

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

COM.IND/W/35
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Special Distribution

Committee on Trade in Industrial Products

NOTE BY THE SECRETARIAT ON MEETING OF 5 OCTOBER 1970

1. The Committee met on 5 October 1970 under the chairmanship of Mr. G. Stuyck (Belgium).

I. Programme of work on non-tariff barriers

2. The Chairman recalled that at the July meeting of the Committee it had been left to the Steering Group to decide on the organization of work on non-tariff barriers for the remainder of 1970. He reported, however, that the Steering-Group had considered it preferable to put a decision on the question over to this meeting of the full Committee. The Group had, in fact, been unable to decide how best to organize work to fulfil the mandate of the Committee to complete preparatory work on non-tariff barriers by the end of the year. He noted that difficulty in reaching a decision arose in part from uncertainty as to the scope of remaining preparatory work which could reasonably be expected to be accomplished in advance of any decision on whether and under what conditions multilateral action would be undertaken.

3. In the debate which followed, the representatives of the United Kingdom and the United States stated that they were prepared to regard the question of the body or bodies to conduct the work as subsidiary; they indicated that they were also prepared to leave open the question whether the work would continue exclusively on selected priority topics or would include new considerations relevant to other topics which members might wish to discuss. However, they insisted that emphasis should be placed on notifications offering good prospects and on an effort to clarify the degree of consensus achieved. Another condition would, of course, be that time would not be spent in reiterating positions already made clear in earlier meetings.

4. The representative of the European Communities expressed some doubt as to whether it would be possible to go as far as some had envisaged towards finding very detailed solutions. He also considered that it would be difficult to agree in advance upon priority topics suitable for further discussion. He therefore favoured leaving open the question as to topics to be considered, and agreed that the choice of a body or bodies to carry out this work was a subsidiary one, although the full Committee might be able to work more flexibly, devoting more time when needed and cutting short debate on other topics when no progress was in sight.

5. Other representatives agreed that any selection of topics would be difficult and various views were expressed as to whether the full Committee or the Groups should be used. Several delegations mentioned the need for better summary documentation than had yet been prepared for use of the Industrial Committee.

6. Summing up the debate, the Chairman considered that the Committee had agreed it would be feasible to carry out its mandate to conclude preparatory work by the end of the year. He noted a consensus in favour of a review of the subjects within each Group's competence in order to provide an opportunity for any possible additional views or any modifications of views expressed. Emphasis would be placed on problems susceptible of further elaboration, notably including the problems mentioned by the five chairmen in the summaries they had given of work in their Groups and bearing in mind the topics selected by the United Kingdom for special attention.

7. On the question of procedure, he pointed out that there might be advantage in keeping the original Groups, whose chairmen were already familiar with the different viewpoints on the problems within their competence, and that some flexibility as to the time available for each Group's meeting could be obtained by bunching several Group meetings into the space of a week or so. This would also alleviate the problem of distant delegations, whilst also making it easier to pinpoint the time at which particular topics calling for experts might be considered.

8. It was agreed to reconvene all the Groups for a series of meetings at which preparatory work on possible solutions, if not already completed, would be completed for the topics within each Group's competence. The first meeting would be held from 2-11 November (for Groups 1 and 3) and the second from 2-11 December (for the remaining Groups, and the one-day meeting of the Joint Working Group).

II. Further action on the Tariff Study

9. The Chairman recalled that the Committee had noted at its meeting on 13 July that the secretariat had completed and circulated the basic documentation for the objective tariff analysis envisaged in the work programme of the CONTRACTING PARTIES. After a preliminary exchange of views on the Tariff Study, the members of the Committee had generally agreed that further action on the Study should be taken by a policy oriented group, assisted as necessary by technical experts. The Committee had decided, however, to postpone the establishment of such a group until the autumn when terms of reference could be set by the Committee having regard to reactions from delegations after consideration in capitals.

10. The representative of the United States said that an analysis of only selected negotiating plans as proposed by the secretariat (in document Spec(70)81) could not be supported by the United States because of its limited scope and prejudgment

of future negotiations techniques. The United States would suggest a number of other choices with regard to further action on the Tariff Study:

- (i) further work could be suspended while governments examined the information available and until non-tariff barriers were incorporated in the tariff data;
- (ii) a consolidated set of summary tables could be developed in a more readily accessible form than the present study but without further processing geared to any particular negotiating plan;
- (iii) an objective study of trade data and tariff rates could be carried out to develop lines of analysis useful for future negotiations; or
- (iv) a further major effort could be launched to develop a more meaningful basis for both future negotiating plans and assessment by individual contracting parties of the effects of tariff levels and tariff changes on trade flows.

The full text of the statement by the representative of the United States has been circulated in COM.IND/W/34.

11. The representative of the United Kingdom agreed that it would be difficult at the present time to draft precise terms of reference for a group to take further action with regard to the Tariff Study.

12. The representative of the European Communities said that the basic documentation for an objective tariff analysis had been completed. The time had thus come for the establishment of a policy oriented group to carry out the further analysis as envisaged by the CONTRACTING PARTIES. He pointed out that some of the courses for further action suggested by the United States were clearly not within the work programme adopted by the CONTRACTING PARTIES.

13. It was felt by a number of representatives that a group should be appointed to carry out further action on the Tariff Study. Some of them stressed that the items suggested in document Spec(70)SI, i.e. an examination of the variation of the average duties from sector to sector, the dispersion of the eleven national tariffs around the overall duty averages, the degree of dispersion of tariff items around the sectoral average, and the degree and industrial pattern of tariff escalation, could, at least partially, be the object of the analysis to be undertaken. It was also suggested that effective tariff protection should be covered by the analysis.

14. In view of the divergencies of opinion with regard to the establishment of a group and its terms of reference, it was agreed to revert the matter at a meeting of the Steering Group, which would then submit proposals to the Committee in full.

15. The Committee also discussed the proposal by the United States that non-tariff barriers applicable to particular industrial products should be shown in the Tariff Study to the extent possible (cf. document Spec(70)97). The representative of the European Communities stressed that the examination of the non-tariff barriers and the Tariff Study were two separate things which should not be mixed up. He also pointed out that the base dates for the two exercises were different: the non-tariff barrier examination related to the present situation while the Tariff Study represented the position as it would be on 1 January 1972. The inclusion of non-tariff barriers would also cause difficulties because there were divergencies of opinion regarding what constituted a non-tariff barrier. A number of representatives sympathized in principle with the American proposal but agreed that the inclusion of the non-tariff barriers would cause large technical difficulties and suggested that the question should be referred to the Steering Group. The Committee agreed that the Steering Group should take it up for further consideration at the same time as the terms of reference for the group that would carry out the further analysis of the Tariff Study. In the meantime the secretariat would examine the technical problems involved.