offered for sale under commercial names)

Boursault

Caprice de Dieux

Ducs (Supreme des)

Explorateur

ANNEX II

CHEESE QUOTAS
AUSTRIA

TSUS Appendix Item No.	Commodity	Annual Import Quota Jan 1 - Dec 31 (MT)
950.10B	Swiss or Emmenthaler cheese with eye formation	6,280
950.10C	Other than Swiss or Emmenthaler with eye formation (reported statistically as Gruyere-process)	920
950.10D	Cheeses and substitutes for cheese provided for in items 117.75 and 117.85, part 4C Schedule 1 of the Tariff Schedules of the United States (except cheese not containing cow's milk; cheese, except cottage cheese, containing 0.5 percent or less by weight of butterfat, and articles within the scope of other import quotas provided for in this part)	650

Confidential

11 April 1979
11.30 h

AGREED
RECORD OF DISCUSSIONS

Today, in a bilateral meeting between the US-MTN-Delegation and the Delegation of Austria, Mr. Willenpart confirmed that the following concessions will be included in the final Tariff Offer of Austria as soon as the Memorandum of Understanding on the Austrian Motor Vehicle Tax is accepted by the United States:

TNr.		Description	Base Rate of Duty	Offer
29.03	A	Ortho-toluene sulphochloride	8 % + S 7.800,-	6 %
29.25	D	Para-ethoxyphenylurea (for example, dulcin)	10 % + S 7.800,-	6 %
29.26	A	Ortho-benzoicsulpaimide, its salts and derivatives (for example, saccharin)	10 % + S 7.800,-	6 %
29.36	B	Orthotoluenesulphonamide, orthosulphonamidobenzoic acid and their substitution products	10 % + S 7.800,-	6 %
84.61		Taps, cooks, valves and similar appliances		
	C	Steel plates valves	11 %	9 %
	D	Other	15 %	11 %.

He furthermore pointed out that no adjustment of the Austrian Tariff Offer is made consequently to the adjustments made so far by the United States to their Tariff Offer as a result of negotiations carried out with other participants in the Multilateral Trade Negotiations. Austria reserves its right to proceed to such adjustments should the United States not accept the Memorandum mentioned above.

These additional concessions are proposed in order to compensate the United States for having renounced to their right to modify or withdraw concessions of benefit to Austria as specified in the exchange of letters dated 16 June 1967 and 4 July 1967, respectively.

MEMORANDUM OF UNDERSTANDING

Consequently to the decision by the Austrian Government that it can no longer maintain the declaration on the relationship among tax rates contained in the letters exchanged between the United States and Austria on 16 June 1967 and 4 July 1967, respectively, negotiations have been carried out within the framework of the Tokyo Round of Multilateral Trade Negotiations.

In these negotiations which were carried out in accordance with the principles of GATT Article XXVIII the Government of Austria has offered to the United States Government compensatory tariff concessions which were included in the final Tariff Offer List of Austria and accepted by the Government of the United States as satisfactory compensations.

Upon entry into force of the proposed tariff reductions the United States will renounce to the right to modify or withdraw concessions of benefit to Austria specified in the exchange of letters mentioned above.

It was, therefore, agreed by the US-Delegation to the Multilateral Trade Negotiations and the Austrian Delegation that the exchange of letters dated 16 June/4 July 1967 shall be considered as being null and void.

AGREEMENT WITH FINLAND

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PERMANENT MISSION OF FINLAND
IN GENEVA

No.

Geneva, April 12 1979

Sir,

I have the honour to confirm that the Government of Finland intends to disinvoke its recourse to the provisions of Article XII of the General Agreement on Tariffs and Trade as justification for the application of the remaining import restrictions in Finland. In this connection Finland will consider the liberalization of certain items included in the present list of products under licensing. In that process Finland will pay particular attention to the priorities expressed by the United States Delegation to the Multilateral Trade Negotiations in the context of the bilateral negotiations held between Finland and the United States.

Sincerely Yours

Paavo Kaarlehto
Ambassador

H.E. Mr. Alonzo McDonald
Ambassador, Head of Delegation
United States Delegation to the MTN

Geneva, Switzerland

April 12, 1979

MEMORANDUM OF UNDERSTANDING

It is agreed by the delegations of Finland and the United States of America that the Article XXVIII negotiations regarding the conversion of certain specific and compound rates of duty in Schedule XX to ad valorem duties have been concluded and that the results will be submitted to the CONTRACTING PARTIES in accordance with the usual GATT procedures subject to completion of their respective domestic requirements.

The Delegation of the United States of America

The Delegation of Finland

ARRANGEMENT BETWEEN
THE UNITED STATES AND FINLAND
CONCERNING CHEESES

1. The United States agrees to bind in Schedule XX of the General Agreement on Tariffs and Trade the quota levels by type of cheese listed in Annex II. These quotas will be established under the authority of Section 22 of the Agricultural Adjustment Act of 1933 in compliance with the GATT Waiver of 1955.

2. The United States agrees that its import system will be adjusted so that:

-- The cheeses which are listed in Annex I will not be subject to quotas; and

-- The other cheeses will be freely imported within the limits of fixed quotas.

3. The global volume of the quotas granted to Finland for cheeses subject to the quota system will amount to a minimum of 10,500 metric tons. The distribution of the quotas between the different varieties is that listed in Annex II of the present arrangement. The U.S. agrees to take all necessary measures to permit the maximum utilization of the quotas. It is, however, understood that in the event Finland is unable to supply a given annual quota, the U.S. will authorize a temporary country of origin adjustment for the remainder of the quota year so that U.S. importers and licensees may be able to use their import licenses elsewhere.

4. Finland agrees not to grant restitutions or other government payments in a manner so as to result in price of cheese of Finnish origin below the prices of like U.S. domestic cheese at the wholesale level. Any government payments applied in a manner inconsistent with this commitment would be subject to counteraction by the U.S.

ANNEX I

In accordance with Arrangement, the cheeses covered by the following tariff categories of the tariff schedules of the United States shall not be subject to quota:

TSUS No.	Description
117.0020	Stilton cheese, in original loaves, product of England
117.0520	Stilton cheese, other, product of England
117.1000	Bryndza cheese
117.3000	Gjetost cheese, made from goat's milk whey or from whey obtained from a mixture of goat's milk and not more than 20 percent of cow's milk
117.3500	Gjetost cheese, other
ex 117.4060	Goya cheese, in original loaves
117.4500	Roquefort cheese, in original loaves, product of France
117.5000	Roquefort cheese, other, product of France
117.6060	Gammelost and Mokkelost cheeses
117.6500	Cheeses made from sheep's milk, in original loaves and suitable for grating
117.6700	Pecorino cheese, made from sheep's milk, in original loaves, not suitable for grating
117.7000	Other sheep's milk cheese
117.7575	Other goat's milk cheese valued not over 25 cents per pound
117.8575	Other goat's milk cheese valued over 25 cents per pound
(to be established)	Soft ripened cow's milk cheeses meeting the following definition: "Soft ripened cheese is cured or ripened by biological curing agents such as molds, yeasts, and other organisms which have formed a prominent crust on the surface of the cheese. The curing or ripening is conducted so that the cheese visibly cures or ripens from the surface toward the center. Fat content in the dry matter is not less than fifty (50) percent. Moisture-content,

TSUS No.	Description
	calculated by weight of the non-fatty matter is not less than sixty-five (65) percent. "The term soft ripened cheese does not include cheeses with mold, blue or otherwise, distributed throughout the interior of the cheese."

The following non-comprehensive list is given for illustrative purposes only. Administrative cooperation should be established at the technical level concerning any difficulty related to the classification of these cheeses:

Bibress

Brie

Camembert

Cambre

Carre de l'est

Chaource

Coulommiers

Epoisse

Limbourg

Livarot

Maroilles

Munster - from France and Germany along both sides of the Rhine

Pout l'Eveque

Reblochon

St. Marcellin

Taleggio

(Examples offered for sale under commercial names)

Boursault

Caprice de Dieux

Ducs (Supreme des)

Explorateur

ANNEX II

CHEESE QUOTAS
FINLAND

TSUS Appendix Item No.	Commodity	Annual Import Quota Jan 1 - Dec 31 (MT)
950.10B	Swiss or Emmenthaler cheese with eye formation	8,000 MT
950.10C	Other than Swiss or Emmenthaler with eye formation (reported statistically as Gruyere-process)	1,000
950.10D	Cheeses and substitutes for cheese provided for in items 117.75 and 117.85, part 4C Schedule 1 of the Tariff Schedules of the United States (except cheese not containing cow's milk; cheese, except cottage cheese, containing 0.5 percent or less by weight of butterfat, and articles within the scope of other import quotas provided for in this part)	1,500

PERMANENT MISSION OF FINLAND
IN GENEVA

No. Geneva, 12 April 1979

Sir,

I have the honour to confirm the following understandings reached between the delegations of Finland and the United States in the course of the Multilateral Trade Negotiations:

1. The State Alcohol Monopoly of Finland (ALKO) has confirmed that it will continue to stock U.S. brands of bourbon whisky and wine.

2. If the United States eliminates the current wine-gallon/proof-gallon taxation system, ALKO will proceed promptly to list two additional whiskies and one additional wine of U.S. origin, bottled in the United States. Finland will also, on the same condition, reduce the customs duty of a new ex-out item "bourbon and sour mash whiskies and blends thereof" from the present rate of 4.17 Fmk/liter to 1.50 Fmk/liter.

3. The government of Finland states that prepared fruit products in CCCN chapters 20.06 and 20.07, containing 25 per cent or less by weight of sugar are exempt from any excise

.E. Mr. Alonzo McDonald
mbassador, Head of Delegation
nited States Delegation to the MTN

tax applied by Finland to gruit products containing added sugar. It is not the intention of the government of Finland to introduce excise taxes on the above products. Should Finland remove or alter this exemption, it will enter into negotiations with the United States to determine appropriate offsetting measures relating to the above products.

Sincerely Yours,

Paavo Kaarlehto
Ambassador

PERMANENT MISSION OF FINLAND
IN GENEVA

No.

Geneva, 12 April 1979

Sir,

It is the understanding of the Finnish delegation that the distribution of the total quota of 10 500 tons annually will be further elaborated between the Finnish and U.S. governments, especially as the composition of item No. 950.10D is concerned. The Finnish delegation would like to draw the attention to the desirability of transferring parts of the quota allocated to item 950.10.D to item 950.10.B, if this should prove to be necessary in order to fully utilize the total quota of 10 500 tons agreed under this arrangement.

Yours sincerely,

Paavo Kaarlehto
Ambassador

H.E. Mr. Alonzo McDonald
Ambassador, Head of Delegation
United States Delegation to the MTN

AGREEMENT WITH ARGENTINA

MEMORANDUM OF UNDERSTANDING BETWEEN
THE ARGENTINE DELEGATION TO THE
MULTILATERAL TRADE NEGOTIATIONS AND
THE UNITED STATES OF AMERICA
DELEGATION TO
THE MULTILATERAL TRADE NEGOTIATIONS
MARCH 7, 1979

This Memorandum sets forth the mutual trade concessions and contributions to the Multilateral Trade Negotiations agreed by the Delegations of Argentina and the United States of America for submission to their respective governments for approval.

The agreements reached between the Delegations of Argentina and the United States are recorded in the Annexes attached to this Memorandum, and relate to:

(I) tariff concessions to be granted by the United States to Argentina

(II) tariff concessions to be granted by Argentina to the United States

(III) non-tariff concession on cheese to be granted by the United States

(IV) an understanding on imports into the United States of cooked beef from Argentina

(V) an understanding on the Argentine "certificate of necessity".

The Annexes represent a balance of mutual advantages acceptable to both Delegations. With a view to expanding this balance, both Delegations agreed to continue their efforts to achieve further liberalization within the timeframe of the Multilateral Trade Negotiations in response to the interest expressed by both Delegations in the course of these negotiations.

For the Delegation of Argentina

JULIO CESAR RAIMONDI
Secretario de Estado de Comercial

For the Delegation of the United States

ANNEX I

UNITED STATES TARIFF CONCESSIONS MADE IN RESPONSE TO SPECIFIC REQUESTS FROM ARGENTINA

The United States is prepared to incorporate in Schedule XX, the following tariff concessions:

Item	Product Description	Base rate of duty	Concession rate of duty
107.52 FS	Beef in airtight containers: other	7.5%	3.0%
117.55 FS	Romano made from cow's milk, Reggiano, Parmesano, Provolone, and Provolette cheeses, provided for in items 950.10 and 950.10A	20.0%	15.0%
121.40	Leather, other; calf and kip, excl. upper and liner, not fancy	5.0%	3.7%
121.65	Leather, other: fancy	6.0%	2.4%
152.42	Apricot paste and pulp	17.5%	12.5%
403.80C	Cyclohexane	27.5%	20.0%
791.19	Fur articles, nspf: other	8.5%	3.4%

ANNEX II

ARGENTINE TARIFF CONCESSIONS MADE IN RESPONSE TO SPECIFIC REQUESTS FROM THE UNITED STATES

Argentina is prepared to incorporate in Schedule LXIV, the following tariff concessions:

Item	Product Description	Base rate of duty	Concession rate of duty
Ex 08.06.01.00	Fresh apples, 1/11 - 31/1	70%	35%
12.06.00.00	Hop cones and lupulin	80%	40%
29.04.04.01	Ethanediol	5%	50%
38.14.01.01	Oxidation inhibitors and other additives for lubricating oils	5%	50%
38.14.01.99	Other prepared additives for heavy mineral oils	5%	50%
38.14.02.99	Other prepared additives for light mineral oils	5%	50%
39.02.05.02	Acrylonitrile Butadiene-Styrene Copolymers in liquid, paste, powder or lump form	100%	50%
39.02.05.09	Polyvinyl Alcohol in powder, paste, lump or liquid form	15%	35%
39.02.05.13	Thermoplastic Synthetic Resin derived from petroleum hydrocarbons	15%	35%
47.01.05.01	Soda and/or Sulphate Wood Pulp, bleached, short fibered	20%	50%
74.04.00.02	Wrought Plates, sheets and strip of copper-beryllium alloy	15%	50%

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ANNEX III

UNITED STATES CHEESE OFFER MADE IN RESPONSE TO SPECIFIC REQUESTS FROM ARGENTINA

The United States proposes to establish an annual quota level of 4,456 metric tons of imported cheese from Argentina, to be allocated between the following categories:

Blue-mold (TSUS item 950.07)	2 metric tons
Edam and Gouda (TSUS item 950.09A)	125 metric tons
Italian, in original loaves (TSUS item 950.10)	3,580 metric tons
Italian, not in original loaves 1/ (TSUS item 950.10A)	619 metric tons
Swiss or Emmenthaler (TSUS item 950.10B)	80 metric tons
Other, nspf (TSUS item 950.10D)	50 metric tons

1/ To include Goya not in original loaves

ANNEX IV

UNDERSTANDING ON IMPORTS OF COOKED BEEF FROM ARGENTINA

The delegations of the United States and Argentina note the agreement entered into between the Veterinary Services of both countries affecting meat size, product presentation and inspection of uncured cooked beef. Both delegations agree that the current tariff with respect to TSUS item 107.60.40 applies to imports of uncured cooked beef products subject to the requirements and procedures established by the above mentioned agreement. TSUS 107.60.40 would also apply to cured cooked beef when final Meat and Poultry Inspection procedures are approved and to uncured cooked beef in pieces smaller than 3/8 inch when the United States Animal and Plant Health Inspection Service has given its approval and the relevant Meat and Poultry Inspection procedures have been developed.

ANNEX V

UNDERSTANDING ON THE CERTIFICATE OF NECESSITY

The delegation of Argentina reiterates and the delegation of the United States notes the statement made by the Argentine delegation (MTN/NTM/W/214, 27 December 1978) concerning the system in force in Argentina in respect of the "sworn declaration of import needs" required of an importer. (Certificate of Necessity). It is the understanding of the United States delegation that the certificate of necessity is not an authorization to import, that the relevant certificates are freely granted upon application and issued in a non-discriminatory manner within a period of 72 hours, and that they are not nor would they be used to restrict imports.

AGREEMENT WITH AUSTRALIA

AGREED RECORD OF CONCLUSIONS REACHED IN BILATERAL
NEGOTIATIONS BETWEEN UNITED STATES AND AUSTRALIA
IN THE GATT MULTILATERAL TRADE NEGOTIATIONS -
TOKYO ROUND

The arrangements agreed upon in the bilateral negotiations are as set out in the accompanying annexes, namely:

(1) Understanding on Meat

(11) Understanding on Dairy Products

(111) U.S. Tariff Concessions

(IV) Australian Tariff Concessions

(V) Understanding Regarding Staging

The concessions specified will commence on January 1, 1980, or whatever alternative date is decided upon in the protocol on tariffs, except insofar as is qualified in the annexes.

CONFIRMED

/s/
Robert S. Strauss
Special Trade Representative
United States of America

/s/
J. D. Anthony
Deputy Prime Minister and Minister
for Trade and Resources
Australia

Washington, D.C.
United States of America.

March 29, 1979

AUSTRALIA/U.S.A. UNDERSTANDING ON MEAT

The United States is prepared to incorporate in Schedule XX of GATT a minimum global access commitment for imports of fresh, chilled, or frozen beef, veal, mutton and goat meats (TSUS Nos. 106.10 and 106.20) at 1.2 billion lbs. annually. When the base quota calculated in accordance with the U.S. Meat Import Law (Public Law 88-482) is at or above this level, and voluntary restraint agreements are in effect, a 1.3 billion lb. minimum global access level would be provided.

2. Country allocations within any global access commitment or level will be made taking into account the position of traditional suppliers in a representative period; any allocation to new entrants being subject to consultation.

3. In the event that legislation containing a countercyclical formula results in a level of imports below 1.3 billion lbs. (TSUS Nos. 106.10 and 106.20) and/or an allocation to Australia not in accordance with para 2 of this agreement, the balance of concessions achieved in the MTN between Australia and the United States could be affected. Under such circumstances, the Governments of Australia and of the United States would enter into consultations with a view to preserving a mutually satisfactory balance of concessions. In the event that the level of imports under such legislation falls below 1.3 billion lbs. the balance of concessions would not necessarily be affected if Australia's level of market access were maintained at a mutually satisfactory level.

4. When imports through the operation of the U.S. Meat Import Law (Public Law 88-482) or any subsequent legislation have been allocated

up to the levels provided for in this agreement any shortfalls in country allocations will be reapportioned promptly among those suppliers able to furnish additional quantities to maintain importations at the minimum levels set forth.

UNDERSTANDING ON DAIRY PRODUCTS

1. The U.S. will provide, annually, a minimum level of access for cheese exported from Australia as follows:

Cheddar	1200 tonnes
Granular (American type)	1000 tonnes
Other N.S.P.F.	950 tonnes
Low Fat	550 tonnes
Swiss type	300 tonnes

2. The U.S. will provide, annually, a minimum level of access for 2000 tonnes of chocolate crumb (TSUS 950.16) exported from Australia.

3. In the event that the minimum levels of access for Australia referred to in 1 and 2 above are not incorporated in the United States GATT Schedule, the United States will accord to Australia treatment as if the concession had been incorporated in that schedule.

4. The U.S. undertakes to pursue efforts to find an expeditious settlement to the outstanding countervailing duty order on butter exports from Australia.

U.S. TARIFF OFFERS

TSUS ITEM	ABBREVIATED DESCRIPTION	OFFER RATE
106.10	Fresh, chilled or frozen meat of cattle	2C/LB
107.55	Beef and veal, prepared or preserved N.S.P.F. valued not over 30C/LB	2C/LB
Ex 107.75	Lamb or mutton prepared or preserved except offal, valued over 30C/LB	Free
107.80	Extract of meat including fluid	Free
126.33	Clover seed N.S.P.F.	Free
148.81	Pears, fresh or in brine, if entered during the period 1 April - 30 June inclusive	Free
148.83	Dried pears	Free
154.40	Candied Ginger root	5.4 percent
182.92	Edible preparations N.S.P.F.	16 percent
182.96	Wheat gluten (A) for other than feed	8 percent
	(B) for feed	4 percent
190.25	Catgut	7.7 percent
306.31	Wool, finer than 44's, in the grease or washed, not sorted	10.2C/per clean Lb
306.33	Wool, finer than 44's, scoured	11.1C/per clean LB
418.74	Copper oxide	4.3 percent A.V.E.
495.10	Surgical sutures	3.5 percent
513.11	Sand containing 95 percent or more of silica	Free
603.70	Other metal-bearing materials N.S.P.F.	5 percent
622.25	Tin bars, rods, angles, shapes and sections	4.2 percent

The U.S. undertakes in the final adjustment process to make a maximum effort to avoid adjustments of the offers on the following items of interest to Australia.

106.20	Meat of Goat and sheep (except lambs)	
	(A) ex Goat meat	Free
	(B) other	1.5C/lb
106.30	Meat of lamb	0.5C/LB
106.80	Edible meat offal valued not over 20C/LB	Free
106.85	Edible meat offal valued over 20C/LB	Free
117.15	Cheddar cheese	12 percent
117.20	Cheddar cheese	16 percent
117.60	Swiss or emmenthaler cheese	6.4 percent
ex 117.85	Italian cheese	7.5 percent
155.40	Sugar imported for use other than	
	(A) the commercial extraction of sugar or	Free
	(B) Human consumption	
306.10 to 306.34 other than 306.31 & 306.33	Wool	Reduced rates by 60 percent
307.02	Wool burr and card waste	3C/LB

TSUS ITEM	ABBREVIATED DESCRIPTION	OFFER RATE
307.06	Wool noils	4.2C/LB
307.18	Other wool waste	3.4C/LB
531.11	Refactory and heat insulating mortars	3 percent
624.02 and 624.03	Unwrought lead	4 percent

NOTE

The offer rates shown above may be adjusted slightly as a result of the application of a general rounding rule.

Tariff Item	Brief Description	Offered Rate
EX 03.03.900	Crustaceans and Molluscs fresh, chilled, etc. other than shrimps and prawns	Free
07.02.900	Other frozen vegetables	DLRS 0.003/KG
07.04.900	Other vegetables, dried, Dehydrated, etc.	DLRS 0.42/KG
07.05.200	Dried peas and beans	DLRS 0.42/KG
08.05.100	Almonds, Fresh or Dried	12 percent
EX 16.02.900	Frozen, cooked Turkey Roll, canned poultry	3 percent and DLRS 0.032/KG
16.05.900	Crustaceans, prepared or preserved, other than potted, concentrates, extracts, etc.	Free
20.06.210	Almonds, prepared or preserved	12 percent
20.07.290	Juices other than orange	DLRS 0.041/LITRE
23.04.000	Oil cake	Free
24.01.110	Unmanufactured tobacco for manufacture of cigars, etc.	Free
24.01.120	Unmanufactured tobacco for manufacturing of cigarettes, etc.	DLRS 1.42/KG
24.01.130	Unmanufactured tobacco for manufacture of tobacco NSA	DLRS 1.07/KG
24.01.210	Unmanufactured tobacco for manufacture of cigarettes etc. (by-law) (and bind local content requirement at 50 percent)	DLRS 0.47/KG
24.01.220	Unmanufactured tobacco for manufacture of tobacco NSA (by-law) (and bind local content requirement at 50 percent)	DLRS 0.33/KG
24.01.900	Unmanufactured tobacco, Other	DLRS 1.99/KG
29.39.000	Hormones and derivatives thereof, etc.	Free

Tariff Item	Brief Description	Offered Rate
29.44.900	Other antibiotics	Free
30.03.900	Other medicaments, NSA	24 percent (X)
EX 30.05.000	Other pharmaceutical goods, excluding dental products	Free
32.12.100	Glaziers putty...etc., of polyester	20 percent
32.12.900	Glaziers putty...etc. other	7.5 percent
34.02.100	Organic surface-active agents, etc, in small packs	Free
35.02.000	Albumen	Free
35.04.100	Protein isolates	6 percent
35.04.900	Peptones and other protein substances	Free
EX 37.02.200	Photographic film, unexposed, in bulk rolls not perforated, excluding spools and reels	6 percent
38.11.400	Disinfectants, herbicides, stock washes etc.	30 percent
39.01.132	Silicone Fluids	30 percent
EX 39.01.139	Silicone rubber	30 percent
39.01.500	Planar forms NSA of polyester coated with an adhesive	19 percent
39.01.600	Profile shapes NSA of polyamides or of polyurethane	12 percent
39.01.700	Planar forms, NSA of polyurethane	12 percent
EX 39.02.690	Polymerisation films (to be defined)	22.5 percent
39.03.150	Goods of hydroxyethylcellulose, not being adhesives	22.5 percent
48.01.990	Other paper and board in sheets or rolls NSA	30 percent O.I.L. DLRS48.23 per ton
48.07.690	Paper & board, substance	25 percent (X)

Tariff Item	Brief Description	Offered Rate
48.21.900	Other goods, NSA made of Paper, etc.	35 percent (X)
55.01.000	Raw cotton	DLRS 0.02/KG
59.08.200	Textile fabrics, impregnated, coated ... etc., with polymers etc. of the vinyl chloride type, addition exceeding 34 GSM	30 percent plus $D per sq.me when D equals 56.25 percen the amount, by which the price per sq. metre is less $0.72 (X)
EX 73.23.000	Aerosol cans (to be defined)	30 percent
82.02.100	Chain for chain saws	Free
83.01.900	Other locks ... etc.	41 percent (X)
84.06.100	Fuel injection equipment, other	5 percent
84.06.500	Outboard engines, not including parts	11 percent
84.08.900	Other engines and motors (including aircraft engines, etc.)	Free
84.10.900	Other pumps for liquids	26 percent
84.15.210	Parts for electrical refigerators	30 percent
84.15.900	Other refrigerators and refrigerating appliances	25 percent
84.19.900	Other machinery for cleaning or drying bottles ... etc.	21 percent
84.22.420	Crawler mounted cranes	20 percent
84.23.110	Tractor bases of the track-laying or wheeled agricultural types	Free
84.23.190	Tractor bases, other	20 percent

Tariff Item	Brief Description	Offered Rate
84.23.200	Road rollers, graders, scrapers, etc.	(A) As per parent I (Tractor Bases) (B) 30 percent
84.23.311	Leaders, backhoes, etc up to 50 tonnes, self-propelling, arc up to 270 degrees	(A) As per parent I (Tractor Bases) (B) 30 percent (C) 40 percent
84.23.319	Other excavating, levelling and tamping machines having a working weight of up to 50 tonnes	(A) As per parent I (Tractor Bases) (B) 30 percent
EX 84.23.320	Other excavating, levelling and tamping machines excluding direct current mill type motors	(A) As per parent I (Tractor Bases) (B) 30 percent (C) 20 percent
84.23.330	Loading equipment (buckets, dippers etc.) for excavating .. etc. machinery	30 percent
84.23.400	Wearing parts etc for boring, extracting etc machinery	19 percent
84.23.910	Diamond drilling machines and parts	22.5 percent
84.23.920	Drill rods or pipes for diamond drilling machines	15 percent
84.23.990	Other boring, extracting .. etc. machinery	6 percent
EX 84.24.900	Other agricultural etc. machinery viz: ploughs	15 percent
84.25.900	Other harvesting and threshing machinery ...etc.	15 percent
84.26.000	Dairy machinery (incl milking machines)	15 percent (X)
84.28.000	Other agricultural, horticultural etc. machinery	15 percent

5.

Tariff Item	Brief Description	Offered Rate
84.30.100	Machinery of a kind used in chocolate or confectionary manufacture, sugar manufacture or brewing	15 percent (X)
84.33.100	Cutting machines for cutting out sheets ...etc	15 percent (X)
84.49.100	Chain saws other than pneumatic or hydraulic type	26 percent
EX 84.52.000	Calculating machines, accounting machines excluding AC adaptors or AC adaptor/rechargers imported with electronic calculators	6 percent (X)
84.53.100	Cathode ray display terminals	24 percent
84.53.900	Automatic Data Processing Machines N.E.S.	(A) 25% (B) 24% (C) 6%
84.61.200	Hydraulic control valves for use in agricultural tractors for operation of implements	Free
EX 85.01.190	Generators exceeding 500 KVA excluding parts	Free
85.12.990	Other electric heating appliances	25 percent (X)
85.15.900	Other radio telegraphic etc transmission apparatus	30 percent
85.19.700	Electrical light fittings - connectors,ceiling roses, adaptors,sockets,fuses ...etc	30 percent
85.21.900	Thermionic, cold cathode... etc.tubes,valves,etc,other	35 percent (X)
86.09.900	Parts for railway and tramway locomotives,rolling stock ... etc.	30 percent
86.10.000	Railway and tramway track fixtures, etc.	30 percent

Tariff Item	Brief Description	Offered Rate
87.01.200	Tractors of the track-laying type	Free
87.01.310	(A) Agricultural wheeled tractors of, or exceeding 15 KW at the power take-off, excluding specified components as set out in (B) to (J) below	Free
	(B) Winches, electrically operated or manually operated spur gear type	40 percent
	(C) Other winches not pneumatically operated	30 percent
	(D) pneumatic tyres	15 percent
	(E) pneumatic tubes	15 percent O.I.1 DLRS.0.17/KG
	(F) Radio receivers	35 percent
	(G) Tape players	35 percent
	(H) Self contained air containers comprising a motor driven fan and elements for changing the temperature and humidity of air	25 percent
	(I) Evaporative cooler air conditioners	25 percent
	(J) Other air conditioning equipment	20 percent
87.01.900	Other tractors	20 percent
87.06.300	Parts and accessories for tractors falling in 87.01.9 N.S.A.	20 percent

Tariff Item	Brief description	Offered Rate
90.17.100	Catheters, cannulae, Defibrillators, etc .	30 percent
90.17.200	Specified medical and dental equipment (drills, incubators, etc.)	20 percent
90.17.300	Ophthalmic instruments and appliances	Free
EX 90.17.900	Other medical etc. appliances (excluding operating hand pieces for dental equipment)	Free
90.25.100	Ultra-violet absorbence monitors	15 percent
90.25.900	Other instruments etc. for physical or chemical analysis	Free
90.28.100	Distortion meters, cathode ray oscilloscopes, etc.	30 percent
90.28.200	Instruments... etc. for measuring or checking electrical quantities	25 percent
90.28.300	Specified electrical measuring instruments (Planimeters etc.)	15 percent
90.28.900	Other electrical measuring instruments	Free

NOTES:

(1) All values are expressed in Australian dollars.

(11) Descriptions for whole tariff lines will be the description applying as at 20 March 1979.

(111) In the event that at the conclusion of the MTN, the items marked with an "X" are not bound in Schedule 1 (Australia) Annexed to the GATT, Australia will accord to the United Sta GATT treatment as if the items had been bound in GATT Schedu 1 to the U.S. at the rates indicated. Australia would reta the rights which would apply in respect of a GATT bound item In any renegotiation occasioned by the withdrawal or modific tion of these concessions the U.S. will have the rights accorded under the GATT as though it were the initial negoti of the concession without regard to its supplier position. trade which would be the subject of consultations and/or compensatory adjustments would be that which occurred in a previous representative period.

ANNEX V

UNDERSTANDING REGARDING STAGING OF CERTAIN CONCESSIONS

The United States undertakes to implement the reduction of duties on TSUS Items 306.31 and 306.33 as indicated in Annex III in three annual stages as from 1 January 1980. Australia will implement as from 1 January 1980 the duty concessions on Items 24.01.210 and 24.01.220 and the binding of the local content requirement as indicated in Annex IV.

With regard to the staging of concessions for other products covered by the understandings, it was mutually agreed that there would be parallel movement on both sides, and that all efforts would be made to accelerate the phasing of concessions.

AGREEMENT WITH ISRAEL

EMBASSY OF THE
UNITED STATES OF AMERICA

Jerusalem, April 20, 1979

A RECORD OF DISCUSSIONS BETWEEN THE DELEGATIONS OF THE UNITED STATES AND ISRAEL WITHIN THE FRAMEWORK OF THE MULTILATERAL TRADE NEGOTIATIONS

The Delegations of the United States and of Israel, guided by the principles and objectives of the Tokyo Declaration, with the aim of contributing to a successful conclusion of the M.T.N. and to the expansion and ever greater liberalization of world trade, and recognizing the special trade and economic development needs of Israel as a developing country, have reached agreement on tariff and other concessions on products of particular interest to both countries, as described in the Annexes attached hereto.

The delegations of the United States and Israel have also clarified their positions on the various non-tariff codes and other outstanding issues, and noted Israel's willingness, in principle, to adhere to certain of these codes. In this respect, further negotiations would be needed to reach a mutually satisfactory understanding with respect to the terms of Israel's accession to certain of the codes, and with respect to the settlement of those issues. In such negotiations, the United States will take into account the specific trade, financial and economic development needs of Israel as a developing country, with a view to according to Israel special and differential treatment within the framework of the M.T.N.

These understandings will not prejudice the extension of any concessions and/or special measures to Israel which might be extended to other developing countries within the framework of the M.T.N.

These understandings require final approval by the two governments.

Annex A: United States Offers of Tariff Reductions

Annex B: Understanding Relating to Implementation of United States Offers of Tariff Reductions

Annex C: Understanding Relating to Dairy Products (Cheese)

Annex D: Israeli Offers of Tariff Reductions

Annex E: Understanding Relating to Israeli Elimination of Licensing on Certain Products

For the Delegation of the United States

Ambassador Robert S. Strauss
Special Representative for
Trade Negotiations

For the Delegation of Israel

Gideon Patt
Minister of Industry,
Trade and Tourism

ANNEX A

UNITED STATES OFERS OF TARIFF REDUCTIONS

The Government of the United States of America is prepared to implement the offers contained in Lists A-I and A-II.

I. List A-I (Consolidated Offer to Israel) are offers principally of benefit to Israel and are definitive.

2. List A-II (Other U.S. Offers): If in the course of the final adjustment process, offers included in this List are adjusted in a manner which could materially affect the balance of concessions between the parties, consultations will be held with a view toward redressing any imbalance.

T The Offer Rate shown in Lists A-I and A-II may be adjusted slightly to reflect incorporation of a general rounding rule.

ANNEX A - LIST I

CONSOLIDATED OFFER TO ISRAEL

Current TSUS #	Abbreviated Description	Offer Rate
126.61	Onion seed	Free
136.92	Pearl onions, fresh, chilled or frozen	7.6% AVE
140.40	Onions, dried, etc.	25%
ex 140.55	Carrots, dried, etc.	5.2%
ex 147.10 .13 .16	Canned grapefruit segments	0.6¢/lb.
147.36	Ditrus fruits, NSPF, prepared or preserved	17.5%
ex 147.40 ex 147.40	Dates, prepared and preserved, of the "Chiani"type	3¢/lb.
ex 148.25	Ogen and galia melons (entering 12.1 - 5/31)	3.5%
ex 148.30	Ogen and galia melons (entering 6/1 - 11/30)	14$
ex 192.20	Cut flowers - ex: spray carnations	4%
ex 382.00	Women's cotton knit rainsoats	21%
ex 382.78	WGI panty hose of knit mm fiber	17% AVE
ex 382.78	WGI knit mm fiber playsuits	17% AVE
ex 3882788	WGI knit mm fiber swimsuits, valued over $10 each	17% AVE
3300991	mm fiber sewing thread valued over 90¢/lb.	13%
ex ex 382.06	Other WGI cotton knit playsuits, etc.	8%
ex 405.15E	Other insecticides NSPF	12.5% AVE
415.05	Bromine	2¢/lb.

ANNEX A - LIST I Con'd.

Current TSUS #	Abbreviated Description	Offer Rate
420.82	Sodium bromide	5.2%
437.24	Alkaloids and compounds NSPF	Free
403.58	Ethoxyquin	10%
425.10	Melamine...and other compounds containing a triazine ring	3.5%
425.74	Citric acid	6%
455.30	Vegetable glue	3.2% AVE.
520.32	Diamonds not over one-half carat	Free
520.33	Diamonds over one-half carat	Free
613.18	Pipe and tube fittings of copper alloy	3.2%
629.26	Tungsten waste and scrap	4.2%
649.39	Abrasive wheels, mounted	Free
652.50	Steel wool	1¢/lb. + 2.5%
646.53	Wood screws of base metal	5.5%
648.53	Tool tips, plates, etc.	7%
661.65	Instantaneous or storage water heaters	4.0%
709.66	Radiation apparatus, NSPF	4.0%
713.11	Meters, NSPF	45¢ + 7%
740.70	Chains of precious metal for jewelry	7.0%

ANNEX A - LIST II

OTHER U.S. OFFERS

Current TSUSA #	Abbreviated Description	Offer Rate
192.20	Cut flowers ex. spray carnations	8% 4%
417.4420	Ammonium penhenate	3.1%
417.4440	Ammonium compounds	3.1%
542.3540	Ordinary glass 18.5-20 oz./SF measuring 60-100 united inches	8.2%
649.43	Encl. milling cutters with cut part	7.2%
649.43	Milling cutters NES cutting part con.	7.2%
649.43	Threading taps dies chasers with	7.2%
649.43	Twist drills with cutting parts con.	7.2%
649.43	Metal cutting dies with cut parts	7.2%
649.43	Cutting tools NES with cut parts	7.2%
653.3500	Portable indoor table floor and other lamps, of baass, etc	3.7%
680.20	Taps cocks valves, etc., hand operated	5.6%
755.25	Candles and tapers	5.8%
772.4000	Nursing nipples and pacifiers of plastic	3.1%
612.6200	Brass rods wrought	2.2%
660.2500	Steam engines and parts	3.1%
674.5020	Work and tool holders NES	4.9%
692.4500	Tanks and other self-propelled armour	0%

ANNEX A - LIST II Con'd.

Current TSUSA #	Abbreviated Description	Offer Rate
694.4040	Airplanes, non-military, NES under 10,000 lbs.	0%
694.4050	Airplanes, non-military, NES 10,000 - 33,000 lbs.	0%
363.5120	Cotton bedspreads tufted no head block-print	5%
363.5140	Other cotton bedspreads, etc., no head blk-print	5%
382.0437	Women's, girls, infants knit playsuits, etc.	17%
380.6140	Men's or boys wool wear appar., knit over 5llb. sweat ex cashmere	17%
382.3342	Women's cotton skirts	8%
382.7819	Girl's and infant dresses, knit	17%
425.52	Nitrogenous compounds	8.4%
428.72	Esters of monohydric alca.	3.7%
429.48	Halogenated hydrocarbons	3.7%
544.4140	Laminated glass, wetter.	5.5%
610.8050	Pipe & tube fittings of iron	6.2%
646.2640	Brads, nails, etc. 1 pc. iron/steel	0.5%
654.00	Brass household & sanitary weres	3.7%
656.15	Articles of silver inc. rolled	6.0%
657.2015	Articles of iron or steel NES	5.7%
661.30	Indus. & lab furnaces and ovens	5.7%
676.52	Office machine parts NES	3.9%
678.5070	Machines NSPF	3.7%
680.27	Devices to control flow of liquid gas	3.7%
682.05	Transformers of less than 1 KVA	6.6%

ANNEX A - LIST II Con'd.

Current TSUSA #	Abbreviated Description	Offer Rate
683.15	Storage batteries and parts new	5.1%
684.62	Telephonic apparatus & ins.	5.3%
684.70	Microphones, loudspeakers	4.9%
685.60	Radio navigation aid remote	4.9%
685.90	Switchboards, panels, etc.	5.3%
688.40	Elec. art. & elec. pts. of art.	3.9%
708.4720	Frames, mounting & parts	7.2%
709.17	Electro-medical apparatus	4.2%
712.49	Electrical measuring, etc. devices	4.2%
724.25	Phonograph records NES	3.7%
734.15	Dice, chessmen, etc.	5.8%
735.20	Games, sport, playground	5.8%
740.10	Jewelry, etc. of precious metal	6.5%
740.38	Jewelry, etc., and parts NSPL	11%
741.30	Beads, bangles & spangles NES	4.7%
771.55	- of non-cellulose	5.8%
772.35	House furnishings, curtains, covers	4.2%
772.6530	Hose, pipe tubing NSPF of rubber	3.1%
207.00	Wood articles	5.1%
421.62	Sodium compounds NES	3.7%
425.22	Ethylureas, methylolurens	3.7%
429.95	Organic compounds	3.7%
439.50	Drug compounds	3.7%
461.40	Cosmetics, etc. not con. alcohol	4.9%
520.35	Rubies & sapphires	0%

ANNEX A - LIST II Con'd.

Current TSUSA #	Abbreviated Description	Offer Rate
520.39	Precious & semi-precious cut	2.1%
653.15	Wire, rods, plts., etc., ctd., not with flux	0%
657.35	Art. of copper not coated	5.0%
660.52	Parts of piston-type engines ex	3.1%
661.65	Instantaneous or storage	3.8%
662.50	Mechanical appliances NES	3.7%
664.10	Elevator, hoist, winches, etc.	2.0%
670.4315	Machinery for washing, cleaning	5.1%
674.35	Machine tools, metal working	4.9%
676.15	Accounting, computing & other	3.9%
676.3050	Office machines NSPF	3.7%
680.2240	Taps, corks, valves, etc.	4.4%
682.6050	Generators, motors, elec. goods	3%
685.70	Electric sound or visual	3.0%
692.27	Motor vehicle body parts, other ex. truck tractors	3.1% 4.0%
692.60	Vehicles inc. trailers not.	3.2%
694.60	Aircraft & spacecraft part NES	0%
724.1025	Motion pic. films, with pictures	2.0%
727.35	Furniture wood NSPF	2.5%
727.55	Other furniture NES	4%
750.70	Brooms and brushes NSPF	5.6%
771.4212	Polyvinyl chloride flex	4.2%
772.15	Household articles NSPF of rub.	3.4%
772.81	Pneumatic tires	4.0%

ANNEX A - LIST II Con'd.

Current TSUSA #	Abbreviated Description	Offer Rate
774.6040	Articles of rubber or plastic	5.3%
756.2500	Tobacco pipes & elbows of brier, etc.	4.2%
770.0500	Laminated plastics, plates & sheets	4.8%

ANNEX B

UNDERSTANDING RELATING TO IMPLEMENTATION OF UNITED STATES OFFERS OF TARIFF REDUCTIONS

Implementation of the U.S. offers on TSUS # items 520.3200 (Diamonds not over 1/2 carat), 520.3300 (Diamonds over 1/2 carat), 403.58 (Ethoxyquin) and ex 192.20 (Spray carnations) will begin on January 1, 1980. The rates on these items will be reduced to the levels shown in Annex A, List A-I by application of the maximum annual aggregate reductions provided for in the Trade Act of 1975.

The staged implementation of other tariff offers appearing in Annex I, Lists A-I and A-II will begin on January 1, 1980. The rates will be reduced according to the schedule for the global offer of the United States.

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ANNEX C

UNDERSTANDING RELATING TO DAIRY PRODUCTS (CHEESE)

The United States will provide a minimum annual quota level of 750 metric tons of cheese imported from Israel.

The distribution of the above-mentioned amount as between cheese-type categories is as follows:

Swiss or Emmenthaler	----	27 tons
Other cheese nspf (no more than 160 tons of which shall contain more than 3% butterfat)	----	673 tons
Other cheese, low fat	---	50 tons

ANNEX D

ISRAELI OFFERS OF TARIFF REDUCTIONS

The Government of Israel is prepared to implement the offers contained in Lists D-I and D-II.

In the event of consultations regarding adjustments of U.S. offers contained in List A-II above, Israel reserves the right to propose adjustments to offers contained in List D-II with a view toward redressing any imbalance in the agreement resulting from U.S. adjustments.

The offers in Lists D-I and D-II will be incorporated into Israel's GATT schedule and become effective as from July 15, 1987, or on such later date as is agreed upon by the major developed countries for the completion of the implementation of their M.T.N. tariff offers.

ANNEX D - LIST I

ISRAELI OFFERS OF TARIFF REDUCTIONS

	Israeli Tariff Item	Abbreviated Description	Offer Rate
	0102.0000	Live bovine animals	Free
ex			
ex	1202.9900	Flour of oil seeds	Free
ex	2007.9900	Citrus and lemon concentrates	16%
	2402.1000	Cigarettes	20%
	2924.1000	Lecithin	18%
	3403.9990	Other lub. prep.	36%
ex	3504.000	Vegetable protein isolates	16%
	3702.9990	Film in rolls	10%
	3901.3599	Plates, strips, etv.	0.75I% + 12%*
	3905.9900	Nat. resins, modif.	22.5%
	3907.5621	Gloves	20%
	4101.0000	Raw hides and skins	Free
	4807.1500	Impreg. or coated paper	20%
	4807.7000	Paper for elect. insul.	20%
	7340.1050	Hoops 30 x 1	6%
	7340.1090	Articles of iron sheets	14%
	8406.1051	Engines of 5400-11000 cc	25%%
	8406.1059	Engines over 11000 cc	20%
	8408.0000	Engines & motors, n.e.s.	Free
	8410.2000	Fuel & lub. pumps	20%
	8411.1090	Fans, blowers, etc. for changing humidity	20%
	8453.9900	Statistic mach.	4%
	8455.9900	Parts of office mach.	30%
	8501.1029	Generators, etc. 1750 kg.	Free
ex	8521.9900	Semiconductors, including Photo electric cells	Free

ANNEX D - LIST I Con'd.

Israeli Tariff Item	Abbreviated Description	Offer Rate
8501.2140	Chokes for lighting	20%
8501.2199	Parts of transformers, etc.	20%
0504.3000	Rennet bags of calves	10%
0705.2000	Dried peas, shelled	0.34 IL/kg*
0805.4010	Walnuts, in shell	22%**
0805.4090	Walnuts, not in shell	24%**
0812.2090	Prunes, not as pulp	25%**

* In the event of a cumulative devaluation of Israeli currency of more than 20%, the specific duty may be adjusted to take into account such devaluation. This is without prejudice to the position of the United States regarding GATT Article II:6 (a) and adjustment of specific duties.

** The ad valorem equivalent of the applied compound rate will not exceed the rate shown.

ANNEX D - LIST II

	Israeli Tariff Items	Abbreviated Description	Offer Rate
ex	2107.9900	Vegetable protein concentrates	20%
ex	2107.9900	Canned corn	20%
	2935.9900	Heterocyclic Comp.	16%
	3814.0000	Anti-knock prep.	25%
	3819.9990	Chemicals, other	25%
	3907.3700	Articles, spec. for med., dent., and vet. purp. and vet. purp.	8%
ex	4801.3090	Kraftliner	6%
	4807.9900	Impreg. paper, other	20%
	7020.3090	Plates, etc. of glass fibre	20%
	7602.9990	Alum. bars, angles, etc.	8%
	7603.9900	Wrought plates, sheets, etc. of aluminum	8%
	8205.9900	Other tools	12%
	8406.5090	Motors for outboard boat	20%
	8410.4049	Centrifugal pumps n.e.s.	12.5%
	8410.4050	Diaphragm pumps	14%
	8412.0000	Air conditioning machs.	16%
ex	8415.9900	Refrigerators over 16 cubic feet capacity	11%
	8418.9919	Filtering & purifying machs.	15%
	8423.9900	Mach. for earth working	10.5%
	8455.2000	Parts & accessories	10.5%
	8459.9990	Machinery & mechanical appliances	10.5%

ANNEX D - LIST II Con'd.

	Israeli Tariff Item	Abbreviated Description	Offer Rate
	8501.9990	Electrical goods, n.e.s.	10.5%
	8504.0000	Elect. accumulators	17%
	8515.1000	Radio transm. & recept.	16%
	9014.9900	Scientific instruments, others	10%
ex	9017.7090	Diagnostic instr., etc. (except blood & liquid transfusion equipment)	13%
ex	9017.7090	Diagnostic instru., etc. (blood & liquid transfusion equipment)	20%
	9017.9990	Medical, etc. inst.	13%
	9028.9990	Elect. instruments	13%
	8515.3090	Transmitters, neess.	24%
	8515.9900	Radio app., n.e.s.	30%
	8520.2090	Other Elect. lamps	25%
ex	8521.9900	Cathode ray valves	17%
	8702.6090	Commercial vehicles	32%
ex	3902.1012	Polyethylene above 0940	18%
	3703.9999	Sensitized paper, monochrome, undeveloped, other	20% but not less than 4.15 IL/M^2*
	3708.0000	Chemical prods. and flash materials for photography	18%
	3703.9999	Sensitized paper, undeveloped; other	18%
	3903.2090	Cellophane sheets and foil, other	36%
	3907.9990	Articles of plastics, other	28%
	4807.1090	Printing or writing paperboard, other	24%
	4815.9990	Paper and paperboard, cut; other	28%
	4821.9990	Articles of paper; other	28%
	9010.2099	Copying equipment, other (excludes Xerographic plates)	28%
	9212.2020	Magnetic recording cards and discs	18%

ANNEX E

UNDERSTANDING RELATING TO ISRAELI ELIMINATION OF LICENSING ON CERTAIN PRODUCTS

The Government of Israel agrees to eliminate import licensing requirements on the following list of Israeli tariff items. Re-introduction of licensing requirements for these items would only occur under circumstances consistent with GATT Articles XII, XVIII, relevant Articles of Part IV or other GATT provisions.

Israeli Tariff Items

2007.9900	
4102.0000	
4103.0000	
4106.0000	
4108.0000	
4109.0000	
2846.9900	
2856.9900	
2901.9990	
2935.9900	
3819.9910	
3901.2500	
4014.7010	
3907.5621	
8408.0000	
8802.0000	(except agricultural)
8803.0000	
4301.3090	
8205.2000	
8506.9980	(except spiral tools)
7602.9990	
8406.1051	
8406.1059	
8406.5090	
8410.4049	
9028.9900	
4101.0000	
4105.0000	
3819.0990	
8410.2000	
8412.0000	
1202.9900	

AGREEMENT WITH ICELAND

DEPUTY SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS
EXECUTIVE OFFICE OF THE PRESIDENT
WASHINGTON, D.C. 20506
202-395-5114

May 25, 1979

The Honorable H.G. Andersen
Ambassador, Embassy of Iceland
2022 Connecticut Avenue, N.W.
Washington, D.C. 20008

Dear Ambassador Andersen:

This is to confirm our mutual understanding that in the context of the Multilateral Trade Negotiations the United States will provide an import quota of 623 tons of cheese from Iceland in return for the offer on agricultural products specified in your letter of May 16, 1979 which has been approved by the Government of Iceland. This offer provides for the following duty reductions to be specified in Iceland's GATT schedules:

Tariff Number	Commodity	Base Rate of Duty 1973 Percentage	Concession Rate of Duty Percentage
08.06			
10	Apples	12	0
08.12			
02	Dried Apricots	40	20
03	Dried Mixed Fruits	40	20
09	Other Dried Fruits	40	20
20.07			
11	Orange Juice, Unfermented and not Containing Sugar in Containers of 50 Kilos or more	40	15
20.07			
19	Orange Juice, Other	50	35
20.07			
20-70	Other Fruit Juices and Vegetable Juices, Unfermented and not Containing Sugar, in Containers of 50 Kilos or more	40	15

have taken the liberty to inform our delegation in Geneva with respect to this understanding so that it can be taken into account in the ongoing discussions with the Icelandic Delegation there.

Sincerely,

Alan Wolff

Alan Wm. Wolff

2022 CONNECTICUT AVENUE, N. W.
WASHINGTON, D. C. 20008

Ref: 55. E. 1.
May 16, 1979

The Honorable
Allan Wolff
Deputy Special Trade Representative
800 G Street, N.W. - Room 719
Washington, D. C. 10506

Dear Ambassador Wolff:

With reference to our discussions on May 10, 1979, I want to inform you that the Government of Iceland at Cabinet level has now agreed to make the following offer in return for the Icelandic import quota of 623 tons of cheese and the reduction of other trade restrictions contemplated for Icelandic imports to the United States:

Tariff number		Commodity	Base Rate of Duty 1973 Percentate	Concession Rate of Duty Percentage
08.06				
	10	Apples	12	0
08.12				
	02	Dried Apricots	40	20
	03	Dried Mixed Fruits	40	20
	09	Other Dried Fruits	40	20
20.07				
	11	Orange Juice, Unfermented and not Containing Sugar in Containers of 50 Kilos or More	40	15
20.07				
	19	Orange Juice, Other	50	35
20.07				
	20-70	Other Fruit Juices and Vegetable Juices, Unfermented and not Containing Sugar, in Containers of 50 Kilos or more	40	15

For your information the following figures are submitted for imports in 1978 (in thousands of Icelandic krónur):

	Total	from U.S.A.
Apples	596,571	320,603
Dried Prunes	58,155	50,810
Dried Apricots	12,882	1,272
Dried Fruits, Mixed	21,461	13,789
Dried Fruits, other	25,676	10,368
Orange Juice, unsweetened in packages of 50 kilos or more	193,986	165,939
Orange Juice, other	41,601	21,524

I hope that the proposed solution is acceptable to you.

Sincerely yours,

H. G. Andersen
Ambassador

EMBASSY OF ICELAND
2022 CONNECTICUT AVENUE, N. W.
WASHINGTON, D. C. 20008

Ref: 55. E. 1.
June 12, 1979

Ambassador Alan Wolff
Deputy Special Trade Representative
1800 G Street, N.W. - Room 719
Washington, D. C. 10506

Dear Mr. Ambassador:

In the context of our negotiations on cheese in the Multilateral Trade Negotiations, I wish to inform you on behalf of the Government of Iceland that in the event that Iceland should find it necessary in the future to use export payments or other incentives on cheese shipped to the United States, these payments or incentives will be provided in such a way as they do not result in the sale of Icelandic cheese in the U.S. market at prices below those of like U.S. domestic cheeses. The Government of Iceland understands that any government payments or incentives applied in a manner inconsistent with this commitment could be subject to counter-action by the United States.

I want to use this opportunity to confirm that the Government of Iceland had hoped that within the proposed cheese quota Iceland would be allotted 1200 tons of Icelandic milk cheese and 800 tons of Icelandic Baby Swiss Cheese.

Sincerely,

For the Government of Iceland

H.G. Andersen
Ambassador

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AGREEMENT WITH PORTUGAL

EMBAIXADA DE PORTUGAL
WASHINGTON

June 12, 1979

H. E. Ambassador Alan Wolff
Deputy Special Representative
for Trade Negotiations
Office of Special Representative
for Trade Negotiations
Washington, D.C.

Dear Mr. Ambassador:

In the context of our negotiations in the Multilateral Trade Negotiations, I wish to inform you on behalf of the Government of Portugal that my country agrees to establish a special quota of not less than 300 metric tons of high quality beef at a fixed duty of 2.40 escudos per kilogram. This beef shall be defined by either of the two following definitions (subject to verification) and certified by competent authorities of the exporting country

i) Beef quarters, wholesale cuts, boneless primal and subprimal cuts or portioned steaks from carcasses possessing the following characteristics:

A) Minimum external white fat covering over the ribeye muscle at the 12th rib of .4 inch to .9 inch.

B) Carcass weight of 600 to 850 pounds.

C) Minimum ribeye area at 12th rib - 9 square inches.

D) Maximum age - 30 months. Carcass must have no visible ossification of cartilage buttons over tips of spinous processes associated with the 1st through 11th thoracic vertebrai.

E) Minimum intermuscular fat intermingled in lean of longissium (ribeye) muscle at the 12th rib as shown by photographic standard (equivalent to modest or fat content of lean of 6.0 minimum, wet tissue basis, for longissimus). NOTE: This will not apply to other muscles of carcass.

F) Color: Lean must be a bright, cherry red color at time of cutting of carcass.

G) Fresh chilled carcasses or cuts must be at a temperature (internal of ribeye muscle) of less than 4 degrees C when packed for shipment.

ii) Carcasses or any cuts from cattle not over 30 months of age which have been fed for 100 days or more on a nutritionally balanced, high energy feed concentration ration containing no less than 70 percent grain, and at least 20 pounds total feed per day.

Portugal agrees that beef which meets USDA choice and prime grades shall be deemed to meet the certification requirement of paragraph 1 above.

Furthermore, I wish to inform you that should Portugal join the EEC and consequently be unable to provide for the entry of beef agreed upon, my Government agrees that the United States cheese quota for the benefit of Portugal would be revised accordingly.

My Government understands that in the context of the Multilateral Trade Negotiations the United States will provide an additional quota allocation for cheese from Portugal of 350 metric tons. This will bring Portugal's total quota allocation to 581 metric tons. It is, however, understood that in the event Portugal is unable to supply a given annual quota, the US will authorize a temporary country of origin adjustment for the remainder of the quota year so that US importers and licensees may be able to use their import licenses elsewhere.

In the event that Portugal should find it necessary in the future to use export payments or other incentives on cheese shipped to the United States, these payments or incentives will be provided in such a way as they do not result in the sale of Portuguese cheese in the U.S. market at prices below those of like U.S. domestic cheeses. The Government of Portugal understands that any government payments or incentives applied in a manner inconsistent with this commitment could be subject to counter-action by the United States.

Sincerely,

João Hall Themido
Ambassador
For the Government of Portugal

DEPUTY SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS
EXECUTIVE OFFICE OF THE PRESIDENT
WASHINGTON, D.C. 20506
202-395-5114

June 18, 1979

His Excellency Joao Hall Themido
Embassy of Portugal
2125 Kalorama Road, N.W.
Washington, D.C. 20008

Dear Ambassador Themido:

On behalf of the Government of the United States, I wish to confirm that my country accepts the offer of the Government of Portugal, made in the context of the Multilateral Trade Negotiations, to establish a special quota of not less than 300 metric tons of high quality beef at a fixed duty of 2.40 escudos per kilogram. This beef shall be defined by either of the two following definitions (subject to verification) and certified by competent authorities of the exporting country:

I. Beef quarters, wholesale cuts, boneless primal and subprimal cuts or portioned steaks from carcasses possessing the following characteristics:

A. Minimum external white fat covering over the ribeye muscle at the 12th rib of .4 inch to .9 inch.

B. Carcass weight of 600 to 850 pounds.

C. Minimun ribeye area at 12th rib - 9 square inches.

D. Maximum age - 30 months. Carcass must have no visible ossification of cartilage buttons over tips of spinous processes associated with the first through the eleventh thoracic vertebrai.

E. Minimum intermuscular fat intermingled in lean of longissium (ribeye) muscle at the 12th rib as shown by

photographic standard (equivalent to modest or fat content of lean of 6.0 minimum, wet tissue basis, for longissimus). NOTE: This will not apply to other muscles of carcass

F. Color: Lean must be a bright, cherry red color at time of cutting of carcass.

G. Fresh chilled carcasses or cuts must be at a temperature (internal of ribeye muscle) of less than 4 degrees C when packed for shipment.

II. Carcasses of any cuts from cattle not over 30 months of age which have been fed for 100 days or more on a nutritionally balanced, high energy feed concentration ration containing no less than 70 percent grain, and at least 20 pounds total feed per day.

In addition, Portugal agrees that beef which meets USDA choice and prime grades shall be deemed to meet the certification requirement of paragraph 1 above.

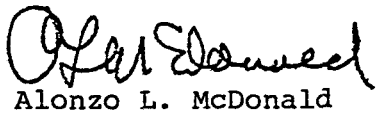
Furthermore, it is understood that should Portugal join the EEC and consequently be unable to provide for the entry of beef agreed upon, the United States cheese quota for the benefit of Portugal would be revised accordingly.

In the context of the Multilateral Trade Negotiations, the United States will provide an additional quota allocation for cheese from Portugal of 350 metric tons. This will bring Portugal's total quota allocation to 581 metric tons. It is, however, understood that in the event Portugal is unable to supply a given annual quota, the United States will authorize a temporary country of origin adjustment for the remainder of the quota year so that U.S. importers and licensees may be able to use their import licenses elsewhere.

In the event that Portugal should find it necessary in the future to use export payments or other incentives on cheese shipped to the United States, these payments or incentives will be provided in such a way as they do not result in the sale of Portugese cheese in the U.S. market at prices below

those of like U.S. domestic cheeses. The Government of Portugal understands that any government payments or incentives applied in a manner inconsistent with this commitment could be subject to counter-action by the United States.

Sincerely,



Alonzo L. McDonald

AGREEMENT WITH CANADA

ARRANGEMENT BETWEEN CANADA AND THE UNITED STATES CONCERNING CHEESES

The Delegations of Canada and the United States agree ad referendum on an arrangement concerning cheese, as set forth in the enclosure. The Canadian Delegation's agreement to this text is conditional on the establishment of satisfactory procedures for the administration of the USA quotas on Canadian cheese.

/s/

FOR THE DELEGATION
OF CANADA

/s/

FOR THE DELEGATION
OF THE UNITED STATES

Geneva, June 15, 1979

ARRANGEMENT BETWEEN CANADA AND THE UNITED STATES

CONCERNING CHEESES

1. The United States agrees to bind in Schedule XX of the General Agreement on Tariffs and Trade the quota levels by type of cheese listed in Annex II. These quotas will be established under the authority of Section 22 of the Agricultural Adjustment Act of 1933. The United States agrees to consult with Canada on the administration of these quotas. At the minimum the present quota for aged Cheddar (555.7 metric tons) will continue to be administered on the first-come, first-served basis. This Arrangement shall be without prejudice on the right of Canada under the GATT.

2. The United States agrees that its import system will be adjusted so that the cheeses which are listed in Annex I will not be subject to quotas and the other cheeses will be freely imported within the limits of fixed quotas.

3. The global volume of the quotas granted to Canada for cheeses subject to the quota system, will amount to a minimum of 2,044 metric tons annually. The distribution of quotas between the different varieties is that listed in Annex II of the present Arrangement. The United States agrees to take all necessary measures to permit the maximum utilization by Canada of the quotas. It is, therefore, understood that if, after consultations with Canadian authorities, Canada is unable to supply a given annual quota, the United States will authorize a temporary country of origin adjustment for the remainder of the quota year so that United States importers and licensees may be able to use their import licenses elsewhere. Any such adjustment would be without prejudice to Canada's subsequent years' quota levels.

4. Canada agrees not to grant restitutions for other government payments in a manner so as to result in prices of cheese of Canadian origin below the prices of like U.S. domestic cheese at the wholesale level. Any government payments applied in a manner inconsistent with this commitment would be subject to counteraction by the United States. In such a case, the United States will notify Canadian authorities and agree to enter into consultations before taking any counteraction.

5. The United States notes Canada's interest in having all quotas administered on a first-come, first-served basis. Consultations will take place regarding the operation of this Arrangement at the request of either Canada or the United States.

ANNEX I

In accordance with the Arrangement, the cheeses covered by the following tariff categories of the tariff schedules of the United States shall not be subject to quota:

TSUS No.	DESCRIPTION
117.0020	Stilton cheese, in original loaves, product of England
117.0520	Stilton cheese, other, product of England
117.1000	Bryndza cheese
117.3000	Gjetost cheese, made from goat's milk whey or from whey obtained from a mixture of goat's milk and not more than 20 percent of cow's milk
117.3500	Gjetost cheese, other
ex117.4060	Goya cheese, in original loaves
117.4500	Roquefort cheese, in original loaves, product of France
117.5000	Roquefort cheese, other, product of France
117.6060	Gammelost and Nokkelost cheeses
117.6500	Cheeses made from sheep's milk, in original loaves and suitable for grating
117.6700	Pecorino cheese, made from sheep's milk, in original loaves, not suitable for grating
117.7000	Other sheep's milk cheese
117.7575	Other goat's milk cheese valued not over 25 cents per pound
117.8575	Other goat's milk cheese valued over 25 cents per pound

To be established:

Description: Soft-ripened cow's milk cheeses meeting the following definition:

Soft-ripened cheese is cured or ripened by biological curing agents such as molds, yeasts, and other organisms which have formed a prominent crust on the surface of the cheese. The curing or ripening is conducted so that the cheese visibly cures or ripens from the surface toward the center. Fat content in the dry matter is not less than fifty (50) percent. Moisture content calculated by weight of the non-fatty matter is not less than sixty-five (65) percent.

"The term soft-ripened cheese does not include cheeses with mold, blue or otherwise, distributed throughout the interior of the cheese."

The following noncomprehensive list is given for illustrative purposes only. Administrative cooperation should be established at the technical level concerning any difficulty related to the classification of these cheeses:

Bilbress
Brie
Camembert
Cambre
Carree de l'est
Chaource
Coulommiers
Epoisse
Limbourg
Livarot
Maroilles
Munster from France and Germany along both sides of the Rhine
Pont L'Eveque
Reblochon
St. Marcellin
Taleggio

Examples offered for sale under commercial names:

Boursault
Caprice de Dieux
Ducs (Supreme des)
Explorateur

ANNEX II

CHEESE QUOTAS

CANADA

TSUS Appendix Item Number	Commodity	Quota
950.08.A	Aged cheddar cheese [1] of which:	833 MT
	administered on an unlicensed first-come, first-served basis	555.7 MT
950.10.B	Swiss-type cheese	70 MT
950.10.D	Cheeses and substitutes for cheese provided for in items 117.75 and 117.85, Part 4C, Schedule I of the Tariff Schedule of the United States of America (except cheese not containing 0.5 percent or less by weight of butterfat, soft-ripened cow's milk cheese and articles within the scope of other import quotas provided for in this part)	1,141 MT

[1] Product as defined in Headnote 3(a)(i) of Part 3 Appendix to the TSUS

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AGREEMENT WITH NORWAY

ARRANGEMENT BETWEEN THE UNITED STATES AND NORWAY CONCERNING CHEESES

The United States and Norway agree on an arrangement concerning cheese, as set forth in the enclosure.

/s/

FOR THE DELEGATION
OF NORWAY

/s/

FOR THE DELEGATION
OF THE UNITED STATES

May 17, 1979

ARRANGEMENT BETWEEN

THE UNITED STATES AND NORWAY

CONCERNING CHEESES

The United States agrees to bind in Schedule XX of the General Agreement on Tariffs and Trade the wuota levels by types of cheese listed in Annex I. These quotas will be established under the authority of Section 22 of the Agricultural Adjustment Act of 1933 in conformity with the GATT waiver of 1955.

The United States will take all reasonable measures to assure that the quotas listed in Annex I are filled by cheese imports from Norway. It is, however, understood that in the event Norway is unable to supply a given annual quota, the United States may authorize a temporary country of origin adjustment for the remainder of the quota year so that U.S. importers and licensees may be able to use their import licenses elsewhere.

In addition, the United States will allow imports free of quota of sheep's and goat's milk cheeses and soft-ripened cow's milk cheeses in retail packages as listed in Annex II.

For its part, Norway agrees not to grant subsidies on the production or export of cheese shipped to the United States under quota in such a manner so as to result in the sale of such cheese on the U.S. wholesale market at prices below those offered for like U.S. products. A mechanism to assure compliance with this commitment will be established under which the United States will consult promptly with Norway in the event imports are priced below U.S. wholesale levels by reason of subsidy. Such consultations will be undertaken in order to give Norway adequate opportunity to take remedial action to terminate the price undercutting.

As long as the above stated price condition is met, the United States agreed not to take countervailing actions on cheese imports from Norway under quota. However, it is understood that should these assurances not be met, the United States will take appropriate countermeasures.

ANNEX I

CHEESE QUOTAS

NORWAY

TSUS Appendix Item No.	Commodity	Annual Import Quota Jan 1 - Dec 31 (MT)
950.09 B	Cheese and substitutes for cheese containing, or processed from, Edam & Gouda	167
950.10 B	Swiss or Emmenthaler cheese with eye formation	6,883
950.10 D	Cheese and substitutes for cheese provided for in items 117.75 and 117.85, Part IV C, Schedule I of the Tariff Schedule of the United States (except cheese not containing cow's milk; cheese, except cottage cheese, containing 0.5 percent or less by weight of butterfat, and articles within the scope of other import quotas provided for in this part)	150

ANNEX II

In accordance with the Arrangement, the cheeses covered by the following tariff categories of the tariff schedules of the United States shall not be subject to quota:

TSUS No.	DESCRIPTION
117.0020	Stilton cheese, in original loaves, product of England
117.0520	Stilton cheese, other, product of England
117.1000	Bryndza cheese
117.3000	Gjetost cheese, made from goat's milk whey or from whey obtained from a mixture of goat's milk and not more than 20 percent of cow's milk
117.3500	Gjetost cheese, other
ex117.4060	Goya cheese, in original loaves
117.4500	Roquefort cheese, in original loaves, product of France
117.5000	Roquefort cheese, other, product of France
117.6060	Gammelost and Nokkelost cheeses
117.6500	Cheeses made from sheep's milk, in original loaves and suitable for grating
117.6700	Pecorino cheese, made from sheep's milk, in original loaves, not suitable for grating
117.7000	Other sheep's milk cheese
117.7575	Other goat's milk cheese valued not over 25 cents per pound
117.8575	Other goat's milk cheese valued over 25 cents per pound

To be established:

Description: Soft-ripened cow's milk cheeses meeting the following definition:

Soft-ripened cheese is cured or ripened by biological curing agents such as molds, yeasts, and other organisms which have formed a prominent crust on the surface of the cheese. The curing or ripening is conducted so that the cheese visibly cures or ripens from the surface toward the center. Fat content in the dry matter is not less than fifty (50) percent. Moisture content calculated by weight of the non-fatty matter is not less than sixty-five (65) percent.

"The term soft-ripened cheese does not include cheeses with mold, blue or otherwise, distributed throughout the interior of the cheese."

The following noncomprehensive list is given for illustrative purposes only. Administrative cooperation should be established at the technical level concerning any difficulty related to the classification of these cheeses:

Bilbress
Brie
Camembert
Cambre
Carree de l'est
Chaource
Coulommiers
Epoisse
Limbourg
Livarot
Maroilles
Munster from France and Germany along both sides of the Rhine
Pont L'Eveque
Reblochon
St. Marcellin
Taleggio

Examples offered for sale under commercial names:

Boursault
Caprice de Dieux
Ducs (Supreme des)
Explorateur

AGREEMENT WITH SWEDEN

ARRANGEMENT BETWEEN

THE UNITED STATES AND SWEDEN

CONCERNING CHEESES

The United States and Sweden agree on an arrangement concerning cheese, as set forth in the enclosure.

/s/

FOR THE DELEGATION
OF SWEDEN

/s/

FOR THE DELEGATION
OF THE UNITED STATES

Geneva, June 13, 1979

ARRANGEMENT BETWEEN THE UNITED STATES AND SWEDEN CONCERNING CHEESES

The United States agreed to bind in Schedule XX of the General Agreement on Tariffs and Trade the quota levels by type of cheese listed in Annex I. These quotas will be established under the authority of Section 22 of the Agricultural Adjustment Act of 1933 in compliance with the GATT waiver of 1955.

The global volume of the quota granted to Sweden for cheeses subject to the quota system will amount to a minimum of 1,350 metric tons. The distribution of the quotas between the different varieties is that listed in Annex I of the Arrangement. The United States agrees to take all reasonable measures to commit the maximum utilization of the quotas. It is, however, understood that in the event Sweden is unable to supply a given annual quota, the United States may authorize a temporary country of origin adjustment for the remainder of the quota year so that United States importers and licensees may be able to use their import licenses elsewhere.

Sweden agrees not to grant subsidies on the production or export of cheese shipped to the United States under quota in a manner so as to result in the sale of such cheese on the United States wholesale market at prices below those offered for like United States products. A mechanism to insure compliance with this commitment will be established under which the United States will consult promptly with Sweden in the event imports are priced below United States wholesale levels by reason of subsidy. Such consultations will be undertaken in order to give Sweden an adequate opportunity to take remedial action to terminate the price undercutting.

As long as the above stated price condition is met, the United States agrees not to take counteraction on cheese imports from Sweden under quota. However, it is understood that should these assurances not be met, the United States will take appropriate countermeasures.

ANNEX I

CHEESE QUOTAS

SWEDEN

TSUS Appendix Item No.	Commodity	Annual Import Quota Jan 1 - Dec 31 (MT)
950.09A	Edam & Gouda	41
950.10D	Other Cheese, NSPS	1,059
950.10E	Low-Fat Cheese	250

THE ARRANGEMENT REGARDING BOVINE MEAT

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ARRANGEMENT REGARDING BOVINE MEAT

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ARRANGEMENT REGARDING BOVINE MEAT

Preamble

Convinced that increased international co-operation should be carried out in such a way as to contribute to the achievement of greater liberalization, stability and expansion in international trade in meat and live animals;

Taking into account the need to avoid serious disturbances in international trade in bovine meat and live animals;

Recognizing the importance of production and trade in bovine meat and live animals for the economies of many countries, especially for certain developed and developing countries;

Mindful of their obligations to the principles and objectives of the General Agreement on Tariffs and Trade[1];

Determined, in carrying out the aims of this Arrangement to implement the principles and objectives agreed upon in the Tokyo Declaration of Ministers, dated 14 September 1973 concerning the Multilateral Trade Negotiations, in particular as concerns special and more favourable treatment for developing countries;

The participants in the present Arrangement have, through their representatives, agreed as follows:

[1]This provision applies only among GATT contracting parties.

PART ONE

GENERAL PROVISIONS

Article I - Objectives

The objectives of this Arrangement shall be:

(1) to promote the expansion, ever greater liberalization and stability of the international meat and livestock market by facilitating the progressive dismantling of obstacles and restrictions to world trade in bovine meat and live animals, including those which compartmentalize this trade, and by improving the international framework of world trade to the benefit of both consumer and producer, importer and exporter;

(2) to encourage greater international co-operation in all aspects affecting the trade in bovine meat and live animals with a view in particular to greater rationalization and more efficient distribution of resources in the international meat economy;

(3) to secure additional benefits for the international trade of developing countries in bovine meat and live animals through an improvement in the possibilities for these countries to participate in the expansion of world trade in these products by means of inter alia:

(a) promoting long-term stability of prices in the context of an expanding world market for bovine meat and live animals; and

(b) promoting the maintenance and improvement of the earnings of developing countries that are exporters of bovine meat and live animals;

the above with a view thus to deriving additional earnings, by means of securing long-term stability of markets for bovine meat and live animals;

(4) to further expand trade on a competitive basis taking into account the traditional position of efficient producers.

Article II - Product Coverage

This Arrangement applies to bovine meat. For the purpose of this Arrangement, the term "bovine meat" is considered to include:

		CCCN
(a)	Live bovine animals	01.02
(b)	Meat and edible offals of bovine animals, fresh, chilled or frozen	ex 02.01
(c)	Meat and edible offals of bovine animals, salted, in brine, dried or smoked	ex 02.06
(d)	Other prepared or preserved meat or offal of bovine animals	ex 16.02

and any other product that may be added by the International Meat Council, as established under the terms of Article V of this Arrangement, in order to accomplish the objectives and provisions of this Arrangement.

Article III - Information and Market Monitoring

1. All participants agree to provide regularly and promptly to the Council, the information which will permit the Council to monitor and assess the overall situation of the world market for meat and the situation of the world market for each specific meat.

2. Participating developing countries shall furnish the information available to them. In order that these countries may improve their data collection mechanisms, developed participants, and any developing participants able to do so, shall consider sympathetically any request to them for technical assistance.

3. The information that the participants undertake to provide pursuant to paragraph 1 of this Article, according to the modalities that the Council shall establish, shall include data on past performance and current situation and an assessment of the outlook regarding production (including the evolution of the composition of herds), consumption, prices, stocks of and trade in the products referred to in Article II, and any other information deemed necessary by the Council, in particular on competing products. Participants shall also provide information on their domestic policies and trade measures including bilateral and plurilateral commitments in the bovine sector, and shall notify as early as possible any changes in such policies and measures that are likely to affect international trade in live bovine animals and meat. The provisions of this paragraph shall not require any participant to disclose confidential information which would impede law enforcement or otherwise be contrary to the public interest or would prejudice the legitimate commercial interests of particular enterprises, public or private.

4. The secretariat of the Arrangement shall monitor variations in market data, in particular herd sizes, stocks, slaughterings and domestic and international prices, so as to permit early detection of the symptoms of any serious imbalance in the supply and demand situation. The secretariat shall keep the Council apprized of significant developments on world markets, as well as prospects for production, consumption, exports and imports.

Note: It is understood that under the provisions of this Article, the Council instructs the secretariat to draw up, and keep up to date, an inventory of all measures affecting trade in bovine meat and live animals, including commitments resulting from bilateral, plurilateral and multilateral negotiations.

Article IV - Functions of the International Meat Council and Co-operation between the Participants to this Arrangement

1. The Council shall meet in order to:

(a) evaluate the world supply and demand situation and outlook on the basis of an interpretative analysis of the present situation and of probable developments drawn up by the secretariat of the Arrangement, on the basis of documentation provided in conformity with Article III of the present Arrangement, including that relating to the operation of domestic and trade policies and of any other information available to the secretariat;

(b) proceed to a comprehensive examination of the functioning of the present Arrangement;

(c) provide an opportunity for regular consultation on all matters affecting international trade in bovine meat.

2. If after evaluation of the world supply and demand situation referred to in paragraph 1(a) of this Article, or after examination of all relevant information pursuant to paragraph 3 of Article III, the Council finds evidence of a serious imbalance or a threat thereof in the international meat market, the Council will proceed by consensus, taking into particular account the situation in developing countries, to identify, for consideration by governments, possible solutions to remedy the situation consistent with the principles and rules of GATT.

3. Depending on whether the Council considers that the situation defined in paragraph 2 of this Article is temporary or more durable, the measures referred to in paragraph 2 of this Article could include short-, medium-, or long-term measures taken by importers as well as exporters to contribute to improve the overall situation of the world market consistent with the objectives and aims of the Arrangement, in particular the expansion, ever greater liberalization, and stability of the international meat and livestock markets.

4. When considering the suggested measures pursuant to paragraphs 2 and 3 of this Article, due consideration shall be given to special and more favourable treatment to developing countries, where this is feasible and appropriate.

5. The participants undertake to contribute to the fullest possible extent to the implementation of the objectives of this Arrangement set forth in Article I. To this end, and consistent with the principles and rules of the General Agreement, participants shall, on a regular basis, enter into the discussions provided in Article IV:1(c) with a view to exploring the possibilities of achieving the objectives of the present Arrangement, in particular the further dismantling of obstacles to world trade in bovine meat and live animals. Such discussions should prepare the way for subsequent consideration of possible solutions of trade problems consistent with the rules and principles of the GATT, which could be jointly accepted by all the parties concerned, in a balanced context of mutual advantages.

6. Any participant may raise before the Council any matter[1] affecting this Arrangement, inter alia, for the same purposes provided for in paragraph 2 of this Article. The Council shall, at the request of a participant, meet within a period of not more than fifteen days to consider any matter[1] affecting the present Arrangement.

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[1] Note: It is confirmed that the term "matter" in this paragraph includes any matter which is covered by multilateral agreements negotiated within the framework of the Multilateral Trade Negotiations, in particular those bearing on export and import measures. It is further confirmed that the provisions of Article IV, paragraph 6, and this footnote are without prejudice to the rights and obligations of the parties to such agreements.

PART TWO

Article V - Administration of the Arrangement

1. International Meat Council

An International Meat Council shall be established within the framework of the General Agreement on Tariffs and Trade. The Council shall comprise representatives of all participants to the Arrangement and shall carry out all the functions which are necessary to implement the provisions of the Arrangement. The Council shall be serviced by the GATT secretariat. The Council shall establish its own rules of procedure, in particular the modalities for consultations provided for in Article IV.

2. Regular and special meetings

The Council shall normally meet at least twice each year. However, the Chairman may call a special meeting of the Council either on his own initiative, or at the request of a participant to this Arrangement.

3. Decisions

The Council shall reach its decisions by consensus. The Council shall be deemed to have decided on a matter submitted for its consideration if no member of the Council formally objects to the acceptance of a proposal.

4. Co-operation with other organizations

The Council shall make whatever arrangements are appropriate for consultation or co-operation with intergovernmental and non-governmental organizations.

5. Admission of observers

(a) The Council may invite any non-participating country to be represented at any of its meetings as an observer.

(b) The Council may also invite any of the organizations referred to in paragraph 4 of this Article to attend any of its meetings as an observer.

PART THREE

Article VI - Final Provisions

1. Acceptance[1]

(a) This Arrangement is open for acceptance, by signature or otherwise, by governments members of the United Nations, or of one of its specialized agencies and by the European Economic Community.

(b) Any government[2] accepting this Arrangement may at the time of acceptance make a reservation with regard to its acceptance of any of the provisions in the present Arrangement. This reservation is subject to the approval of the participants.

(c) This Arrangement shall be deposited with the Director-General to the CONTRACTING PARTIES to the General Agreement on Tariffs and Trade who shall promptly furnish a certified copy thereof and a notification of each acceptance thereof to each participant. The texts of this Arrangement in the English, French and Spanish languages shall all be equally authentic.

(d) The entry into force of this Arrangement shall entail the abolition of the International Meat Consultative Group.

2. Provisional application

Any government may deposit with the Director-General to the CONTRACTING PARTIES to the General Agreement on Tariffs and Trade a declaration of provisional application of this Arrangement. Any government depositing such a declaration shall provisionally apply this Arrangement and be provisionally regarded as participating in this Arrangement.

3. Entry into force

This Arrangement shall enter into force, for those participants having accepted it, on 1 January 1980. For participants accepting this Arrangement after that date, it shall be effective from the date of their acceptance.

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[1] The terms "acceptance" or "accepted" as used in this Article include the completion of any domestic procedures necessary to implement the provisions of this Arrangement.

[2] For the purpose of this Arrangement, the term "government" is deemed to include the competent authorities of the European Economic Community.

4. Validity

This Arrangement shall remain in force for three years. The duration of this Arrangement shall be extended for further periods of three years at a time, unless the Council, at least eighty days prior to each date of expiry, decides otherwise.

5. Amendment

Except where provision for modification is made elsewhere in this Arrangement the Council may recommend an amendment to the provisions of this Arrangement. The proposed amendment shall enter into force upon acceptance by the governments of all participants.

6. Relationship between the Arrangement and the General Agreement on Tariffs and Trade

Nothing in this Arrangement shall affect the rights and obligations of participants under the General Agreement on Tariffs and Trade.[1]

7. Withdrawal

Any participant may withdraw from this Arrangement. Such withdrawal shall take effect upon the expiration of sixty days from the day on which written notice of withdrawal is received by the Director-General to the CONTRACTING PARTIES to the General Agreement on Tariffs and Trade.

[1]This provision applies only among GATT contracting parties.

THE AGREEMENT ON TRADE IN CIVIL AIRCRAFT

Agreement on Trade in Civil Aircraft

Text as rectified on 12 June 1979

English, French and Spanish.

47-231 O - 79 - 39

AGREEMENT ON TRADE IN CIVIL AIRCRAFT

PREAMBLE

Signatories[1] to the Agreement on Trade in Civil Aircraft, hereinafter referred to as "this Agreement";

Noting that Ministers on 12-14 September 1973 agreed the Tokyo Round of Multilateral Trade Negotiations should achieve the expansion and ever-greater liberalization of world trade through, inter alia, the progressive dismantling of obstacles to trade and the improvement of the international framework for the conduct of world trade;

Desiring to achieve maximum freedom of world trade in civil aircraft, parts and related equipment, including elimination of duties, and to the fullest extent possible, the reduction or elimination of trade restricting or distorting effects;

Desiring to encourage the continued technological development of the aeronautical industry on a world-wide basis;

Desiring to provide fair and equal competitive opportunities for their civil aircraft activities and for their producers to participate in the expansion of the world civil aircraft market;

Being mindful of the importance in the civil aircraft sector of their overall mutual economic and trade interests;

Recognizing that many signatories view the aircraft sector as a particularly important component of economic and industrial policy;

Seeking to eliminate adverse effects on trade in civil aircraft resulting from governmental support in civil aircraft development, production, and marketing while recognizing that such governmental support, of itself, would not be deemed a distortion of trade;

Desiring that their civil aircraft activities operate on a commercially competitive basis, and recognizing that government-industry relationships differ widely among them;

Recognizing their obligations and rights under the General Agreement on Tariffs and Trade, hereinafter referred to as "the GATT", and under other multilateral agreements negotiated under the auspices of the GATT;

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[1] The term "Signatories" is hereinafter used to mean Parties to this Agreement.

Recognizing the need to provide for international notification, consultation, surveillance and dispute settlement procedures with a view to ensuring a fair, prompt and effective enforcement of the provisions of this Agreement and to maintain the balance of rights and obligations among them;

Desiring to establish an international framework governing conduct of trade in civil aircraft;

Hereby agree as follows:

Article 1 Product Coverage

1.1 This Agreement applies to the following products:

(a) all civil aircraft,

(b) all civil aircraft engines and their parts and components,

(c) all other parts, components, and sub-assemblies of civil aircraft,

(d) all ground flight simulators and their parts and components,

whether used as original or replacement equipment in the manufacture, repair, maintenance, rebuilding, modification or conversion of civil aircraft.

1.2 For the purposes of this Agreement "civil aircraft" means (a) all aircraft other than military aircraft and (b) all other products set out in Article 1.1 above.

Article 2 Customs Duties and Other Charges

2.1 Signatories agree:

2.1.1 to eliminate by 1 January 1980 or by the date of entry into force of this Agreement, all customs duties and other charges[1] of any kind levied on, or in connexion with, the importation of products, classified for customs purposes under their respective tariff headings listed in the Annex, if such products are for use in a civil aircraft, and incorporation therein, in the course of its manufacture, repair, maintenance, rebuilding, modification or conversion;

2.1.2 to eliminate by 1 January 1980 or by the date of entry into force of this Agreement, all customs duties and other charges[1] of any kind levied on repairs on civil aircraft;

[1] "Other charges" shall have the same meaning as in Article II of the GATT.

2.1.3 to incorporate in their respective GATT Schedules by 1 January 1980 or by the date of entry into force of this Agreement, duty-free or duty-exempt treatment for all products covered by Article 2.1.1 above and for all repairs covered by Article 2.1.2 above.

2.2 Each Signatory shall: (a) adopt or adapt an end-use system of customs administration to give effect to its obligations under Article 2.1 above; (b) ensure that its end-use system provides duty-free or duty-exempt treatment that is comparable to the treatment provided by other Signatories and is not an impediment to trade; and (c) inform other Signatories of its procedures for administering the end-use system.

Article 3 Technical Barriers to Trade

3.1 Signatories note that the provisions of the Agreement on Technical Barriers to Trade apply to trade in civil aircraft. In addition, Signatories agree that civil aircraft certification requirements and specifications on operating and maintenance procedures shall be governed, as between Signatories, by the provisions of the Agreement on Technical Barriers to Trade.

Article 4 Government-Directed Procurement, Mandatory Sub-Contracts and Inducements

4.1 Purchasers of civil aircraft should be free to select suppliers on the basis of commercial and technological factors.

4.2 Signatories shall not require airlines, aircraft manufacturers, or other entities engaged in the purchase of civil aircraft, nor exert unreasonable pressure on them, to procure civil aircraft from any particular source, which would create discrimination against suppliers from any Signatory.

4.3 Signatories agree that the purchase of products covered by this Agreement should be made only on a competitive price, quality and delivery basis. In conjunction with the approval or awarding of procurement contracts for products covered by this Agreement a Signatory may, however, require that its qualified firms be provided with access to business opportunities on a competitive basis and on terms no less favourable than those available to the qualified firms of other Signatories.[1]

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[1]Use of the phrase "access to business opportunities ... on terms no less favourable ..." does not mean that the amount of contracts awarded to the qualified firms of one Signatory entitles the qualified firms of other Signatories to contracts of a similar amount.

4.4 Signatories agree to avoid attaching inducements of any kind to the sale or purchase of civil aircraft from any particular source which would create discrimination against suppliers from any Signatory.

Article 5 Trade Restrictions

5.1 Parties shall not apply quantitative restrictions (import quotas) or import licensing requirements to restrict imports of civil aircraft in a manner inconsistent with applicable provisions of the GATT. This does not preclude import monitoring or licensing systems consistent with the GATT.

5.2 Parties shall not apply quantitative restrictions or export licensing or other similar requirements to restrict, for commercial or competitive reasons, exports of civil aircraft to other Signatories in a manner inconsistent with applicable provisions of the GATT.

Article 6 Government Support, Export Credits, and Aircraft Marketing

6.1 Signatories note that the provisions of the Agreement on Interpretation and Application of Articles VI, XVI and XXIII of the General Agreement on Tariffs and Trade (Agreement on Subsidies and Countervailing Measures) apply to trade in civil aircraft. They affirm that in their participation in, or support of, civil aircraft programmes they shall seek to avoid adverse effects on trade in civil aircraft in the sense of Articles 8.3 and 8.4 of the Agreement on Subsidies and Countervailing Measures. They also shall take into account the special factors which apply in the aircraft sector, in particular the widespread governmental support in this area, their international economic interests, and the desire of producers of all Signatories to participate in the expansion of the world civil aircraft market.

6.2 Signatories agree that pricing of civil aircraft should be based on a reasonable expectation of recoupment of all costs, including non-recurring programme costs, identifiable and pro-rated costs of military research and development on aircraft, components, and systems that are subsequently applied to the production of such civil aircraft, average production costs, and financial costs.

Article 7 Regional and Local Governments

7.1 In addition to their other obligations under this Agreement, Signatories agree not to require or encourage, directly or indirectly, regional and local governments and authorities, non-governmental bodies, and other bodies to take action inconsistent with provisions of this Agreement.

Article 8 Surveillance, Review, Consultation, and Dispute Settlement

8.1 There shall be established a Committee on Trade in Civil Aircraft (hereinafter referred to as "the Committee") composed of representatives of all Signatories. The Committee shall elect its own Chairman. It shall meet as necessary, but not less than once a year, for the purpose of affording Signatories the opportunity to consult on any matters relating to the operation of this Agreement, including developments in the civil aircraft industry, to determine whether amendments are required to ensure continuance of free and undistorted trade, to examine any matter for which it has not been possible to find a satisfactory solution through bilateral consultations, and to carry out such responsibilities as are assigned to it under this Agreement, or by the Signatories.

8.2 The Committee shall review annually the implementation and operation of this Agreement taking into account the objectives thereof. The Committee shall annually inform the CONTRACTING PARTIES to the GATT of developments during the period covered by such review.

8.3 Not later than the end of the third year from the entry into force of this Agreement and periodically thereafter, Signatories shall undertake further negotiations, with a view to broadening and improving this Agreement on the basis of mutual reciprocity.

8.4 The Committee may establish such subsidiary bodies as may be appropriate to keep under regular review the application of this Agreement to ensure a continuing balance of mutual advantages. In particular, it shall establish an appropriate subsidiary body in order to ensure a continuing balance of mutual advantages, reciprocity and equivalent results with regard to the implementation of the provisions of Article 2 above related to product coverage, the end-use systems, customs duties and other charges.

8.5 Each Signatory shall afford sympathetic consideration to and adequate opportunity for prompt consulation regarding representations made by another Signatory with respect to any matter affecting the operation of this Agreement.

8.6 Signatories recognize the desirability of consultations with other Signatories in the Committee in order to seek a mutually acceptable solution prior to the initiation of an investigation to determine the existence, degree and effect of any alleged subsidy. In those exceptional circumstances in which no consultations occur before such domestic procedures are initiated, Signatories shall notify the Committee immediately of initiation of such procedures and enter into simultaneous consultations to seek a mutually agreed solution that would obviate the need for countervailing measures.

8.7 Should a Signatory consider that its trade interests in civil aircraft manufacture, repair, maintenance, rebuilding, modification or conversion have been or are likely to be adversely affected by any action by

another Signatory, it may request review of the matter by the Committee. Upon such a request, the Committee shall convene within thirty days and shall review the matter as quickly as possible with a view to resolving the issues involved as promptly as possible and in particular prior to final resolution of these issues elsewhere. In this connexion the Committee may issue such rulings or recommendations as may be appropriate. Such review shall be without prejudice to the rights of Signatories under the GATT or under instruments multilaterally negotiated under the auspices of the GATT, as they affect trade in civil aircraft. For the purposes of aiding consideration of the issues involved, under the GATT and such instruments, the Committee may provide such technical assistance as may be appropriate.

8.8 Signatories agree that, with respect to any dispute related to a matter covered by this Agreement, but not covered by other instruments multilaterally negotiated under the auspices of the GATT, the provisions of Articles XXII and XXIII of the General Agreement and the provisions of the Understanding related to Notification, Consultation, Dispute Settlement and Surveillance shall be applied, mutatis mutandis, by the Signatories and the Committee for the purposes of seeking settlement of such dispute. These procedures shall also be applied for the settlement of any dispute related to a matter covered by this Agreement and by another instrument multilaterally negotiated under the auspices of the GATT, should the parties to the dispute so agree.

Article 9 Final Provisions

9.1 Acceptance and Accession

9.1.1 This Agreement shall be open for acceptance by signature or otherwise by governments contracting parties to the GATT and by the European Economic Community.

9.1.2 This Agreement shall be open for acceptance by signature or otherwise by governments having provisionally acceded to the GATT, on terms related to the effective application of rights and obligations under this Agreement, which take into account rights and obligations in the instruments providing for their provisional accession.

9.1.3 This Agreement shall be open to accession by any other government on terms, related to the effective application of rights and obligations under this Agreement, to be agreed between that government and the Signatories, by the deposit with the Director-General to the CONTRACTING PARTIES to the GATT of an instrument of accession which states the terms so agreed.

9.1.4 In regard to acceptance, the provisions of Article XXVI:5(a) and (b) of the General Agreement would be applicable.

9.2 Reservations

9.2.1 Reservations may not be entered in respect of any of the provisions of this Agreement without the consent of the other Signatories.

9.3 Entry into Force

9.3.1 This Agreement shall enter into force on 1 January 1980 for the governments[1] which have accepted or acceded to it by that date. For each other government it shall enter into force on the thirtieth day following the date of its acceptance or accession to this Agreement.

9.4 National Legislation

9.4.1 Each government accepting or acceding to this Agreement shall ensure, not later than the date of entry into force of this Agreement for it, the conformity of its laws, regulations and administrative procedures with the provisions of this Agreement.

9.4.2 Each Signatory shall inform the Committee of any changes in its laws and regulations relevant to this Agreement and in the administration of such laws and regulations.

9.5 Amendments

9.5.1 The Signatories may amend this Agreement, having regard, inter alia, to the experience gained in its implementation. Such an amendment, once the Signatories have concurred in accordance with the procedures established by the Committee, shall not come into force for any Signatory until it has been accepted by such Signatory.

9.6 Withdrawal

9.6.1 Any Signatory may withdraw from this Agreement. The withdrawal shall take effect upon the expiration of twelve months from the day on which written notice of withdrawal is received by the Director-General to the CONTRACTING PARTIES to the GATT. Any Signatory may upon such notification request an immediate meeting of the Committee.

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[1] For the purpose of this Agreement, the term "government" is deemed to include the competent authorities of the European Economic Community.

9.7 Non-Application of this Agreement Between Particular Signatories

9.7.1 This Agreement shall not apply as between any two Signatories if either of the Signatories, at the time either accepts or accedes to this Agreement, does not consent to such application.

9.8 Annex

9.8.1 The Annex to this Agreement forms an integral part thereof.

9.9 Secretariat

9.9.1 This Agreement shall be serviced by the GATT secretariat.

9.10 Deposit

9.10.1 This Agreement shall be deposited with the Director-General to the CONTRACTING PARTIES to the GATT who shall promptly furnish to each Signatory and each contracting party to the GATT a certified copy thereof and of each amendment thereto pursuant to Article 9.5 and a notification of each acceptance thereof or accession thereto pursuant to Article 9.1, or each withdrawal therefrom pursuant to Article 9.6.

9.11 Registration

9.11.1 This Agreement shall be registered in accordance with the provisions of Article 102 of the Charter of the United Nations.

Done at Geneva this ..... day of ..... nineteen hundred and seventy-nine in a single copy, in the English, French and Spanish languages, the English and French texts being authentic, except as otherwise specified with respect to the various lists in the Annex.

ANNEX

PRODUCT COVERAGE

Signatories agree that products classified for customs purposes under their respective tariff headings listed below shall be accorded duty-free or duty-exempt treatment, if such products are for use in a civil aircraft and incorporation therein, in the course of its manufacture, repair, maintenance, rebuilding, modification or conversion.

These products shall not include:

- an incomplete or unfinished product, unless it has the essential characteristics of a complete or finished civil aircraft part component, sub-assembly or item of equipment.[1]

- materials in any form (e.g., sheets, plates, profile shapes, strips, bars, pipes, tubes, or other shapes) unless they have been cut to size or shape or shaped for incorporation in civil aircraft.[1]

- raw materials and consumable goods.

[1] E.g., an article which has a civil aircraft manufacturer's parts number.

LIST OF ITEMS FROM THE TARIFF SCHEDULES OF THE UNITED STATES

The following list is authentic only in the English language.

TSUS*	Description
518.52	Articles NSPF, of Asbestos, if certified for use in civil aircraft.
544.43	Windshields, if certified for use in civil aircraft.
642.22	strands, ropes, cables or cordage, of wire, fitted with fittings, or made up into articles, if certified for use in civil aircraft.
647.04	Hinges, and fittings and mountings, NSPF, not coated or plated with precious metal, of iron or steel, of aluminum, or zinc, if certified for use in civil aircraft.
647.07	Hinges and fittings and mountings, NSPF, not coated or plated with precious metal, of base metal other than iron, steel, aluminum or zinc, if certified for use in civil aircraft.
652.11	Flexible metal hose or tubing, with fittings, if certified for use in civil aircraft.
653.41	Illuminating articles and parts thereof, of base metal, if certified for use in civil aircraft.
653.95	Toilet and sanitary ware, if certified for use in civil aircraft.
660.58	Internal-combustion engines, piston-type, other than compression-ignition engines, if certified for use in civil aircraft.
660.61	Non-piston type internal combustion engines if certified for use in civil aircraft.
660.67	Parts of piston-type internal combustion engines, other than compression ignition engines, if certified for use in civil aircraft.
660.69	Parts of non-piston type or compression-ignition, piston-type engines, if certified for use in civil aircraft.
660.87	Non-electric engines and motors, NSPF, if certified for use in civil aircraft.

*Actual item numbers are subject to change, with no change to the content of the items themselves.

660.99 Pumps for liquids operated by any kind of power unit, if certified for use in civil aircraft.

661.08 Fans and blowers, if certified for use in civil aircraft.

661.14 Compressors, if certified for use in civil aircraft.

661.17 Air pumps and vacuum pumps, if certified for use in civil aircraft.

661.22 Air-conditioning machines, if certified for use in civil aircraft.

661.37 Refrigerators and refrigeration equipment, if certified for use in civil aircraft.

661.91 Centrifuges, if certified for use in civil aircraft.

661.97 Filtering and purifying machinery and apparatus, for liquids or gases, if certified for use in civil aircraft.

662.52 Fire extinguishers, if certified for use in civil aircraft.

664.12 Elevators, hoists, wenches, cranes, jacks, pulley tackle, belt conveyors, and other lifting, handling, loading or unloading machinery and conveyors, all the foregoing if certified for use in civil aircraft.

676.16 Accounting, computing and other data processing machines, if certified for use in civil aircraft.

676.31 Office machines, NSPF, if certified for use in civil aircraft.

678.48 Flight simulators, and parts thereof.

680.47 Gear Boxes and other speed changers, other than those provided for in items 680.43 and 680.44, and parts thereof, if certified for use in civil aircraft.

680.51 Pulleys, shaft couplings, and parts of the foregoing which are especially designed for installation aircraft; all the foregoing, if certified for use in civil aircraft.

680.57 Torque converters and parts thereof, which are specially designed for installation in civil aircraft, if certified for use in civil aircraft.

680.59 Chain sprockets, clutches and universal joints, if certified for use in civil aircraft.

682.08 Transformers, rates at 1 kva or more, if certified for use in civil aircraft.

682.42 Motors of over 1 but under 200 horsepower, if certified for use in civil aircraft.

682.61 Generators, motor-generators, converters (rotary or static), rectifiers and rectifying apparatus and inductors, all the foregoing, if certified for use in civil aircraft.

683.62 Ignition magnetos, magneto-generators, ignition coils, starter motors, spark plugs, glow plugs, and other electrical starting and ignition equipment for internal combustion engines, generators and cut-outs for use in conjunction therewith; all the foregoing, if certified for use in civil aircraft.

684.31 Cooking stoves and ranges, if certified for use in civil aircraft.

684.42 Furnaces, heaters, and ovens, if certified for use in civil aircraft.

684.51 Food warming devices, if certified for use in civil aircraft.

684.72 Microphones, loudspeakers, headphones, audio-frequency electric amplifiers, electric sound amplifier sets comprised of the foregoing components; all of the foregoing, if certified for use in civil aircraft.

685.25 Solid state radio receivers, if certified for use in civil aircraft.

685.30 Other radio telegraphic and radio telephonic transmission and reception apparatus, if certified for use in civil aircraft.

685.41 Tape recording and dictation recording and transscribing machines, assemblies and subassemblies of such machines, consisting of two or more parts or pieces fastened or joined together, specially designed for installation in civil aircraft; all the foregoing, if certified for use in civil aircraft.

685.61 Radio navigational aid apparatus, radar apparatus; and radio remote control apparatus, assemblies and subassemblies of such apparatus, consisting of two or more parts or pieces fastened or joined together, specially designed for installation in civil aircraft; all the foregoing, if certified for use in civil aircraft.

685.72 Bells, sirens, indicator panels, burgler and fire alarms, and other sound or visual signalling apparatus, all of the foregoing which are electrical, if certified for use in civil aircraft.

686.21 Automatic voltage and voltage-current regulators designed for use in a 6-volt, 12-volt, or 24-volt system; if certified for use in civil aircraft.

686.25 Automatic voltage and voltage current regulators, other than those designed for use in a 6-volt, 12-volt, or 24-volt system, if certified for use in civil aircraft.

686.62 Sealed-beam lamps, if certified for use in civil aircraft.

688.14 Ignition wiring sets, if certified for use in civil aircraft.

688.42 Electrical synchros and transducers, if certified for use in civil aircraft.

694.16 Civil balloons and airships.

694.21 Civil gliders.

694.41 Civil Airplanes (including helicopters).

694.62 Other parts of civil aircraft, if certified for use in civil aircraft.

709.46 Gas masks and similar respirators, if certified for use in civil aircraft.

710.09 Optical instruments other than photogrammetrical instruments and rangefinders, if certified for use in civil aircraft.

710.15 Gyroscopic compases and parts thereof, if certified for use in civil aircraft.

710.17 Other compasses, if certified for use in civil aircraft.

710.31 Automatic pilots and parts thereof, if certified for use in civil aircraft.

710.47 Other navigational instruments and parts thereof, if certified for use in civil aircraft.

711.37 Liquid-filled thermometers, other than clinical thermometers, if certified for use in civil aircraft.

711.39 Other thermometers, if certified for use in civil aircraft.

711.83 Flow meters, heat meters, incorporating liquid supply meters and anemometers, if certified for use in civil aircraft.

711.87 Pressure guages, thermostats and other instruments and apparatus for measuring, checking, or automatically controlling the flow, depth, pressure, or other variables of liquids or gases or, for controlling temperatures, if certified for use in civil aircraft.

711.97 Speedometers and tachometers, if certified for use in civil aircraft.

712.06 Electrical optical measuring, checking, analyzing or automatically-controlling instruments, if certified for use in civil aircraft.

712.48 Automatic flight control instruments and apparatus, and parts thereof, if certified for use in civil aircraft.

712.52 Other electrical measuring, checking, analyzing or automatically controlling instruments and apparatus, if certified for use in civil aircraft.

715.16 Clocks with watch movements or with clock movements measuring less than 1.77 inches in width, if certified for use in civil aircraft.

720.09 Clock movements, assembled, without dials or hands, or with dials or hands whether or not assembled thereon; constructed or designed to operate for over 47 hours without rewinding, having over one jewel, if certified for use in civil aircraft.

727.49 Furniture of reinforced or laminated plastics, if certified for use in civil aircraft.

727.51 Furniture of other rubber or plastics, if certified for use in civil aircraft.

727.56 Furniture, of materials other than unspun fibrous vegetable materials, wood, textile materials (except cotton), rubber or plastics, copper or leather, if certified for use in civil aircraft.

745.46 Buckles and buckle slides, if certified for use in civil aircraft.

772.46 Pneumatic tires, of rubber or plastic, if certified for use in civil aircraft.

772.67 Hose, pipe and tubing; all the foregoing of rubber or plastics, suitable for conducting gases or liquids with attached fittings, if certified for use in civil aircraft.

LIST OF PRODUCTS BASED ON CCCN
(CUSTOMS COOPERATION COUNCIL NOMENCLATURE)
HEADINGS

The following list is authentic only in the English and French languages.

For the purposes of this list "Ex" means that for each CCCN heading listed below, products falling within the scope of the corresponding named categories of products (a group of products) will be accorded duty-free or duty-exempt treatment if they are for use in a civil aircraft and incorporation therein.

		Exclusion
ex 39.07	Hose, pipe and tubing, of plastic materials, with attached fittings, suitable for conducting gases or liquids	
ex 40.09	Hose, pipe and tubing, of unhardened vulcanized rubber, with attached fittings, suitable for conducting gases or liquids	
ex 40.11	Pneumatic tyres, of rubber	Tubes and tyres other than pneumatic
ex 40.16	Hose, pipe and tubing of hardened rubber, with attached fittings, suitable for conducting gases or liquids	
ex 62.05	Escape chutes	
ex 68.13	Articles of asbestos	
ex 68.14	Friction material with a basis of asbestos	
ex 70.08	Windshields of glass, not framed	
ex 73.25	Cables of iron or steel, with attached fittings, or made up into articles	

ex 84.63	Speed changers and gear boxes	
	Pulleys and shaft couplings	Parts
	Torque converters	Parts
	Chain sprockets, clutches and universal joints	Parts
ex 85.01	Transformers, rated at 1 KVA or more	Parts
	Electrical motors of over 1 but under 200 HP	Parts
	Generators, motor-generators, converters (rotary or static), rectifiers and rectifying apparatus, inductors	Parts
ex 85.08	Electrical starting and ignition equipment for internal combustion engines (including ignition magnetos, magneto-dynamos, ignition coils, starter motors, sparking plugs and glow plugs); generators (dynamos and alternators) and cut-outs for use in conjunction with such engines	Parts
ex 85.12	Cooking stoves and ranges electric	Parts
	Furnaces, heaters, ovens, electric	
	Food warmers, electric	
ex 85.14	Microphones and stands there for; loudspeakers, audiofrequency electric amplifiers	Parts
ex 85.15	Solid-state (tubeless) radio receivers	Parts
	Other radio-telegraphic and radio-telephonic transmission and reception apparatus	
	Radio navigational aid apparatus, radar apparatus and radio remote control apparatus	Parts
ex 85.17	Electric sound or visual signalling apparatus	Parts
ex 85.20	Sealed beam lamps	Parts
ex 85.22	Flight recorders	Parts
ex 85.23	Ignition wiring sets and wiring sets designed for use in aircraft	
ex 88.01	Balloons and airships	
ex 88.02	Gliders	
	Flying machines, including helicopters	

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ex 73.38	Sanitary ware of iron or steel	
ex 83.02	Base metal fittings and mountings (including hinges)	
ex 83.07	Lamps and lighting fittings, of base metal, and parts thereof, of base metal	
ex 83.08	Flexible tubing and piping, of base metal, with attached fittings	
ex 83.09	Buckles and buckle clasps, of base metal, for seat belts	
ex 84.06	Internal combustion piston engines, and parts	
ex 84.07	Hydraulic engines and motors	Parts
ex 84.08	Non piston internal combustion engines, and parts	
ex 84.10	Pumps for liquids, wether or not fitted with measuring devices	Parts
ex 84.11	Air pumps, vacuum pumps; air or gas compressors; fans, blowers and the like	Parts
ex 84.12	Air conditioning machines	Parts
ex 84.15	Refrigerators and refrigerating equipment (electrical and other)	Parts
ex 84.18	Centrifuges; filtering and purifying machinery and apparatus, for liquids or gases	Parts
ex 84.21	Fire extinguishers (charged or not)	Parts
ex 84.22	Elevators (lifts), hoists, winches, cranes, jacks, pulley tackle, belt conveyors and other lifting, handling, loading or unloading machinery, and conveyors	Parts
ex 84.52	Accounting machines	Parts
ex 84.53	Automatic data processing machines	Parts
ex 84.59	Non electric air humidifiers specially designed for aircraft	Parts
	Non electric air dehumidifiers specially designed for aircraft	Parts
	Non-electric starter motors	Parts
	Propeller regulators, non electric	Parts
	Servo-mechanisms non electric	Parts
	Windscreen wipers non electric	Parts
	Hydraulic servo-motors non electric	Parts
	Pneumatic starters for get-engines	Parts
	Toilet units specially designed for aircraft	
	Mechanical actuators for thrust reversers	Parts

ex 88.03	Parts of balloons, airships, gliders flying machines and helicopters	
ex 88.05	Flight similators and parts thereof	
ex 90.14	Automatic pilots and parts thereof	
	Navigational instruments	Parts
	Gyroscopic compasses	Parts
	Other compasses	Parts
ex 90.18	Gas masks and similar respirators	Parts
ex 90.23	Thermometers	
ex 90.24	Instruments and apparatus for measuring, checking or automatically controlling the flow, depth, pressure or other variables of liquids or gases, or for automatically controlling temperature	
ex 90.27	Speed indicators and tachometers	
ex 90.28	Automatic flight control instruments and apparatus	
	Other electrical measuring, checking analysing or automatically controlling instruments and apparatus	
ex 90.29	Parts of automatic flight control instruments and apparatus	
ex 91.03	Instrument panel clocks and clocks of a similar type, with watch movements or with clock movements	
ex 91.08	Clock movements, assembled	
ex 94.01	Chairs and other seats, and parts thereof	
ex 94.03	Other furniture and parts thereof	

LIST OF ITEMS FROM THE CANADIAN TARIFF SCHEDULE

The following list is authentic only in the English and French languages.

Tariff Item	Description
44060-1	Civil aircraft; parts, including engines and their parts, for use in civil aircraft
44061-1	Flight simulator systems, parts thereof
44062-1	Hinges entitled to entry under tariff items 35200-1, 35400-1 and 36215-1; Furniture entitled to entry under tariff items 35400-1, 44603-1, 61800-1 and 93907-1; Castings entitled to entry under tariff items 35400-1 and 39000-1; Forgings entitled to entry under tariff item 39200-1; Sealed-beam lamps entitled to entry under tariff item 44504-1; Microphones entitled to entry under tariff item 44536-1; Magnesium castings entitled to entry under tariff item 71100-1; Goods except parts, entitled to entry under tariff items 44028-1, 44300-1, 44514-1, 44538-1, 44540-1 and 46200-1 Goods entitled to entry under tariff items 31200-1, 36800-1, 41417-1, 41417-2, 41505-1, 41505-2, 42400-1, 42405-1, 42700-1, 42701-1, 43005-1, 43300-1, 44059-1, 44500-1, 44502-1, 44516-1, 44524-1, 44532-1, 44533-1, 47100-1 and 61815-1 All the foregoing when for use in the manufacture, repair, maintenance, rebuilding, modification or conversion of the goods enumerated in tariff item 44060-1

TEXTS CONCERNING A FRAMEWORK FOR THE CONDUCT OF WORLD TRADE

GENERAL AGREEMENT ON TARIFFS AND TRADE

Multilateral Trade Negotiations

Group "Framework"

GROUP "FRAMEWORK"

POINTS 1 AND 4

DIFFERENTIAL AND MORE FAVOURABLE TREATMENT RECIPROCITY AND FULLER PARTICIPATION OF DEVELOPING COUNTRIES

NOTE: The text below has been drawn up without prejudice to the position of any delegation with respect to its eventual legal status. Some delegations consider that such a text should appear as a new Article or set of provisions to be incorporated in the General Agreement. Other delegations consider that it should be adopted by the CONTRACTING PARTIES as a Declaration or Decision. Some consequential amendments to the text may be necessary in the light of the decision taken on this question.

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1. Notwithstanding the provisions of Article I of the General Agreement, contracting parties may accord differential and more favourable treatment to developing countries*, without according such treatment to other contracting parties.

2. The provisions of paragraph 1 apply to the following**:

   (a) Preferential tariff treatment accorded by developed contracting parties to products originating in developing countries in accordance with the Generalized System of Preferences***;

   (b) Differential and more favourable treatment with respect to the provisions of the General Agreement concerning non-tariff measures governed by the provisions of instruments multilaterally negotiated under the auspices of the GATT;

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*The words "developing countries" as used in this text are to be understood to refer also to developing territories.

**It would remain open for the CONTRACTING PARTIES to consider on an ad hoc basis under the GATT provisions for joint action any proposals for differential and more favourable treatment not falling within the scope of this paragraph.

***As described in the Decision of the CONTRACTING PARTIES of 25 June 1971, relating to the establishment of "generalized, non-reciprocal and non-discriminatory preferences beneficial to the developing countries".

(c) Regional or global arrangements entered into amongst less-developed contracting parties for the mutual reduction or elimination of tariffs and, in accordance with criteria or conditions which may be prescribed by the CONTRACTING PARTIES, for the mutual reduction or elimination of non-tariff measures, on products imported from one another;

(d) Special treatment of the least developed among the developing countries in the context of any general or specific measures in favour of developing countries.

3. Any differential and more favourable treatment provided under this clause

(a) shall be designed to facilitate and promote the trade of developing countries and not to raise barriers to or create undue difficulties for the trade of any other contracting parties;

(b) shall not constitute an impediment to the reduction or elimination of tariffs and other restrictions to trade on a most-favoured-nation basis;

(c) shall in the case of such treatment accorded by developed contracting parties to developing countries be designed and, if necessary, modified, to respond positively to the development, financial and trade needs of developing countries.

4.* Any contracting party taking action to introduce an arrangement pursuant to paragraphs 1, 2 and 3 above or subsequently taking action to introduce modification or withdrawal of the differential and more favourable treatment so provided shall:

(a) notify the CONTRACTING PARTIES and furnish them with all the information they may deem appropriate relating to such action;

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*Nothing in these provisions shall affect the rights of contracting parties under the General Agreement.

(b) afford adequate opportunity for prompt consultations at the request of any interested contracting party with respect to any difficulty or matter that may arise. The CONTRACTING PARTIES shall, if requested to do so by such contracting party, consult with all contracting parties concerned with respect to the matter with a view to reaching solutions satisfactory to all such contracting parties.

5. The developed countries do not expect reciprocity for commitments made by them in trade negotiations to reduce or remove tariff and other barriers to the trade of developing countries, i.e., the developed countries do not expect the developing countries, in the course of trade negotiations, to make contributions which are inconsistent with their individual development, financial and trade needs. Developed contracting parties shall therefore not seek, neither shall less-developed contracting parties be required to make, concessions that are inconsistent with the latter's development, financial and trade needs.

6. Having regard to the special economic difficulties and the particular development, financial and trade needs of the least-developed countries, the developed countries shall exercise the utmost restraint in seeking any concessions or contributions for commitments made by them to reduce or remove tariffs and other barriers to the trade of such countries, and the least-developed countries shall not be expected to make concessions or contributions that are inconsistent with the recognition of their particular situation and problems.

7. The concessions and contributions made and the obligations assumed by developed and less-developed contracting parties under the provisions of the General Agreement should promote the basic objectives of the Agreement, including those embodied in the Preamble and in Article XXXVI. Less-developed contracting parties expect that their capacity to make contributions or negotiated concessions or take other mutually agreed action under the provisions and procedures of the General Agreement would improve with the progressive development of their economies and improvement in their trade situation and they would accordingly expect to participate more fully in the framework of rights and obligations under the General Agreement.

8. Particular account shall be taken of the serious difficulty of the least-developed countries in making concessions and contributions in view of their special economic situation and their development, financial and trade needs.

9. The contracting parties will collaborate in arrangements for review of the operation of these provisions, bearing in mind the need for individual and joint efforts by contracting parties to meet the development needs of developing countries and the objectives of the General Agreement.

POINT 2A

DRAFT DECLARATION ON TRADE MEASURES TAKEN FOR BALANCE-OF-PAYMENTS PURPOSES

The CONTRACTING PARTIES,

Having regard to the provisions of Articles XII and XVIII:B of the General Agreement;

Recalling the procedures for consultations on balance-of-payments restrictions approved by the Council on 28 April 1970 (BISD, Eighteenth Supplement, pages 48-53) and the procedures for regular consultations on balance-of-payments restrictions with developing countries approved by the Council on 19 December 1972 (BISD, Twentieth Supplement, pages 47-49);

Convinced that restrictive trade measures are in general an inefficient means to maintain or restore balance-of-payments equilibrium;

Noting that restrictive import measures other than quantitative restrictions have been used for balance-of-payments purposes;

Reaffirming that restrictive import measures taken for balance-of-payments purposes should not be taken for the purpose of protecting a particular industry or sector;

Convinced that the contracting parties should endeavour to avoid that restrictive import measures taken for balance-of-payments purposes stimulate new investments that would not be economically viable in the absence of the measures;

Recognizing that the less-developed contracting parties must take into account their individual development, financial and trade situation when implementing restrictive import measures taken for balance-of-payments purposes;

Recognizing that the impact of trade measures taken by developed countries on the economies of developing countries can be serious;

Recognizing that developed contracting parties should avoid the imposition of restrictive trade measures for balance-of-payments purposes to the maximum extent possible.

Agree as follows:

1. The procedures for examination stipulated in Articles XII and XVIII shall apply to all restrictive import measures taken for balance-of-payments purposes. The application of restrictive import measures taken for balance-of-payments purposes shall be subject to the following conditions in addition to those provided for in Articles XII, XIII, XV and XVIII without prejudice to other provisions of the General Agreement:

(a) In applying restrictive import measures contracting parties shall abide by the disciplines provided for in the GATT and give preference to the measure which has the least disruptive effect on trade[1].

(b) The simultaneous application of more than one type of trade measure for this purpose should be avoided.

(c) Whenever practicable, contracting parties shall publicly announce a time schedule for the removal of the measures.

The provisions of this paragraph are not intended to modify the substantive provisions of the General Agreement.

2. If, notwithstanding the principles of this Declaration, a developed contracting party is compelled to apply restrictive import measures for balance-of-payments purposes, it shall, in determining the incidence of its measures, take into account the export interests of the less-developed contracting parties and may exempt from its measures products of export interest to those contracting parties.

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[1]It is understood that the less-developed contracting parties must take into account their individual development, financial and trade situation when selecting the particular measure to be applied.

3. Contracting parties shall promptly notify to the GATT the introduction or intensification of all restrictive import measures taken for balance-of-payments purposes. Contracting parties which have reason to believe that a restrictive import measure applied by another contracting party was taken for balance-of-payments purposes may notify the measure to the GATT or may request the GATT secretariat to seek information on the measure and make it available to all contracting parties if appropriate.

4. All restrictive import measures taken for balance-of-payments purposes shall be subject to consultation in the GATT Committee on Balance-of-Payments Restrictions (hereafter referred to as "Committee").

5. The membership of the Committee is open to all contracting parties indicating their wish to serve on it. Efforts shall be made to ensure that the composition of the Committee reflects as far as possible the characteristics of the contracting parties in general in terms of their geographical location, external financial position and stage of economic development.

6. The Committee shall follow the procedures for consultations on balance-of-payments restrictions approved by the Council on 28 April 1970 and set out in BISD, Eighteenth Supplement, pages 48-53, (hereinafter referred to as "full consultation procedures") or the procedures for regular consultations on balance-of-payments restrictions with developing countries approved by the Council on 19 December 1972 and set out in BISD, Twentieth Supplement, pages 47-49, (hereinafter referred to as "simplified consultation procedures") subject to the provisions set out below.

7. The GATT secretariat, drawing on all appropriate sources of information, including the consulting contracting party, shall with a view to facilitating the consultations in the Committee prepare a factual background paper describing the trade aspects of the measures taken, including aspects of particular interest to less-developed contracting parties. The paper shall also cover such other matters as the Committee may determine. The GATT secretariat shall give the consulting contracting party the opportunity to comment on the paper before it is submitted to the Committee.

8. In the case of consultations under Article XVIII:12(b) the Committee shall base its decision on the type of procedure on such factors as the following:

(a) the time elapsed since the last full consultations;

(b) the steps the consulting contracting party has taken in the light of conclusions reached on the occasion of previous consultations;

(c) the changes in the overall level or nature of the trade measures taken for balance-of-payments purposes;

(d) the changes in the balance-of-payments situation or prospects;

(e) whether the balance-of-payments problems are structural or temporary in nature.

9. A less-developed contracting party may at any time request full consultations.

10. The technical assistance services of the GATT secretariat shall, at the request of a less-developed consulting contracting party, assist it in preparing the documentation for the consultations.

11. The Committee shall report on its consultations to the Council. The reports on full consultations shall indicate:

(a) the Committee's conclusions as well as the facts and reasons on which they are based;

(b) the steps the consulting contracting party has taken in the light of conclusions reached on the occasion of previous consultations;

(c) in the case of less-developed contracting parties, the facts and reasons on which the Committee based its decision on the procedure followed; and

(d) in the case of developed contracting parties, whether alternative economic policy measures are available.

If the Committee finds that the consulting contracting party's measures

(a) are in important respects related to restrictive trade measures maintained by another contracting party[1] or

(b) have a significant adverse impact on the export interests of a less-developed contracting party,

it shall so report to the Council which shall take such further action as it may consider appropriate.

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[1] It is noted that such a finding is more likely to be made in the case of recent measures than of measures in effect for some considerable time.

12. In the course of full consultations with a less-developed contracting party the Committee shall, if the consulting contracting party so desires, give particular attention to the possibilities for alleviating and correcting the balance-of-payments problem through measures that contracting parties might take to facilitate an expansion of the export earnings of the consulting contracting party, as provided for in paragraph 3 of the full consultation procedures.

13. If the Committee finds that a restrictive import measure taken by the consulting contracting party for balance-of-payments purposes is inconsistent with the provisions of Articles XII, XVIII:B or this Declaration, it shall, in its report to the Council, make such findings as will assist the Council in making appropriate recommendations designed to promote the implementation of Articles XII and XVIII:B and this Declaration. The Council shall keep under surveillance any matter on which it has made recommendations.

POINT 2B

SAFEGUARD ACTION FOR DEVELOPMENT PURPOSES

1. The CONTRACTING PARTIES recognize that the implementation by less-developed contracting parties of programmes and policies of economic development aimed at raising the standard of living of the people may involve in addition to the establishment of particular industries* the development of new or the modification or extension of existing production structures with a view to achieving fuller and more efficient use of resources in accordance with the priorities of their economic development. Accordingly, they agree that a less-developed contracting party may, to achieve these objectives, modify or withdraw concessions included in the appropriate schedules annexed to the General Agreement as provided for in Section A of Article XVIII or, where no measure consistent with the other provisions of the General Agreement is practicable to achieve these objectives, have recourse to Section C of Article XVIII, with the additional flexibility provided for below. In taking such action the less-developed contracting party concerned shall give due regard to the objectives of the General Agreement and to the need to avoid unnecessary damage to the trade of other contracting parties.

2. The CONTRACTING PARTIES recognize further that there may be unusual circumstances where delay in the application of measures which a less-developed contracting party wishes to introduce under Section A or Section C of Article XVIII may give rise to difficulties in the application of its programmes

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*As referred to in paragraphs 2, 3, 7, 13 and 22 of Article XVIII and in the Note to these paragraphs.

and policies of economic development for the aforesaid purposes. They agree, therefore, that in such circumstances, the less-developed contracting party concerned may deviate from the provisions of Section A and paragraphs 14, 15, 17 and 18 of Section C to the extent necessary for introducing the measures contemplated on a provisional basis immediately after notification.

3. It is understood that all other requirements of the preambular part of Article XVIII and of Sections A and C of that Article, as well as the Notes and Supplementary Provisions set out in Annex I under these Sections will continue to apply to the measures to which this Decision relates.

4. The CONTRACTING PARTIES shall review this Decision in the light of experience with its operation, with a view to determining whether it should be extended, modified or discontinued.

POINT 3

DRAFT UNDERSTANDING REGARDING NOTIFICATION CONSULTATION, DISPUTE SETTLEMENT AND SURVEILLANCE

The CONTRACTING PARTIES reaffirm their adherence to the basic GATT mechanism for the management of disputes based on Articles XXII and XXIII.[1] With a view to improving and refining the GATT mechanism, the CONTRACTING PARTIES agree as follows:

Notification

Contracting parties reaffirm their commitment to existing obligations under the General Agreement regarding publication and notification.[2]

Contracting parties moreover undertake, to the maximum extent possible, to notify the CONTRACTING PARTIES of their adoption of trade measures affecting the operation of the General Agreement, it being understood that such notification would of itself be without prejudice to views on the consistency of measures with or their relevance to rights and obligations under the General Agreement. Contracting parties should endeavour to notify such measures in advance of implementation. In other cases, where prior notification has not been possible, such measures should be notified promptly ex post facto. Contracting parties which have reason to believe that such trade measures have been adopted by another contracting party may seek information on such measures bilaterally, from the contracting party concerned.

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[1] It is noted that Article XXV may, as recognized by the CONTRACTING PARTIES, inter alia, when they adopted the report of the Working Party on particular difficulties connected with trade in primary products (L/930), also afford an appropriate avenue for consultation and dispute settlement in certain circumstances.

[2] See secretariat note, "Notifications required from contracting parties" (MTN/FR/W/17, dated 1 August 1978).

Consultations

Contracting parties reaffirm their resolve to strengthen and improve the effectiveness of consultative procedures employed by contracting parties. In that connexion, they undertake to respond to requests for consultations promptly and to attempt to conclude consultations expeditiously, with a view to reaching mutually satisfactory conclusions. Any requests for consultations should include the reasons therefor.

During consultations, contracting parties should give special attention to the particular problems and interests of less-developed contracting parties.

Contracting parties should attempt to obtain satisfactory adjustment of the matter in accordance with the provisions of Article XXIII:1 before resorting to Article XXIII:2.

Resolution of disputes

The CONTRACTING PARTIES agree that the customary practice of the GATT in the field of dispute settlement, described in the Annex, should be continued in the future, with the improvements set out below. They recognize that the efficient functioning of the system depends on their will to abide by the present understanding. The CONTRACTING PARTIES reaffirm that the customary practice includes the procedures for the settlement of disputes between developed and less-developed countries adopted by the CONTRACTING PARTIES in 1966 (BISD, fourteenth supplement, page 18) and that these remain available to less-developed contracting parties wishing to use them.

If a dispute is not resolved through consultations the contracting parties concerned may request an appropriate body or individual to use their good offices with a view to the conciliation of the outstanding differences between the parties. If the unresolved dispute is one in which a less developed contracting party has brought a complaint against a developed contracting party, the less-developed contracting party may request the good offices of the Director-General who, in carrying out his tasks, may consult with the Chairman of the CONTRACTING PARTIES and the Chairman of the Council.

It is understood that requests for conciliation and the use of the dispute settlement procedures of Article XXIII:2 should not be intended or considered as contentious acts and that, if disputes arise, all contracting parties will engage in these procedures in good faith in an effort to resolve the disputes. It is also understood that complaints and counter-complaints in regard to distinct matters should not be linked.

It is agreed that if a contracting party invoking Article XXIII:2 requests the establishment of a panel to assist the CONTRACTING PARTIES to deal with the matter, the CONTRACTING PARTIES would decide on its establishment in accordance with standing practice. It is also agreed that the CONTRACTING PARTIES would similarly decide to establish a working party if this were requested by a contracting party invoking the Article. It is further agreed that such requests would be granted only after the contracting party concerned had had an opportunity to study the complaint and respond to it before the CONTRACTING PARTIES.

When a panel is set up, the Director-General, after securing the agreement of the contracting parties concerned, should propose the composition of the panel, of three or five members depending on the case, to the CONTRACTING PARTIES for approval. The members of a panel would preferably be governmental. It is understood that citizens of countries whose governments[1] are parties to the dispute would not be members of the panel concerned with that dispute. The panel should be constituted as promptly as possible and normally not later than thirty days from the decision by the CONTRACTING PARTIES.

The parties to the dispute would respond within a short period of time, i.e., seven working days, to nominations of panel members by the Director-General and would not oppose nominations except for compelling reasons.

In order to facilitate the constitution of panels, the Director-General should maintain an informal indicative list of governmental and non-governmental persons qualified in the fields of trade relations, economic development, and other matters covered by the General Agreement, and who could be available for serving on panels. For this purpose, each contracting party would be invited to indicate at the beginning of every year to the Director-General the name of one or two persons who would be available for such work.[2]

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[1]In the case customs unions or common markets are parties to a dispute, this provision applies to citizens of all member countries of the customs unions or common markets.

[2]The coverage of travel expenses should be considered within the limits of budgetary possibilities.

Panel members would serve in their individual capacities and not as government representatives, nor as representatives of any organization. Governments would therefore not give them instructions nor seek to influence them as individuals with regard to matters before a panel. Panel members should be selected with a view to ensuring the independence of the members, a sufficiently diverse background and a wide spectrum of experience.[1]

Any contracting party having a substantial interest in the matter before a panel, and having notified this to the Council, should have an opportunity to be heard by the panel. Each panel should have the right to seek information and technical advice from any individual or body which it deems appropriate. However, before a panel seeks such information or advice from any individual or body within the jurisdiction of a State it shall inform the government of that State. Any contracting party should respond promptly and fully to any request by a panel for such information as the panel considers necessary and appropriate. Confidential information which is provided should not be revealed without formal authorization from the contracting party providing the information.

The function of panels is to assist the CONTRACTING PARTIES in discharging their responsibilities under Article XXIII:2. Accordingly, a panel should make an objective assessment of the matter before it, including an objective assessment of the facts of the case and the applicability of and conformity with the General Agreement and, if so requested by the CONTRACTING PARTIES, make such other findings as will assist the CONTRACTING PARTIES in making the recommendations or in giving the rulings provided for in Article XXIII:2. In this connexion, panels should consult regularly with the parties to the dispute and give them adequate opportunity to develop a mutually satisfactory solution.

[1] NOTE: A statement would be included in the Annex describing the current practice with respect to inclusion on panels of persons from developing countries.

Where the parties have failed to develop a mutually satisfactory solution, the panel should submit its findings in a written form. The report of a panel should normally set out the rationale behind any findings and recommendations that it makes. Where a bilateral settlement of the matter has been found, the report of the panel may be confined to a brief description of the case and to reporting that a solution has been reached.

To encourage development of mutually satisfactory solutions between the parties and with a view to obtaining their comments, each panel should first submit the descriptive part of its report to the parties concerned, and should subsequently submit to the parties to the dispute its conclusions, or an outline thereof, a reasonable period of time before they are circulated to the CONTRACTING PARTIES.

If a mutually satisfactory solution is developed by the parties to a dispute before a panel, any contracting party with an interest in the matter has a right to enquire about and be given appropriate information about that solution in so far as it relates to trade matters.

The time required by panels will vary with the particular case.[1] However, panels should aim to deliver their findings without undue delay, taking into account the obligation of the CONTRACTING PARTIES to ensure prompt settlement. In cases of urgency the panel would be called upon to deliver its findings within a period normally of three months from the time the panel was established.

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[1]NOTE: An explanation is included in the Annex that "in most cases the proceedings of the panels have been completed within a reasonable period of time, extending from three to nine months."

Reports of panels and working parties should be given prompt consideration by the CONTRACTING PARTIES. The CONTRACTING PARTIES should take appropriate action on reports of panels and working parties within a reasonable period of time. If the case is one brought by a less-developed contracting party, such action should be taken in a specially convened meeting, if necessary. In such cases, in considering what appropriate action might be taken the CONTRACTING PARTIES shall take into account not only the trade coverage of measures complained of, but also their impact on the economy of less-developed contracting parties concerned.

The CONTRACTING PARTIES shall keep under surveillance any matter on which they have made recommendations or given rulings. If the CONTRACTING PARTIES' recommendations are not implemented within a reasonable period of time, the contracting party bringing the case may ask the CONTRACTING PARTIES to make suitable efforts with a view to finding an appropriate solution.

If the matter is one which has been raised by a less-developed contracting party, the CONTRACTING PARTIES shall consider what further action they might take which would be appropriate to the circumstances.

Surveillance

The CONTRACTING PARTIES agree to conduct a regular and systematic review of developments in the trading system. Particular attention would be paid to developments which affect rights and obligations under the GATT, to matters affecting the interests of less-developed contracting parties, to trade measures notified in accordance with this understanding and to measures which have been subject to consultation, conciliation or dispute settlement procedures laid down in this understanding.

Technical assistance

The technical assistance services of the GATT secretariat shall, at the request of a less-developed contracting party, assist it in connexion with matters dealt with in this understanding.

ANNEX

Agreed Description of the Customary Practice of the GATT in the Field of Dispute Settlement (Article XXIII:2)

Paragraph 1

Any dispute which has not been settled bilaterally under the relevant provisions of the General Agreement may be referred to the CONTRACTING PARTIES[1] which are obliged, pursuant to Article XXIII:2, to investigate matters submitted to them and make appropriate recommendations or give a ruling on the matter as appropriate. Article XXIII:2 does not indicate whether disputes should be handled by a working party or by a panel.[2]

Paragraph 2

The CONTRACTING PARTIES adopted in 1966 a decision establishing the procedure to be followed for Article XXIII consultations between developed and less-developed contracting parties (BISD, 14 Supplement, page 18). This procedure provides, inter alia, for the Director-General to employ his good offices with a view to facilitating a solution, for setting up a panel with the task of examining the problem in order to recommend appropriate solutions, and for time-limits for the execution of the different parts of this procedure.

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[1]The Council is empowered to act for the CONTRACTING PARTIES, in accordance with normal GATT practice.

[2]At the Review Session (1955) the proposal to institutionalize the procedures of panels was not adopted by CONTRACTING PARTIES mainly because they preferred to preserve the existing situation and not to establish judicial procedures which might put excessive strain on the GATT.

Paragraph 3

The function of a panel has normally been to review the facts of a case and the applicability of GATT provisions and to arrive at an objective assessment of these matters. In this connexion, panels have consulted regularly with the parties to the dispute and have given them adequate opportunity to develop a mutually satisfactory solution. Panels have taken appropriate account of the particular interests of developing countries. In cases of failure of the parties to reach a mutually satisfactory settlement, panels have normally given assistance to the CONTRACTING PARTIES in making recommendations or in giving rulings as envisaged in Article XXIII:2.

Paragraph 4

Before bringing a case, contracting parties have exercised their judgment as to whether action under Article XXIII:2 would be fruitful. Those cases which have come before the CONTRACTING PARTIES under this provision have, with few exceptions, been brought to a satisfactory conclusion. The aim of the CONTRACTING PARTIES has always been to secure a positive solution to a dispute. A solution mutually acceptable to the parties to a dispute is clearly to be preferred. In the absence of a mutually agreed solution, the first objective of the CONTRACTING PARTIES is usually to secure the withdrawal of the measures concerned if these are found to be inconsistent with the General Agreement. The provision of compensation should be resorted to only if the immediate withdrawal of the measure is impracticable and as a temporary measure pending the withdrawal of the measures which are inconsistent with the General Agreement. The last

resort which Article XXIII provides to the country invoking this procedure is the possibility of suspending the application of concessions or other obligations on a discriminatory basis vis-à-vis the other contracting party, subject to authorization by the CONTRACTING PARTIES of such measures. Such action has only rarely been contemplated and cases taken under Article XXIII:2 have led to such action in only one case.

Paragraph 5

In practice, contracting parties have had recourse to Article XXIII only when in their view a benefit accruing to them under the General Agreement was being nullified or impaired. In cases where there is an infringement of the obligations assumed under the General Agreement, the action is considered *prima facie* to constitute a case of nullification or impairment. A *prima facie* case of nullification or impairment would *ipso facto* require consideration of whether the circumstances are serious enough to justify the authorization of suspension of concessions or obligations, if the contracting party bringing the complaint so requests. This means that there is normally a presumption that a breach of the rules has an adverse impact on other contracting parties, and in such cases, it is up to the other contracting parties to rebut the charge. Paragraph 1(b) permits recourse to Article XXIII if nullification or impairment results from measures taken by other contracting parties whether or not these conflict with the provisions of the General Agreement, and paragraph 1(c) if any other situation exists. If a contracting party bringing an Article XXIII case claims that measures which do not conflict with the provisions of the General Agreement have nullified or impaired benefits accruing to it under the General Agreement, it would be called upon to provide a detailed justification.

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Paragraph 6

Concerning the customary elements of working parties and panels procedures, the following elements have to be noted:

(i) working parties are instituted by the Council upon the request of one or several contracting parties. The terms of reference of working parties are generally "to examine the matter in the light of the relevant provisions of the General Agreement and to report to the Council". Working parties set up their own working procedures. The practice for working parties has been to hold one or two meetings to examine the matter and a final meeting to discuss conclusions. Working parties are open to participation of any contracting party which has an interest in the matter. Generally working parties consist of a number of delegations varying from about five to twenty according to the importance of the question and the interests involved. The countries who are parties to the dispute are always members of the Working Party and have the same status as other delegations. The report of the Working Party represents the views of all its members and therefore records different views if necessary. Since the tendency is to strive for consensus, there is generally some measure of negotiation and compromise in the formulation of for Working Party's report. The Council adopts the report. The reports of working parties are advisory opinions on the basis of which the CONTRACTING PARTIES may take a final decision.

(ii) In the case of disputes, the CONTRACTING PARTIES have established panels (which have been called by different names) or working parties in order to assist them in examining questions raised under Article XXIII:2. Since 1952, panels have become the usual procedure. However, the Council has taken such decisions only after the party concerned has had an occasion to study the complaint and prepare its response before the Council. The terms of reference are discussed and approved by the Council. Normally, these terms of reference are "to examine the matter and to make such findings as will assist the CONTRACTING PARTIES in making the recommendations or rulings provided for in paragraph 2 of Article XXIII". When a contracting party having recourse to Article XXIII:2 raised questions relating to the suspension of concessions or other obligations, the terms of reference were to examine the matter in accordance with the provisions of Article XXIII:2. Members of the panel are usually selected from permanent delegations or, less frequently, from the national administrations in the capitals amongst delegates who participate in GATT activities on a regular basis. The practice has been to appoint a member or members from developing countries when a dispute is between a developing and a developed country.

(iii) Members of panels are expected to act impartially without instructions from their governments. In a few cases, in view of the nature and complexity of the matter, the parties concerned have agreed to designate non-government experts. Nominations are proposed to the parties

concerned by the GATT secretariat. The composition of panels (three or five members depending on the case) has been agreed upon by the parties concerned and approved by the GATT Council. It is recognized that a broad spectrum of opinion has been beneficial in difficult cases, but that the number of panel members has sometimes delayed the composition of panels, and therefore the process of dispute settlement.

(iv) Panels set up their own working procedures. The practice for the panels has been to hold two or three formal meetings with the parties concerned. The panel invited the parties to present their views either in writing and/or orally in the presence of each other. The panel can question both parties on any matter which it considers relevant to the dispute. Panels have also heard the views of any contracting party having a substantial interest in the matter, which is not directly party to the dispute, but which has expressed in the Council a desire to present its views. Written memoranda submitted to the panel have been considered confidential, but are made available to the parties to the dispute. Panels often consult with and seek information from any relevant source they deem appropriate and they sometimes consult experts to obtain their technical opinion on certain aspects of the matter. Panels may seek advice or assistance from the secretariat in its capacity as guardian of the General Agreement, especially on historical or procedural aspects. The secretariat provides the secretary and technical services for panels.

(v) Where the parties have failed to develop a mutually satisfactory solution, the panel has submitted its findings in a written form. Panel reports have normally set out findings of fact, the applicability of relevant provisions, and the basic rationale behind any findings and recommendations that it has made. Where a bilateral settlement of the matter has been found, the report of the panel has been confined to a brief description of the case and to reporting that a solution has been reached.

(vi) The reports of panels have been drafted in the absence of the parties in the light of the information and the statements made.

(vii) To encourage development of mutually satisfactory solutions between the parties and with a view to obtaining their comments, each panel has normally first submitted the descriptive part of its report to the parties concerned, and also their conclusions, or an outline thereof, a reasonable period of time before they have been circulated to the CONTRACTING PARTIES.

(viii) In accordance with their terms of reference established by the CONTRACTING PARTIES panels have expressed their views on whether an infringement of certain rules of the General Agreement arises out of the measure examined. Panels have also, if so requested by the CONTRACTING PARTIES, formulated draft recommendations addressed to the parties. In yet other cases panels were invited to give a technical opinion on some precise aspect of the matter (e.g. on the modalities of a withdrawal or suspension in regard to the volume of trade involved). The opinions expressed by the panel members on the matter are anonymous and the panel deliberations are secret.

(ix) Although the CONTRACTING PARTIES have never established precise deadlines for the different phases of the procedure, probably because the matters submitted to panels differ as to their complexity and their urgency, in most cases the proceedings of the panels have been completed within a reasonable period of time, extending from three to nine months.

The 1966 decision by the CONTRACTING PARTIES referred to in paragraph 2 above lays down in its paragraph 7 that the Panel shall report within a period of sixty days from the date the matter was referred to it.

POINT 5

UNDERSTANDING REGARDING EXPORT RESTRICTIONS AND CHARGES

The participants in the Multilateral Trade Negotiations have examined the various existing provisions of the General Agreement relating to export restrictions and charges. The Annex contains a statement of these provisions.

In the light of the examination referred to, participants agree upon the need to reassess in the near future the GATT provisions relating to export restrictions and charges, in the context of the international trade system as a whole, taking into account the development, financial and trade needs of the developing countries. They request the CONTRACTING PARTIES to address themselves to this task as one of the priority issues to be taken up after the Multilateral Trade Negotiations are concluded.

ANNEX

STATEMENT OF EXISTING GATT PROVISIONS
RELATING TO EXPORT RESTRICTIONS AND CHARGES

Introductory observations

1. This statement covers only those GATT provisions that are of particular relevance to export restrictions and charges. The omission of any provision[1] from this statement does not mean that it is not applicable to such restrictions and charges.

2. The subsequent paragraphs are organized as follows:

		Paragraphs
I.	Export restrictions	3-4
II.	Export charges	5
III.	General exceptions	6-8
IV.	Other provisions relating to export restrictions and charges	9
V.	Publication and notification	10-11

I. Export restrictions

3. Article XI is entitled "General Elimination of Quantitative Restrictions". Paragraph 1 of Article XI reads with the wording relating to imports omitted:

> "No prohibitions or restrictions other than duties, taxes or other charges, whether made effective through quotas, ... export licences or other measures, shall be instituted or maintained by any contracting party ... on the exportation or sale for export of any product destined for the territory of any other contracting party."[2]

[1] Such as Articles XIX and XXIII which provide, under certain conditions, for the suspension or withdrawal of concessions and other obligations under the General Agreement.

[2] A note to Articles XI, XII, XIII, XIV and XVIII provides:

> "Throughout Articles XI, XII, XIII, XIV and XVIII, the terms 'import restrictions' or 'export restrictions' includes restrictions made effective through State-trading operations".

According to paragraphs 2(a) and (b) of Article XI the above provision does not extend to:

(a) "Export prohibitions or restrictions temporarily applied to prevent or relieve critical shortages of foodstuffs or other products essential to the exporting contracting party", and

(b) "... . export prohibitions or restriction necessary to the application of standards or regulations for the classification, grading or marketing of commodities in international trade".

For other exceptions to paragraph 1 of Article XI see below paragraphs 6-8.

4. Article XIII is entitled "Non-discriminatory Administration of Quantitative Restrictions". Paragraph 1 of this Article reads with the wording relating to imports omitted: "No prohibition or restriction shall be applied by any contracting party on ... the exportation of any product destined for the territory of any other contracting party, unless ... the exportation of the like product to all third countries is similarly prohibited or restricted."[1] Paragraphs 2 to 4 of Article XIII regulate the

[1]Article XVII is entitled "State Trading Enterprises". Paragraphs 1(a) and (b) of this Article read with the wording relating to imports omitted:

"(a) Each contracting party undertakes that if it establishes or maintains a State enterprise, wherever located, or grants to any enterprise, formally or in effect, exclusive or special privileges, such enterprise shall, in its ... sales involving ... exports, act in a manner consistent with the general principles of non-discriminatory treatment prescribed in this Agreement for governmental measures affecting ... exports by private traders.

(b) The provisions of sub-paragraph (a) of this paragraph shall be understood to require that such enterprises shall, having due regard to the other provisions of this Agreement, make any such ... sales solely in accordance with commercial considerations, including price, quality, availability, marketability, transportation and other conditions of ... sale, and shall afford the enterprises of the other contracting parties adequate opportunity, in accordance with customary business practice, to compete for participation in such ... sales."

non-discriminatory administration of quantitative import restrictions.

Paragraph 5 of Article XIII provides inter alia: "In so far as applicable, the principles of this Article shall also extend to export restrictions."

Article XIV is entitled: "Exceptions to the Rule of Non-discrimination".

Paragraph 4 of this Article reads:

> "A contracting party applying import restrictions under Article XII or under Section B of Article XVIII shall not be precluded by Articles XI to XV or Section B of Article XVIII of this Agreement from applying measures to direct its exports in such a manner as to increase its earnings of currencies which it can use without deviation from the provisions of Article XIII."

II. Export charges

5. The following provisions have a bearing on export duties, taxes and other charges:

(a) Paragraph 1 of Article XI, which reads with the wording relating to imports omitted:

"No prohibitions or restrictions other than duties, taxes or other charges, whether made effective through quotas, ... export licences or other measures, shall be instituted or maintained by any contracting party ... on the exportation or sale for export of any product destined for the territory of any other contracting party."

(b) Paragraph 1 of Article I, which reads with the wording relating to imports omitted:

"With respect to customs duties and charges of any kind imposed on or in connection with ... exportation or imposed on the international transfer of payments for ... exports, and with respect to the method of levying such duties and charges, and with respect to all rules and formalities in connection with ... exportation, and with respect to all matters referred to in paragraphs 2 and 4 of Article III, any advantage, favour, privilege or immunity granted by any contracting party to any product ... destined for any other country shall be accorded immediately and unconditionally to the like product ... destined for the territories of all other contracting parties."[1]

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[1] Paragraphs 1(a) and (b) of Article XVII read with the wording relating to imports omitted:

"(a) Each contracting party undertakes that if it establishes or maintains a State enterprise, wherever located, or grants to any enterprise, formally or in effect, exclusive or special privileges, such enterprise shall, in its ... sales involving ... exports, act in a manner consistent with the general principles of non-discriminatory treatment prescribed in this Agreement for governmental measures affecting ... exports by private traders.

(b) The provisions of sub-paragraph (a) of this paragraph shall be understood to require that such enterprises shall, having due regard to the other provisions of this Agreement, make any such ... sales solely in accordance with commercial considerations, including price, quality, availability, marketability, transportation and other conditions of ... sale, and shall afford the enterprises of the other contracting parties adequate opportunity, in accordance with customary business practice, to compete for participation in such ... sales."

A note to paragraph 1 of Article XVII provides inter alia:

"The charging by a State enterprise of different prices for its sales of a product in different markets is not precluded by the provisions of this Article, provided that such different prices are charged for commercial reasons, to meet conditions of supply and demand in export markets."

(c) Paragraph 1 of Article XXVIII bis, which reads with the wording relating to imports omitted:

"The contracting parties recognize that customs duties often constitute serious obstacles to trade; thus negotiations on a reciprocal and mutually advantageous basis, directed to the substantial reduction of the general level of tariffs and other charges on ... exports ..., and conducted with due regard to the objectives of this Agreement and the varying needs of individual contracting parties, are of great importance to the expansion of international trade. The CONTRACTING PARTIES may therefore sponsor such negotiations from time to time."[1]

(d) Paragraph 8 of Article XXXVI, which reads:

"The developed contracting parties do not expect reciprocity for commitments made by them in trade negotiations to reduce or remove tariffs and other barriers to the trade of less-developed contracting parties."

A note to this provision states inter alia:

"It is understood that the phrase 'do not expect reciprocity' means, in accordance with the objectives set forth in this Article, that the less-developed contracting parties should not be expected, in the course of trade negotiations, to make contributions which are inconsistent with their individual development, financial and trade needs, taking into consideration past trade developments."

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[1] Article XVII is entitled "State Trading Enterprises". Paragraph 3 of this Article reads:

"The contracting parties recognize that enterprises of the kind described in paragraph 1(a) of this Article might be operated so as to create serious obstacles to trade; thus negotiations on a reciprocal and mutually advantageous basis designed to limit or reduce such obstacles are of importance to the expansion of international trade."

A note to this provision reads with the wording relating to imports omitted:

"Negotiations which contracting parties agree to conduct under this paragraph may be directed towards the reduction of duties and other charges on ... exports or towards the conclusion of any other mutually satisfactory arrangement consistent with the provisions of this Agreement."

(e) Paragraph 1(a) of Article II, which reads:

"Each contracting party shall accord to the commerce of the other contracting parties treatment no less favourable than that provided for in the appropriate Part of the appropriate Schedule annexed to this Agreement."

The schedules annexed to the General Agreement contain only two export duty bindings.[1]

(f) Paragraph 1 of Article VII, which reads with the wording relating to imports omitted:

"The contracting parties recognize the validity of the general principles of valuation set forth in the following paragraphs of this Article, and they undertake to give effect to such principles, in respect of all products subject to duties or other charges or restrictions on ... exportation based upon or regulated in any manner by value. Moreover, they shall, upon a request by another contracting party review the operation of any of their laws or regulations relating to value for customs purposes in the light of these principles. The CONTRACTING PARTIES may request from contracting parties reports on steps taken by them in pursuance of the provisions of this Article."

(g) Paragraph 1 of Article VIII, which reads with the wording relating to imports omitted:

"(a) All fees and charges of whatever character (other than ... export duties and other than taxes within the purview of Article III) imposed by contracting parties on or in connexion with ... exportation shall be limited in amount to the approximate cost of services rendered and shall not represent an indirect protection to domestic products or a taxation of ... exports for fiscal purposes.

"(b) The contracting parties recognize the need for reducing the number and diversity of fees and charges referred to in sub-paragraph (a).

"(c) The contracting parties also recognize the need for minimizing the incidence and complexity of ... export formalities and for decreasing and simplifying ... export documentation requirements."

For exceptions to the above provisions see paragraphs 6 to 8 below.

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[1]See GATT, Consolidated Schedules of Tariff Concessions, Volume 3, Geneva, 1952, page 135; and GATT, Third Certification of Changes to Schedules to the General Agreement on Tariffs and Trade, Geneva, 1974, page 763.

III. General exceptions

6. According to paragraph 9(b) of Article XV nothing in the General Agreement shall preclude:

"the use by a contracting party of restrictions or controls on ... exports, the sole effect of which, additional to the effects permitted under Articles XI, XII, XIII and XIV, is to make effective such exchange controls or exchange restrictions."

7. Article XX entitled "General Exceptions" reads as follows:

"Subject to the requirement that such measures are not applied in a manner which would constitute a means of arbitrary or unjustifiable discrimination between countries where the same conditions prevail, or a disguised restriction on international trade, nothing in this Agreement shall be construed to prevent the adoption or enforcement by any contracting party of measures:

(a) necessary to protect public morals;

(b) necessary to protect human, animal or plant life or health;

(c) relating to the importation or exportation of gold or silver;

(d) necessary to secure compliance with laws or regulations which are not inconsistent with the provisions of this Agreement, including those relating to customs enforcement, the enforcement of monopolies operated under paragraph 4 of Article II and Article XVII, the protection of patents, trade marks and copyrights, and the prevention of deceptive practices;

(e) relating to the products of prison labour;

(f) imposed for the protection of national treasures of artistic, historic or archaeological value;

(g) relating to the conservation of exhaustible natural resources if such measures are made effective in conjunction with restrictions on domestic production or consumption;

(h) undertaken in pursuance of obligations under any intergovernmental commodity agreement which conforms to criteria submitted to the CONTRACTING PARTIES and not disapproved by them or which is itself so submitted and not so disapproved;

(i) involving restrictions on exports of domestic materials necessary to ensure essential quantities of such materials to a domestic processing industry during periods when the domestic price of such materials is held below the world price as part of a governmental stabilization plan; Provided that such restrictions shall not operate to increase the exports of or the protection afforded to such domestic industry, and shall not depart from the provisions of this Agreement relating to non-discrimination;

(j) essential to the acquisition or distribution of products in general or local short supply; Provided that any such measures shall be consistent with the principle that all contracting parties are entitled to an equitable share of the international supply of such products, and that any such measures, which are inconsistent with the other provisions of this Agreement shall be discontinued as soon as the conditions giving rise to them have ceased to exist. The CONTRACTING PARTIES shall review the need for this sub-paragraph not later than 30 June 1960."

8. According to Article XXI entitled "Security Exceptions nothing in the General Agreement shall be construed:

"(a) to require any contracting party to furnish any information the disclosure of which it considers contrary to its essential security interests; or

(b) to prevent any contracting party from taking any action which it considers necessary for the protection of its essential security interests

(i) relating to fissionable materials or the materials from which they are derived,

(ii) relating to the traffic in arms, ammunition and implements of war and to such traffic in other goods and materials as is carried on directly or indirectly for the purpose of supplying a military establishment;

(iii) taken in time of war or other emergency in international relations; or

(c) to prevent any contracting party from taking any action in pursuance of its obligations under the United Nations Charter for the maintenance of international peace and security."

IV. Other provisions relating to export restrictions and charges

9. In the context of the objectives of paragraph 1 of Article XXXVI, including sub-paragraph (f) of the Article, the following provisions have a bearing on export restrictions and charges:

(a) Paragraph 4 of Article XXXVI:

"Given the continued dependence of many less-developed contracting parties on the exportation of a limited range of primary products, there is need to provide in the largest possible measure more favourable and acceptable conditions of access to world markets for these products, and wherever appropriate to devise measures designed to stabilize and improve conditions of world markets in these products, including in particular measures designed to attain stable, equitable and remunerative prices, thus permitting an expansion of world trade and demand and a dynamic and steady growth of the real export earnings of these countries so as to provide them with expanding resources for their economic development."

(b) Paragraph 5 of Article XXXVI:

"The rapid expansion of the economies of the less-developed contracting parties will be facilitated by a diversification of the structure of their economies and the avoidance of an excessive dependence on the export of primary products. There is, therefore, need for increased access in the largest possible measure to markets under favourable conditions for processed and manufactured products currently or potentially of particular export interest to less-developed contracting parties."

(c) Paragraph 9 of Article XXXVI:

"The adoption of measures to give effect to these principles and objectives shall be a matter of conscious and purposeful effort on the part of the contracting parties both individually and jointly."

(d) Paragraph 2(a) of Article XXXVIII:

"In particular, the CONTRACTING PARTIES shall:

where appropriate, take action, including action through international arrangements, to provide improved and acceptable conditions of access to world markets for primary products of particular interest to less-developed contracting parties and to devise measures designed to stabilize and improve conditions of world markets in these products including measures designed to attain stable, equitable and remunerative prices for exports of such products."

V. Publication and notification

10. Article X is entitled "Publication and Administration of Trade Regulations". Paragraph 1 of this Article reads:

> "Laws, regulations, judicial decisions and administrative rulings of general application, made effective by any contracting party, pertaining to the classification or the valuation of products for customs purposes, or to rates of duty, taxes or other charges, or to requirements, restrictions or prohibitions on imports or exports or on the transfer of payments therefor, or affecting their sale, distribution, transportation, insurance, warehousing, inspection, exhibition, processing, mixing or other use, shall be published promptly in such a manner as to enable governments and traders to become acquainted with them. Agreements affecting international trade policy which are in force between the government or a governmental agency of any contracting party and the government or governmental agency of any other contracting party shall also be published. The provisions of this paragraph shall not require any contracting party to disclose confidential information which would impede law enforcement or otherwise be contrary to the public interest or would prejudice the legitimate commercial interests of particular enterprises, public or private."

Paragraph 3 of this Article reads:

> "(a) Each contracting party shall administer in a uniform, impartial and reasonable manner all its laws, regulations, decisions and rulings of the kind described in paragraph 1 of this Article.
>
> (b) Each contracting party shall maintain, or institute as soon as practicable, judicial, arbitral or administrative tribunals or procedures for the purpose, inter alia, of the prompt review and correction of administrative action relating to customs matters. Such tribunals or procedures shall be independent of the agencies entrusted with administrative enforcement and their decisions shall be implemented by, and shall govern the practice of, such agencies unless an appeal is lodged with a court or tribunal of superior jurisdiction within the time prescribed for appeals to be lodged by importers; Provided that the central administration of such agency may take steps to obtain a review of the matter in another proceeding if there is good cause to believe that the decision is inconsistent with established principles of law or the actual facts."

11. Paragraph 4(a) of Article XVII, entitled "State Trading Enterprises", reads with the wording relating to imports omitted:

> "Contracting parties shall notify the CONTRACTING PARTIES of the products which are ..... exported from their territories by enterprises of the kind described in paragraph 1(a) of this Article."

TEXTS PREPARED BY GROUP "FRAMEWORK"

Rectifications

Page 1/3: paragraph 5, second line: instead of "tariff and other barriers", write "tariffs and other barriers".

Page 2A/2: Make the following changes in the punctuation: -
at the end of the third line, replace the full stop by a comma.

- at the end of sub-paragraphs 1(a) and 1(b), replace the full stop by a semi-colon.

Page 3/2: second sub-title: instead of "Resolution of disputes", write "Dispute settlement".

Page 3/10: Paragraph 5, lines 11 and 12: re-write the end of the sentence as follows: "... and in such cases, it is up to the contracting parties against whom the complaint has been brought to rebut the charge."

Page 3/11: Re-write the first two lines on this page as follows: "6. Concerning the customary elements of the procedures regarding working parties and panels, the following elements have to be noted:".

Pages 3/1 to 3/7: add paragraph numbers 1 to 25 to the text on these pages.

Pages 3/8 to 3/15: delete sub-titles reading "Paragraph 1", "Paragraph 2", ..., "Paragraph 6" and place corresponding paragraph numbers before first word of each paragraph in the usual fashion.

CERTAIN BILATERAL AGREEMENTS TO ELIMINATE THE WINE GALLON METHOD OF TAX AND DUTY ASSESSMENT

UNITED STATES DELEGATION
TO THE
MULTILATERAL TRADE NEGOTIATIONS

1-3, avenue de la Paix
1202 Geneva, Switzerland

April 11, 1979

Mr. Claude Villain
Director Genenal for Agriculture
European Economic Community
200 Rue de la Loi
1049 Brussels, Belgium

Dear Mr. Villain:

I wish to inform you that the United States intends to eliminate the wine gallon method of assessment also for the products in the TSUS positions 168.10, 168.18, 168.23, 168.27, 168.40 and 168.52, subject to the satisfactory completion of negotiations with the principal suppliers of these products.

Sincerely,

Alonzo L. McDonald
Ambassador

EXCHANGE OF LETTERS BETWEEN THE EUROPEAN ECONOMIC COMMUNITY AND THE UNITED STATES CONCERNING THE ELIMINATION OF THE "WINE GALLON ASSESSMENT"

The United States agrees to eliminate the wine gallon method of assessment used in the calculation of the customs duties and of the internal taxes on products imported under the following tariff numbers:

168.05	Aquavit
168.17	Bitters of all kinds containing spirits, fit for use as beverages
	Brandy: Pisco and singani: in containers each holding not over 1 gallon:
168.18	valued not over $9 per gallon
168.23	valued over $ 9 per gallon
	Other: in containers each holding not over 1 gallon:
168.28	valued over $9 per gallon
168.33	Cordials, liqueurs, kirschwasser, and ratafia
168.34	Ethyl alcohol for beverage purposes
168.35	Gin
168.45	Whiskey: Irish and Scotch
	Other spirits, and preparations in chief value of distilled spirits, fit for use as beverages or for beverage purposes:
168.55	Other

EXCHANGE OF LETTERS BETWEEN THE EUROPEAN ECONOMIC COMMUNITY AND THE UNITED STATES CONCERNING DISTILLED SPIRITS

The Commission of the European Communities will do everything within its competence to obtain the elimination of those measures in the Member States which result in discrimination against U.S. distilled spirits.

MEMORANDUM OF UNDERSTANDING BETWEEN THE UNITED STATES DELEGATION TO THE MULTILATERAL TRADE NEGOTIATIONS AND THE EMBASSY OF JAMAICA, WASHINGTON, D. C.
MAY 21, 1979

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1. This Memorandum, which supersedes that of November 15, 1978, sets forth the mutual trade concessions and contributions to the Multilateral Trade Negotiations agreed on a personal and tentative basis by the participants. Neither government of the participants is bound by this Understanding. Implementation of the Understanding is dependent on the contingencies set forth in the following paragraphs.

2. In accordance with the provisions of paragraph 5 of the Tokyo Declaration, Jamaica is willing to make a contribution to the Multilateral Trade Negotiations consistent with its level of economic development. In this light, the Government of Jamaica notes several contributions toward trade liberalization already made by Jamaica which respond to the general thrust of the United States' requests. These actions form an important part of Jamaica's contribution to the MTN. Such actions include the elimination of reciprocal preferences. No developed country now receives preferential treatment in Jamaica. Furthermore, the average Jamaican tariffs already are very low - for agricultural products the overall weighted average is 16.3 percent, and for industrial products the average is 16.8 percent. These low averages result partly from significant contributions made by Jamaica to the Kennedy Round, which were far in excess of the concessions Jamaica received. In fact Jamaica did not receive any direct concessions whatever. In this connection it is recalled that Rum, the product in which Jamaica expressed the greatest interest, was withdrawn from the U.S. offers. Jamaica also has a substantial number of bindings.

3. There are other general and specific contributions Jamaica is prepared to take which respond to United States' interests subject to Jamaica securing satisfactory concessions. Of particular importance, Jamaica is prepared to sign all the Non-Tariff Measure codes, including Safeguards, provided that the Government of Jamaica believes the provisions for special and differential treatment for developing countries meet its positions. Along these lines, it is noted that Jamaica generally supports the concept of graduation, but is of the view that its implementation will require that the interests of the developing countries are fully taken into account in the framework of GATT through multilateral surveillance mechanisms. With regard to tariffs, it is noted that any cuts or bindings which Jamaica makes will benefit the United States in all CARICOM countries and not just in Jamaica. This fact naturally increases the value of the Jamaican offer.

4. Specifically, Jamaica is prepared to sign the Government Procurement Code and offer inclusion of Jamaica Building Materials, Ltd., a division of the Jamaica State Trading Corporation. This entity purchases wood, lumber, iron, steel, and sanitary ware. Imports by this entity were $10 million last year. It is felt that this constitutes a significant offer, particularly since these imports primarily come from the United States. The signing of the Government Procurement Code remains contingent on inclusion of appropriate provisions in the code for special and differential treatment. It is noted that the State Trading Corporation already purchases the greater proportion of its requirements in the United States.

5. Jamaica is also prepared to respond to United States tariff requests with bound tariff reductions as follows:

Tariff Number	Product Description	Current Duty	Offer
84069	Stationary industrial spark engines	15%	Bind
8407	Hydraulic engines and motors	5%	Bind
8413	Furnace burners for liquid fuel	5%	Bind
8414	Industrial and laboratory furnaces	5%	Bind
8424	Agricultural and horticultural machinery	5%	Bind

6. The above Jamaican offer represents a substantial contribution by the Government of Jamaica to the Multilateral Trade Negotiations. The offer is made subject to the following conditions and reservations.

(a) The United States Government for its part is prepared to reduce the rum tariff by 20% and eliminate the wine gallon method of assessment on bottled rum.

(b) The United States is prepared to implement the following offers on items requested by Jamaica for which Jamaica is the principal supplier.

Tariff Number	Product Description	Current Duty	Offer
EX125.80 Live Plants with soil & roots attached	Live Plants - Jamaica is neither the principal nor major supplier, but there is great potential. In 1976 Jamaican exports were US $688,000.	7.5%	3% The two governments will consult on phyto-sanitary standards once the GOJ specifi its particular plants of expor interest
EX147.33	Ugli fruit	8.5%	3.4%
155.75	Sugars, sirups & molasses blended	15.0%	6%
170.66	Cigars & cheroots valued at 15 cents or more	12.5%	11.3% AVE
466.05	Castile soap	4.0%	3.1%
705.48	Gloves, leather	28.9%	14%

7. The Jamaican offer represents a significant contribution on the part of the Government of Jamaica to the Multilateral Trade Negotiations. Jamaica would also wish to have an explicit understanding that the U.S. will consider inclusion of items of special interest to Jamaica to the U.S. GSP for 1979 with Jamaica receiving the benefits thereunder, specifically on Yams (TSUS EX 137.86) and Raw Sugar (TSUS 155.20). Both sides through the appropriate procedures outside the MTN would actively seek to have a resolution of the issue surrounding the prohibition of imports into the U.S. of canned ackees. It was also noted that textile products presently continue to be included in the U.S. offer.

8. Contingent on the maintenance of the offer set forth in paragraphs 3 through 5 of this Memorandum, the United States is prepared to maintain its offer as listed in paragraph 6. Also, the two parties must ensure that there are no licensing systems which will undermine the effectiveness of their concessions.

9. Both parties will continue to examine the prospects for additional concessions that will contribute toward further trade liberalizations between their countries.

10. Both parties recognize the contingencies of this Understanding. This Memorandum sets forth the parameters in which both parties will seek agreement from their governments.

Ambassador Alfred A. Rattray

Ambassador Alonzo L. McDonald

DEPUTY SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS
EXECUTIVE OFFICE OF THE PRESIDENT
WASHINGTON, D.C. 20506
202-395-5114

May 21, 1979

His Excellency Alfred A. Rattray
Ambassador
Embassy of Jamaica
Washington, D. C. 20009

Dear Ambassador Rattray:

It is the understanding of the United States that Jamaica will grant automatic licenses, except in cases justified by GATT, on the products it has offered in the bilateral MTN agreement with the United States.

Automatic licensing on these products shall not be administered in a manner so as to have trade restricting effects. Automatic licenses will be issued freely upon application, provided that the importer has fulfilled the legal requirements for the issuance of such licenses.

With regard to the views of the Government of Jamaica expressed in Paragraph 7 of the agreement, the United States wishes to call to the attention of the Government of Jamaica that there are procedures outside the MTN that deal with GSP.

Finally, it is my expectation that the United States will be able to stage the 20 percent reduction in the rum tariff over a seven year period.

Sincerely,

Alonzo L. McDonald

EMBASSY of JAMAICA
WASHINGTON

May 21, 1979

Dear Ambassador McDonald,

I have the honour to refer to the Memorandum of Understanding between the United States delegation to the Multilateral Trade Negotiations and the Embassy of Jamaica, Washington, D.C. scheduled to be signed on May 21, 1979, and to indicate that the Government of Jamaica would appreciate and expect that the staging of the tariff reduction on rum be implemented within a time as short as possible but in any event not exceeding seven years.

It is the understanding of the Government of Jamaica that the United States Government will not adopt import licensing restrictions or other measures, except in cases justified by GATT, which will deny or undermine the benefits of the concessions in the bilateral MTN agreement with the United States, and that appropriate permission for imports will be granted to the importer who has fulfilled the legal provisions for such permission.

Yours sincerely,

(Alfred A. Rattray)
Ambassador

His Excellency
Alonzo McDonald,
Deputy Special Trade Representative,
1800 G Street, N.W.,
Washington, D.C.

CERTAIN OTHER AGREEMENTS TO BE REFLECTED IN SCHEDULE XX OF THE UNITED STATES TO THE GENERAL AGREEMENT ON TARIFFS AND TRADE

47-231 O - 79 - 44

TO MODIFY UNITED STATES WATCH MARKING REQUIREMENTS, AND TO MODIFY UNITED STATES TARIFF NOMENCLATURE AND RATES OF DUTY FOR WATCHES

SCHEDULE XX - UNITED STATES OF AMERICA

Part I (continued)

Tariff item number	Description of products	Rate of duty
	Stroboscopes of all kinds, and parts thereof:	
713.17	Stroboscopes.....	45¢ each + 7% ad val.
713.19	Parts.....	9% ad val.
	Unit E. - Watches, Clocks, and Timing Apparatus	
	Notes: 1/	
	1. This unit covers watches and clocks, time switches and other timing apparatus with clock or watch movements, and parts of these articles. This unit, however, does not cover -- (i) synchronous or subsynchronous motors (see chapter 5 of section 6); (ii) screws, nuts, and bolts (see chapter 3D of section 6); (iii) music boxes and their mechanisms (see chapter 3 of section 7); (iv) combination articles provided for elsewhere in this schedule; or (v) clock and watch glasses and glass domes (see chapter 3 of section 5).	
	2. For the purposes of this unit -- (a) the term "watches" embraces timepieces (including timepieces having special features, such as chronographs, calendar watches, stopwatches, and watches designed for use in skindiving) suitable for wearing or carrying on or about the person, whether or not the movement therein is within the definition of "watch movement" in note 2(b), below; (b) the term "watch movement" means a timepiece movement measuring less than 1.77 inches in width and less than 0.50 inch in thickness; (c) the term "clock movement" means any movement or mechanism, other than "watch movements" as defined in note 2(b), above, intended or suitable for measuring time;	

1/ Headnotes 3(a) and 6, of TSUS schedule 7, part 2E, are omitted; headnotes 3(b) and 3(c) of TSUS schedule 7, part 2E, are revised and renumbered as notes 3(a) and 3(b), respectively, to this unit; and headnote 4 of TSUS schedule 7, part 2E, is revised as note 4 to this unit.

SCHEDULE XX - UNITED STATES OF AMERICA

Part I (continued)

Tariff item number	Description of products	Rate of duty
	(d) the term "cases" embraces inner and outer cases, containers, and housings for movements, together with parts or pieces, such as, but not limited to, rings, feet, posts, bases, and outer frames, and any auxiliary or incidental features, which (with appropriate movements) serve to complete the watches, clocks, time switches, and other apparatus provided for in this unit; and (e) the term "jewels" includes substitutes for jewels. 3. (a) The complete citation for watches covered by item 715.05 and clocks covered by items 715.15 and 715.16 shall be each of such item numbers, followed by the appropriate item numbers for the respective movements and cases comprising such watches or clocks. Thus, item 715.05-716.04-720.20 is the correct citation for a watch in a gold case with a movement having over 17 jewels and valued not over $15. (b) In this unit, each of the rates of duty provided for watch movements, having no jewels or not over 17 jewels, not adjusted, not self-winding, and not constructed or designed to operate for a period in excess of 47 hours without rewinding (items 716.09 through 716.29, inclusive) is also the "base rate" for watch movements having the same width and number of jewels covered by item 719.--. For citation purposes, the two blanks on the end of the latter item number shall be filled in with the last two digits of the item number for the applicable base rate. Thus, "item 719.27" would be the citation for an adjusted, self-winding watch movement, 1 inch wide, having 17 jewels, valued not over $15. (c) The width of a watch or clock movement, as defined in note 2(a) and (b) of this unit, is the shortest surface dimension through the center of the pillar or bottom plate, or its equivalent, not including in the measurement any portion not essential to the functioning of the movement; and the thickness of a "watch movement", as so defined, is the maximum thickness between the outside surfaces of the plate and bridges, or their equivalents. (d) The additional duty for adjustments to watch movements applies to each adjustment of whatever kind (treating adjustment to temperature as two adjustments), in accordance with the marking as hereinafter provided for.	

SCHEDULE XX - UNITED STATES OF AMERICA

Part I (continued)

Tariff item number	Description of products	Rate of duty
	(e) Bimetallic balance wheels which are not part of balance assemblies, and mainsprings with riveted ends, are each to be considered as one part or piece, for the purposes of assessing duties on assemblies and subassemblies provided for in items 720.75, 720.80, 720.82, 720.84, and 720.86. 4. Special Marking Requirements: Any movement, case, or dial provided for in this unit, whether imported separately or attached to an article provided for in this unit, shall not be permitted to be entered unless conspicuously and indelibly marked by cutting, die-sinking, engraving, or stamping, as specified below: (a) Watch movements shall be marked on one or more of the bridges or top plates to show-- (i) the name of the country of manufacture; (ii) the name of the manufacturer or purchaser; (iii) in words, the number of jewels, if any, serving a mechanical purpose as frictional bearings; and (iv) in words, the number and classes of adjustments, or, if unadjusted, the word "unadjusted". (b) Clock movements shall be marked on the most visible part of the front or back plate to show-- (i) the name of the country of manufacture; (ii) the name of the manufacturer or purchaser; and (iii) the number of jewels, if any. (c) Watch cases shall be marked on the inside or outside of the back cover to show-- (i) the name of the country of manufacture; and (ii) the name of the manufacturer or purchaser. (d) Clock cases and other cases provided for in this unit shall be marked on the most visible part of the outside of the back to show the name of the country of manufacture; and (e) Dials shall be marked to show the name of the country of manufacture.	

SCHEDULE XX - UNITED STATES OF AMERICA

Part I (continued)

Tariff item number	Description of products	Rate of duty
	5. Combination Articles Containing Watch or Clock Movements.—A watch or clock movement (and its dial, if any) in a combination article is classifiable under the provision applicable to such combination article, but, in determining the duties on the combination article, the movement (and its dial, if any) shall be constructively separated therefrom and assessed with the same rate as would have applied if it had been imported separately. However, such separate assessment shall not be applicable to movements which, when imported, are installed as the usual equipment of vehicles or craft provided for in chapter 6 of section 6 or as integral and essential parts of laboratory, industrial, or commercial apparatus or equipment.	

SCHEDULE XX - UNITED STATES OF AMERICA

Part I (continued)

Tariff item number	Description of products	Rate of duty
715.05 (see note 3(a))	Watches.....	The rates applicable to the cases, plus the rates applicable to the movements, if such cases and movements were imported separately
	Clocks:	
715.15 (see note 3(a))	With watch movements; or with clock movements measuring less than 1.77 inches in width.....	The rates applicable to the cases, plus the rates applicable to the movements, if such cases and movements were imported separately
715.16 1/ (see note 3(a))	If certified for use in civil aircraft (see note 3, chapter 6C, section 6).....	Free
	With other movements:	
715.20	Standard marine chronometers having spring-detent escapements.....	34¢ each + 5% ad val. + 2¢ for each jewel, if any
	Other clocks:	
715.25	Valued not over $1.10 each.....	5.5¢ each + 6.4% ad val. + 2.5¢ for each jewel, if any
715.27	Valued over $1.10 but not over $2.25 each.....	10¢ each + 6.4% ad val. + 2.5¢ for each jewel, if any

1/ 715.16 is a new item to be established from existing item 715.15.

SCHEDULE XX - UNITED STATES OF AMERICA

Part I (continued)

Tariff item number	Description of products	Rate of duty
	Clocks (con.):	
	With other movements (con.):	
	Other clocks (con.):	
715.29	Valued over $2.25 but not over $5 each...	15¢ each + 6.4% ad val. + 2.5¢ for each jewel, if any
715.31	Valued over $5 but not over $10 each.....	30¢ each + 6.4% ad val. + 2.5¢ for each jewel, if any
715.33	Valued over $10 each.....	45¢ each + 6.4% ad val. + 2.5¢ for each jewel, if any
	Apparatus with watch or clock movements or with synchronous motors, for recording the time of day, or for measuring, recording, or otherwise indicating intervals of time:	
715.40	Pigeon timers.....	36¢ each + 5.2% ad val. + 2¢ for each jewel, if any
	Other:	
715.45	Valued not over $1.10 each.....	5.5¢ each + 6.4% ad val. 2.5¢ for each jewel, if any
715.47	Valued over $1.10 but not over $2.25 each.....	10¢ each + 6.4% ad val. 2.5¢ for each jewel, if any
715.49	Valued over $2.25 but not over $5 each.....	15¢ each + 6.4% ad val. 2.5¢ for each jewel, if any

SCHEDULE XX - UNITED STATES OF AMERICA

Part I (continued)

Tariff item number	Description of products	Rate of duty
	Apparatus with watch or clock movements, etc. (con.):	
	Other (con.):	
715.51	Valued over $5 but not over $10 each.....	30¢ each + 6.4% ad val. + 2.5¢ for each jewel, if any
715.53	Valued over $10 each.....	45¢ each + 7% ad val. + 2.5¢ for each jewel, if any
	Time switches with watch or clock movements, or with synchronous or subsynchronous motors	
715.60	Valued not over $1.10 each.....	5.5¢ each + 6.4% ad val + 2.5¢ for each jewel, if any
715.62	Valued over $1.10 but not over $2.25 each.....	10¢ each + 6.4% ad val. + 2.5¢ for each jewel, if any
715.64	Valued over $2.25 but not over $5 each.....	15¢ each + 4% ad val. + 2.5¢ for each jewel, if any
715.66	Valued over $5 but not over $10 each.....	30¢ each + 4% ad val. + 2.5¢ for each jewel, if any
715.68	Valued over $10 each.....	45¢ each + 6.4% ad val. + 2.5¢ for each jewel, if any

SCHEDULE XX - UNITED STATES OF AMERICA

Part I (continued)

Tariff item number	Description of products	Rate of duty
	Watch movements, assembled, without dials or hands, or with dials or hands whether or not assembled thereon:	
~~716.08~~	Having over 17 jewels:	
[716.04]	[Valued not over $15].....	[$5.37 each]
716.06	Valued over $15.....	$2.15 each
	Having no jewels or not over 17 jewels:	
	Not adjusted, not self-winding (or if a self-winding device cannot be incorporated therein), and not constructed or designed to operate for a period in excess of 47 hours without rewinding:	
716.09 1/	Having no jewels or only 1 jewel.....	36¢ each
716.17 2/	Having over 1 jewel but not over 7 jewels.....	72¢ each
	Having over 7 but not over 17 jewels:	
	Valued not over $15:	
716.18 3/	Not over 0.6 inch in width.....	$1.80 each + 9¢ for each jewel over 7
716.19 4/	Over 0.6 but not over 0.9 inch in width.....	$1.35 each + 9¢ for each jewel over 7
716.27 5/	Over 0.9 but not over 1 inch in width.....	$1.20 each + 9¢ for each jewel over 7

1/ 716.09 is a new item established from existing items 716.10, 716.11, 716.12, 716.13, 716.14, 716.15, and 716.16.
2/ 716.17 is a new item established from existing items 716.20, 716.21, 716.22, 716.23, 716.24, 716.25, and 716.26.
3/ 716.18 is a new item established from existing items 716.30 pt.
4/ 716.19 is a new item established from existing items 716.31 pt. and 716.32 pt.
5/ 716.27 is a new item established from existing item 716.33 pt.

SCHEDULE XX - UNITED STATES OF AMERICA

Part I (continued)

Tariff item number	Description of products	Rate of duty
	Watch movements, assembled, etc. (con.): Having no jewels or not over 17 jewels (con.): Not adjusted, not self-winding, etc. (con.) : Having over 7 but not over 17 jewels (con.): Valued not over $15 (con.):	
716.28 1/	Over 1 but not over 1.77 inches in width.....	90¢ each + 9¢ for each jewel over 7
716.29 2/	Valued over $15.....	72¢ each + 4¢ for each jewel over 7
719.-- 3/ (see note 3(b))	Adjusted or self-winding, whether or not adjusted, (or if a self-winding device can be incorporated therein), or constructed or designed to operate for a period in excess of 47 hours without rewinding.....	Column 1 base rate + 35¢ each if self-winding + 35¢ for each adjustment

1/ 716.28 is a new item established from existing items 716.34 pt., 716.35 pt., and 716.36 pt.
2/ 716.29 is a new item established from existing items 716.30 pt., 716.31 pt., 716.32 pt., 716.33 pt., 716.34 pt., 716.35 pt., and 716. 36 pt.
3/ 719.-- is a new item established from existing items 717.--, 718.--, and 719.--

SCHEDULE XX - UNITED STATES OF AMERICA

Part I (continued)

Tariff item number	Description of products	Rate of duty
	Clock movements, assembled, without dials or hands, or with dials or hands whether or not assembled thereon:	
	Measuring less than 1.77 inches in width:	
	Not constructed or designed to operate for over 47 hours without rewinding:	
720.02	Having no jewels or only 1 jewel.....	30¢ each
720.04	Having over 1 jewel.....	53¢ each + 5.5¢ for each jewel over 7
	Constructed or designed to operate for over 47 hours without rewinding:	
720.06	Having no jewels or only 1 jewel.....	60¢ each
720.08	Having over 1 jewel.....	85¢ each + 5.5¢ for each jewel over 7
720.09 1/	If certified for use in civil aircraft (see note 3, chapter 6C, section 6).....	Free
	Other clock movements:	
720.10	Valued not over $1.10 each.....	5.5¢ each + 6.4% ad val. + 2.5¢ for each jewel, if any
720.12	Valued over $1.10 but not over $2.25 each.....	10¢ each + 6.4% ad val. + 2.5¢ for each jewel, if any
720.14	Valued over $2.25 but not over $5 each.....	15¢ each + 6.4% ad val. + 2.5¢ for each jewel, if any
720.16	Valued over $5 but not over $10 each.....	30¢ each + 6.4% ad val. + 2.5¢ for each jewel, if any
720.18	Valued over $10 each.....	45¢ each + 6.4% ad val. + 2.5¢ for each jewel, if any

1/ 720.09 is a new item to be established from existing item 720.08.

SCHEDULE XX - UNITED STATES OF AMERICA

Part I (continued)

Tariff item number	Description of products	Rate of duty
	Watch cases and parts thereof:	
	Wholly or almost wholly of gold or platinum or of both gold and platinum:	
720.20	Cases	15¢ each + 6% ad val.
	Parts:	
720.21	Bezels, backs, and centers	8% ad val.
720.22	Other	8% ad val.
	Not wholly and not almost wholly of gold or platinum or of both gold and platinum:	
	Wholly or in part of silver; or containing gold or platinum; or set, or prepared to be set, with precious or semiprecious stones or with imitation gemstones:	
720.24	Cases	8¢ each + 6% ad val.
	Parts:	
720.25	Bezels, backs, and centers	4¢ each + 6% ad val.
720.26	Other	6% ad val.
	Other:	
720.28	Cases	4¢ each + 8.5% ad val.
	Parts:	
720.29	Bezels, backs, and centers	2¢ each + 8.5% ad val.
720.30	Other	8.1% ad val.
	Clock cases, cases for time switches or for other apparatus provided for in this unit, and parts of the foregoing cases:	
	Clock cases and parts thereof:	
720.32	Over 50 percent of metal by weight and wholly or in part of precious metal	7.4% ad val.
	Other:	
720.33	Outer cases for travel clocks	4% ad val.
720.34	Other	6.9% ad val.
720.36	Other cases and parts	6% ad val..
	Dials and parts thereof:	
	Watch and clock dials:	
720.40	Under 1.77 inches in width	0.5¢ each + 9% ad val.
720.42	1.77 inches or more in width	6.6% ad val.
720.44	Other	10% ad val.

SCHEDULE XX - UNITED STATES OF AMERICA

Part I (continued)

Tariff item number	Description of products	Rate of duty
720.60	Jewels, unset, suitable for use for antifriction purposes in any watch or clock movement, or in any meter, compass, or similar precision mechanism.....	Free
	Plates:	
720.65	Watch movement bottom or pillar plates or their equivalent.....	One-half the duty for the complete movement for which suitable
720.67	Any plate, or set of plates, suitable for assembling thereon a clock movement.....	One-half the duty for the complete movement for which suitable
	Assemblies and subassemblies for watch movements, consisting of two or more parts or pieces fastened or joined together:	
720.70	Balance assemblies, consisting of a balance staff, balance wheel, and hairspring, with or without other parts commercially known as parts of a balance assembly.....	7¢ each assembly
720.75	Other assemblies and subassemblies.....	9% ad val.

TO PROVIDE DUTY-FREE TREATMENT FOR AGRICULTURAL AND HORTICULTURAL MACHINERY, EQUIPMENT, IMPLEMENTS, AND PARTS THEREOF

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SCHEDULE XX - UNITED STATES OF AMERICA

Part I (continued)

Tariff item number	Description of products	Rate of duty
	SECTION 8. - SPECIAL CLASSIFICATION PROVISIONS CHAPTER 7. - OTHER SPECIAL CLASSIFICATION PROVISIONS Note: 1. The provisions of items 870.40 and 870.45 do not apply to -- (i) articles of textile materials; articles provided for in section 5; articles of leather or of fur on the skin; (ii) articles provided for in section 6, chapter 2, chapter 3 (units A through F except items 652.13 through 652.38, inclusive, 652.84, 652.88, 653.00 and 653.01), chapter 5 (except item 688.40), or chapter 6, but interchangeable agricultural and horticultural implements are classifiable in item 870.40 even if mounted at the time of importation on a tractor provided for in chapter 6B of section 6; (iii) ball or roller bearings, including such bearings with integral shafts, and parts thereof, provided for in items 680.33 through 680.39, inclusive; or (iv) articles provided for in item 666.00. 1/ 2. The United States reserves the right to withdraw or modify the concessions on any or all of the products provided for in items 870.40 and 870.45 in this chapter as a result of the outcome of consultations with Canada, to be commenced in January 1984, regarding the continuation in effect of such concessions. 1/	

1/ These notes 1 and 2 are not in the Tariff Schedules of the United States on June 30, 1979. Headnote 1 to TSUS Schedule 8, part 7, is omitted.

SCHEDULE XX - UNITED STATES OF AMERICA

Part I (continued)

Tariff item number	Description of products	Rate of duty
870.40	Machinery, equipment, and implements to be used for agricultural or horticultural purposes.....	Free
870.45	Parts of articles provided for in item 666.00, whether or not covered by a specific provision within the meaning of general interpretative rule 10(ij).....	Free

TO MODIFY UNITED STATES TARIFF NOMENCLATURE AND RATES OF DUTY FOR CERAMIC TABLEWARE

SCHEDULE XX - UNITED STATES OF AMERICA

Part I (continued)

Tariff item number	Description of products	Rate of duty
	Articles chiefly used for preparing, serving, or storing food or beverages, or food or beverage ingredients:	
533.11	Of coarse-grained earthenware, or of coarse-grained stoneware.....	Free
533.15 1/	Of fine-grained earthenware, whether or not decorated, having a reddish-colored body and a lustrous glaze which, on teapots, may be any color, but which, on other articles, must be mottled, streaked, or solidly colored brown to black with metallic oxide or salt.....	2.5% ad val.
	Of fine-grained earthenware (except articles provided for in item 533.15) or of fine-grained stoneware:	
533.20 2/	Hotel or restaurant ware and other ware not household ware.....	35% ad val.
	Household ware available in specified sets:	
533.22 3/	In any pattern for which the aggregate value of the articles listed in note 2(b) of this unit is not over $38.....	11.5% ad val.
533.24 4/	In any pattern for which the aggregate value of the articles listed in note 2(b) of this unit is over $38.....	4.5% ad val.
	Household ware not available in specified sets:	
533.29 5/	Steins with permanently attached pewter lids.....	5.5% ad val.
533.30 5/	Mugs and other steins.....	13.5% ad val.

1/ 533.15 is a new item to be established from existing items 533.14 and 533.16.
2/ 533.20 is a new item to be established from part of existing item 533.38.
3/ 533.22 is a new item to be established from existing items 533.23, 533.25, 533.26, and part of 533.28.
4/ 533.24 is a new item to be established from part of existing item 533.28.
5/ 533.29 and 533.30 are new items to be established from existing item 533.31.

SCHEDULE XX - UNITED STATES OF AMERICA

Part I (continued)

Tariff item number	Description of products	Rate of duty
	Articles chiefly used for preparing, serving, or storing food or beverages, or food or beverage ingredients (con.):	
	Of fine-grained earthenware (except articles provided for in item 533.15) or of fine-grained stoneware (con.):	
	Household ware not available in specified sets (con.):	
533.32 1/	Candy boxes, decanters, punch bowls, pretzel dishes, tidbit dishes, tiered servers, bonbon dishes, egg cups, spoons and spoon rests, oil and vinegar sets, tumblers, and salt and pepper shaker sets.....	5.5% ad val.
533.34 2/	Cups valued over $5.25 per dozen; saucers valued over $3 per dozen; soups, oatmeals and cereals valued over $6 per dozen; plates not over 9 inches in maximum diameter and valued over $6 per dozen; plates over 9 but not over 11 inches in maximum diameter and valued over $8.50 per dozen; platters or chop dishes valued over $35 per dozen; sugars valued over $21 per dozen; creamers valued over $15 per dozen; and beverage servers valued over $42 per dozen.....	4.5% ad val.
533.39 3/	Other articles.....	11.5% ad val.

1/ 533.32 is a new item to be established from part of existing items 533.31 and 533.38.
2/ 533.34 is a new item to be established from part of existing item 533.38.
3/ 533.39 is a new item to be established from existing items 533.33, 533.35, 533.36, and parts of 533.31 and 533.38.

SCHEDULE XX - UNITED STATES OF AMERICA

Part I (continued)

Tariff item number	Description of products	Rate of duty
	Articles chiefly used for preparing, serving, etc. (con.):	
	Of chinaware or of subporcelain:	
533.52 1/	Hotel or restaurant ware and other ware not household ware.....	35% ad val.
	Household ware:	
533.54 2/	Of bone chinaware.....	8% ad val.
	Of nonbone chinaware or of subporcelain:	
	Available in specified sets:	
533.62 3/	In any pattern for which the aggregate value of the articles listed in note 2(b) of this unit is not over $56.....	26% ad val.
533.64 4/	In any pattern for which the aggregate value of the articles listed in note 2(b) of this unit is over $56.....	8% ad val.
	Not available in specified sets:	
533.72 5/	Steins with permanently attached pewter lids.....	9% ad val.
533.74 5/	Mugs and other steins.....	17.5% ad val.
533.76 5/	Candy boxes, decanters, punch bowls, pretzel dishes, tidbit dishes, tiered servers, bonbon dishes, egg cups, spoons and spoon rests, oil and vinegar sets, tumblers, and salt and pepper shaker sets.....	9% ad val.

1/ 533.52 is a new item to be established from existing items 533.51 and part of 533.41.
2/ 533.54 is a new item to be established from part of existing item 533.41.
3/ 533.62 is a new item to be established from esisting items 533.63, 533.65 and 533.66.
4/ 533.64 is a new item to be established from existing item 533.68.
5/ 533.72, 533.74, and 533.76 are new items to be established from existing item 533.71.

SCHEDULE XX - UNITED STATES OF AMERICA

Part I (continued)

Tariff item number	Description of products	Rate of duty
	Articles chiefly used for preparing, serving, etc. (con.):	
	Of chinaware or of subporcelain (con):	
	Household ware (con.):	
	Of nonbone chinaware or of subporcelain (con.):	
	Not available in specified sets (con.):	
533.78 1/	Cups valued over $8 per dozen; saucers valued over $5.25 per dozen; soups, oatmeals and cereals valued over $9.30; plates not over 9 inches in maximum diameter and valued over $8.50 per dozen; plates over 9 but not over 11 inches in maximum diameter and valued over $11.50 per dozen; platters or chop dishes valued over $40 per dozen; sugars valued over $23 per dozen; creamers valued over $20 per dozen; and beverage servers valued over $50 per dozen.....	8% ad val.
533.79 2/	Other articles.....	26% ad val.

1/ 533.78 is a new item to be established from part of existing item 533.77.
2/ 533.79 is a new item to be established from existing items 533.69, 533.73, 533.75, and part of 533.77.

THE AGREEMENT WITH THE HUNGARIAN PEOPLE'S REPUBLIC

EMBASSY OF THE
UNITED STATES OF AMERICA

Bilateral Agreement Between the United States of America and the Hungarian People's Republic

The Government of the United States of America agrees to make best efforts to amend schedule 7, part 8, subpart A of the Tariff Schedules of the United States (TSUS) as follows:

(1) By striking out the superior heading for item 750.26 and inserting thereof "Valued not over 45¢ each."

It is understood by both parties to this Agreement that the aforementioned change requires Congressional approval and appropriate implementing legislation.

In return for this concession by the Government of the United States of America, the Hungarian People's Republic agrees to reduce the current duty of 17.5 percent ad valorem on gas or smoke analysis apparatus (tariff number 90.25-07) to 7.0 percent ad valorem.

Done in two original copies at Budapest, this thirteenth day of June 1979, two copies in English, each of the texts being equally authentic.

FOR THE UNITED STATES OF AMERICA

Douglas W. McMinn
Executive Assistant to
the Deputy Special Trade
Representative

FOR THE HUNGARIAN PEOPLE'S REPUBLIC

Janos Nyerges
Special Representative of
The Hungarian Government to
The International Economic
Organizations, Budapest

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