

**GENERAL AGREEMENT ON
TARIFFS AND TRADE**No. _____
SECRET/285/Add.2
23 August 1982

Original: English

ARTICLE XXVIII:5 NEGOTIATIONS
SCHEDULE I - COMMONWEALTH OF AUSTRALIA
Addendum

The following communication, dated 12 August 1982, has been received from the delegation of Australia.

GATT ARTICLE XXVIII:5 - CANNED HAM

The communication from the Commission of the European Communities, dated 9 June 1982, advises that the Community wishes to reserve its rights, in particular under Article XXVIII:3, in relation to Australia's proposal to modify a concession on certain prepared or preserved meat or meat offal (ex 16.02.900). Document SECRET/285/Add.1 of 28 June 1982 refers.

Australia has noted the comment by the Community to the effect that Australia unbound and increased the tariff on canned ham without the negotiations being completed. Australia does not disagree with this comment but wishes to provide further background to assist Contracting Parties appreciate that Australia did not act in a precipitous manner.

In GATT document SECRET/285 circulated on 8 February 1982, Australia formally notified the Contracting Parties of its intention to modify its schedule of concessions by adding quote pigmeat in airtight containers unquote to the existing exclusions applying to the concession ex 16.02.900 in the Australian schedule. At the same time, and in accordance with its GATT obligations, Australia indicated that it would be negotiating compensatory adjustments with the Community which was the principal most-favoured-nation supplier of the product concerned.

In order to progress the negotiations, Australia made an immediate offer to commensurate compensation. In the subsequent negotiations, it was not possible to find common ground and, after nearly four months, Australia could delay no longer because of pressing domestic requirements. In taking action, Australia had regard to the fact that negotiations should not be so drawn out as to frustrate the legitimate needs of a Contracting Party to take necessary action.

In taking the action in relation to canned ham, Australia nevertheless, indicated that it still sought a mutually satisfactory settlement in the Article XXVIII:5 negotiations concerning pigmeat in airtight containers but this would be confined to the existing offer. The offer therefore continues to remain available for acceptance by the Community.