BISD 03S/21-26 June 1955

**DECISIONS, RESOLUTIONS, ETC.**

**ARTICLE I**

AMENDMENT TO THE WAIVER FOR THE APPLICATION

BY ITALY OF SPECIAL CUSTOMS TREATMENT TO CERTAIN

PRODUCTS OF LIBYA

Decision of 17 November 1954

 *Taking note* of the proposal submitted by the Government of Italy, in response to a request of the Government of Libya, for a modification of the Decision of 9 October 1952, on continued application of special customs treatment to certain products of Lybia, by increasing the annual duty‑free quota for olive oil from 10,000 quintals to 25,000 quintals, until 31 December 1955, and

 *Taking note* of the statement by the representative of the Government of Libya to the effect that there was an exceptionally large production of olive oil in Libya in 1954 and that efforts are being made to promote national production to a standard which will permit Libya to participate in international trade on a normal competitive basis, and

 *Considering* that the Decision of 9 October 1952 will expire on 31 December 1955 and the situation will be reviewed at a session of the CONTRACTING PARTIES in 1955,

 THE CONTRACTING PARTIES, pursuant to Article XXV: 5 (a),

 *Decide* that the Annex to the Decision of 9 October 1952 shall be amended by substituting 25,000 quintals for 10,000 quintals as the annual tariff quota for olive oil.

SPECIAL PROBLEMS OF DEPENDENT OVERSEAS

TERRITORIES OF THE UNITED KINGDOM

*Decision of 5 March 1955*

 *Having received* from the Government of the United Kingdom of Great Britain and Northern Ireland a request for certain facilities to

assist them, in pursuit of the objectives of the General Agreement, in fulfilling their special responsibilities to promote the economic development and social well‑being of the overseas territories for whose international relations they are responsible (hereinafter referred to as the dependent overseas territories),

 *Having noted* the explanation of the Government of the United Kingdom that the sole purpose of the facilities sought is to enable them to assist and safeguard, in cases of special need, industries or branches of agriculture in the dependent overseas territories which depend wholly or in large measure upon the United Kingdom as a market for the export of their products,

 *Having further noted* the assurance given by the Government of the United Kingdom that they will, in the use of these facilities, safeguard the interests of other contracting parties to the General Agreement,

 *Recognizing* that, whilst the dependent overseas territories have access to the facilities of Article XVIII of the General Agreement for purposes of economic development, additional facilities may, in special cases and in the light of the special relations existing between the United Kingdom and the dependent overseas territories, be needed in order to assure an outlet for certain of their products in the United Kingdom market,

 THE CONTRACTING PARTIES

 Acting pursuant to paragraph 5 (*a*) of Article XXV of the General Agreement, and in consideration of the explanation and assurance recorded above,

 *Decide* that:

1.Subject to the provisions of the following paragraphs of this Decision,

 (*a*)the obligations of Article I shall be waived to the extent necessary to permit the Government of the United Kingdom to accord preferential tariff treatment to imports from the dependent overseas territories outside the limits permitted by the provisions of paragraph 4 of that Article, and

 (*b*)the provisions of the General Agreement shall be waived to the extent necessary to permit the Government of the United Kingdom to take such action to assist an industry or branch of agriculture in the dependent overseas territories as they can, without breach of their obligations under the General Agreement, take to assist a domestic industry or branch of agriculture under the provisions of Articles VI, XVI and XIX, of

 the Decision of 5 March 1955 dealing with the problems raised for contracting parties in eliminating import restrictions maintained during a period of balance‑of‑payments difficulties and of the Decision of 24 October 1953, as amended, granting a waiver to the United Kingdom from Article 1.

2.The provisions of this Decision shall not apply in respect of any action taken by the Government of the United Kingdom which,

 (*a*)would assist an industry or branch of agriculture in the dependent overseas territories which is not wholly or in large measure dependent on the United Kingdom as a market for the export of its product, or

 (*b*)would also afford material benefit, either in the domestic or in export markets, to industries or branches of agriculture of the United Kingdom or of any territory other than the dependent overseas territories.

3.(1) No action shall be taken by the Government of the United Kingdom in virtue of paragraph 1 of this Decision which has the effect of introducing or increasing a margin of preference outside the limits permitted by the provisions of Article I of the General Agreement without the prior concurrence of the CONTRACTING PARTIES in accordance with procedures annexed hereto. Furthermore, the Government of the United Kingdom shall, upon request, promptly enter into consultations, with a view to arriving at a mutually satisfactory settlement or compensatory adjustment, with any contracting party which considers that such action is causing, or is likely to cause, material damage to its commercial interests and, if these consultations do not result in a mutually satisfactory settlement or adjustment, the contracting party or parties affected may refer the matter to the CONTRACTING PARTIES for a decision in accordance with the procedures annexed hereto.

(2) No action under sub‑paragraph (1) which involves an increase in a bound tariff shall be taken except in accordance with the provisions of the General Agreement or of the Declaration of 10 March 1955 on the Continued Application of Schedules.

4.Whenever the Government of the United Kingdom takes any action in virtue of the provisions of paragraph 1 (*b*),

 (*a*)they shall conform to the conditions and follow the procedures laid down in the Articles and Decisions specified therein, and

 (*b*)where not already provided for in (*a*) above, they shall forthwith furnish to the contracting parties which appear to them

 to have a substantial interest in the trade in the product or products affected by the action, and to the CONTRACTING PARTIES, full particulars (including relevant statistical information) as to (*i*) the dependent territory or territories in respect of which action is being taken and the circumstances making the action necessary, and (*ii*) the nature of the action and the product or products to which it applies.

 Thereafter, any contracting party which considers that serious prejudice to its interests is caused or threatened thereby may request consultation and the Government of the United Kingdom shall promptly enter into discussions with the contracting party or parties concerned as to the possibility of limiting or modifying the action. If agreement is not reached in such consultations, the contracting party or parties which requested the consultations may refer the matter to the CONTRACTING PARTIES for such action as may be appropriate having regard to the relevant provisions of the General Agreement.

5.The Government of the United Kingdom shall report not later than four weeks before each annual session, on all action taken in virtue of the provisions of this Decision, and

 *Declare* that

 This Decision shall not preclude the right of contracting parties to have recourse to the appropriate provisions of Article XXIII.

*Procedures Relating to Paragraph 3 (*1*)*

1.Notification to the CONTRACTING PARTIES by the Government of the United Kingdom of any proposal to take action in virtue of paragraph 3 (1) shall be made to the Executive Secretary who shall promptly inform all contracting parties in strict confidence.

2.If within thirty days of notification by the Executive Secretary any contracting party requests consultation or a meeting of the CONTRACTING PARTIES (or of the Intersessional Committee acting on their behalf), the CONTRACTING PARTIES shall make the necessary arrangements for such consultation or meeting with a view to reaching a decision at the earliest possible date on whether concurrence is granted or withheld.

3.If within thirty days of notification by the Executive Secretary, no contracting party requests consultation or a meeting of the CONTRACTING PARTIES (or of the Intersessional Committee acting on their behalf) to take a decision on whether concurrence is granted or withheld, the Government of the United Kingdom shall be free to assume concurrence and to take the action proposed forthwith.

4.If, consultation having been requested by any contracting party at any time, no mutually satisfactory settlement or compensatory adjustment is agreed upon between that contracting party and the Government of the United Kingdom and the matter is referred to the CONTRACTING PARTIES, the CONTRACTING PARTIES shall make appropriate arrangements to en sure that they reach an early settlement or decision in the matter.

5.It is recognized to be essential that there should be no disclosure of a proposed modification of duty before such modification is publicly announced by the United Kingdom. Accordingly the CONTRACTING PARTIES agree to make provision for the observance of the utmost secrecy at every stage of these procedures.

AMENDMENT OF THE WAIVER GRANTED TO THE UNITED

KINGDOM IN CONNECTION WITH ITEMS TRADITIONALLY

ADMITTED FREE OF DUTY FROM COUNTRIES OF THE

COMMONWEALTH

*Decision of 5 march 1955*1

 *Whereas the* CONTRACTING PARTIES at their Eighth Session decided that, subject to certain conditions and procedures, the provisions of paragraph 4 (*b*) of Article I should not be so applied that, when the Government of the United Kingdom imposes or increases a most-favoured‑nation rate of protective duty in respect of a given class or description of goods for which they had not as of 24 October 1953, being the date of the aforesaid Decision, negotiated tariff concessions, they should be required to impose a duty on such goods when imported from territories listed in Annex A to the General Agreement,

 *Having received* from the Government of the United Kingdom of Great Britain and Northern Ireland a request that this Decision should be amended so as also to apply, subject to the same conditions and procedures, to most‑favoured‑nation rates of protective duty modified or withdrawn consistently with the provisions of the general Agreement,

 *Noting* that this Decision, so amended, would not apply in respect of a modification or withdrawal of a most‑favoured‑nation rate of protective duty for which the Government of the United Kingdom had as of 24 October 1953 negotiated a tariff concession unless its application in that case was in conformity with the conditions and

\_\_\_\_\_\_\_\_\_\_\_\_\_

 1 The title of the Decision of 24 October 1953, as appearing on page 20 of *BISD*, Second Supplement, should be amended by omitting the words “Not Bound in Schedule XIX and”.

procedures agreed at the Eighth Session for providing other contracting parties with full safeguards as regards any likelihood of substantial increase of imports into the United Kingdom from territories listed in Annex A at the expense of imports from other sources,

 *Decide* that, as from this date, the Decision of 24 October 1953 shall extend to the imposition or increase of a most‑favoured‑nation rate of protective duty in connection with the modification or withdrawal, consistently with the provisions of the General Agreement, of a tariff concession which the Government of the United Kingdom had negotiated as of 24 October 1953, and that, accordingly, the Decision of 24 October 1953 shall apply subject to the addition of the following:

 (*a*)In the first paragraph at the end, and in the seventh paragraph after the word “concessions”, the words:

 “or for which, having negotiated concessions, they are nevertheless free, under the provisions of the Agreement, to increase the most‑favoured‑nation rate of duty”.

 (*b*)In the first and seventh paragraphs, before “paragraph 4 (*b*)”, the words:

 “paragraph 4 (*a*) or”.