

UNITED STATES
TO:

SUGGESTIONS AND ILLUSTRATIVE EXAMPLES OF THE TYPE OF ACTIONS WHICH THE UNITED STATES DELEGATION BELIEVES THE ARGENTINE DELEGATION COULD PROFITABLY EXPLORE IN THE EFFORT TO IDENTIFY POSSIBLE CONTRIBUTIONS TO THE OBJECTIVES OF THE SIXTH ROUND OF TARIFF NEGOTIATIONS WHICH WOULD BE CONSISTENT WITH THE TRADE, FINANCIAL AND DEVELOPMENT NEEDS OF THE ARGENTINE ECONOMY.

Areas in which Argentina might contribute significantly to the Sixth Round of Tariff Negotiations are presented herein for consideration by the Government of Argentina. The suggestions include items which could be considered for a reduction in duties and also include other areas of commercial policy where contributions by Argentina can facilitate trade in a manner consistent with its economic development.

PART I - GENERAL SUGGESTIONS

1. Reduction in Tariff Rates. The combined duties and surcharges now in effect in Argentina result in one of the highest tariff barriers to trade in the world. Even the proposed new permanent tariff schedule apparently is to contain duties whose high levels offer possibilities for reductions. It is suggested, therefore, that a comprehensive review of present duties and surcharges and proposed permanent duties should disclose inconsistencies and cases where reductions would neither endanger essential domestic industry nor inhibit the development of new industry, but would promote better use of the nation's economic resources and improve living standards. In connection with the foregoing, reductions in the level of total incidence of import duties and other charges on items which are not available in sufficient quantity or quality from domestic sources, but which are essential to the nation's economic development and welfare of its citizens, are suggested as offering important possibilities for significant contributions by the Government of Argentina.

A study of those items which are exempted from duty on an ad hoc basis when imported by state agencies may also reveal recurring items on which the reductions might be formalized in the Kennedy Round.

An illustrative list of items on which duties and other import charges could be considered for reduction in light of the foregoing points of view is presented in Part II of this paper. The list generally covers capital goods, raw materials, semi-manufactures, and components essential to Argentina's industrial development and export industries; fertilizers, insecticides and pesticides needed for agricultural development; and selected pharmaceuticals and medicines, medical, surgical, dental, technical and scientific instruments and equipment and like items which bear directly upon the health and social welfare of large sections of the population.

2. Consular Formalities. It is suggested that the Government of Argentina consider the elimination as suggested by the Contracting Parties of the requirement for consular legalization of commercial invoices, which was abolished in 1962, but reestablished the same year. Pending elimination of this requirement, the Government of Argentina could reduce its effects on trade by simplifying current procedures for the payment of consular fees, and reducing the fee of one and one-half percent of the invoice value, which results in some instances in charges out of proportion to the actual services rendered.

3. Restriction on Capital Goods Imports. The minimum financing terms for imported capital goods established by Argentine Central Bank Circular No. 196 might be reviewed to determine whether its provisions are consistent with the acquisition of sufficient external credits on appropriate terms to finance the imported capital goods necessary to sustain the rate of growth projected in the Argentine development plan.

However, in any event, there is a need for examination of ad hoc administrative procedures for the approval of capital goods imports which heretofore appeared to have reduced the availability of capital goods, even though external credits are available under the terms of Circular 196.

4. Prior Deposit. It is suggested that the Government of Argentina might also review the need for continuing the prior deposit system established by Argentine Central Bank Circular No. 202 since this system adds considerably to the cost of imported goods, and has an inflationary impact on the economy. Moreover, in view of the initial balance of payments justification for this system, there is no economic rationale for its application on a discriminatory basis.

5. Bilateral Agreements. It is noted that a reliance on bilateral trade and payments agreements may result in the inefficient allocation of foreign exchange. The International Monetary Fund repeatedly has recommended a termination of bilateral agreements because of their detrimental effect on the earning of foreign exchange. It is therefore believed that an elimination of bilateral trade agreements will facilitate developmental efforts by assuring access to the broadest possible markets in order to earn the foreign exchange resources needed for economic development.

ARGENTINA

- 3 -

PART II

ITEMS SUGGESTED FOR TARIFF REDUCTION DURING THE SIXTH ROUND OF TRADE NEGOTIATIONS

<u>Argentine Tariff Number*</u>	<u>Description</u>
01.02.03	Cattle for Breeding Except Dairy
01.02.04	Dairy Cattle for Breeding
01.05	Baby Chicks
01.06B	Live Animals, Inedible, NEC.
02.02	Broilers & Fryers, Fresh or Frozen
02.02	Chicken, ex. Broilers & Fryers, Fresh or Frozen
02.02	Turkeys, Fresh or Frozen (Whole or in pieces)
04.02B	Nonfat Dry Milk
04.05.01, 03	Hatching Eggs
05.02, 05.03, 05.04,	Animal Products, NEC.
05.06, 05.07, 05.08,	
05.09, 05.14, 05.15	
07.01A.02	Potatoes, White, Fresh
10.05.01	Corn Seed, Except Sweet Corn Seed
10.07.04, ex 07	Grain Sorghums
12.03.03	Field Seeds, NEC.
12.03.04	Grass Seeds, NEC.
12.03.05	Carrot Seed
12.03.05	Vegetable Seeds NEC.
12.06	Hops
12.07	Crude Drugs, Herbs, Leaves & Roots NEC.
13.02	Chicle & Other Chewing Gum Bases, Nat. & Synthetic
21.01, 21.02, 21.03,	Vegetable Preparations, NEC.
21.04, 21.05, 21.07	
24.01	Tobacco, Burley Stemmed
24.01	Tobacco, Cigar Wrapper, Type 61 Conn. Shade
28.03	Carbon black
28.17	Caustic soda
28, 29, 30	These chapters covering chemicals and pharmaceuticals offer many possibilities
33.01	Citrus Oils, Natural NEC.
33.01	Vegetable Oils, Natural, Essential NEC.
33.03, 33.04	Odoriferous Chemicals Natural & Synthetic
33.03, 33.04	Odoriferous Compounds for Perfumery Use, Natural & Synthetic
33.04, 21.07	Flavors & Flavoring Extracts, Natural
35.03	Gelatin, Edible
37.01.01, .04	Photographic plates and film
37.02.01-.06	
38.07.02	Pine Oil, Except Pine Needle Oil
38.08	Wood Rosin
38.09	Wood Tar, Wood Pitch & Tar Oil
38.11.01-.02	Disinfectants and insecticides
39	Polyethylene, artificial and synthetic resins, and similar products for plastics, etc.
54.01, 54.02,	Vegetable Fibers, Unmanufactured NEC
57.01, 57.02, 57.04	
56.01-.07	Synthetic and artificial fibers and textiles
84	This chapter offers many possibilities, for instance, a number of items included under the following tariff paragraphs:

ARGENTINA

- 4 -

Argentine Tariff Number*	Description
84.06	Engine parts
84.09	Mechanical road rollers
84.11	Pumps and compressors
84.15	Industrial refrigeration equipment
84.19	Packaging, bottling, and similar equipment
84.22	Lifting and loading equipment
84.23	Excavating, levelling and boring machinery
84.26	Food processing machinery: dairy industry
84.29	Machinery for milling grain, etc.
84.30	Other food processing machinery
84.35.09	Spares and parts for printing machinery
84.44	Rolling mills and rolls therefor
84.45	Metal working machines
84.51.01	Electric typewriters
84.52.07	Other accounting machines
84.53	Statistical machines, including computers
84.55	Parts for 84.51-.54
85.15 A,B,C	Radio and television broadcasting and transmission equipment
85.19	Electric distribution equipment
87.07	Materials handling equipment
88.02.01	Light aircraft
88.03	Parts and spares for aircraft
89.01.06	Fishing boats
90.22	Machines and instruments for mechanical testing
90.23, 90.24	Hydrometers and other instruments and apparatus for testing
90.28 A,B,C	Scientific instruments, including navigational aids
90.29 B	Parts for scientific instruments

* The Argentine tariff numbers used here are those published under authority of Decree No. 6771/63, the first proposed revision of the tariff nomenclature, Reordenamiento General de las Importaciones, Nomenclatura Aduanera y Recargos de Importacion.

SUGGESTIONS AND ILLUSTRATIVE EXAMPLES OF THE TYPE OF ACTION WHICH THE UNITED STATES DELEGATION BELIEVES THE BRAZILIAN DELEGATION COULD PROFITABLY EXPLORE IN THE EFFORT TO IDENTIFY POSSIBLE CONTRIBUTIONS TO THE OBJECTIVES OF THE SIXTH ROUND OF TARIFF NEGOTIATIONS WHICH WOULD BE CONSISTENT WITH THE TRADE, FINANCIAL AND DEVELOPMENT NEEDS OF THE BRAZILIAN ECONOMY

The United States delegation feels that the suggestions for trade liberalization contained in this paper are worthy of consideration by the Government of Brazil as possible means of contributing to the Sixth Round of Tariff Negotiations. The suggestions include items which could be considered for a reduction in duties, but also include other areas of commercial policy where actions by the Government of Brazil can liberalize trade in a manner consistent with Brazil's economic development.

PART I - GENERAL SUGGESTIONS

1. Reduction in Tariff Rates. Tariff reductions on items essential to the economic development of Brazil are suggested as offering important possibilities for contributions to the Kennedy Round. Even though Brazil does provide drawback procedures for imports of development goods, it is suggested that reduction in the rates of duties on such products as capital equipment, raw materials, semi-manufactured products, and parts of development equipment, would lower the cost of importation of essential producer goods.

An examination of Brazilian tariff rates in relation to the goals of economic development and the improvement of living standards could reveal inconsistencies and areas where tariff reductions would assist efficient economic growth, help rationalize development programs, lower production costs of domestic industries, and improve the international competitiveness of exportable commodities, all of which should be of benefit to the general welfare and economy of Brazil.

For example, consideration might be given to the modification of the system under which commodities registered as 'similares' are given special, and in some cases complete, protection from import competition through prohibiting the purchase by Government entities of imported commodities of a similar type and by prohibiting the authorization of reductions in tariff rates on such imports. The levying of a fixed percentage of protection varying with the essentiality of the product or product categories might better serve Brazil's industrial development. Such an approach is suggested by the Superintendency of Money and Credit Instruction No. 291 (February 12, 1965) which specifies that, in the case of foreign financed projects requiring competitive international bidding, Brazilian suppliers of machinery and equipment are to be given a minimum margin of protection of 15 percent.

An illustrative list of items whose duties could be reviewed for reduction in the trade negotiations is included as Part II of this document.

2. Consular Formalities. Current consular legalization fees levied by Brazil, since they are assessed in proportion to the value of the shipment, may not be related to the cost of the service. Consular and customs penalties for inaccuracies or omissions in some cases may be excessive. There has been some simplification of Brazilian consular formalities but the continuing existence of consular charges not related to the cost of the service, as well as relatively heavy penalties, present an obstacle to international commerce. It is believed that a review of these requirements imposed in the past for special or temporary purposes and reasons which may no longer exist might disclose situations in which elimination, reduction, or consolidation would result in the facilitation of trade.

Penalties for noncompliance with regulations may be identified as being unreasonable in relation to the offense or when the cause of noncompliance is unintentional or clerical. A review may disclose that certain charges bear little relationship to the cost of the service involved, accepted international practice or the needs of modern public administration. The elimination or reduction of such consular fees and of consular and customs penalties is suggested as a means by which a step desirable in itself and long urged by the Contracting Parties of the General Agreement could be undertaken as a contribution to the Kennedy Round's objective of trade liberalization.

3. Bilateral Agreements. It is noted that a reliance on bilateral trade and payments agreements may result in the inefficient allocation of foreign exchange. The International Monetary Fund repeatedly has recommended a termination of bilateral agreements because of their detrimental effect on the earning of foreign exchange. It is therefore believed that an elimination of bilateral trade agreements will facilitate developmental efforts by assuring access to the broadest possible markets in order to earn the foreign exchange resources needed for economic development. It is noted that the Brazilian Government has made such a commitment to the IMF.

4. Other Measures to Liberalize Trade. Recognizing that the various regulations and the administration of import licensing and exchange controls are subjected to periodic if not continuous review in the light of foreign exchange availabilities and of the trade and development needs of the economy, it is believed that a special effort would be appropriate during the trade negotiations to identify revisions which will reduce the costs, delays and uncertainties of both Brazilian importers and foreign suppliers.

The elimination or further reduction of the prior deposits now required for imports into Brazil is an example. One means of alleviating the effects of the prior deposit system on trade would be to make a commitment to allow a more liberal exemption policy, i.e., by including more goods among those not requiring prior deposits.

Of particular importance is the lack of economic rationale for the application of these restrictions on a discriminatory basis which is not justified by the balance of payments situation giving rise to them.

BRAZIL

- 3 -

PART II

ITEMS SUGGESTED FOR TARIFF REDUCTION DURING THE SIXTH ROUND OF TRADE
NEGOTIATIONS

<u>Brazilian</u> <u>Tariff</u> <u>Number</u>	<u>Description</u>
x01.08	Baby Chicks
02.01	Broilers & Fryers, Fresh or Frozen
02.01	Chicken, Ex. Broilers & Fryers, Fresh or Frozen
02.01	Turkeys, Fresh or Frozen (Whole or in pieces)
04.03	Nonfat Dry Milk
05.04	Sausage Casings, Natural, NEC.
05.05	
05.02, 05.03, 05.04,	Animal Products, Inedible
05.05, 05.06, 05.08,	
05.09, 05.10, 05.11,	
05.17	
07.03	Vegetables, Dehydrated
07.04	Green Peas, Dry, Ripe
07.04	Seed Peas All Types
08.09	Dates, Fresh
08.10	Dates, Dried
x10.01	Wheat, Unmilled
10.06	Maize, Unmilled
x12.03	Carrot Seed
12.03	Onion Seed
x12.03	Vegetable Seeds, NEC.
12.06	Hops
12.07	Crude Drugs, Herbs, Leaves, Roots, NEC.
13.01	Vegetable Products, Inedible, NEC.
13.03	Gums & Resins, Natural, Crude, Refined
15.01	Lard, Including Rendered Pork Fat
15.03	Tallow, Inedible
15.11	Vegetable Oils, NEC. & Fats
15.12	
15.21	Vegetable Oil Fats & Fatty Acids
16.01	Animal Products Edible, NEC.
16.02	
16.03	
17.02	Dextrose-Rx, Pharmaceutical
21.05	Soups, Dehydrated
21.07	Vegetable Preparations, NEC.
21.07, 33.04	Flavors & Flavoring Extracts
24.01	Tobacco, Cigar Wrapper, Type 61, Connecticut Shade
25-10	Phosphate rock
28-25	Titanium oxides
29-36	Sulphonamides
31-03.008,9	Superphosphate
32-05, -06	Organic and inorganic dyes
32-07	Coloring materials
33.01	Peppermint Oil
33.01	Spearmint and Other Mint Oil
33.01	Vegetable Oils, Natural, Essential, NEC.
37-03	Photographic paper
38-19.003	Additives for lubricating oil or grease
38-19.027	Antiknock compounds
38-19.027	Additives for gasoline or diesel oil

SUGGESTIONS OF THE TYPE OF ACTION WHICH THE UNITED STATES DELEGATION BELIEVES THE CEYLONESE DELEGATION COULD PROFITABLY EXPLORE IN THE EFFORT TO IDENTIFY POSSIBLE CONTRIBUTIONS TO THE OBJECTIVES OF THE SIXTH ROUND OF TARIFF NEGOTIATIONS WHICH WOULD BE CONSISTENT WITH THE TRADE, FINANCIAL AND DEVELOPMENT NEEDS OF THE CEYLONESE ECONOMY

PART I - GENERAL SUGGESTIONS

1. Tariff Reductions

It is believed that a review of existing duties in relation to development plans and objectives will disclose hitherto overlooked inconsistencies and cases where reductions in import duties would have a salutary effect upon development programs and living standards. Duty rates on equipment required for basic development projects, agricultural machinery and supplies not produced domestically, are cases in point. The closest scrutiny should also be given to the effect of present rates of duty on items which bear directly upon the health and social welfare of the populace such as pharmaceuticals, health and sanitation equipment and supplies, medical and dental equipment and supplies, and educational material.

It is noted that a policy which grants widespread protection to local manufactures may foster the production of articles which are not, and which cannot be in the foreseeable future, competitive with similar foreign goods. As an example, under the Industrial Products Act of 1948, which was introduced to facilitate the sale of Ceylonese industrial products by regulating the importation of similar commodities from abroad, "regulated products" may be imported only if similar local products are purchased in specified ratios to the quantities imported.

An examination of existing duties in relation to economic development plans should indicate areas in which the Government of Ceylon may, in the interest of rationalizing development effort and production costs, wish to rely more heavily upon competitive market forces through the selective reduction of protective duties. In such a case, there should be items on which tariff reductions will be desirable in implementing economic development policy. It is suggested that the list of items in Part II be screened from this point of view.

2. Elimination of Preferential Tariff Margins

In only very rare cases is it likely that a review of tariff rates as described above will disclose tariff preferences granted to developed countries which have a beneficial effect upon the development needs of the economy. Items now imported from preferential countries are likely, in the absence of such preferences, to be imported at a lower cost from alternate suppliers with a resultant savings to Ceylon's needed foreign exchange. Moreover, the dismantling of preference from developed countries would be in the general interests of intra-LDC trade since it would help eliminate discriminatory treatment toward other LDC's. Thus, it is believed that there is extensive scope for proposals to reduce MFN rates to the level of preferential rates. A list of suggested items is included in Part III.

3. Administration of Import Licensing and Exchange Controls

Recognizing that the various regulations and the administration of import licensing and exchange controls are subject to periodic review in the light of the trade and development needs of the economy, it is believed that a special effort to identify revisions which will reduce the costs, delays, and uncertainties of both Ceylonese importers and foreign suppliers would be appropriate. It is also suggested that the items listed in Part II be reviewed from the standpoint of extending the area to which accelerated import licensing procedures are applied.

4. Import Surcharges

It is believed that a review of the import surcharges imposed in the past for special reasons might disclose situations in which elimination of such a surcharge on investment goods would result in increased investments and facilitate trade.

5. Marking Regulations

A review of the regulations under the Ceylon Merchandise Marks Ordinance which were temporarily imposed in the past for special purposes that may no longer exist might disclose situations in which elimination, reduction, or consolidation would result in the facilitation of trade. Penalties for non-compliance with the regulation may be identified as being unreasonable in relation to the offense or when the cause of non-compliance is unintentional or clerical.

6. Bilateral Agreements

It is noted that a reliance on bilateral trade and payments agreements may result in the inefficient allocation of foreign exchange. The International Monetary Fund repeatedly has recommended a termination of bilateral agreements because of their detrimental effect on the earning of foreign exchange. It is therefore believed that an elimination of bilateral trade agreements will facilitate developmental efforts by assuring access to the broadest possible markets in order to earn the foreign exchange resources needed for economic development.

PART II - LISTS OF ITEMS TO BE GIVEN SPECIAL REVIEW IN THE LIGHT OF
SUGGESTIONS CONTAINED IN PART I REGARDING TARIFF REDUCTIONS

STATISTICAL NO.	ITEM
011-04	Broilers & Fryers, Fresh or Frozen
011-04	Chicken, Ex Broilers & Fryers, Fresh or Frozen
046-01.01	Wheat Flour
054-03.01	Hops
061-09.99	Dextrose Except Pharmaceutical
121-01.01	Tobacco, Flue-Cured, Unstemmed
121-01.99	Tobacco, unmanufactured - other
243-02.99	Lumber, sawed, planed, grooved, tongued, etc., conifer - other
251-02	Mechanical wood pulp
272-19.02	Fullers earth, not prepared
313-04.02	Lubricating oil
313-05.03	Paraffin wax
511-09.29	Inorganic gases - other
511-09.99	Inorganic compounds and chemical elements - other
512-03	Glycerine
533-03.99	Prepared paints, enamels, lacquers, varnishes, artists' colors, succatives (paint driers) and mastics - other
541-02	Bacteriological products, sera, vaccines
541-09.01	Patent medicines, except quinine preparations
541-09.99	Medicinal and pharmaceutical products - other
599-01.11	Synthetic resins (molding powder) suitable for use in the manufacture of local products
599-02.03	DDT in mineral solution
599-02.04	Insecticides and solvents therefore
599-02.05	Weedkillers
599-04.02	Adhesives, excluding dental adhesives and bird lime
599-09.99	Chemical materials and products - other
629-01.09	Pneumatic rubber tires for other vehicles and aircraft
629-01.29	Pneumatic rubber tubes for other vehicles and aircraft
632-09.99	Manufacturers of wood - other
642-02.99	Envelopes, paper in boxes, packets, etc. - other
653-05	Fabrics of synthetic fibers and spun glass
656-09.07	Woolen and worsted made-up articles
663-01.99	Grinding and polishing wheels and stones - other
664-02.01	Spectacle lenses
665-02.01	Domestic and fancy glassware
681-04.02	Rolled angles, bulb channels, shapes, and sections, heirons, girders, tees, beams, joists and pillars - iron and steel fabricated
687-02.01	Tin plates and sheets, not fabricated
699-03.04	Wire cables, ropes, plaited bands, slings and similar articles of non-ferrous base metals, uninsulated
711-05.04	Internal combustion engines, petrol or oil - parts
714-01.01	Typewriters, complete
716-03.03	Earth moving equipment, trailers - complete and parts thereof
716-04	Woodworking machinery, complete and parts
716-05	Pneumatic tools operated by hand or otherwise
716-12.99	Air-conditioning and refrigerating equipment including parts - other
732-06.01	Spare parts for motor vehicles, n.e.s.
861-02.09	Photographic cameras and accessories except projection apparatus - other
861-09.99	Photographic and cinematographic apparatus and appliances - other
863-01.99	Cinematographic films exposed - whether or not developed - other

PART III - ILLUSTRATIVE LIST OF ITEMS TO BE GIVEN SPECIAL REVIEW IN THE
LIGHT OF SUGGESTIONS IN PART I REGARDING THE ELIMINATION OF
PREFERENTIAL TARIFF MARGINS

<u>STATISTICAL NO.</u>	<u>ITEM</u>
122-02	Cigarettes
313-05.99	Mineral jelly
411-02.01	Animal (except marine) tallow, not refined
611-01.19	Leather, dressed - other
656-09.01	Cotton made-up articles, n.e.s.
699-03.01	Cables and ropes (except insulated telephone and telegraph cable and shoot runners) iron and steel
699-12.99	Hand tools, tools for machines and hand implements - other
699-22	Stoves, furnaces - not for central heating - grates and ranges made of metal - not electric
699-29.03	Electrodes, non-ferrous metals
711-05.99	Internal combustion, diesel and semi-diesel engines other than aircraft engines - complete and parts - other
712-01.02	Agricultural machinery and appliances for preparing and cultivating the soil - parts
713-01.01	Tractors, other than steam (agricultural) - complete
713-01.02	Tractors, other than steam (agricultural) - parts
714-02.01	Accounting, bookkeeping, calculating and other office machines (including cash registers and dictaphones) - complete
716-01.01	Pumps for liquid - complete
716-01.02	Pumps for liquid - parts
716-03.01	Cranes, hoists and lifting machinery - complete
716-03.02	Cranes, hoists and lifting machinery - parts
716-03.99	Conveying, hoisting, excavating, road construction and mining machinery, complete and parts - other
716-07.02	Printing and book binding machinery - parts
716-11.02	Sewing machines, industrial
716-11.03	Sewing machines, household and industrial - Parts and accessories
716-13.03	Rubber machinery for the manufacture of finished rubber goods - complete
716-13.04	Rubber machinery for sheet and crepe manufacture, for pressing raw rubber and for the manufacture of finished rubber goods - parts
716-13.11	Tea machinery - drier parts
716-13.41	Oil pressing and refining machinery - parts
716-13.99	Machinery and appliances (other than electrical) complete and parts - other
721-01.01	Transformers, and converters, complete and parts
721-01.02	Control and switchgear comprising all gear of 20 amperes and other carrying capacity - complete and parts
721-04.03	Radio receivers - parts
721-04.04	Radio transmitters - parts
721-19.01	Splashproof accumulators and batteries for motor vehicles and parts thereof
732-03.03	Motor lorries, motor vans, motor trucks and motor tractors except agricultural tractors - diesel engined
841-05.30	Woolen outerwear other than knitted
861-02.03	Projection apparatus
862-02	Cinematographic films, not exposed

SUGGESTIONS AND ILLUSTRATIVE EXAMPLES OF THE TYPE OF ACTION WHICH THE UNITED STATES DELEGATION BELIEVES THE CHILEAN DELEGATION COULD PROFITABLY EXPLORE IN THE EFFORT TO IDENTIFY POSSIBLE CONTRIBUTIONS TO THE OBJECTIVES OF THE SIXTH ROUND OF TARIFF NEGOTIATIONS WHICH WOULD BE CONSISTENT WITH THE TRADE, FINANCIAL AND DEVELOPMENT NEEDS OF THE CHILEAN ECONOMY

The following general areas involving tariff barriers, trade control regulations, and import charges are deemed worthy of investigation. An illustrative list of specific items to be reviewed in the light of these suggestions follows in Part II.

PART I - GENERAL SUGGESTIONS

1. Reduction of Tariff Rates. Tariff reductions on items essential to the economic development of Chile are suggested as offering important possibilities for contributions to the Kennedy Round. The combined duties and surcharges now in effect in Chile result in one of the highest tariff barriers in the world. It is suggested that a comprehensive review of tariff rates in the light of Chilean development objectives will disclose hitherto overlooked inconsistencies and cases where reductions in tariff rates would have a salutary effect upon development programs and living standards. Tariff rates on equipment required for essential development in both the public and private sectors, replacement parts, and items which have a close relation to Chilean health and welfare objectives such as pharmaceuticals, sanitation equipment, and medical and dental supplies are all worthy of consideration. The Chilean Government has recognized the need for rationalizing its import policies by its request for across-the-board authority to revise tax exonerations, including import duties, as part of its industrial promotion program. A study of these items imported under varying degrees of exemption from import fees for Chile's developing export industries may also reveal items on which a reduction in duty would be beneficial to the Chilean developmental effort.

It is noted that the use of widespread and intensive protection often fosters highly inefficient production. An examination of the relation between Chilean development plans and the tariff structure should indicate areas where the Government of Chile could rationalize development programs and lower production costs by allowing competitive market forces greater freedom through the use of selective tariff reductions.

An illustrative list of items whose duties could be reviewed for reduction in the trade negotiations is included in Part II of this document.

2. Surcharges. Recognizing that the Contracting Parties to GATT have granted Chile a waiver under Article XXV to maintain its current surcharges for balance of payments reasons, it is nevertheless believed that a review of these surcharges may indicate items on which a reduction or elimination of the surcharge could benefit developmental efforts. An examination of these surcharges may indicate items where the effect of the surcharge is counterproductive in that it leads to increases in prices and contributes to the inflationary pressures that Chile is attempting to control. Since these restrictions are imposed for balance of payments reasons there does not appear to be any economic rationale for the Government of Chile to apply them on a discriminatory basis.

3. Prior Deposit System. It is believed that a review of the system of prior deposits (maintained under an Article XXV waiver) will indicate items on which deposits may be eliminated or reduced. For example, the relaxation of this requirement would facilitate the import of agricultural machinery needed to increase the productivity in the Agricultural sector --- one of the stated goals of Chilean economic policy. Moreover, in view of the balance of payments justification for this system, there is no economic rationale for its application on a discriminatory basis.

4. "Buy Chile" Regulations. It is believed that a review of the regulations that require government and semi-government agencies to purchase from Chilean industries would reveal instances and items where a greater reliance on imports would facilitate developmental plans.

5. Consular Fees. It is suggested that a review of consular fees may reveal payments that are not related to the cost of the service involved. The elimination or reduction of such fees is suggested as a means by which a step desirable in itself and long urged by the Contracting Parties of the General Agreement could be undertaken as a contribution to the Kennedy Round.

CHILE

- 3 -

PART II

Items Suggested for Tariff Reduction During the Sixth Round
of Trade Negotiations

Description

Fabrics with threads of elastic rubber
Animal food additives
Baby Chicks
Evaporated Milk, Unsweetened
Nonfat Dry Milk
Butter, Except Dehydrated
Wheat, Unmilled
Rice, Milled-Less than 76 Percent Broken Kernels
Wheat, Flour
Infants and Dietetic Foods - Chiefly of Milk
Hops
Lard, Including Rendered Pork Fat
Anhydrous Milk Fat
Tobacco, Flue-Cured, Stemmed
Tobacco, Burley, Stemmed
Cotton, Upland, Staple Length 1-1-1/8 inch and Over
Cotton, Upland, Staple Length under 1 inch
Gums and Resins, Natural, Crude, Refined
Alfalfa Seed-Certified
Alfalfa Seed-Uncertified
Clover Seed, NEC
Fescue Grass Seed
Grass Seeds, NEC
Soybean Oil, Crude Inedible
Vegetable Oils and Fats, Secondary, NEC
Soybean Oil, Refined
Orange Oil, Natural
Odoriferous Compounds, For Perfumery Use,
Natural and Synthetic
Flavors and Flavoring Extracts, Natural
Gelatin, Edible
Pine Oil, Except Pine Needle Oils
Broilers and Fryers, Fresh or Frozen
Chicken, Ex. Broilers and Fryers, Fresh or Frozen
Turkeys, Fresh or Frozen (Whole or in pieces)
Cattle for Breeding, Except Dairy
Dairy Cattle for Breeding
Beef and Veal, Canned
Essences or Essential Oils
Materials of Vinylic and like Resins
Pastes, Compositions, Powders, Liquids for Cleaning,
Stain Removing, Polishing and Lubricating
Industrial Photographic Materials
Automotive Equipment and Supplies, Including:
Bodies or coach work and parts thereof
Liquid compounds for brakes or for hydraulic
shock absorbers for vehicles
Tapes prepared with insulating material for
electric current conducting wires
Inner tubes and tires for trucks, trailers,
airplanes
Chrome
Iron Phosphorous
Clay
Quick Lime
Charcoal, Whether or not Molded
Grain and Vegetable Seeds for Agriculture

CHILE

- 4 -

PART II

Description

Pharmaceuticals, Medicines and Medical Supplies
Including:
Analgesics
Antipyrine and its compounds
Pure Calcium Carbonate
Glucosides and opotherapeutic products
Concentrated bile
Gauze
Medicinal syrups
Adhesive tape
Hypodermic syringes
Cements and pastes for dentists
Industrial Chemicals, Including:
Magnesium hydroxide
Oxygen in iron cylinders
Caustic potash
Impure caustic soda
Sodium xanthate
Disinfectants and Insecticides
Flotation Oils
Oils and Greases
Tar or Pitch
Diesel Oil
Asphalt
Mineral Wax
Red Lead
Titanium Dioxide.
Auxiliary Chemical Products for the Rubber and
Metallurgical Industries
Solders and Soldering Compounds, with or without Resins
Chemicals, Charges for Extinguishing Fires
Glycerene and Ethylene Glycol for the Manufacture
of Explosives
Iron and Steel Semi-Manufactures Including:
Corrugated sheets of iron or steel, whether
or not painted or galvanized
Perfils structures
Bars, round or other shapes, whether or not
painted, galvanized or metal coated
Iron or steel ferro-alloys, rolled in sheets
Steel crushers for roller mills, and elements
or revolving or cone crushers or cylinder crushers
Nickel, pure or not, in leaves or in sheets
Wire Netting for Reinforcing Cement or Fencing
Tanks of Steel in Any Shape
Sprockets or Other Chains
Pipes or Tubes of Wrought or Malleable Cast
Iron, Whether or not Painted With Zinc, and
Accessories Therefor
Wire Cloth or Trellis
Cocks, Faucets, Valves and parts Therefor
Machines for Milling Grains, Fruits, Tubers
Tubes or Cylinders for Compressed Gases
Wares of Various Metals and Alloys
Machinery and Equipment for the Mining Industry,
Including:
Special safety lamps and parts thereof
Machinery and Equipment for the Fishing, Lumber,
Paper and Pulp, Agriculture, Viniculture, Food
Processing Industries
Oilers and Lubricators for Machines

CHILE

- 5 -

PART II

Description

Grease Pans
Drilling Machines
Wimbles
Hand Implements and Tools, and parts therefor
Electric Motors
Insulators for Electric Current
Metal Cables
Light Bulbs
Tubes to be Built-in, non-flexible for Electric
Installations, and Parts Therefor
Connections of Metal, including Plugs and their
Parts for Electric Current
Electric Condensers, Rectifiers, Rehostats,
Voltage Regulators, Resistances and Electric Bobbins,
Transformers, and other Electric Apparatus, n.e.s.
Distribution and Control Boards for Power House and
Supply Stations
Electric Current Interrupters
Parts for Electric Accumulators
Steel Poles for Lighting or for Carrying Overhead
Electric Wires
Fire Plugs, Fuse Cartridges and Fuses for Electric
Current
Rail Cars for Cargo
Track Crossings
Freight Cars for Merchandise
Infrastructure Organs Common to Rail Cars and Locomotives
Signaling Apparatus for Air, Sea or Land Routes
Electric Dry Cells, Accumulators or Batteries
Tubes or Hose Piping, Their Unions and Branchings
Paper Products, Including:
Carbon paper
Paper or paper paste for filtering or
preparing merchandise
Special paper for the manufacture of cards
for "Hollerith" machines
Gummed paper in strips
Paper for inscribing apparatus
Calipers or measures of base metals for measuring
diameters or thickness
Radio, telephone, and other telecommunications
equipment and parts for commercial use
Wares for Assaying and Cupelling
Industrial Photographic Materials

SUGGESTIONS AND ILLUSTRATIVE EXAMPLES OF THE TYPE OF ACTION WHICH THE UNITED STATES DELEGATION BELIEVES THE GOVERNMENT OF CYPRUS COULD PROFITABLY EXPLORE IN THE EFFORT TO IDENTIFY POSSIBLE CONTRIBUTIONS TO THE OBJECTIVES OF THE SIXTH ROUND OF TARIFF NEGOTIATIONS WHICH WOULD BE CONSISTENT WITH THE TRADE AND DEVELOPMENT NEEDS OF THE CYPRIOT ECONOMY

The following very general areas, involving tariff barriers, import control regulations and procedures, are deemed worthy of investigation. An illustrative list of specific items to be reviewed in light of these general suggestions follows in Part II.

PART I - GENERAL SUGGESTIONS

1. Tariff Reductions. It is believed that a review of existing Cypriot duties in relation to development plans and objectives will disclose hitherto overlooked inconsistencies and cases where reductions in import duties would have a salutary effect upon development programs and living standards. Duty rates on equipment required for basic development projects, mining and agricultural machinery and supplies, and equipment and items used in the tourist industry, are cases in point. Consideration should also be taken in areas where substantial imports are required to meet local consumer needs. Furthermore, close scrutiny should be given to the effect of present rates of duty on items which bear directly upon the health and social welfare of the populace such as pharmaceuticals, health and sanitation equipment and supplies, medical and dental equipment and supplies, and educational material.

An examination of existing duties in relation to economic development plans should indicate areas in which the Government of Cyprus may, in the interest of rationalizing development effort and lowering production costs, wish to rely more heavily upon competitive market forces through the selective reduction of protective duties. In such cases, there should be items on which tariff reductions will be desirable in implementing economic development policy.

2. Elimination of Preferential Tariff Margins. In only very rare cases, is it likely that a review of tariff rates as described above will disclose tariff preferences granted to developed countries which have a beneficial effect upon the development needs of the economy. Items now imported from preferential countries are likely, in the absence of such preferences, to be imported at a lower cost from other suppliers with a resultant savings to Cyprus of needed foreign exchange. Moreover, the dismantling of preferences to developed countries would be in the general interest of intra-LDC trade since it would help eliminate discriminatory treatment toward other LDC's. Thus, it is believed that there is extensive scope for proposals to reduce MFN rates to the level of preferential rates.

It is suggested that the illustrative list of items in Part II be screened, bearing in mind the considerations outlined in 1 and 2, above.

3. Administration of Import Licensing and Exchange Controls. Recognizing that the various regulations and the administration of import licensing and exchange controls are subjected to periodic if not continuous review in the light of the trade and development needs of the economy, it is believed that a special effort to identify revisions which will reduce the costs, delays, and uncertainties encountered by both Cypriot importers and foreign suppliers would be appropriate. Extensions in the area of open general licensing by product may result in the more efficient use of Cypriot resources.

CYPRUS

PART II

ILLUSTRATIVE LIST OF ITEMS TO BE GIVEN SPECIAL REVIEW IN THE LIGHT
OF SUGGESTIONS CONTAINED IN PART I REGARDING TARIFF NEGOTIATIONS

<u>Tariff No.</u>	<u>Item</u>
013-02	Meat and meat preparations in airtight containers
029-09	Ice cream, ice cream powder, malted milk, food preparations
046-01	Meal and flour of wheat and spelt
048-01	Prepared breakfast foods, cereals, flaked, pearled or prepared
055-02	Vegetables, preserved, pickled or otherwise prepared
121-01	Tobacco, unmanufactured
231-02/04	Synthetic rubber and rubber substitutes
243-02/03	Lumber, sawn, planed, grooved, tongued, etc.
511-09	Inorganic compounds and chemical elements
533-03	Prepared paints, enamels, lacquers, varnishes, etc.
541-01/04	Vitamins and vitamin preparations; sera, vaccines and similar bacteriological products; penicillin, streptomycin, etc.
541-09	Medicinal and pharmaceutical products, n.e.s.
599-02	Insecticides, fungicides, and disinfectants
629-01	Rubber tires and tubes for vehicles and aircraft
663-01	Grinding and polishing wheels and stones
663-02	Abrasive cloths and papers and similar articles
663-03	Manufactures of asbestos, other than construction materials
663-05	Carbon and graphite products, except crucibles
681-07	Iron and steel sheets and plates, coated, lacquered, embossed, etc.
681-12	Wire rods and wire, coated or not
711-04	Aircraft engines, n.e.s.
711-05	Internal combustion engines for motor vehicles
713-01	Tractors, other than steam
714-01	Typewriters
714-02	Accounting machines, calculating machines, cash registers, dictaphones, and similar office machines
716-02	Industrial trucks, including forklift trucks, of types normally used in factories, docks, etc.
716-03 (b)	Escalators and passenger lifts
716-03 (c)	Self-propelled diggers, dumpers, excavators, graders and similar earthmoving and road construction units
716-11	Sewing machines, household and industrial, including heads, needles and parts
716-12	Air-conditioning and refrigerating equipment
721-02	Electric batteries

CYPRUS

PART II Cont.

<u>Tariff No.</u>	<u>Item</u>
721-04	Radio apparatus for telegraphy, telephony, television and radar (including self-contained wireless receiving sets and television receiving sets and radio-gramophones) and parts
721-08	Apparatus for measuring and controlling electric energy; electric signaling and safety apparatus; electric bells
721-11	Electro-medical and radiological apparatus
721-12	Electric tools and appliances, portable
721-13	Insulated cables and wire for electricity
732-01 and 04	Passenger road motor vehicles, complete or chassis with engines mounted, other than buses or motorcycles
732-02	Motorcycles, including all types of motorized cycles, complete, and side-cars
732-03	Buses, trucks, lorries, road motor tractors of lorry type, vans and other vehicles, complete
732-05	Chassis with engine mounted
732-06	Parts for road motor vehicles, n.e.s. including bodies, chassis, and frames, but not including engines, tires and electric parts
732-07	Parts for motorcycles, n.e.s., not including engines, tires and electric parts
812-02/03	Sinks, washbasins, bidets, baths and other sanitary and plumbing fixtures and fittings
841-02 and 04	Underwear and nightwear, including bath robes, bathing wear and shirts
841-03 and 05	Outerwear, n.e.s.
861	Scientific, photographic, medical, optical, measuring and controlling instruments and apparatus

SUGGESTIONS AND ILLUSTRATIVE EXAMPLES OF THE TYPE OF ACTIONS WHICH THE UNITED STATES DELEGATION BELIEVES THE GOVERNMENT OF GHANA COULD PROFITABLY EMPLOY IN THE EFFORT TO IDENTIFY POSSIBLE CONTRIBUTIONS TO THE OBJECTIVES OF THE SIXTH ROUND OF TARIFF NEGOTIATIONS WHICH WOULD BE CONSISTENT WITH THE TRADE, FINANCIAL AND DEVELOPMENT NEEDS OF THE GHANAIAN ECONOMY

The United States Delegation believes that the suggestions for trade liberalization contained in this paper are worthy of consideration by the Government of Ghana as a possible means of contributing to the Sixth Round of GATT tariff negotiations.

PART I - GENERAL SUGGESTIONS

1. Tariff Reductions and Bindings. Recognizing that Ghana's customs duties are generally applied on a nondiscriminatory basis, and that the tariff is designed primarily for revenue-producing purposes, it is suggested that a review of tariff rates, nevertheless, may indicate items on which reductions of duty or bindings of certain existing duty-free rates can be offered as contributions to the Kennedy Round. It is believed that such a review, if it were made in the light of Ghana's economic development plans and objectives, might disclose cases where such reductions or bindings would have a salutary effect upon economic development to the extent that they facilitated the importation of items needed for the development of Ghana's economy at competitive prices and, at the same time, promoted greater efficiency in those local industries that need the stimulus of import competition.

An illustrative list of items which could be reviewed from this standpoint is included in Part II.

2. Preferential Duties on Pharmaceuticals. The Government of Ghana levies duties on imports of pharmaceuticals which do not comply specifically with British Pharmacopoeia standards whereas pharmaceuticals conforming to the British Pharmacopoeia enter Ghana duty free. The United States urges that the Government of Ghana revise its import regulations to permit also duty-free entry of drugs and pharmaceutical products which bear labels indicating that they are of United States Pharmacopoeia standards. The United States maintains high standards in its Pharmacopoeia, and is a world leader in medical and pharmaceutical research, quality control, and the exportation of chemical and pharmaceutical products. The United States believes, therefore, that its Pharmacopoeia should receive treatment equal to that of the United Kingdom.

The United States Delegation wishes to point out in this connection that the import tariff schedule of the East African countries gave preference to the importation of drugs conforming to the British Pharmacopoeia prior to the independence of those countries. However, following independence, this preferential arrangement was changed, with a minimum of effort on the part of the East Africans, to the mutual advantage of all. In this connection, the attention of Ghana's Delegation is invited to Tariff Item No. 112, covering drugs, medicinal, and veterinary preparations, of the October 1964 edition of the East African Customs and Excise Tariff Handbook. It will be noted that under this Tariff No. the British Pharmacopoeia, the British Pharmaceutical Codex, and the United States Pharmacopoeia are equally recognized.

3. Purchase Taxes. Purchase taxes are levied on commercial vehicles at high rates. Those imported fully assembled are taxed (depending on value) at rates from 10 to $33\frac{1}{3}$ percent, while commercial vehicles substantially assembled in Ghana are taxed at rates from 5 to 20 percent.

Elimination of the differential between purchase taxes on domestically assembled and imported commercial vehicles, in addition to bringing Ghana's tax practices into conformity with Article III of the GATT, might promote more efficiency in the local assembly industry.

4. Import Licensing. Recognizing that the various regulations and the administration of import licensing and exchange controls are subjected to periodic if not continuous review in the light of the trade and development needs of the economy, it is believed that a special effort to identify items which could be added to the Open General License list might result in more efficient use of Ghana's resources and facilitate the purchase of products offering both the greatest savings in price and the highest standards of quality.

GHANA

- 3 -

PART II. - LIST OF ILLUSTRATIVE ITEMS

A. Items on which the Government of Ghana might consider making offers of duty reductions

First Schedule - Part I

	<u>Tariff No.</u>
Apparel -----	5
Explosives -----	7 (a)
Cotton, upland, staple length 1 inch up to 1-1/8 inch----	11 (C)
Cotton manufactures -----	12
Electric light bulbs and fluorescent lamps and tubes----	13 (i)
Commercial motor vehicles -----	21 (a)(ii)
Wheat flour -----	28 (7)
Tallow, inedible -----	28 (9)
Broilers & fryers (chicken) fresh or frozen -----	28 (10)
Chicken, ex. broilers & fryers, fresh or frozen, whole or in pieces -----	28 (10)
Milk and cream -----	28 (11)
Flavoring and coloring sirups for food products, etc.----	28 (14)
Flavors and flavoring extracts, natural -----	28 (14)
Rice, milled, containing less than 75% broken kernels ---	28 (15)
Refrigerators and air-conditioning equipment -----	30
Tobacco, black fat -----	36 (1)
Tires and tubes -----	38
Wheat -----	42
Poultry feeds, prepared or mixed, nec. vegetable origin--	42

B. Items on which the Government of Ghana might consider offering bindings of duty-free rates

First Schedule - Part III

	<u>Tariff No.</u>
Commercial aircraft, parts and accessories, fuel and lubricants -----	3
Mineral processing equipment -----	17
Educational materials -----	22, 37
Building and bridging materials -----	23
Disinfectants and germicides -----	33
Fertilizers -----	36
Fire engines and fire fighting equipment -----	39
Implements and tools -----	44
Insecticides, fungicides, etc., and materials for the manufacture of such substances -----	45
Instruments, equipment, and appliances for scientific research, surveying and prospecting and professional use -----	46
Machinery and parts -----	54
Safety and rescue equipment -----	59
Radar, radio, and electronic navigational equipment -----	77
Structural materials for electric power and lighting-----	88
Mechanically propelled vehicles or tractors, tires and tubes, and parts and accessories therefor-----	90
Vessels and lighters, accessories, and other marine equipment -----	91

SUGGESTIONS AND ILLUSTRATIVE EXAMPLES OF THE TYPE OF ACTION WHICH THE UNITED STATES DELEGATION BELIEVES THE INDIAN DELEGATION COULD PROFITABLY EXPLORE IN THE EFFORT TO IDENTIFY POSSIBLE CONTRIBUTIONS TO THE OBJECTIVES OF THE SIXTH ROUND OF TARIFF NEGOTIATIONS WHICH WOULD BE CONSISTENT WITH THE TRADE, FINANCIAL AND DEVELOPMENT NEEDS OF THE INDIAN ECONOMY

The following very general areas involving tariff barriers, import control regulations and charges are deemed worthy of investigation. Illustrative lists of specific items to be reviewed follow in Parts II and III.

PART I - GENERAL SUGGESTIONS

1. Tariff Reductions. It is believed that an across-the-board review of existing duties in the light of economic development plans and objectives will disclose hitherto overlooked inconsistencies and cases where reductions in import duties would have a salutary effect upon development programs and living standards. Duty rates on equipment required for basic development projects, agricultural machinery and supplies not produced domestically, are cases in point. It might be useful to consider eliminating import duties on capital equipment for export oriented industries. The closest scrutiny should also be given to the effect of present rates of duty on items which bear directly upon the health and social welfare of the populace such as pharmaceuticals, health and sanitation equipment and supplies, medical and dental equipment and supplies, and educational material.

It is noted that a policy which grants widespread protection to domestic manufactures may foster the manufacture of articles which are not, and which cannot be in the foreseeable future, competitive with similar foreign goods. Finance Minister Shri T. T. Krishnamachari has stated that:

"As we develop our basic industries and branch off into diverse capital goods and intermediate products industries, we must think more and more of those lines of development that promise the most favorable impact on the overall balance-of-payments position. It is possible that hitherto in our general desire to replace imports, we have perhaps not been selective enough and have spread our energies and our resources thinly over a wide front. What we now need is greater emphasis on seeking out opportunities for concentrated effort in selected industries so that a return in the form of reduction in potential imports is obtained as quickly and as efficiently as possible, even if this implies continued reliance on imports in certain other directions. I am laying considerable emphasis on this aspect of import substitution because, in a country where industry is almost devoid of cost consciousness, encouragement to indigenous manufacture of equipment, parts of these or spares which results in substantially higher cost of the end product is positively pernicious."

An examination of existing duties in relation to economic development plans should indicate areas in which the Government of India may, in the interests of rationalizing development effort and production costs, wish to rely more heavily upon competitive market forces through the selective reduction of protective duties. In such a case there should be items on which tariff reductions will be desirable in implementing economic development policy. It is suggested that the list of items in Part II be screened from this point of view.

2. Elimination of Preferential Tariff Margins. In only very rare cases is it likely that a review of tariff rates as described above will disclose tariff preferences granted to developed countries which have a beneficial effect upon the development needs of the economy. Items now imported from preferential countries are likely, in the absence of such preferences, to be imported at a lower cost from other developed suppliers with a resultant saving to India of needed foreign exchange.

Moreover, the dismantling of preferences for developed countries would be in the general interests of intra-LDC trade since it would help eliminate discriminatory treatment toward other LDC's. Thus, it is believed that there is extensive scope for proposals to reduce MFN rates to the level of preferential rates. A list of all items with preferential rates are included in Part II.

3. Administration of Import Licensing and Exchange Controls.

Recognizing that the various regulations and the administration of import licensing and exchange controls are subjected to periodic if not continuous review in the light of the trade and development needs of the economy, it is believed that a special effort to identify revisions which will reduce the costs, delays, and uncertainties of both Indian importers and foreign suppliers would be appropriate. Extensions in the area of open general licensing by product may result in the more efficient use of Indian resources. In this sense reference is made to the report and recommendations of the Swaminathan Committee on Industries Development which was set up to review procedures relating to the operation of controls applicable to the establishment of additional industrial capacity and the licensing of raw materials for industry. The further implementation of certain recommendations of that committee relating to the licensing of imports and foreign exchange could be reviewed as possible contributions to the trade liberalization being sought in the Sixth Round of Trade Negotiations. It is suggested that the items listed in Part III be reviewed from the standpoint of extending the areas to which accelerated import licensing procedures are applied.

4. Taxes, Charges and Penalties. It is believed that a review of the requirements involving stamp taxes, regulatory duties, and fees imposed in the past for special or temporary purposes and reasons which may no longer exist might disclose situations in which elimination, reduction, or consolidation would result in the facilitation of trade. Penalties for noncompliance with regulations may be identified as being unreasonable in relation to the offense or when the cause of noncompliance is unintentional or clerical. A similar review of fees for documentation certification, consular services, customs clearance, etc. may disclose that certain charges bear little relationship to the service involved, accepted international practice or the needs of modern public administration.

5. Excise Taxes and Countervailing Duties. It is believed that a review of the economic effects of the application of special and general excise taxes (Sections 27 and 28 of the 1963 Finance Act), countervailing and regulatory duties would disclose certain cases where their incidence falls on development projects because of the nature of the equipment and capital goods being taxed. An example of an excise tax injurious to development aims would be the levying of such a tax on machinery needed for development purposes in which the ratio of imports to items of domestic manufacture was very large.

6. Bilateral Agreements. It is noted that a reliance on bilateral trade and payments agreements may result in the inefficient allocation of foreign exchange. The International Monetary Fund repeatedly has recommended a termination of bilateral agreements because of their detrimental effect on the earning of foreign exchange. It is therefore believed that an elimination of bilateral trade agreements will facilitate developmental efforts by assuring access to the broadest possible markets in order to earn the foreign exchange resources needed for economic development.

INDIA

- 3 -

PART II

LISTS OF ITEMS TO BE GIVEN SPECIAL REVIEW IN THE LIGHT OF
SUGGESTIONS CONTAINED IN PART I

STATISTICAL NO.	ITEM
01104	Broilers and Fryers, Fresh or Frozen Chicken, Ex. Broilers and Fryers, Fresh or Frozen
022010200-900	Condensed Milk, Sweetened Evaporated Milk, Unsweetened
022020200-900	Dried Whole Milk & Cream
029090400	Infants & Dietetic Food (milk)
041	Wheat, Grain
044	Corn, Grain
048090100	Infants & Dietetic Food (except milkfood)
091	Baking or Frying Fats (100% Veg. Oil)
099091900	Gelatin, Edible
121010303	Tobacco, Flue Cured, Stemmed and Unstemmed
25102	Mechanical Woodpulp
25103	Chemical Woodpulp - sulphite
25104	Chemical woodpulp - other than sulphite
26301	Raw cotton
263010201	Cotton, Upland, Staple 1 & 1/8" and over
263010202	Cotton, Upland, 1 1/8" and 1/8"
263010203	Cotton, Upland, Under 1 1/8"
27206	Sulphur, Crude
2720701	Abrasive sized grain powder of all materials
2721903	Diatomaceous earth
2840105	Copper scrap
292020601	Gum Rosin
292020602	Wood Rosin
29204	Crude Drugs, Herbs, Leaves & Roots
31304	Lube oil and greases
41202	Soybean Oil, Crude, Inedible
41203	Cottonseed Oil, Crude Cottonseed oil, Refined
511010300	Boric acid
51103	Sodium hydroxide
511090305	Alumina
511091800	Carbon black
511096306-8	Sodium borate
5110966	Sulphur, refined
5120501	Pine Oil, Except Pine Needle
512090602-3	Carbolic acid
5120944	DDT
512095301-2	Dextrose, Except Pharmaceutical
541030600	Streptomycin
541091504	Chloroquine
541091529	Proprietary patent medicines, n.e.s.
55101	Vegetable Oils, Natural Essential
551013200	Peppermint Oil
551014900	Spearmint and other mint oils
561	Fertilizers
5990105	Cellulose acetate flakes, moulding powder
599010529	Other plastics
599020229	Insecticides
599091302	Stockholm tar, refined
5990916	Woodtar, wood Pitch
629010500	Pneumatic motor-car and truck tires
629020300	Rubber contraceptives
651060102	Viscose rayon yarn
655060119	Cordage cables, etc.

INDIA

.. 4 ..

PART II Continued

<u>STATISTICAL</u> <u>NO.</u>	<u>ITEM</u>
656090200	Second-hand clothing
663050300	Carbon electrodes for cells and battery
681030100	Iron and steel blooms, billets and slabs
681040602	Iron and steel: Round and square steel under one-half inch
681041201	Iron and steel: Bar alloy tool steel with chromium or nickel
681041501	Carbon tool steel unfabricated
681041502	High speed tool steel unfabricated
681042900	Other iron and steel
681050202	Iron and steel, black sheets plain
681070600	Tin plates
681110400	Fish plates and rails over 29 pounds per yard
711011100	Parts and accessories of boilers
714010200	Parts and accessories of typewriters
715010101	Machine tools
715010202	Jig boring machines
715010300	Broaching machines
715010409	Drilling machines
715010503	Gear shapers
715010509	Gear cutting machines
715010600	Grinding machines
715010800	Lapping and honing machines
715011309	Milling machines
716010101	Centrifugal pumps
716010200	Centrifugal pumps, spare parts
716010701	Reciprocating pumps
716020100	Industrial trucks
716020209	Industrial truck parts
716030300	Dozers
716030404	Tractor drawn scrapers
716030409	Other earth shifting machinery
716030500	Parts of earth shifting machinery
716030603	Excavators
716030609	Other excavating and conveying machinery
716030700	Parts of excavating and dredging machines
716030800	Hoisting machines
716031600	Loading machines
716060200	Parts of paper mill machinery
716080121	Cotton combing machinery
716080156	Winding Machinery cotton
716110309	Other industrial sewing machines
716110400	Parts of industrial sewing machines
716120100	Air conditioning machinery
716120200	Parts of air conditioning machinery
716120600	Refrigerating equipment excluding domestic
716120700	Refrigerating equipment parts
716120900	Other
716130200	Air compressors
716131100	Chemical manufacturing machinery and plant
716131209	Other concrete equipment
716132300	Glass house machinery
716134400	Rock drilling machines
716136200	Weighing machines excluding laboratory
716136400	Cement making machinery
716140301	Tapered roller bearings
721010104	Oil circuit breakers above 660 v
721010405	Complete generating sets with steam engines
721010411	Complete generating sets with gas engines
721010412	Complete generating sets, n.e.s.

INDIA

- 5 -

PART II Continued

STATISTICAL
NO.

ITEM

721010500	Parts of generators
721010603	A.C. squirrel cage induction motors 3 ph 51 to 100 h.p.
721010604	A.C. squirrel cage induction motors 3 ph above 100 h.p.
721012108	Transformers above 37 Pt 5 kv above 2500 kvd
721020200	Parts of batteries
721060300	Electric industrial furnaces
721060500	Electric welding equipment
721081100	Railway electrical signalling apparatus
721130106	Rubber insulated cables 1 by 80 square inch
862020100	Standard 35 mm film not exposed

PART IIIILLUSTRATIVE LIST OF ITEMS TO BE GIVEN SPECIAL REVIEW IN THE
LIGHT OF SUGGESTIONS IN PART I REGARDING THE ELIMINATION
OF PREFERENTIAL TARIFF MARGINS

<u>TARIFF NO.</u>	<u>Description</u>
*25(4) 28	Cement, not otherwise specified Chemicals, Drugs, & Medicines, all sorts not otherwise specified
*22(5)b	Drugs and Medicines containing spirits - strength is not to be tested
*28A	Medicines not containing alcohol, opium, hemp, or narcotics, patented or proprietary
28(18)	Sodium phosphates Sodium sulphite Sodium bisulphite Sodium Thiosulphate
28(21)	Acetyl salicylic acid in tablets or powder; atropine sulphate; cresylic acid, hyoscyne hydrobromide; phenobarbital
28(22)	Cod-liver oil packed in containers not exceeding 6.36 kilograms capacity
28(23)	Iodine in crude form
28(24)	Lactose (sugar in milk)
28(26)	Penicillin in bulk
28(26A)	Penicillin and its products, not otherwise specified
28(28)(a)	Sulpha drugs and preparations containing one sulpha drug and no other therapeutic ingredients
28(28)(b)	Vitamins and preparations except fish liver oil and no therapeutic ingredients
28(31)	Calcium lactate
28(32)	Hydroquinone
28(34)	Sodium Hydroxide Flakes
30	Paints, colors & painters materials - not specified
30(2)	a) Red lead, genuine dry, genuine moist and reduced heat b) White lead, genuine dry c) Zinc white, genuine dry cc) Ultramarine blue i) in packing 453 grams or over ii) in packing 226 grams or over but less than 453 grams iii) in packing 113 grams or over but less than 226 iv) in packing of less than 113 grams
30(11)	d) Paints, other sorts, colored, moist Paints, solutions, compositions, containing dangerous gas within meaning of Indian Petroleum Act
39(12)	Lithopone
*49(1)	Fents, being bona fide remnants of piece goods or other fabrics (a) of materials liable to duty under item 48(3), not exceeding 3.66 meters in length (b) of materials liable to duty under items 48, 48(1), 48(4), or 48(5), not exceeding 2.29 meters in length (c) of other materials not exceeding 3.66 meters in length
*49(4)	Woolen carpets, floor rugs, shawls, and other manufactures of wool, not otherwise specified, including felt

INDIA

- 7 -

PART III Continued

- 63(14) Iron or steel hoops and strips, not otherwise specified
- 63(14A) High carbon steel strips of thickness .5 mm or below
- 63(34) Iron or steel hoops
(a) Jute bailing hoops
(b) Cotton bailing hoops
(c) Coir bailing hoops
- 64 Copper, wrought and manufactures of copper, all sorts, not otherwise specified
- 64(4) Electrolytic copper rods or black copper rods (in coils)
- 63(24) Iron or steel barbed or stranded wire and wire rope
- 72(5) Domestic refrigerators and parts therefor, such as are specially designed for use with such refrigerators
- 72(10) Knitting machines (and parts thereof) to be worked by manual labor or which require for their operation less than one-quarter of one brake-horse-power
- 72(11) Sewing machines (as described above including parts thereof)
(a) the head, whether with or without the hand attachment
(b) other parts, including the hand attachment if imported separately
- 73 Electrical instruments, apparatus and appliances, not otherwise specified (excluding telegraphic and telephonic) and parts thereof not otherwise specified
- 73(1) Following electrical instruments, apparatus, appliances other than those specified in 73(16) and parts thereof, not otherwise specified: electrical control gear and transmission gear, namely, switches (excluding switch boards), fuses and current-breaking devices of all sorts and descriptions, designed for use in circuits of less than 10 amperes and at a pressure not exceeding 250 volts; and regulators for use with motors designed to consume less than 187 watts; insulated copper wires and cables, any one core of which not being one specially designed as a pilot core, has a sectional area of less than 8.0645 square millimeters and wires and cables of other metals and alloys of not more than equivalent conductivity, not otherwise specified; and line insulators including also cleats; connectors, leading-in tubes and the like, of types and sizes as are ordinarily used in connection with the transmission of power for purposes other than industrial and the fittings thereof but excluding electrical earthenware, brassware and porcelain otherwise specified.
- 73(4) Complete wireless receivers
- 73(10) Electric valves specially designed for wireless reception instruments
- 73(11) Component parts, amplifiers and loudspeakers of wireless reception instruments other than electric valves.
- 73(12) Combination radio phonographs*

INDIA

8 ..

PART III Continued

<u>TARIFF NO.</u>	<u>Description</u>
73(13)	Wireless transmission apparatus
73(16)	Electric accessories made of plastics, such as wall plugs, switches, ceiling roses and lamp holders designed for use in circuits of less than 10 amperes, and parts of such electrical accessories not otherwise specified
73(17)	Electrical brass lamp holders, excluding miniature brass lamp holders adapted for use in automobiles
73(18)	Electric fans including air circulators but excluding those designed for industrial system as parts indispensable for its operation and ... given for that purpose some special shape or quality which would not be essential for use for other purpose and excluding exhaust fans of diameter exceeding 61 centimeters and component parts of fans included in this item
75(2)	Motorcycles and scooters and articles other than rubber tires and tubes, batteries, articles specified in 75(12A) 75(16) adapted for use as parts and accessories thereof except such articles as are also adapted for use as parts and accessories of other motor vehicles
75(3)	Motor omnibuses imported assembled
75(13)	Parts of mechanically propelled vehicles and accessories not otherwise specified
77	Instruments, apparatus and appliances other than electrical all sorts, not otherwise specified, and parts thereof not otherwise specified
77(5)	Photographic instruments, apparatus and appliances, and parts thereof, not otherwise specified.

SUGGESTIONS AND ILLUSTRATIVE EXAMPLES OF THE TYPE OF ACTION WHICH THE UNITED STATES DELEGATION BELIEVES THE INDONESIAN DELEGATION COULD PROFITABLY EXPLORE IN THE EFFORT TO IDENTIFY POSSIBLE CONTRIBUTIONS TO THE OBJECTIVES OF THE SIXTH ROUND OF TARIFF NEGOTIATIONS WHICH WOULD BE CONSISTENT WITH THE TRADE, FINANCIAL AND DEVELOPMENT NEEDS OF THE INDONESIAN ECONOMY

The following general areas involving tariff barriers, trade control regulations, and import charges are deemed worthy of investigation. An illustrative list of specific items to be reviewed in the light of these suggestions follows in Part II.

PART I - GENERAL SUGGESTIONS

1. Tariff Reductions. It is believed that an across-the-board review of existing duties, in the light of Indonesia's economic development plans and balance of payments objectives, will disclose hitherto overlooked inconsistencies and cases where reductions in import duties would have a salutary effect on Indonesia's economic program. Appropriate examples include duty rates on certain raw materials, semi-finished goods, and equipment for industries producing goods which will earn or save foreign exchange; and on transportation and communications equipment. The effect of present rates of duty on items which bear directly upon the health and social welfare of the populace such as pharmaceuticals, health and sanitation equipment, and medical supplies should also be scrutinized.

It is noted that a policy which grants widespread protection to domestic manufactures may foster highly inefficient production, and the selective lowering of tariff rates would serve to assist efficient economic growth by tending to rationalize development programs and lower production costs of domestic industries.

2. Administration of Trade and Exchange Controls. Recognizing that the various regulations and the administration of trade and exchange controls are subjected to periodic if not continuous review in the light of trade and development needs of the economy, it is believed that a special effort to identify revisions which will reduce the costs, delays and uncertainties of both Indonesian importers and foreign suppliers would be appropriate. Simplification of the highly complex trade and exchange control system by the adoption of realistic exchange rates, and with less frequent changes, would contribute to reducing these delays and uncertainties and facilitate the continued flow of items necessary for development.

It is noted that the International Monetary Fund made the following observation after completion of the 1964 Article XIV consultations with Indonesia: "The exchange system introduced on April 17, 1964, is complex. The present rate structure is unrealistic and there are excessive spreads between the rates. The resulting overvaluation of the rupiah unduly stimulates imports, and there is a sharp disparity between domestic costs and international prices of export commodities. The Fund urges Indonesia to simplify its exchange system on the basis of realistic exchange rates at the earliest opportunity."

Specifically, it is believed that a reduction in the number of import rates would be beneficial. Also, an increase in the percentage of automatic foreign exchange allocations now allowed under the S.P.P. (Surat Pendorong Produksi) system would be helpful to developmental efforts by facilitating the importation of essential imports outside the more restrictive licensing system and by stimulating production and export through a higher and more realistic export rate.

3. Other Administrative Procedures. It is suggested that a review of the regulations on certain items requiring special permits from the Department of Commerce may indicate items on which a relaxation or elimination of these regulations will stimulate more efficient domestic production and also contribute to trade liberalization.

4. Sales Taxes, Special and Other Taxes. It is believed that a review of the requirements involving special taxes, such as the retribution tax on GATT-bound items, imposed in the past for special or temporary purposes and reasons which may no longer exist might disclose situations in which elimination, reduction or consolidation would result in the facilitation of trade.

A review of the sales taxes levied on luxury and semi-luxury items may reveal inconsistencies and cases in which the sales tax falls mainly on imported items due to the absence of domestic production. In such instances, a reduction or elimination of these taxes might prove beneficial to economic rationalization efforts.

5. Bilateral Agreements. It is noted that a reliance on bilateral trade and payments agreements may result in the inefficient allocation of foreign exchange. The International Monetary Fund repeatedly has recommended a termination of bilateral agreements because of their detrimental effect on the earning of foreign exchange. It is therefore believed that an elimination of bilateral trade agreements will facilitate developmental efforts by assuring access to the broadest possible markets in order to earn the foreign exchange resources needed for economic development.

INDONESIA

- 3 -

PART II

ILLUSTRATIVE LIST OF ITEMS TO BE GIVEN SPECIAL REVIEW IN THE
LIGHT OF SUGGESTIONS IN PART I REGARDING REDUCTIONS IN TARIFFS
AND ELIMINATION OF THE RETRIBUTION TAX OF GATT-BOUND ITEMS

<u>INDONESIAN TARIFF NUMBER</u>	<u>DESCRIPTION</u>
140	Machine oils
141	Mineral oils
142 I & II	Disinfectants and similar products
143 I & II	Mineral wax and greases
167 II	Protective serums and vaccines
169 Ia, b & IIa,b	Insecticides and exterminators
233	Rubber pipes, tubes, and hose
234 I, II	Rubber transmission and conveyor belts
236 II, III	Rubber articles for medical use
315 I, II	Writing, typewriting, register, drawing paper, etc.
355 II	Cotton yarn
379 I & II	Special fabrics for technical use
442	Grinding stones
443 II	Sharpening stones
470	Water filters
525 I & II	Iron bars, plates or sheets
533 I & II	Reinforcing bars and plates
536	Plates, worked for use in industrial enterprise
537	Irrigation pipes
538	Iron pipes and tubes, n.s.m.
541	Boring tubes and accessories
545	Gates, slides, valves and the like
553	Nuts and bolts, riveting nails, etc.
554	Iron fasteners, n.s.m.
562	Chains for technical use
564	Ball and roller bearings
578 I & II	Balls and rollers for instruments or for use by industrial establishments
602	Copper pipes and tubes, n.s.m.
711	Steam boilers
712	Super heaters, preheaters, economisers, etc.
713 I & II	Steam engines and turbines
714 Ia, b	Engines for automobiles and parts
IIb	
IIIa, c	
717 I, II	Road making rollers and machines
718 I, II	Pumps, liquid, air or gas
723 I & II	Hoisting and lifting apparatus
724 I	Weighing apparatus
726	Machines for working metals, stone, glass & wood
727	Agricultural implements for working the soil
728 I & II	Apparatus and instruments for tea, rubber and rice mills
729	Rice hullers and maize shellers
732	Grinding machines, apparatus and devices
734	Machines and looms for textile industry
735	Machines, apparatus & devices for paper industry
736 I & II	Machines, apparatus, and devices for petroleum and mining industries
737	Machines, apparatus, and devices for pottery and glass industries
741	Apparatus and devices for manufacture and distribution of gas

INDONESIA

- 4 -

PART II

INDONESIAN
TARIFF
NUMBER

DESCRIPTION

742 II	Machines for industrial manufacture of tobacco
748	Apparatus for heating, purifying, humidifying industrial establishments
752	Machines for cleaning, pasteurizing, and closing bottles, etc.
755	Sewing machines, including those for household use, in c.k.d. condition
756	Printing machines
757	Addressing machines
758	Duplicators, copying presses, hectographs, etc.
761 I, II	Typewriters, statistical machines, calculators, etc.
768	Disinfecting ovens, rat destroying apparatus, etc.
778 I	Machines, n.s.m. for industrial purposes
782	Safety valves, pressure regulators, etc.
784	Transmission belts, ball and roller bearings, etc.
786	Generators and converters
787 I b2	Electric cells and batteries
792 I, III, IV	Radio-TV receiving sets for assembly; telephone apparatus
796	Electrical temperature, pressure apparatus, etc.
802	Turbo-generators, steam dynamos, etc.
806	Water purifying plants
812 I	Electrical machines and apparatus n.s.m. for industrial use
813 II	Insulated wires and cables
817	Fuses and contacts thereof
826	Objects of carbon, for electrical purposes
829 II	Armatures, rotors, etc. for dynamos and electric motors
830 II	Parts for electric machines or apparatus
833	Tractors
834 Ia, II, III, IV	Automobiles, trucks, ambulances, forklifts, etc.
837 I	Accessories and equipment for automobiles
842	Parts and accessories for vehicles
846 III	Dredges, floating cranes, drydock, etc.
850	Othopedic appliances
859 II, IIIa	Thermometers and temperature measures
867	Geodetic instruments
869	Meteorological, seismological and other instruments
870	Levelling staffs and working instruments belonging to those in 867
872	Microscopes, saccharimeters and polarimeters
886 Ib, IIb	Lenses, prisms and other optical glassware
908 I, IIa, b	Celluloid and other plastic materials, n.s.m.

Suggested Agricultural Items

8 I	Beef and veal, fresh or frozen
12 IIA	Nonfat dry and powdered milk
40	Rice, milled, containing less than 75 percent kernels broken
41 I	Corn, except seed
42 II	Wheat flour
69 III	Soybean oil, refined (not further processed)
69 III	Soybean oil, refined and further processed
72 I	Stearic acid
121 Ia	Tobacco, flue-cured, unstemmed
121 Ia	Tobacco, burley, unstemmed
353 I	Cotton, upland, staple length 1 1/8" and over and cotton, upland, staple length 1" - 1 1/8"

SUGGESTIONS AND ILLUSTRATIVE EXAMPLES OF THE TYPE OF ACTIONS WHICH THE UNITED STATES DELEGATION BELIEVES THE GOVERNMENT OF THE IVORY COAST COULD PROFITABLY EXPLORE IN THE EFFORT TO IDENTIFY POSSIBLE CONTRIBUTIONS TO THE OBJECTIVES OF THE SIXTH ROUND OF TARIFF NEGOTIATIONS WHICH WOULD BE CONSISTENT WITH THE TRADE, FINANCIAL, AND DEVELOPMENT NEEDS OF THE ECONOMY OF THE IVORY COAST

The United States delegation feels that the suggestions for trade liberalization contained in this paper are worthy of consideration by the Government of the Ivory Coast as a possible means of contributing to the Sixth Round of tariff negotiations.

PART I - GENERAL SUGGESTIONS

1. Tariff Reductions - It is believed that a comprehensive review of existing import duties of the Ivory Coast, in the light of economic development objectives, will disclose hitherto overlooked inconsistencies and instances where reduction in these duties would have a salutary effect upon development programs and living standards. Duty rates on equipment required for basic development projects, agricultural machinery and supplies, refrigeration and air-conditioning equipment, transportation equipment, equipment needed for export industries, as well as essential consumer goods and agricultural products not produced domestically in adequate quantities to meet consumer needs are cases in point.

We believe that serious consideration should also be given to the effect of present rates of duty on items which bear directly upon the health and social welfare of larger sections of the population such as pharmaceuticals, health and sanitation equipment and supplies, medical and dental equipment and supplies, and educational material.

An examination of existing duties will indicate areas in which the Ivory Coast, in the interest of rationalizing development efforts and lowering production costs, may wish to rely more heavily upon competitive market forces through the selective reduction of protective and preferential tariffs. An illustrative list of items whose duties could be reviewed for reduction in the Kennedy Round is included in Part II of this paper.

2. Elimination of Preferential Tariff Margins - It is suggested that an examination of preferential tariff rates be undertaken to determine the effect of such rates upon the development and foreign exchange needs of the economy of the Ivory Coast. In the absence of such preferences it is likely that many items now imported from preferential countries, subsequently, could be imported at a lower cost from third countries with resultant savings in foreign exchange. Absence of preferential tariffs will promote competition among foreign suppliers and will enable buyers in the Ivory Coast to obtain those goods which offer the best combinations of price and quality.

3. Import Taxes - It is suggested that a study of the complex system of levies, such as the Special Import Duty (*droit special d'entree*), Tax on Value Added (*taxe a la valeur ajoutee*), and the National Contribution (*Contribution Nationale*) may indicate revisions that would reduce the cost and delays to both foreign suppliers and Ivorian importers while lowering the cost of imported goods to local consumers and producers. It is believed that efforts to reduce and/or consolidate these charges would facilitate trade and thereby contribute to achievement of the objectives embodied in the General Agreement and sought in the Kennedy Round negotiations.

4. Labeling Requirements and Other Regulations - A review of other regulations, such as labeling requirements, particularly those which discriminate among suppliers, could reveal instances where a simplification of often unnecessarily complicated requirements would modernize administrative procedures and facilitate trade.

5. Import Licensing - Recognizing that the various regulations and the administration of import licensing and exchange controls are subjected to periodic, if not continuous, review in the light of the trade and development needs of the economy, it is believed that progressive elimination of licensing requirements -- or, barring that, the extension of equitable import licensing treatment to all foreign suppliers -- would facilitate the purchase in the Ivory Coast of products offering both the greatest savings in price and the highest standards of quality. In particular, from the standpoint of liberalization of world trade, it would be desirable to achieve a removal or relaxation of the import licensing and quota regulations in the Ivory Coast which discriminate against non-franc zone or non-EEC goods.

6. Bilateral Agreements - The Ivory Coast, under the terms of a bilateral commercial agreement, has undertaken to import a specific proportion of selected import needs from France. Among the items for which France is assured a privileged supplier position may be mentioned wheeled and track-type tractors and dairy products. The percentage of total imports of these items to be procured in France is 50 percent and 60 percent, respectively.

Elimination of such restrictive import practices would not only be in harmony with GATT principles but also would promote healthier international competition to the advantage of the Ivorian consumer and contribute to a more economic utilization of foreign exchange resources.

IVORY COAST

- 3 -

PART II

Illustrative List of Items on Which Tariff Reductions by Ivory Coast Might Be Considered

<u>Tariff Item No.</u>	<u>Commodity</u>
04.02 A	Unsweetened milk and cream (non-fat dry milk)
10.01	Wheat and meslin
10.06 B	Milled Rice
15.02	Tallow, inedible
15.07 Ad	Crude soybean oil
24.01	Tobacco, unmanufactured
24.02	Tobacco, manufactured
29.38	Provitamins and vitamins, etc.
30.02 Aa	Antisera, microbial vaccines, etc.
30.03 Aa	Medicaments, etc.
30.03 Ab	Medicaments, etc.
38.11 A	Disinfectants, insecticides, etc., retail
38.11 B	Disinfectants, insecticides, etc., other
40.11 B	Inner tubes, rubber
40.11 C	Tires, rubber
82.05 F	Interchangeable tools
82.05 Z	Interchangeable tools
84.06 A1	Internal Combustion Piston Engines
84.06 A2	Internal Combustion Piston Engines
84.12	Air conditioners - self contained
84.47 A1	Band saws
84.47 B	Planing machines
84.47 E	Slicing machines
84.47 F1	Gluing machines
85.01 A1	Electric generators
85.01 Az	Electric generators
87.01 C1	Track-laying tractors
87.01 C2	Agricultural tractors
87.02 A1	Buses
87.02 A2	Passenger Cars
90.17 A	Electro-Medical apparatus
90.17 B	Other medical, dental, surgical and veterinary apparatus
90.20	Apparatus based on use of X-rays, etc.

SUGGESTIONS AND ILLUSTRATIVE EXAMPLES OF THE TYPE OF ACTION WHICH THE UNITED STATES DELEGATION BELIEVES THE JAMAICAN DELEGATION COULD PROFITABLY EXPLORE IN THE EFFORT TO IDENTIFY POSSIBLE CONTRIBUTIONS TO THE OBJECTIVES OF THE SIXTH ROUND OF TARIFF NEGOTIATIONS WHICH WOULD BE CONSISTENT WITH THE TRADE, FINANCIAL AND DEVELOPMENT NEEDS OF THE JAMAICAN ECONOMY

The following very general areas involving tariff barriers, import control regulations and charges are deemed worthy of investigation. Illustrative lists of specific items to be reviewed in the light of these general suggestions follow in Parts II and III.

PART I - GENERAL SUGGESTIONS

1. Tariff Reductions. It is believed that an across-the-board review of existing duties in the light of economic development plans and objectives will disclose hitherto overlooked inconsistencies and cases where reductions in import duties would have a salutary effect upon development programs and living standards. Duty rates on equipment required for basic development projects, agricultural machinery and supplies not produced domestically, especially of the type which increase the efficiency of the small farmer, are cases in point. These reductions would be consistent with the objectives of the AID-Jamaica program to increase agricultural production, especially in food crops, which the Government of Jamaica is actively promoting. The closest scrutiny should also be given to the effect of present rates of duty on items which bear directly upon the health and social welfare of the populace such as pharmaceuticals, health and sanitation equipment and supplies, medical and dental equipment and supplies, and educational material.

An examination of the existing duties on such items should indicate areas in which the Government of Jamaica may, in the interests of rationalizing development effort and production costs, wish to rely more heavily upon competitive market forces through the selective reduction of protective tariffs. A study of items now granted exemptions under the various industrial incentive laws may indicate items on which concessions can be offered.

It is suggested that the list of items in Part II be considered from the foregoing points of view.

2. Elimination of Preferential Tariff Margins. It is suggested that an examination of preferential tariff rates be undertaken to determine the effect of such rates upon the development and foreign exchange needs of the Jamaican economy. It is believed that only in rare cases will preferential rates granted to developed countries prove to be beneficial to the needs of the Jamaican economy. Items now imported from preferential countries are likely, in the absence of such preferences, to be imported in many cases at a lower cost from third suppliers with a resultant cost and foreign exchange savings to Jamaica. Thus, it is believed that there is extensive scope for proposals to reduce MFN rates to the level of preferential rates.

3. Administration of Import Licensing and Exchange Controls. Recognizing that the various regulations and the administration of import licensing and exchange controls are subjected to periodic if not continuous review in the light of the trade and development needs of the economy, it is believed that a special effort to identify revisions which will reduce the costs, delays and uncertainties of both Jamaican importers and foreign suppliers would be appropriate.

Extensions in the area of open general licensing by product may result in the more efficient use of Jamaican resources. In some cases, a limitation or a phasing out of the period under which certain industries are guaranteed protection would help to rationalize domestic production by indicating that protection for infant industry is intended to be of a temporary nature. It is suggested that the items listed in Part III be reviewed from the standpoint of limiting the time span of protective guarantees and of extending the areas to which open general licensing procedures are applied.

4. Additional Duties and Taxes. It is believed that a review of additional duties, taxes, and surcharges imposed in the past for special reasons which may no longer exist, might disclose situations in which elimination, reduction, or consolidation would result in the facilitation of trade.

5. Surcharge and Tonnage Taxes. A study of surcharges and tonnage taxes may identify revisions which will reduce the costs of imports and help development efforts. This review may disclose that certain charges, such as the tonnage tax, bear little relationship to the service involved, accepted international practice or the needs of modern public administration.

6. Certification Requirements and Other Regulations. It is suggested that a review of other regulations that may hinder trade, such as certification requirements, will disclose modifications that would contribute to the goals of the Kennedy Round and the General Agreement. A removal of restrictions which foster discrimination against salesmen from countries other than the commonwealth would assure equal treatment to all nations and would contribute to an improving business climate.

JAMAICA

- 3 -

PART IIITEMS SUGGESTED FOR TARIFF REDUCTION
DURING THE SIXTH ROUND OF TRADE NEGOTIATIONS

<u>Jamaican Tariff Number</u>	<u>Description</u>
001.01	Cattle for Breeding, except dairy
011.01	Beef and veal, fresh or frozen
011.04	Poultry and game, fresh or frozen
	Broilers and fryers, fresh or frozen
	Chicken, except broilers & fryers, fresh or frozen
	Turkeys, fresh or frozen
012.01, .03	Pork, pickled, salted or otherwise prepared
012.02	Beef and veal, pickled or cured except canned
023.01	Butter, except dehydrated
025.01	Hatching eggs
042.01	Rice, milled, less than 75 percent broken kernels
044.01	Corn, except seed
045.09	Grain sorghums
046.01	Wheat flour
047.02	Cornmeal
047.09	Grains and preparations, NEC
048.02	Barley malt
048.04	Bakery products
048.09	Infants and dietetic foods
051.04	Apples, fresh
051.05	Grapes, fresh
053.01	Peaches, canned
053.01	Fruit cocktail, canned
053.01	Fruits, canned, NEC
053.04	Pear juice and nectar
053.04	Fruit juices, NEC
054.02	Beans, red kidney, dry, ripe
054.09	Onions, fresh, dry
054.09	Lettuce, fresh
054.09	Vegetables, frozen, including specialties
054.03	Hops
055.02	Soups, canned, NEC. including chowders and bouillens
055.02	Vegetables and juices canned, NEC
061.09	Glucose, liquid or dried, except pharmaceutical
062.01	Dessert and sugar products, NEC
081.02, 081.09	Corn feeds, prepared or mixed
081.02, 081.09	Wheat feeds prepared or mixed
081.01, .02, .03, .09	Dairy feeds, prepared or mixed, NEC, vegetable origin
081.02, .03, .09	Poultry feeds, prepared or mixed, NEC
081.09	Fodders and feeds, NEC
091.02	Baking or frying fats (100 percent vegetable oil)
099.09	Anhydrous milk fat
099.09	Yeast, except liquid
099.09	Catsup, ketchup, and similar tomato sauces
112.04	Whiskey
121.01	Tobacco, flue cured, unstemmed
121.01	Tobacco, cigar wrapper, type 61, Connecticut Shade
121.01	Tobacco, cigar binder type
263.01	Cotton, upland, staple length 1"-1 1/8"
266.01	Synthetic fabrics, artificial fabrics
291.01, 291.09	Animal products, inedible, NEC
291.01, .02, .03, .04, .06, .07, .09	Vegetable products, inedible NEC
292.05	Vegetable seeds, NEC

JAMAICA

- 4 -

PART II CONTINUED

<u>Jamaican Tariff Number</u>	<u>Description</u>
411.02	Tallow, inedible
412.02	Soybean oil, refined
412.02	Soybean oil, crude
412.04	Peanut oil, refined
412.04	Peanut oil, crude
412.03	Cottonseed oil, refined
412.03	Cottonseed oil, crude
511.03	Caustic soda
541.01, .09	Vitamins and vitamin preparations, drugs in dosage forms
551.01	Vegetable oils, natural, essential
551.02	Odoriferous compounds for perfumery use, natural or synthetic
551.02	Flavors and flavoring extracts, natural
552.02.5	Detergents, synthetic
599.03	Cornstarch
631.02	Plywood
641.01, .19	Paper and paperboard
651.06	Yarn and thread of synthetic fibers
651.06.1	Yarn which the CG is satisfied is to be used for manufacture of knitted rayon piece goods
651.06.91	Other yarn: (i) put up for retail sale
651.06.99	(ii) other
652; 653	Textile fabrics
653.05.3	Fabrics of synthetic fiber and spun glass
657.01-04	Floor coverings
666	Earthenware pipes
699.01-29.9	Metal manufactures
716.12, 899.08	Air conditioning and refrigeration equipment
721.02	Electric batteries (accumulators) and parts thereof, but not including battery cases
721.04	Television receivers
721; 663.05	Electrical switchgear (including lighting panel boards, motor control centers and motor controls) and component parts thereof (including boxes, copper contacts and moulded-case circuit breakers)
721	Electrical trunking and feeder busways
732.01.03	Motor vehicles
841.03.12	Dresses (knit or made of knitted fabric) of cotton
841.03.19	Other outerwear (knit or made of knitted fabric) of cotton
841.05.12	Dresses of cotton (not knitted)
841.05.19	Other outerwear of cotton (not knitted)
841.05.92	Dresses of other materials (not knitted)
841.05.99	Other outerwear (not knitted)
841.07	Clothing, rubberized, oiled or similar impregnable material, including plastics
899.99	Slide fasteners

SUGGESTIONS AND ILLUSTRATIVE EXAMPLES OF THE TYPE OF ACTION WHICH THE UNITED STATES DELEGATION BELIEVES THE GOVERNMENT OF MALTA COULD PROFITABLY EXPLORE IN THE EFFORT TO IDENTIFY POSSIBLE CONTRIBUTIONS TO THE OBJECTIVES OF THE SIXTH ROUND OF TARIFF NEGOTIATIONS WHICH WOULD BE CONSISTENT WITH THE TRADE, FINANCIAL AND DEVELOPMENT NEEDS OF THE MALTESE ECONOMY

The following general areas involving tariff barriers and import control regulations are deemed worthy of investigation. An illustrative list of tariff items to be reviewed in the light of these general suggestions follows in Part II.

PART I - GENERAL SUGGESTIONS

1. Tariff Reductions. It is believed that a review of existing duties in the light of Maltese development plans and objectives may disclose hitherto overlooked inconsistencies and cases where a reduction in duty may have a salutary effect upon development. Duty rates on equipment for basic development projects, supplies not produced domestically, and items needed for export industries are cases in point. For example, a study of items which receive exemptions from import duties under the Aids to Industries Scheme may indicate items on which offers can be made. Attention should also be given to the effect of present rates of duty on items which bear directly upon the health and welfare of large sections of the population such as medical and dental equipment and educational supplies.

2. Elimination of Preferential Tariff Margins. In only rare cases is it likely that a review of tariff rates as described above will disclose tariff preferences granted to developed countries which have a beneficial effect upon the development needs of the Maltese economy. Items now imported from preferential countries are likely, in the absence of such preferences, to be imported at a lower cost. Thus, it is believed that there exist possibilities for reducing MFN rates to preferential rates that would be consistent with the developmental needs of the Maltese economy.

3. Administration of Licensing and Exchange Controls. Recognizing that the Government of Malta maintains only a limited number of licensing and exchange restrictions, it is nevertheless suggested that a review of licensing procedures may identify revisions which could reduce the cost and facilitate the flow of trade.

MALTA

- 2 -

PART II

ILLUSTRATIVE LIST OF ITEMS TO BE REVIEWED IN RELATION TO THE
COMMENTS MADE IN SECTION I

<u>Maltese Tariff Section</u>	<u>Description</u>
02.02	Turkeys, fresh or frozen, whole or in pieces
10.01	Wheat, unmilled
24.01	Tobacco, unmanufactured, flue-cured, unstemmed
51	Chemical elements and compounds
54	Medicinal and pharmaceutical products
58	Plastic materials, regenerated cellulose and artificial resins
61	Leather, leather manufactures
62	Rubber manufactures
64	Paper, paperboard and manufactures
65	Textile yarn, fabrics and articles
69	Metal manufactures
71	Machinery, not electric
72	Electric machinery
73	Transport equipment
81	Sanitary, plumbing, heating and lighting fixtures

SUGGESTIONS AND ILLUSTRATIVE EXAMPLES OF THE TYPE OF ACTION WHICH THE UNITED STATES DELEGATION BELIEVES THE GOVERNMENT OF NIGER COULD PROFITABLY EXPLORE IN THE EFFORT TO IDENTIFY POSSIBLE CONTRIBUTIONS TO THE OBJECTIVES OF THE SIXTH ROUND OF TARIFF NEGOTIATIONS WHICH WOULD BE CONSISTENT WITH THE TRADE AND DEVELOPMENT NEEDS OF THE NIGER ECONOMY

The United States delegation feels that the general suggestions for trade liberalization contained in this paper are worthy of consideration by the Government of Niger as a possible means of contributing to the Sixth Round of tariff negotiations.

PART I - GENERAL SUGGESTIONS

1. Tariff Reductions. It is believed that a comprehensive review of existing Niger import duties, in the light of economic development objectives, will disclose hitherto overlooked inconsistencies and instances where reduction in these duties would have a salutary effect upon development programs and living standards. Duty rates on equipment required for basic development projects, agricultural machinery and supplies, refrigeration and air-conditioning equipment, transportation equipment, equipment needed for export industries, and essential consumer goods not produced locally are cases in point.

We believe that serious consideration should also be given to the effect of present rates of duty on items which bear directly upon the health and social welfare of large sections of the population such as pharmaceuticals, health and sanitation equipment and supplies, medical and dental equipment and supplies, and educational material.

An examination of existing duties will indicate areas in which Niger may, in the interest of rationalizing development efforts and lowering production costs, wish to rely more heavily upon competitive market forces through the selective reduction of protective and preferential tariffs. An illustrative list of items whose duties could be reviewed for reduction in the Kennedy Round is included in Part II of this paper.

2. Elimination of Preferential Tariff Margins. It is suggested that an examination of preferential tariff rates be undertaken to determine the effect of such rates upon the development and foreign exchange needs of the Niger economy. In the absence of such preferences, it is likely that many items now imported from preferential countries can be imported from third countries at a lower cost, with resultant savings in foreign exchange. Absence of preferential tariffs will promote competition among foreign suppliers and will enable buyers in Niger to obtain those goods which offer the best combinations of low price and high standards of quality. Moreover, the dismantling of preferences to developed countries would be in the general interest of intra-LDC trade since it would help eliminate discriminatory treatment toward other LDC's. Thus, it is believed that there is extensive scope for proposals to reduce MFN rates to the level of preferential rates.

3. Administration of Import Licensing and Exchange Controls. Recognizing that the various regulations and the administration of import licensing and exchange controls are subjected to periodic if not continuous review in the light of the trade and development needs of the economy, it is believed that a special effort to identify revisions which will reduce the costs, delays, and uncertainties encountered by both Nigerian importers and foreign suppliers would be appropriate. Extensions in the area of open general licensing by product may result in the more efficient use of Nigerian resources. From this standpoint, it would be desirable to achieve a removal or relaxation of the import licensing and quota regulations in Niger which discriminate against non-franc zone or non-EEC goods. The extension of equitable import licensing treatment to all foreign suppliers would facilitate the purchase in Niger of products offering both the greatest savings in price and the highest standards of quality.

NIGER

PART II

Illustrative List of Items on Which Tariff Reductions by Niger Might be Considered

<u>Tariff Item No.</u>	<u>Commodity</u>
10.01	Wheat
30.01, .05	Pharmaceuticals
34.01, .02	Soaps and cleansing preparations
38.11	Insecticides and fungicides
40.11	Rubber tires and tubes
61.01, .11	Clothing
73.01, .40	Iron and steel products
84.10	Irrigation pumps
84.12	Air-conditioning machinery
84.15	Refrigeration equipment
84.23, 87.01	Road building machinery
84.24, .25	Other agricultural equipment
85.01, .15	Electrical machinery
87.01	Agricultural tractors
87.02, .03, .14	Busses and trucks

SUGGESTIONS AND ILLUSTRATIVE EXAMPLES OF THE TYPE OF ACTION WHICH THE UNITED STATES DELEGATION BELIEVES THE NIGERIAN DELEGATION COULD PROFITABLY EXPLORE IN THE EFFORT TO IDENTIFY POSSIBLE CONTRIBUTIONS TO THE OBJECTIVES OF THE SIXTH ROUND OF TARIFF NEGOTIATIONS WHICH WOULD BE CONSISTENT WITH TRADE, FINANCIAL AND DEVELOPMENT NEEDS OF THE NIGERIAN ECONOMY

The United States delegation feels that the suggestions for trade liberalization contained in this paper are worthy of consideration by the Government of Nigeria as possible means of contributing to the Sixth Round of Tariff Negotiations. The suggestions include items which could be considered for a reduction in duties, and also include other areas of commercial policy where actions by the Government of Nigeria can liberalize trade in a manner consistent with Nigeria's economic development.

PART I - GENERAL SUGGESTIONS

1. Tariff Reductions. .. It is believed that an across-the-board review of existing duties in the light of economic development plans and objectives will disclose hitherto overlooked inconsistencies and cases where reductions in import duties would have a beneficial effect upon development programs. Duty rates on raw materials needed for export-oriented industries, equipment required for basic development projects, agricultural supplies and material not produced domestically, and parts brought in for assembly are cases in point. A study of items which now receive import duty relief may also indicate areas in which concessions can be made.

It is noted that in certain cases duties on industrial goods may have adverse effects on Nigerian industrialization and on the efficient functioning of existing industry which is out of proportion to possible benefits these duties have on the balance of payments situation.

An overall tariff review could also be beneficial in presenting an opportunity for assuring that tariff policy does not conflict with the welfare of the total population by retarding the inflow of essentials for health, education and the like.

2. Labeling Regulations. A review of labeling requirements, particularly those which discriminate among suppliers, could indicate revisions that would create a saving of Nigeria's needed foreign exchange, while at the same time contributing to the goal of trade liberalization. For example, the regulations granting duty-free entry only to pharmaceutical goods of the British Pharmacopoeia Standard may often result in the purchase of such products at a higher price than could be obtained from other suppliers.

3. Licensing Regulations. Recognizing that Nigeria allows most imports to be imported under Open General License, it is believed that a continuance of this policy on items needed for development projects would assure the flow of essential items while also contributing to the goal of trade liberalization.

4. Other Administrative Regulations. It is suggested that a review of other administrative procedures such as the registration of companies, the handling of foreign investment requests, and the granting of visas to visiting businessmen could relieve uncertainties and delays and would contribute to an improving investment and business climate.

NIGERIA

List of Illustrative Items

<u>Tariff Item Number</u>	<u>Commodity</u>
02.01/04	Poultry, fresh or frozen
04.02 B	Nonfat dry milk
10.01	Wheat, grain
10.06	Rice, milled, containing less than 75 percent broken kernels
10.07	Grain sorghums
11.01/02 A(1)	Wheat flour
12.06	Hops
15.01/17 C	Tallow, inedible
17.05 B	Flavoring and coloring sirups, for food products
24.01	Tobacco, black fat
33.02/04 B	Flavors and flavoring extracts, natural

Old tariff category:

1	Refrigeration and air-conditioning machinery (including domestic)
3	Clothing (all types except used)
4	Used clothing
8	Bed and table linens
11. (2)	Television receivers
35	Hand implements, hand tools
37	Iron and steel products
46A	Parts for internal combustion engines, textile machinery, and mechanically propelled road rollers and bulldozers
46A	Parts and accessories of machines, n.e.s.
52	Road motor vehicles and parts

SUGGESTIONS AND ILLUSTRATIVE EXAMPLES OF THE TYPE OF ACTION WHICH THE UNITED STATES DELEGATION BELIEVES THE GOVERNMENT OF NICARAGUA COULD PROFITABLY EXPLORE IN THE EFFORT TO IDENTIFY POSSIBLE CONTRIBUTIONS TO THE OBJECTIVES OF THE SIXTH ROUND OF TARIFF NEGOTIATIONS WHICH WOULD BE CONSISTENT WITH THE TRADE, FINANCIAL AND DEVELOPMENT NEEDS OF THE NICARAGUAN ECONOMY

The following general areas involving tariff barriers and other import control regulations are deemed worthy of investigation. An illustrative list of specific items to be reviewed in the light of these general suggestions follows in Part II.

PART I - GENERAL SUGGESTIONS

1. Tariff Reductions. It is believed that a review of existing duties in the light of economic development plans and objectives will disclose hitherto overlooked inconsistencies and cases where reductions in import duties would have a salutary effect upon development programs and living standards. As the economy develops, the reliance upon customs as a source of revenue may have diminishing importance, suggesting that a review of tariff rates might reveal potential contributions to the Kennedy Round. Duty rates on equipment required for basic development projects, agricultural machinery and supplies not produced domestically, and machinery and raw materials needed for export-oriented industries are cases in point. In some cases, the binding of low or moderate rates of duty may be found a favorable alternative to the current practice of granting concessions to specific enterprises.

It is noted that a policy which grants widespread protection to local manufactures may foster the production of articles which cannot, either now or in the foreseeable future, offer prices and standards of quality which would be competitive with similar foreign goods. In such instances, a review of tariff duties should indicate areas in which the Government of Nicaragua can, in the interests of lowering the cost of development, rely more heavily upon competitive market forces through the selective reduction of protective policies.

An overall tariff review may also be beneficial in assuring that tariff policy does not conflict with the welfare of the total population by retarding the inflow of essential items for health and educational purposes.

2. Administration of import and exchange controls. Recognizing that the various regulations and the administration of import and exchange controls are subjected to periodic if not continuous review in the light of trade and development needs of the economy, it is believed that a special effort to identify revisions which will reduce the costs, delays and uncertainties to both Nicaraguan importers and foreign suppliers would be appropriate. Although Nicaragua has made progress towards the dismantling of nontariff hinderances to trade, it is believed that Nicaragua's continuing prosperity and its improving balance of payments may allow a further relaxation of exchange controls and a streamlining of procedures for the registration of imports.

3. Prior Deposits. It is suggested that a review of the system of prior deposits will indicate items on which deposits may be eliminated or reduced, particularly in instances where the requirement for prior deposits is discriminatory.

4. Consular Fees. A review of consular fees may reveal payments that are not related to the cost of the service involved. The elimination or reduction of such fees is suggested as a means by which a step desirable in itself and long urged by the Contracting Parties could be undertaken in the Kennedy Round.

NICARAGUA

- 2 -

PART II

Items Suggested for Tariff Reductions During the
Sixth Round of Trade Negotiations

<u>Nicaragua Tariff No.</u>	<u>Description</u>
001-01-01	Cattle for breeding, except dairy
001-01-01	Dairy cattle for breeding
001-04-01	Baby chicks
013-01-00, -01, -02, -03-02	Animal products, edible, n.e.c.
022-01-01-01	Evaporated milk, unsweetened
023-01-00	Butter, except dehydrated
041-01-00	Wheat, unmilled
042-02-00	Rice, milled, containing less than 75 percent broken kernels
046-01-01	Wheat flour
047-09-00	Corn meal and flour fit for human use, including industrial types
047-09-00	Grain and preparations, n.e.c.
048-01-01	Oatmeal, groats and rolled oats in bulk, sacks or bags
048-01-02	Infants and dietetic foods, chiefly of milk
053-03-03-01	Baby food fruits, strained or chopped, canned
055-02-04-09	Peas, canned
062-01-02-02	Flavoring and coloring sirups for food products, beverages and medicinals
081-02-00	Poultry feeds, prepared or mixed, n.e.c.; vegetable origin
099-09-03	Yeast, except liquid
121-01-00	Tobacco, flue cured, unstemmed; tobacco, flue cured, stemmed; tobacco, burley, unstemmed
221-06-00	Cottonseed
282-01	Iron and steel scrap
313-04	Motor spirit-gasoline and other light oils for similar uses
313-05	Mineral jelly and waxes
411-02-02	Tallow, inedible
411-02-03	Animal greases and fats inedible, n.e.c.
533-03	Prepared paints, enamels, lacquers, varnishes, artists' colors, prepared for domestic use
599-01	Synthetic plastic materials in blocks, sheets, rods, tubes, powder, and other primary forms
599-02	Insecticides, fungicides, disinfectants
629-01	Oversize rubber tires and tubes for vehicles and aircraft
641-01	Paper for periodicals
641-02	Printing and writing papers in rolls and sheets, other than newsprint
641-03	Corrugated paper for wrapping
651-04	Cotton yarn and thread, bleached, dyed or mercerized
665-01	Containers of glass, including stoppers and closures of glass
699-01	Finished structural parts made of iron or steel
699-02	Hand tools of common metals
699-18	Hardware of metals
699-21	Metal containers for transport and storage
699-22	Stoves and furnaces, not for central heating

NICARAGUA

- 3 -

PART II

<u>Nicaragua Tariff No.</u>	<u>Description</u>
711-01	Steam generating boilers
711-05	Internal combustion, diesel or semi-diesel motors
712-01	Agricultural machinery and appliances for preparing and cultivating the soil
712-02	Agricultural machinery and appliances for harvesting, threshing and sorting
713-01	Tractors other than steam
714-02	Typewriters, electric or not; machines and apparatus for printing and stamping checks, letters and documents
715-02	Metal working machinery
716-01	Liquid pumps
716-02	Industrial trucks, operated by electric power or combustion engine
716-03	Machinery for transporting, lifting, excavating, construction of roads and for mining
716-08	Machinery and accessories for the textile industry
716-12	Air-conditioning and refrigerating equipment, excluding mechanical refrigerators
716-15	Parts and accessories for machinery
721-01	Machinery, apparatus and tools, electrical
721-08	Apparatus for measuring and controlling electric energy
721-12	Portable electrical tools and their accessories
721-13	Insulated wire and cables for electricity
732-01	Passenger road motor vehicles
732-03	Busses, trucks, station wagons and other motor road vehicles
732-06	Bodies, chassis, frames and other parts for road motor vehicles
733-09	Road vehicles and other vehicles of traction or propulsion by hand or animal
734-01	Aircraft, heavier than air, complete, except airships and balloons
734-03	Replacement parts, n.e.s., for aircraft heavier than air
812-02	Buildings of metal and their accessories
861-03	Instruments and apparatus, surgical, medical, and dental including ^
861-09	^ veterinary Instruments of measurement, control and scientific
891-01	Phonographs, gramophones, and sound recording disc apparatus except those for office and cinematographic
892-09	Printed matter on paper or cardboard

SUGGESTIONS AND ILLUSTRATIVE EXAMPLES OF THE TYPE OF ACTION WHICH THE UNITED STATES DELEGATION BELIEVES THE PAKISTANI DELEGATION COULD PROFITABLY EXPLORE IN THE EFFORT TO IDENTIFY POSSIBLE CONTRIBUTIONS TO THE OBJECTIVES OF THE SIXTH ROUND OF TARIFF NEGOTIATIONS WHICH WOULD BE CONSISTENT WITH THE TRADE, FINANCIAL AND DEVELOPMENT NEEDS OF THE PAKISTANI ECONOMY

The following very general areas involving tariff barriers, import control regulations and charges are deemed worthy of investigation. Illustrative lists of specific items to be reviewed in the light of these general suggestions follow in Parts II and III.

PART I - GENERAL SUGGESTIONS

1. Tariff Reductions. It is believed that an across-the-board review of existing duties in the light of economic development plans and objectives will disclose hitherto overlooked inconsistencies and cases where reductions in import duties would have a salutary effect upon development programs and living standards. Duty rates on equipment required for basic development projects, agricultural machinery and supplies not produced domestically, are cases in point. It might also be useful to consider eliminating import duties on capital equipment for export-oriented industries. The closest scrutiny should also be given to the effect of present rates of duty on items which bear directly upon the health and social welfare of the populace such as pharmaceuticals, health and sanitation equipment and supplies, medical and dental equipment and supplies, and educational material.

It is noted that a policy which grants widespread protection to domestic manufactures may foster the manufacture of articles which are not, and which cannot be in the future, competitive with similar foreign goods unless there is constant pressure from the market to force cost reductions and efficiencies.

An examination of existing duties in relation to economic development plans should indicate areas in which the Government of Pakistan may, in the interests of rationalizing development effort and production costs, wish to rely more heavily upon competitive market forces through the selective reduction of protective duties. In such a case there should be items on which tariff reductions will be desirable in implementing economic development policy. It is suggested that the list of items in Part II be screened from this point of view.

2. Elimination of Preferential Tariff Margins. In only very rare cases is it likely that a review of tariff rates as described above will disclose tariff preferences granted to developed countries which have a beneficial effect upon the development needs of the economy. Items now imported from preferential countries are likely, in the absence of such preferences, to be imported at a lower cost from alternate suppliers with a resultant savings to Pakistan of needed foreign exchange. Moreover, the dismantling of preferences for developed countries would be in the general interests of intra-LDC trade since it would help eliminate discriminatory treatment toward other LDC's. Thus, it is believed that there is extensive scope for proposals to reduce MFN rates to the level of preferential rates. A list of all items with preferential rates to the United Kingdom is included in Part III.

3. Administration of Import Licensing and Exchange Controls. Recognizing that the various regulations and the administration of import licensing and exchange controls are subjected to periodic, if not continuous, review in the light of the trade and development needs of the economy, it is believed that a special effort to identify revisions which will reduce the costs, delays and uncertainties of both Pakistani importers and foreign suppliers would be appropriate.

Extensions in the area of open general licensing by product may result in the more efficient use of Pakistan's resources. Desirable changes in the system of controls relating to the licensing of imports and foreign exchange could be reviewed as possible contributions to the trade liberalization being sought in the Sixth Round of Trade Negotiations. It is suggested that the items listed in Part II be reviewed from the standpoint of extending the areas to which accelerated or open general import licensing procedures are applied.

A review of other administrative procedures could indicate regulations, such as that concerning the standardization of tractor imports, in which changes would lead to a saving of scarce foreign exchange. Such a review might also indicate ways in which administrative processing of items on the free list financed under AID loans could be expedited.

4. Taxes, Charges and Penalties. It is believed that a review of the requirements involving stamp taxes, regulatory duties, and fees imposed in the past for special or temporary purposes and reasons which may no longer exist, might disclose situations in which elimination, reduction or consolidation would result in the facilitation of trade. Penalties for noncompliance with regulations may be identified as being unreasonable in relation to the offense or when the cause of noncompliance is unintentional or clerical. A similar review of fees for documentation certification, consular services, customs clearance, etc., may disclose that certain charges bear little relationship to the service involved, accepted international practice or the needs of modern public administration.

5. Sales and Excise Taxes. A review of the economic effects of the application of sales taxes might disclose cases where the incidence of the tax falls on development projects because of the nature of the equipment and capital goods being taxed. The effect of such taxes would be injurious in instances where the product was not produced in Pakistan or where it was produced in small quantities in relation to imports.

6. Bilateral Agreements. It is noted that a reliance on bilateral trade and payments agreements may result in the inefficient allocation of foreign exchange. The International Monetary Fund repeatedly has recommended a termination of bilateral agreements because of their detrimental effect on the earning of foreign exchange. It is therefore believed that an elimination of bilateral trade agreements will facilitate developmental efforts by assuring access to the broadest possible markets in order to earn the foreign exchange resources needed for economic development.

PAKISTAN

PART II

ILLUSTRATIVE ITEMS TO BE REVIEWED
IN RELATION TO THE COMMENTS MADE IN PART I

Free List Items - (Not requiring licenses)

Iron and steel
Metals
Books
Camphor
Gas in Cylinders
Soda ash
Chemicals (see Free List)
Insecticides
Drugs and medicinals (see Free List)
Coal tar dyes
Dyeing and tanning substances
Gas black and carbon black
Laboratory glassware
Cinema carbons
Electrical insulating materials
Medical appliances
Scientific instruments
Surgical instruments
Marine diesel engines
Spare parts for diesel locomotives
Essential oils
Linseed oil
Pigments and dry colors
Lithopone
Barytes
Painters materials
Plumbago and graphite
X-ray films and plates
Condensed and sweetened milk - (PL 480)
Dry whole milk - (PL 480)
Whole egg solids - (PL 480)
Synthetic rubber
Tires and tubes for tractors
Scientific and surgical instruments
Duplicating stencils
Nylon twine
Coir rope
Glue, gum, and resins
Stearine and wax
Fertilizers
Sizing Material

Open General License (O.G.L.) List - (Licenses required)

Typewriters
Office machines
Outboard engines
Tires and tubes

Regular Licensing List - (Licenses required)

Tools and workshop equipment
Second-hand clothing
Explosives
Asbestos manufacture
Firebricks
Electric cables and wires
Electric instruments, apparatus and appliances (see
current import policy)

PAKISTAN

PART II (continued))

Regular Licensing List - (Licenses required) (continued)

Accumulators and batteries and parts
Hardware
Gramophones, parts and accessories, needles, record
players, and record changers.
Domestic sewing machines and parts
Machinery, millwork and parts (see current import policy)
Brake fluid
Photographic films, plates and paper
Photographic instruments, apparatus and parts
Stationery, all sorts
Motor cars
Motor vans, omnibuses, lorries and trucks (CKD) and
station wagons
Wood and timber, all sorts
Plastic moulding compounds
Polishes and compositions
Coffee, Roasted
Tallow, inedible
Edible cotton seed and soybean oil (refined and/or
further processed)

Other Agricultural Items

Beef & Veal, Fresh or Frozen
Dried Whole Milk
Nonfat Dry Milk
Anhydrous Milk Fat
Wheat, Grain
Corn, Grain
Wheat Flour
Prepared Flour-Mixes
Dextrose, Exq. Pharmaceutical
Tobacco, Flue-cured, Unstemmed
Tobacco, Flue-cured, Stemmed
Cotton, American, Egyptian
Cotton, Upland, 1"-1 1/8"
Cotton, Upland 1 1/8" & over

PAKISTAN

PART III

ILLUSTRATIVE LIST OF ITEMS TO BE GIVEN SPECIAL REVIEW
IN LIGHT OF SUGGESTIONS IN PART I REGARDING THE ELIMINATION OF
PREFERENTIAL TARIFF MARGINS

BTN No.	Abbreviated Description
28.24	Cobalt oxides and hydroxides
28.25	Titanium oxides
ex 28.30	Ammonium chloride (muriate)
ex 28.33	Bromides excluding hyoscine hydrobromide
ex 28.39	Sodium nitrite
ex 29.13	Acetone
ex 29.16	Acetyl-salicylic acid
29.25A	Amide-function compounds A. Barbituric acid and its derivatives
ex 29.25	Phenacetin
ex 29.25	Phenobarbitone
29.32	Organo-arsenic compounds
29.36	Sulphonamides
ex 29.38	Vitamins
ex 29.39	Insulin
ex 29.42	Emetine and its salts; Caffeine and its salts; alkaloids
ex 30.01A)	Liver extracts (medicinal)
ex 30.01B)	
ex 32.07	Lithopone and ultramarine blue
32.08B	Prepared pigments, prepared colours
ex 32.08	Red lead, genuine moist and reduced moist
ex 32.09A-D	Paints, other sorts, coloured, moist
37.01	Plates, sensitized, unexposed, of glass or other materials
37.02B	Film in rolls
37.03	Sensitized paper
37.04B	Sensitized plates and film
37.05C	Plates, unperforated film and per- forated film
ex 38.11	Disinfectants, insecticides
ex 38.18	Painter's material
ex 51.04	Fabrics not otherwise specified
55.07A1)	
55.07A2)	Cotton gauze
55.07B)	
55.08A1a)	
55.08A1b)	Terry towelling and similar terry fabrics, of cotton
55.08A2)	
55.08B1a)	
55.09A1a)	
55.09A1b)	
55.09A2)	Other woven fabrics of cotton
55.09B1a)	
55.09B1b)	
55.09B2)	
ex 56.07	Fabrics, not otherwise specified, con- taining more than 90 percent of man- made fibres.
58.04A1a)	
58.04A1b)	
58.04A2)	Woven pile fabrics and chenille fabrics
58.04D)	

PAKISTAN

PART III (continued)

BTN No.	Abbreviated Description
73.10A } 73.10B }	Bars and rods (including wire rod), of iron or steel
73.12A } 73.12B }	Hot and strip, of iron or steel
ex 73.13 (1) ex 73.13 (2)	Steel tinned sheets and tin plates
ex 73.25 ex 73.26	Stranded wire and wire rope Barbed wire and wire rope
74.03A } 74.03B }	Wrought bars, rods, angles, shapes and sections of copper; copper wire
ex 74.04(1) ex 74.04(2) ex 74.05 ex 74.06 ex 74.07 ex 74.08 ex 74.09 ex 74.10 ex 74.11 ex 74.12 ex 74.13 ex 74.14 ex 74.15 ex 74.16	Wrought plates, sheets and strip of copper; Of copper other than alloys of copper; worked and unworked
74.19A2) 74.19B } 74.19D1 } 74.19D2 }	Other articles of copper: Needles and pins, doors, window frames, con- tainers, etc.
76.02A	Wrought bars, rods, angles, shapes and sections, of aluminium; aluminium wire
ex 82.15	Handles for cutlery; of copper
ex 83.06	Statuettes and ornaments of copper
ex 84.15	Domestic refrigerators and parts thereof
84.41A	Sewing machines; furniture specially designed for sewing machines; sewing machine needles
84.63B	Transmission shafts, cranks, bearing husings, plain shaft bearings, gears and gearing, etc.
86.64B	Gaskets and similar joints of metal sheeting combined with other material
ex 85.06	Fans
85.09A	Electrical lighting and signalling equipment:
85.12	A. For motor vehicles Electric instantaneous or storage water heaters and immersion heaters; electric soil heating apparatus and electric space heating apparatus; electric hair dressing appliances and other electro- thermic domestic appliances

PAKISTAN

PART III (continued)

BTN No.	Abbreviated Description
85.14B	Microphones and stands therefor; loud-speakers; audio-frequency electric amplifiers
85.15A	Radio-telegraphic and radio-telephonic transmission and reception apparatus; television apparatus
85.19B2	Electrical apparatus for making and breaking electrical circuits, for the protection of electrical circuits, or for making connections to or in electrical circuits
85.20D	Electric filament lamps and electric discharge lamps
85.21B	Thermionic, cold cathode and photocathode valves and tubes
85.23A	Insulated electric wire, cable, bars, strip and the like
85.26B	Insulating fittings for electrical machines, appliances or equipment
ex 87.02	Motor omnibuses
87.06B1)	Parts and accessories of the motor vehicles falling within heading No. 87.01, 86.02 or 87.03
86.06B2)	
90.07A)	Photographic cameras; photographic
90.07B)	flashlight apparatus
90.08A	Cinematographic cameras, projectors, sound recorders and sound reproducers
90.09A)	Image projectors
90.09B)	
ex 90.14	Compasses
ex 90.19	Artificial limbs and parts thereof
90.26B	Gas, liquid and electricity supply or production meters; calibrating meters thereof
90.27A	Revolution counters, production counters, taxi-meters, mileometers, pedometers and the like, speed indicators
ex 91.05	Apparatus other than apparatus capable of indicating the time of day
91.06	Time switches with clock or watch type
91.07B	Watch type movements
91.08B	Clock movements, assembled
92.12A	Gramophone records and other sound recordings

SUGGESTIONS AND ILLUSTRATIVE EXAMPLES OF THE TYPE OF ACTION WHICH THE UNITED STATES DELEGATION BELIEVES THE PERUVIAN DELEGATION COULD PROFITABLY EXPLORE IN THE EFFORT TO IDENTIFY POSSIBLE CONTRIBUTIONS TO THE OBJECTIVES OF THE SIXTH ROUND OF TARIFF NEGOTIATIONS WHICH WOULD BE CONSISTENT WITH THE TRADE, FINANCIAL AND DEVELOPMENT NEEDS OF THE PERUVIAN ECONOMY

The United States delegation feels that the following general areas involving tariff barriers and import control regulations are areas worthy of investigation. Illustrative lists of specific items to be reviewed in the light of these general suggestions follow in Part II.

PART I - GENERAL SUGGESTIONS

1. Tariff Reductions. It is believed that an across-the-board review of existing duties in the light of economic development plans and objectives will disclose inconsistencies and cases where reductions in import duties would have a salutary effect upon development programs and living standards. Duty rates on equipment required for basic development projects, agricultural machinery and supplies not produced domestically, are cases in point. A study of items that enter at duties specified by the 1959 Industrial Development Law and similar decrees may indicate items on which reductions or bindings could be offered. Consideration should also be taken in areas where substantial imports are required to meet local consumer needs. The establishment of seasonal rates on certain agricultural items complementary to Peruvian production is a possibility. Other items on which it may be possible to lower duties are those that affect the health or social welfare of the populace, such as foodstuffs, pharmaceuticals, health and sanitation equipment and supplies, medical and dental equipment and supplies, and educational material.

An examination of existing duties in relation to economic development plans should indicate areas in which the Government of Peru can, in the interests of lowering the cost of development, rely more heavily upon competitive market forces through the selective reduction of protective duties. In such a case there should be items on which tariff reductions will be desirable in implementing economic development policy. A list of items to be considered from this point of view is included in Part II.

2. Taxes, Charges and Penalties. A review of the requirements involving taxes and fees imposed in the past for special or temporary purposes and reasons which may no longer exist, might disclose situations in which elimination, reduction or consolidation would result in the facilitation of trade. Penalties for noncompliance with regulations may be identified as being unreasonable in relation to the offense or when the cause of noncompliance is unintentional or clerical.

A similar review of fees for documentation certification, consular services, customs clearance, etc. may disclose that certain charges bear little relationship to the service involved, accepted international practice or the needs of modern public administration. In view of the Government of Peru's expressed desire to revise and simplify the requirements for consular invoices, it may be possible to waive entirely the requirements for consular invoices and to levy reduced charges on imports for documentation at the point of entry.

3. Bilateral Agreements. It is noted that a reliance on bilateral trade and payments agreements may result in the inefficient allocation of foreign exchange. The International Monetary Fund repeatedly has recommended a termination of bilateral agreements because of their detrimental effect on the earning of foreign exchange. It is therefore believed that an elimination of bilateral trade agreements will facilitate developmental efforts by assuring access to the broadest possible markets in order to earn the foreign exchange resources needed for economic development.

PART II

ITEMS SUGGESTED FOR TARIFF REDUCTION DURING
THE SIXTH ROUND OF TRADE NEGOTIATIONS

<u>Peruvian Tariff Number</u>	<u>Description</u>
02.02	Meat of Barnyard Birds
07.02, .03, .05	Peas
08.01	Dried Prunes, Pears, Peaches, Etc.
08.04	Raisins
08.06	Fresh Apples, Pears, Plums
11.01	Corn flour, including degreased in packages
12.06	Hops in cones
13.02	Pine Resin
15.03-15.10	Stearic Acid and Stearine
15.07	Soybean Oil, Crude or Denaturalized
23.01	Tonic Salts, for Cattle & Poultry
25.10	Natural Phosphates, Ground or Not
27.10	Lubricating Oils for Machinery in Containers Greater than 15 Kilos
27.13	Mineral Waxes
28.03	Carbon Black, Etc.
28.10, 28.40	Ortho-, meta-, and pyro-phosphate of sodium
28.17A	Caustic Soda
28.40	Calcium and Acid Phosphates Acid Sodium Phosphates Sodium Tripolyphosphate
28.42A	Soda Ash
29.31	Sodium Xanthate and Potassium Xanthate, and products used in the flotation of minerals
29.36	Sulfanamide
29.38	Vitamin Preparations
29.39	Glandular Products
29.44, 30.03	Penicillin and Other Similar Antibiotics, In Any Pharmaceutical Form
30.03	Barbituric Acids, Antacids Preparations
30.05	Parenteral Solution, Medicinal Chemicals, Plasters, Culture Media
31.02	Nitrogenous Fertilizer
32.05	Dyes derived from Coal Tar Dispersed in Rubber
37.01	X-Ray Films
37.02	Roll Film
37.03	Photographic Paper, sensitized
37.08	Blended Chemical Products for use in Photography
38.03-38.08	Auxiliary Products for the Paint Industry
38.03	Additives for Fuel Oil
38.07	Essential Oil of Pine; Turpentine and Essence of Turpentine, Raw
38.08	Colophony
38.11	Insecticides, Fungicides, Disinfectants (And Similar Preparations)
38.12	Mordants, Stabilizers and Fixers of Dyes in Fibers, and unspecified products for the treatment and finishing of Textiles
38.15	Organic Products used in the manufacturing and vulcanization of tires, etc.
38.19	Antiknock Compounds, Synthetic Hydraulic Fluids, Other Chemical Compounds
39.01	Alkyds
39.02	Polyethylene

PART II, CONTINUED

<u>Peruvian Tariff Number</u>	<u>Description</u>
40.02	Synthetic rubber
40.06	Ammoniacal dissolvents of rubber, other dissolvents and emulsions of natural or synthetic rubber
40.06, 40.07	Fabrics and Yarns of Artificial Textile Fibers, Impregnated with Rubber, Exclusively for the Manufacture of Tires
44.04, 44.05	Only: Wood of Oregon Pine, Fir, Poplar or Elm, Squared into Beams, and Sawed into Laths, Boards and Slats
44.15, 44.16	Plywood
47.01, 47.02	Pulp and Waste Paper
48.01	Newsprint, In Sheets, Coils, or Rolls, Paper and Paperboard
48.09	Hardboard, Insulation Board
48.16-48.21	Articles of Pulp, Paper
49.11	Catalogues and prospectuses of commercial propaganda for foreign products
51.01-51.03	Yarn and Thread of Synthetic and Artificial Fiber
68.06	Abrasive Products, i.e. Grinding Wheel and Sandpaper
68.14	Friction material for brakes, clutches, or the like
73.13	Tin Plate, Plain, in Sheets
73.18, 73.19	Tubes or Pipes, Iron or Steel, of More Than 2" Interior Diameter
73.40, 84.44, 84.56	Machines and Accessories for Extracting and Handling Minerals
82.01-82.07	Machine Tools - Limited to General Purpose Type Machine Tools Suitable for Small Repair Shop
82.01-82.07	Portable Power Driven Handtools
82.05, 84.15, 84.16, 84.17, 84.18	Machines for Industry, Arts, Crafts, n.e.s. over 20 Kilos
84.02	Boilers and Steam Generators, of Sheet Iron or Steel
84.06	Internal Combustion Motors
84.06	Lineal or radial engines especially for aviation
84.06	Diesel, Aircraft Engines
84.10, .17, .18, .56, .59, 90.26	Machines for the treatment and fractional distillation of petroleum and its derivatives
84.10	Centrifugal Pumps and Motor Driven Pumps, With Interior Diameter Greater than 1"
84.11, 84.45, 84.48, 84.49	Machines for Compressing Air, and Pneumatic Machine Tools
84.22	Derricks and Cranes, Elevators for Packages and Industrial Uses
84.23	Mechanical Shovels, Excavators, and Other Road Con- struction Machinery; Spare and Component Parts
84.23	Machines and Accessories for Drilling Oil Wells
84.24	Agricultural Machinery and Implements for Preparing and Cultivating the Soil
84.25	Harvesting and Threshing Machines
84.28	Machines and apparatus for agriculture and cattle breeding industries
84.29-84.30	Food Industrial Machines
84.34-84.35	Printing Machines
84.36-84.41	Textile Machinery
84.45-84.48	Metal Working Machine Tools
84.47	Machine Tools for Working Wood
84.50	Gas Welding and Cutting Apparatus
84.52	Calculating Machines
84.54	Other Office Machines

PERU

- 4 -

PART II, CONTINUED

Peruvian Tariff Number	<u>Description</u>
84.65	Spare Parts for Machines, n.e.s.
85.01	Dynamos, Converters, etc. of More Than 100 K.W.
85.11	Portable Arc Welders
85.15	Telecommunication Apparatus & Equipment, Industrial
86.01-86.09	Railway Equipment
87.01	Tractors for Agricultural Use
87.03	Special Purpose Vehicles
87.05	Bodies (including cabs), for Motor Vehicles
87.06	Parts for Tractors and Special Purpose Vehicles
88.02	Airplanes, seaplanes and helicopters with engines
90.22-90.28	Scientific Instruments

ADDITIONAL SUGGESTED AGRICULTURAL ITEMS

01.02	Dairy Cattle for breeding
01.02	Cattle for breeding, except dairy
01.05	Baby chicks
02.01	Variety Meats (edible offal) fresh or frozen
02.06	Bacon, except canned
02.06	Pork, pickled, salted or otherwise cured n.e.c., except canned
04.02	Dried whole milk and cream
04.02	Nonfat dry milk
04.02, 19.02	Infants and dietetic foods
04.03	Butter
04.04	Cheese, processed, blended
05.02, .04, .06, .07, .08, .09, .14	Animal products, inedible, n.e.c.
08.01, 08.05	Nuts, n.e.c., and nut preparations
08.05	Almonds, sweet, shelled
08.12	Prunes, dried and evaporated
08.12	Fruits, mixed, dried and evaporated
10.01	Wheat, unmilled
10.05	Corn
10.06	Rice, milled
11.01	Wheat, flour
11.02	Grains and preparations, n.e.c.
11.02	Oatmeal, groats and rolled oats
11.07	Barley malt
12.03	Vegetable seeds, n.e.c.
13.01	Vegetable products, inedible, n.e.c.
15.01	Lard, including rendered pork fat
15.01	Soybean oil, refined
15.02	Tallow, inedible
15.06	Animal greases and fats, inedible, n.e.c.
15.13	Shortenings, chiefly animal fat
16.01	Sausage, prepared sausage meats, bologna and franks
16.02	Beef and veal, canned
16.03	Meat extracts and bouillon cubes
17.02, 29.43	Glucose, liquid or dried
17.05	Flavoring and coloring, syrups for food products
18.05	Cocoa, powdered
19.01	Malt extract, malt syrup
19.05	Wheat cereal foods
19.05	Cereal foods, n.e.c.

PERU

- 5 -

PART II CONTINUED

<u>Peruvian Tariff Number</u>	<u>Description</u>
21.04	Sauces and relishes, n.e.c.
21.05	Vegetable preparations, n.e.c.
21.07	Anhydrous milk fat
21.07	Dairy products, n.e.c.
23.04	Soybean oil cake and oil cake meal
23.07	Fodders and feeds, n.e.c., vegetable origin
24.01	Tobacco, flue-cured, stemmed
24.01	Tobacco, flue-cured, unstemmed
33.01	Peppermint oil
33.04, 21.07	Flavors and flavoring extracts, natural
38.09	Wood tar, pitch and tar oil
55.01	Cotton, upland, staple length under 1 inch

SUGGESTIONS AND ILLUSTRATIVE EXAMPLES OF THE TYPE OF ACTIONS WHICH THE UNITED STATES DELEGATION BELIEVES THE RHODESIAN DELEGATION COULD PROFITABLY EXPLORE IN THE EFFORT TO IDENTIFY POSSIBLE CONTRIBUTIONS TO THE OBJECTIVES OF THE SIXTH ROUND OF TARIFF NEGOTIATIONS WHICH WOULD BE CONSISTENT WITH THE TRADE, FINANCIAL AND DEVELOPMENT NEEDS OF THE RHODESIAN ECONOMY

The United States delegation feels that the following general areas involving tariff barriers and import control regulations are areas worthy of investigation.

PART I - GENERAL SUGGESTIONS

1. Tariff Reductions. It is believed that an across-the-board review of existing Rhodesian duties, in the light of economic development objectives, will probably disclose hitherto overlooked inconsistencies and instances where reductions in import duties would have a salutary effect upon development programs and living standards. Duty rates on equipment required for basic development projects, mining and agricultural machinery and supplies, equipment needed for export industries, and essential consumer goods not produced domestically are cases in point.

We believe that serious consideration should also be given to the effect of present rates of duty on items which bear directly upon the health and social welfare of large sections of the population such as pharmaceuticals, health and sanitation equipment and supplies, medical and dental equipment and supplies, and educational material.

An examination of existing duties will indicate areas in which Rhodesia may, in the interest of rationalizing development efforts and production costs, wish to rely more heavily upon competitive market forces through the selective reduction of protective tariffs. An illustrative list of items whose duties could be reviewed for reduction in the Kennedy Round is included in Part II of this document.

2. Elimination of Preferential Tariff Margins. It is suggested that an examination of preferential tariff rates be undertaken to determine the effect of such rates upon the development and foreign exchange needs of the Rhodesian economy. Items now imported from preferential countries are likely, in the absence of such preferences, to be imported in many cases at a lower cost from third suppliers with a resultant cost and foreign exchange savings to Rhodesia.

3. Administration of Import Licensing and Exchange Controls. It is believed that a review of licensing procedures would identify revisions which could reduce the cost, delays and uncertainties to both Rhodesian importers and foreign suppliers. Particularly desirable from the standpoint of liberalizing world trade would be the removal or relaxation of licensing regulations that discriminate against imports from non-sterling areas. The extension of equitable treatment in licensing regulations to all suppliers would also facilitate the purchase of products from the supplier offering the greatest cost savings.

4. Bilateral Agreements. It is noted that a reliance on bilateral trade and payments agreements may result in the inefficient allocation of foreign exchange. The International Monetary Fund repeatedly has recommended a termination of bilateral agreements because of their detrimental effect on the earning of foreign exchange. It is therefore believed that an elimination of bilateral trade agreements will facilitate developmental efforts by assuring access to the broadest possible markets in order to earn the foreign exchange resources needed for economic development.

RHODESIA

- 2 -

PART II

ILLUSTRATIVE LIST OF ITEMS ON WHICH
TARIFF REDUCTIONS MIGHT BE OFFERED

<u>Tariff Number</u>	<u>Commodity</u>
65	Clothing
76(c)	Cotton piece goods
80(a)	Threads and yarns
82(1)	Aircraft
107(3)	Air conditioning machinery
118(b)	Mining Machinery
119(1) (a), (b), (c), (d)	Electrical machinery
129(a)(1)(A) (B) (a)(11)(A) (B)	Motor vehicles
130(1)(2)	Tractors and parts
143(1)(a) (b) (2)(a) (b) (3)	Domestic electrical equipment
147(a), (b)	Road building machinery
149(1)(b)	Office machines; typewriters
149(2)	Duplicating machines
231(1)	Medicinal preparations
287	Cardboard
295(4)	Kraft paper

SUGGESTIONS AND ILLUSTRATIVE EXAMPLES OF THE TYPE OF ACTION WHICH THE UNITED STATES DELEGATION BELIEVES THE TOGOLESE DELEGATION COULD PROFITABLY EXPLORE IN THE EFFORT TO IDENTIFY POSSIBLE CONTRIBUTIONS TO THE OBJECTIVES OF THE SIXTH ROUND OF TARIFF NEGOTIATIONS WHICH WOULD BE CONSISTENT WITH TRADE, FINANCIAL AND DEVELOPMENT NEEDS OF THE TOGOLESE ECONOMY

The United States delegation feels that the suggestions for trade promotion contained in this paper are worthy of consideration by the Government of Togo as possible means of contributing to the Sixth Round of Tariff Negotiations. The suggestions include a list of illustrative items (Part II) which could be considered for a reduction in duties, and also include other areas of commercial policy where actions by the Government of Togo can liberalize trade in a manner consistent with Togo's economic development.

PART I - GENERAL SUGGESTIONS

1. Tariff Reductions. It is believed that an across-the-board review of existing duties in the light of the forthcoming Togo economic development plan, and its objectives, will disclose hitherto overlooked instances where reductions in import duties might have a beneficial effect upon the development program. Duty rates on equipment for basic development projects, agricultural supplies, and material not domestically produced are cases in point.

It is noted that a policy which grants widespread protection to local manufactures may foster the production of articles which cannot, either now or in the foreseeable future, offer prices and standards of quality which would be competitive with similar foreign goods. In such instances, a review of tariff duties should indicate areas in which the Government of Togo can, in the interests of lowering the cost of development, rely more heavily upon competitive market forces through the selective reduction of protective policies.

An overall tariff review may also be beneficial in assuring that tariff policy does not conflict with the welfare of the total population by retarding the inflow of essential items for health and educational purposes.

2. Import Controls. It is suggested that a review of import licensing and quota procedures would disclose potential revisions which could reduce costs, delays, and uncertainties to both Togolese importers and foreign suppliers.

A relaxation of import licensing procedures and a liberalization or elimination of quotas would make more readily available to Togolese importers those goods from foreign suppliers which offer the lowest prices and highest standards of quality.

3. Import Taxes. Togo's import tax structure is complicated by a large number of taxes, some or all of which apply to each imported commodity. In some instances, these charges may bear little relationship to the service involved, accepted international practice or the needs of modern public administration. It is believed that a review of the requirements for these many taxes -- the transaction tax, warehouse tax, sealing tax, statistical tax, sanitary tax, lighthouse tax, wharf tax, and Chamber of Commerce benefit tax -- some of which were imposed in the past for special or temporary purposes which may no longer exist, might disclose situations in which elimination, reduction, or consolidation would result in the facilitation of trade.

4. Bilateral Agreements. It is noted that a reliance on bilateral trade and payments agreements may result in the inefficient allocation of foreign exchange. The International Monetary Fund repeatedly has recommended a termination of bilateral agreements because of their detrimental effect on the earning of foreign exchange. It is therefore believed that an elimination of bilateral trade agreements will facilitate development efforts by assuring access to the broadest possible markets in order to earn the foreign exchange resources needed for economic development.

TOGO

- 3 -

PART II

LIST OF ILLUSTRATIVE ITEMS

<u>Tariff Number</u>	<u>Commodity</u>
10-01 to 10-07	Cereal grains
11-01	Flour
24-01	Unmanufactured tobacco
25-32	Cement, natural
30-01 to 30-05	Pharmaceuticals
40-11	Rubber tires and tubes
55-01 to 55-09	Raw cotton; cotton yarn and fabrics
56-01 to 56-07	Articles of synthetic fibers
61-01 to 61-11	Clothing
63-01	Used clothing
69-01 to 70-21	Ceramics, glass, and glassware
73-01 to 73-40	Iron and steel products
84-01 to 84-65	Machinery (including refrigerators and air-conditioners)
84-23; 87-01; 87-02B; 87-03; 87-07	Tractors and trucks
85-01 to 85-28	Electrical machinery, equipment, and parts
87-02A	Automobiles
87-09, 87-10	Motorcycles and bicycles

SUGGESTIONS AND ILLUSTRATIVE EXAMPLES OF THE TYPE OF ACTION WHICH THE UNITED STATES DELEGATION BELIEVES THE UGANDAN DELEGATION COULD PROFITABLY EXPLORE IN THE EFFORT TO IDENTIFY POSSIBLE CONTRIBUTIONS TO THE OBJECTIVES OF THE SIXTH ROUND OF TARIFF NEGOTIATIONS WHICH WOULD BE CONSISTENT WITH THE TRADE, FINANCIAL AND DEVELOPMENT NEEDS OF THE UGANDAN ECONOMY

The United States Delegation feels that the suggestions for trade liberalization contained in this paper are worthy of consideration by the Government of Uganda as possible means of contributing to the Sixth Round of Tariff Negotiations.

PART I - GENERAL SUGGESTIONS

1. Tariff Reductions and Bindings. Recognizing that the Government of Uganda does not apply administrative and nontariff barriers to trade and that the tariff is the major device used to regulate imports, it is suggested that a review of existing tariff rates may indicate items on which reductions or bindings of existing low or duty-free rates can be offered as contributions to the Kennedy Round. It is believed that such a review taken in the light of Ugandan development plans and objectives may disclose hitherto overlooked inconsistencies and cases where a reduction in duty may have a salutary effect upon development. A study of items for which a "suspended" duty is listed in the tariff may indicate items on which the "suspended" duty category can be eliminated or items on which, if the duty is imposed, it can be beneficially reduced.

An illustrative list of items whose duties could be reviewed from this standpoint is included in Part II.

UGANDA

PART II

List of Illustrative Items

<u>Uganda</u> <u>Tariff Item No.</u>	<u>Commodity</u>
1 (c)	Poultry, killed or dressed
8 (b)	Rice, not in the husk
15A	Canned foods - jams, fruit, soups
18 (a)	Nonfat dry milk
39	Clothing
40 (a)	Cotton and synthetic fabrics
56	Agricultural machinery
56	Capital goods for investment projects
57	Electrical machinery
61	Passenger automobiles
61	Busses and trucks
85	Abrasive papers
105	Soaps and cleansing preparations
108	Agricultural supplies
111	Disinfectants and insecticides
112	Pharmaceutical products
120	Rubber tires and tubes
137	Paper
165	Packing materials of paper
177	Other canned foods
177	Small consumer goods

SUGGESTIONS OF THE TYPE OF ACTION WHICH THE UNITED STATES DELEGATION BELIEVES THE U.A.R. DELEGATION COULD PROFITABLY EXPLORE IN THE EFFORT TO IDENTIFY POSSIBLE CONTRIBUTIONS TO THE OBJECTIVES OF THE SIXTH ROUND OF TARIFF NEGOTIATIONS WHICH WOULD BE CONSISTENT WITH THE TRADE, FINANCIAL AND DEVELOPMENT NEEDS OF THE U.A.R. ECONOMY

1. Tariff Reductions. It is believed that an across-the-board review of existing duties in the light of economic development plans and objectives will disclose hitherto overlooked inconsistencies and cases where reductions in import duties would have a salutary effect upon development programs and living standards. Duty rates on equipment required for basic development projects, agricultural machinery and supplies not produced domestically, are cases in point. It might be useful to consider eliminating import duties on capital equipment for export oriented industries. The closest scrutiny should also be given to the effect of present rates of duty on items which bear directly upon the health and social welfare of the populace such as pharmaceuticals, health and sanitation equipment and supplies, medical and dental equipment and supplies, and educational material.

In the interests of promoting industrial development and conserving scarce foreign exchange, the U.A.R. Government may have reason to protect new industries by the imposition of high tariffs and other controls. However, widespread protection of domestic industries by restrictions which prevent foreign goods in broad categories from entering the market may promote the manufacture of articles which are not, and which cannot be in the foreseeable future, competitive with foreign goods. The U.A.R. Government may find that reduction of tariffs and trade liberalization of selected categories of goods will lead to greater rationalization in its development program. Lists of illustrative items to be considered from the foregoing points of view are included in Part II.

2. Taxes and Surcharges on Imported Goods. It is suggested that a review of the taxes and surcharges levied by the Government of the U.A.R., including the statistical duty, the surtax imposed on all dutiable imports, the pavement duty and the portage duty will indicate cases where a reduction, elimination, or consolidation will benefit development plans. Since private enterprise forms a very small sector of the U.A.R. economy, the effect of these taxes and surcharges is to increase the costs of imported goods to the government agencies or government controlled industries which are the primary end users. An elimination of such duties would, therefore, help to rationalize the choice of investment decisions by basing them on actual cost, rather than on prices inflated by the various surcharges.

A review of duties such as the pavement and the portage duty may disclose that certain charges bear little relationship to the service involved, accepted international practice or the needs of modern public administration.

3. Bilateral Agreements. It is noted that a reliance on bilateral trade and payments agreements may result in the inefficient allocation of foreign exchange. In its memorandum entitled "Stabilization Program of the United Arab Republic" transmitted to the International Monetary Fund on April 18, 1964, the U.A.R. Government stated its intention to eliminate its bilateral payments agreements with I.M.F. members as soon as possible. Efforts should be pressed to overcome the problems which prevent the termination of these agreements. It is believed that a review of procedures concerned with the allocation of foreign exchange will reveal revisions that will lead to a more efficient allocation of the U.A.R.'s foreign exchange; for example, the allocation of foreign exchange on a global rather than on a currency basis.

4. Import Prohibitions. A review of the items prohibited from importation by the Government of the U.A.R. may indicate items where industrialization could be better served by removing them from the list. For example, the relaxation or removal of the restrictions on used machinery and equipment would permit imports of good quality equipment and machinery at substantial costs savings.

5. Domestic Resale Prices. It is believed that a review of the relationship of U.A.R. resale prices to the landed costs of imports will reveal hitherto overlooked inconsistencies in the margin by which the resale price exceeds landed costs. Reduction of this margin to a level equal to distribution costs would result in lower costs to development projects.

U.A.R.

- 3 -

PART II

LISTS OF ITEMS TO BE GIVEN SPECIAL REVIEW IN THE LIGHT OF
SUGGESTIONS CONTAINED IN PART I REGARDING TARIFF REDUCTIONS

U.A.R. Tariff
Number

Description

01.02	Cattle for Breeding, Except Dairy
01.02	Dairy Cattle for Breeding
02.01	Pork, Fresh or Frozen
02.02	Broilers & Fryers, Fresh or Frozen; Chicken ex. Broilers and Fryers Fresh or Frozen
02.02	Turkeys, Fresh or Frozen
04.02	Nonfat Dry Milk
10.01	Wheat, Unmilled
10.05	Corn, Except Seed
11.01	Wheat Flour
12.03	Vegetable Seeds, NEC.
15.02	Tallow, Inedible
15.07	Soybean Oil, Refined
15.07	Vegetable Oils & Fats, Secondary
15.07	Soybean Oil, Refined & Further Processed
15.07	Cottonseed Oil, Crude
15.02	Beef & Veal, Canned
19.02, 21.07	Infants & Dietetic Foods, Chiefly Milk
21.07	Flavors & Flavoring Extracts, Natural
24.01	Tobacco, Flue-Cured, Unstemmed
24.01	Tobacco, Burley, Unstemmed
24.01	Tobacco, Dark-Fired, Kentucky & Tenn.
29.02	D.D.T.
30.02	Antisera
30.03	Medicaments
35.03	Gelatin, Edible
38.11	Insecticides
73.15	Alloy Steel
73.20	Tube and Pipe Fittings
75.02	Aluminum Structural Shapes
84.06	Internal Combustion Engines
84.10	Pumps
84.11	Compressors or Condensing Units
84.22	Lifting and Handling Equipment
84.28	Other Agricultural Machinery
84.52	Calculating Machines
84.54	Other Office Machines
90.17	Medical Appliances
90.24	Measuring Instruments
90.25	Instruments for Analyses

SUGGESTIONS AND ILLUSTRATIVE EXAMPLES OF THE TYPE OF ACTION WHICH THE UNITED STATES DELEGATION BELIEVES THE URUGUAYAN DELEGATION COULD PROFITABLY EXPLORE IN THE EFFORT TO IDENTIFY POSSIBLE CONTRIBUTIONS TO THE OBJECTIVES OF THE SIXTH ROUND OF TARIFF NEGOTIATIONS WHICH WOULD BE CONSISTENT WITH THE TRADE, FINANCIAL AND DEVELOPMENT NEEDS OF THE URUGUAYAN ECONOMY

The United States delegation feels that the suggestions for trade liberalization contained in this paper are worthy of consideration by the Government of Uruguay as possible means of contributing to the Sixth Round of Tariff Negotiations. The suggestions include items which could be considered for a reduction in duties, but also include other areas of commercial policy where actions by the Government of Uruguay can liberalize trade in a manner consistent with Uruguay's economic development.

PART I - GENERAL SUGGESTIONS

1. Reduction of Tariff Rates. Tariff reductions on items essential to the economic development of Uruguay are suggested as offering important possibilities for contributions to the Kennedy Round.

An examination of Uruguayan tariff rates in relation to the goals of economic development and the improvement of living standards could reveal inconsistencies and areas where tariff reductions would assist efficient economic growth, help rationalize development programs and lower production costs of domestic industries, all of which should be of benefit to the general welfare and economy of Uruguay.

It is noted that a policy which grants widespread protection to domestic manufactures may foster the manufacture of articles which are not and cannot be in the foreseeable future competitive with foreign goods. In this regard, the National Economic Development Commission of Uruguay (CIDE) has noted the excessive fragmentation in some industrial branches and the tendency of manufactures to diversify uneconomically. A selective reduction of tariffs may help to alleviate these tendencies and at the same time contribute to the aims of trade liberalization.

An illustrative list of items whose duties could be reviewed for reduction in the Kennedy Round is included in Part II of this document.

2. Surcharges. Recognizing that the contracting parties to GATT have granted Uruguay a waiver under Article XXV to maintain their current surcharges ranging from 30% to 300% ad valorem for balance of payments reasons, it is nevertheless believed that a review of these surcharges may indicate items on which a reduction or elimination of the surcharge could benefit developmental efforts. An examination of these surcharges may well indicate items needed for developmental purposes or goods necessary for health and safety uses that are now being imported at a cost to the user that is inflated by the amount of the surcharge, such as insecticides, steel tubing of types not produced in Uruguay, greases and lubricants, raw cotton, and aluminum ingots. In instances where necessary imports must continue to be imported, the effect of the surcharge may not help to alleviate the imbalance in the Uruguayan balance of payments, but may instead, contribute to the inflationary pressures that the Government of Uruguay is attempting to control. An illustrative list of items on which the removal or reductions of surcharges may have a beneficial effect is included in Part III.

3. Miscellaneous taxes, port-handling fees, and consular fees and penalties. An examination of taxes and fees imposed in the past for special or temporary purposes and reasons which may no longer exist might disclose situations in which eliminations, reduction or consolidation would result in the facilitation of trade. Penalties for noncompliance with regulations may be identified as being unreasonable in relation to the offense or when the cause of noncompliance is unintentional or clerical.

A review may disclose that certain charges bear little relationship to the service involved, accepted international practice or the needs of modern public administration. The elimination or reduction of the complicated consular fee is suggested as a step, desirable in itself and long urged by the Contracting Parties of the General Agreement, that could be undertaken as a contribution to the Kennedy Round's objective of trade liberalization.

URUGUAY

- 3 -

PART II

ILLUSTRATIVE SUGGESTIONS FOR TARIFF REDUCTION DURING THE SIXTH ROUND OF TARIFF NEGOTIATIONS

Food for children
Seed peas
Hops
Tobacco
Orange oil
Flavors and flavoring extracts
Cotton
Soybean oil
Radio and TV accessories
TV picture tubes
Greases and lubricants
Steel cables
Aluminum cables
Agricultural harvesting machines
Industrial machines
Industrial machine tools
Road working machines
Refrigeration machines
Industrial machine parts
Parts for motor vehicles
Nylon yarn
Printing machines
Office machines
Statistical machines
Replacements for office machines
Trucks and truck parts
Tractor parts
Steel tubing, piping
Iron in square bars
Iron in aluminized sheets
Iron in common shapes
Additives for lubricating oils
Insecticides
Industrial chemical products
Contacts for the manufacture of switches
Transformers
Iron and steel articles for commercial fishing
Industrial filters
Tools not produced in Uruguay
Cellulose
Industrial dissolvents
Iron in ingots
Rayon fiber

PART III

ILLUSTRATIVE ITEMS FOR SURCHARGE REDUCTION DURING THE SIXTH ROUND OF TARIFF NEGOTIATIONS

Food for children (infants)
Orange oil
Salt in bulk
Hops
Vanilla
Tobacco
Soybean oil
Asphalt
Flavors and flavoring extracts

URUGUAY

- 4 -

PART III (Cont'd)

Steel cables
Aluminum tubing
Steel tubing, piping
Special cements
Iron in square bars
Iron in aluminized sheets
Iron in common shapes
Iron in round bars over 38 mm.
Tile bricks
Lumber
Gas and water meters
Automatic petroleum burners
High-pressure air valves
Miscellaneous valves and faucets
Mounted glass
Blank phonograph records
Industrial sound-recording machines
Virgin movie film over 35 mm.
Photographic plates
Additives for lubricating oils
Greases and lubricants
Medicinal gelatin
Insecticides
Raticides
Fire and burglar alarms
Batteries for telephone centers
Battery chargers
Commutators
Contacts for the manufacture of switches
Electric meters
Electric controls
Switchboard elements
Electric switches
Transformers over 100 KVA
Rectifying units over 100 amps.
Abrasives of special types
Apparatus and articles for the protection of workers, such as goggles,
masks, gloves, gauntlets, screens, hearing protectors, toe caps
for the manufacture of protective shoes, visors
Iron and steel articles for commercial fishing
Nails for construction guns
Heat safety controls for gas and water heaters
Special knives for the meat-packing industry
Industrial filters, including water filters
Solder and welding material
Tools not produced in Uruguay
Soldering implements
Bases for lamps and heaters
Pulleys
Cushion tanks for transporting over 2,000 liters of liquid
Pencils
Calculating machines
Accounting machines
Punch card machines
Typewriters
Adding machines
Registers
Mimeographs
Replacements for office machines
Pumps for liquids

URUGUAY

- 5 -

PART III (Cont'd)

Miscellaneous industrial oils
Steel in plates and sheets
Industrial acids not locally produced
Cotton
Aluminum ingots
Cardboard
Synthetic rubber
Cellulose
Copper ingots, sheets
Industrial dissolvents
Herbicides
Iron in ingots
Iron in sheets, plates
Lead in ingots
Rayon in fiber
Resins
Zinc in ingots, sheets

PROPOSALS FROM THE UNITED STATES DELEGATION OF POSSIBLE
CONCESSIONS BY YUGOSLAVIA IN THE SIXTH ROUND OF TRADE NEGOTIATIONS

The following general areas involving tariff barriers, import control regulations and charges are deemed worthy of investigation. An illustrative list of specific items to be reviewed in the light of these general suggestions is presented in Part II.

PART I - GENERAL SUGGESTIONS

1. Tariff Reductions. Tariff reductions on items, the importation of which is essential to the development of Yugoslavia, are suggested as offering important possibilities for contributions to the trade negotiations. An examination of Yugoslavia's tariff rates in relation to the goals of economic development and the improvement of living standards could reveal inconsistencies and areas where tariff reductions could serve to assist efficient economic growth by tending to rationalize development programs and lower production costs of domestic industries.

A reduction in duty of machinery needed for development projects, agricultural equipment and supplies not produced domestically, and equipment for export-oriented industries are cases in point. That there is scope for such rationalization efforts is indicated by Vice President Edvard Kardelj who has said: "In this respect the changes in our economic system will also have to play a role; to insert our foreign trade currency system into the general principles of our economic system; to make our production organizations join steadily and to an increasing extent the foreign trade exchange; to stimulate integrational processes which adjust our production to international markets and the division of labor."

2. Foreign Exchange, Quota and Licensing Regulations. Recognizing that the various regulations and the administration of the complex Yugoslav import licensing and exchange control system are subjected to periodic, if not continuous, review in the light of balance of payments considerations and the development needs of the economy, it is believed that a special effort would be appropriate to identify changes which would contribute to the trade negotiations and the overall objectives of the GATT.

Such a review could reveal items on which a relaxation of quota restrictions or a movement to the free list or liberal license would be consistent with the economic objectives of the Yugoslav Government. Another possibility to explore might be an increase in the amount of foreign exchange that exporters are allowed to retain for their own use. A selective relaxation of the foreign exchange and licensing control system as herein suggested could increase the incentive to export, lead to greater Yugoslav participation in the international division of labor, and at the same time contribute to the Kennedy Round goal of a greater liberalization of international trade.

PART II

ILLUSTRATIVE LIST OF ITEMS TO BE EXAMINED
IN THE LIGHT OF SUGGESTIONS IN PART I

<u>Yugoslavian Tariff Number</u>	<u>Description</u>
01.02	Cattle for Breeding, Except Dairy
01.02	Dairy Cattle for Breeding
04.02	Dried, Whole Milk & Cream
04.02	Nonfat Dry Milk
05.04	Sausage Casings, Natural, Hog
05.04	Sausage Casings, Natural NEC.
07.05	Beans, Navy or Pea, White, Dry, Ripe
08.02	Lemons & Limes, Fresh
10.01	Wheat Unmilled
10.03	Barley
10.05	Corn, Except Seed
12.01	Soybeans
12.06	Hops
15.02	Lard, Including Rendered Pork Fat
15.02	Tallow, Inedible
15.07	Cottonseed Oil, Refined & Further Processed
15.07	Soybean Oil, Crude, Inedible
20.02	Other vegetables preserved in airtight containers
20.07	Fruit Juices, NEC.
23.04	Soybean Oil Cake & Oil Cake Meal
24.01	Tobacco, Flue Cured, Stemmed
24.01	Tobacco, Flue Cured, Unstemmed
27.04 (1)-(5)	Pit coal for coking
27.07	Benzol oil, Zylol oil, Toluol oil, solvent Naptha
27.10 (7)(a)	Motor oil
27.10 (7)(f)	Gear and transmission oils
27.10 (7)(g)	Vaseline oils
27.10 (7)(h)	Cooling oil
27.10 (9)	Greases for bearings

PART II Cont.

<u>Yugoslavian Tariff Number</u>	<u>Description</u>
28.13 (5)	Nitric oxide, Nitrogen dioxide, Carbon ^d _A oxide
28.20 (3)	Aluminum oxide, hydroxide
28.46	Borates and Perborates
29.04 (5)	Propyl & Butyl Alcohol
29.04 (5)	Amyl Alcohol
29.06	Cresols, chemically pure
29.14 (3)	Butyl Acetate
29.38	Hormones, their salts and esters
29.38	Vitamin preparations
29.44 (2)	Streptomycin
29.44 (3)	Aureomycin
29.44 (3)	Terramycin
29.44 (3)	Other antibiotics
30.01	Other bacteriological products
30.02	Ser ~~va~~ and vaccines
35.03	Gelatin, Edible
38.03 (1)	Carbon, activated
38.08	Wood Rosins
38.19 (3)	Catalytic agents
39.02	Plastic materials, products of polymerization
41.01	Cattle Hide Croupns, Butts & Butt Bends
41.01	Cattle Hide, Ex. Croupns, Butts & Butt Bends
41.01	Hides & Skins Raw, NEC.
41.10	Artificial leather
48.01	Kraft paper
48.15 (3)	Cards for statistical machines
49.11	Commercial publicity material
55.01	Cotton, Upland, Staple Length under 1"
55.01	Cotton, Upland, Staple Length 1" - 1 1/8"
58.05	Narrow fabrics/other than ribbons, of silk or artificial silk

PART II Cont.

<u>Yugoslavian Tariff Number</u>	<u>Description</u>
68.13	Asbestos fabric & clothing
70.16	Glass tiles and bricks, cast or pressed
71.02	Piezo-electric quartz
73.20	Cast iron pipe fittings
73.21	Iron or steel structures, excl. bridge and roofing structures
73.22	Reservoirs and tanks of iron or steel
74.07	Tubes and pipes, of copper
74.08	Fittings of copper for pipes
74.10	Copper rope uninsulated
76.01	Aluminum alloys
84.01	Steam generating boilers, other than for locomotives or ships, parts thereof
84.01	Boiler house plant
84.01	Electric transformers, except transformers for testing, radio, telephones, and welding transformers
84.01	Parts of generators, motors & transformers
84.03	Producer gas generators and purifiers, acetylene gas generators (water process)
84.05	Steam Turbine engines for power plant
84.06	Aircraft engines & parts
84.10 (5)	Power pumps for liquids
84.11 (1)	Ventilators
84.14	Ovens, excl. electric
84.22	Conveying machinery, aerial ropeways and parts
84.22	Loading & unloading machines
84.23 (3) & (9)	Coal cutting machines & mechanical shovels
84.23 (4)	Bulldozers & dumpers
84.23 (12)(a)	Parts for replacement and assembly for conveying, hoisting, excavating, and mining machinery
84.25 (1)	Combines, agricultural
84.25 (3)	Ensilage cutters

PART II Cont.

<u>Yugoslavian Tariff Number</u>	<u>Description</u>
84.25 (4)	Winnowing, egg grading and other sorting and grading machines for agricultural products
84.31	Machinery for paper manufacture
84.41 (5)(7)(9)	Industrial sewing machines
84.41 (14)	Replacement & assembly parts for sewing machines
84.44 (1)	Rolling mill stands
84.44	Other equipment for rolling mills
84.45 (1)(a)	Wire drawing machines
84.45 (1)(e)	Cutting and shearing machines
84.52 (1) & (2)	Bookkeeping machines
84.52 (3)	Statistical machines
84.53	Electronic computers
84.54	Other office machines
84.55	Parts of office machines
84.57	Glass making machines, NES
84.61 (1)	Taps, cocks, valves, and other appliances for regulating the flow of fluids
85.01 (1)	Electric generator sets, powered by turbines
85.01 (1)	Electric generator sets, powered by engines
85.01 (1) (2)	Electric generators, motors & converters
85.04	Primary cells, primary batteries
85.04	Electric accumulators
85.14 (2)	Microphones for telephones
85.19	Switchgear, switchboards, control panels, circuit breakers
85.19 (1)	Telephone & telegraph rheostats
85.23	Low tension cables
85.27	Cable connectors
86.02 (3)	Electric rail locomotives, narrow gauge
88.03	Aircraft propellers
88.03	Other parts of aircraft
90.17	Other medical instruments, apparatus & parts

PART II Cont.

<u>Yugoslavian Tariff Number</u>	<u>Description</u>
90.22	Machines & appliances for testing physical properties of industrial materials
90.24	Manometers, thermostats, pyrometers, non-electric
90.25	Laboratory & pharmacy apparatus, NES
90.25	Other measuring, controlling, and scientific instruments & apparatus
90.28	Supersonic or electromagnetic echo sounding apparatus
90.28	Apparatus for measuring electric energy
90.28	Oscilloscopes & oscillographs
95.01-.07	Fancy carved articles of various materials
98.03 (2) (3)	Pencils
98.08	Typewriter and similar ribbons