

GENERAL AGREEMENT ON TARIFFS AND TRADE

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RECENT ACTIVITIES IN OTHER GATT BODIES

Note by the Secretariat

1. COUNCIL

In March 1972 the Council discussed the two joint declarations on international economic relations that had been made in February by Japan and the United States and by the European Community and the United States, respectively. Following this discussion the Chairman observed that developing countries had generally expressed their appreciation of the initiative to undertake multilateral and comprehensive negotiations in the framework of GATT beginning in 1973. These countries, however, made their association with the undertakings conditional upon the details to be applied to their participation. It was agreed that in analyzing and evaluating the alternative techniques and modalities for the negotiations, attention had to be given to the special modalities for the participation of developing countries. At its meeting in June the Council took note of resolutions adopted at UNCTAD III which make reference to GATT, one of which concerns multilateral trade negotiations. It was agreed that the Council could revert to the matter as and when necessary.

2. COMMITTEE ON TRADE IN INDUSTRIAL PRODUCTS

In March 1972, the Industrial Committee agreed that one of the main objectives of the trade negotiations was that they should bring effective benefits for the trade of developing countries and that techniques and modalities necessary for the participation of developing countries should be analyzed and evaluated with this objective in mind. In June the Committee discussed various possible modalities and techniques for negotiation of tariff and non-tariff barriers on industrial products as outlined in document COM.IND/W/76, and also noted observations on the advantages and disadvantages of some of these approaches in relation to the trade interests of developing countries. The Committee requested the secretariat to prepare a paper on the implications of the different techniques for the trade interests of developing countries, having particularly in mind the structure of developing countries' trade and the existence of the generalized system of preferences.

The work in progress in the sub-groups of the Committee in regard to certain non-tariff barriers and the Tariff Study is indicated below.

Export subsidies

Working Group 1 was instructed at the twenty-seventh session to examine export subsidies covered by Article XVI:4. This has been done from the point of view of the adequacy of existing GATT provisions, and aims in particular at the refinement and elaboration of a definition of measures forbidden by Article XVI:4. The question of how to obtain wider acceptance of the obligations of the 1960 Declaration is also being discussed. Certain proposals, listed in L/3496 have been considered. The Group is continuing its efforts to find an ad referendum solution to these problems. The secretariat has prepared a comprehensive background note contained in document COM.IND/W/73.

Import documentation and customs valuation

Group 2 has submitted ad referendum texts on principles and interpretative notes relating to valuation (COM.IND/W/64) to national administrations. In discussions related to the drawing-up of these texts, developing countries drew attention to the specific difficulties for their trade which arise from certain valuation systems and procedures in force in some developed countries.

In regard to import documentation including consular formalities, Group 2 was instructed at the twenty-seventh session to work out ad referendum texts basing itself on proposals contained in document L/3496. The Group has had one meeting to organize its work for which the secretariat has drafted a background note contained in COM.IND/W/79. The Group will continue its work in the autumn.

In regard to consular formalities and fees, specific suggestions have been made by some delegations. The secretariat has been asked to prepare further documentation on consular formalities.

Standards

Working Group 3 is working on the text of a draft code of conduct for preventing technical barriers to trade (Spec(72)18). The Group will meet again in the autumn with the objective of completing its work by the end of this year.

Licensing

Working Group 4 has examined draft texts dealing with automatic licensing systems and licensing to administer import restrictions (Spec(72)38), and has agreed on ad referendum texts to be submitted to national administrations. Developing countries have made several proposals and have also requested that their problems be given special attention if the Group addresses itself to the problem of quantitative restrictions. In its work on licensing, the Group noted proposals made by developing countries that quantitative restrictions affecting their export trade should be removed by a fixed target date, if necessary on a preferential basis, and that pending their total elimination the allocation of quotas to them should be improved.

Working Party on the Tariff Study

The secretariat has recently circulated as Spec(72)32 and Add.1 a compilation of responses of the EEC Commission and thirteen governments to a questionnaire designed to ascertain the availability of statistical information required for a study of trade effects of tariff changes. A secretariat survey of possible methodological approaches to such a study was circulated simultaneously as Spec(72)40. At the end of June the Working Party discussed the feasibility study and future work programme, including work that might be done to assist the Industrial Committee in its exploration of techniques and modalities of future trade negotiations.

3. AGRICULTURE COMMITTEE

At its meeting in February 1972 the Committee agreed to establish a Working Group to examine the various techniques and modalities as they relate to agriculture. In March, the Working Group agreed that the interests of developing countries would best be served if their representatives made known their views on each technique or modality as it was being examined, especially as regards any particular adaptation that might be required. At this meeting there was also discussion *inter alia* of priority consideration to be given to products of interest to developing countries (Spec(72)21, paragraphs 22-30). The Group met in May and again in June to continue its examination of the techniques and modalities listed in COM.AG/W/77. The Group has thus carried out a first discussion of the advantages and disadvantages of possible techniques for negotiations with respect to import, export and production as well as other general measures applied in agriculture. The Committee expects to meet again in July to review and take store of the progress of this work.

4. COTTON TEXTILES COMMITTEE

The Cotton Textiles Committee met in June to conduct a major review of the Arrangement regarding International Trade in Cotton Textiles and to discuss adjustment assistance measures relating to the cotton textiles industry. Further work was postponed temporarily in light of the Director-General's suggestion in the GATT Council that a working party be established to study international trade in textiles generally. At its meeting held on 27 June, the Council agreed to set up a Working Party to make a study of facts regarding the economic, technical, social and commercial elements which influence world trade in textiles. The particular importance of trade in these products for the economic and social development of developing countries and for their export earnings is explicitly recognized.

5. WORKING PARTY ON ACCESSIONS TO THE EUROPEAN COMMUNITIES

The Working Party has discussed the documentation to be provided by the EEC for the purpose of the examination of the Treaty on enlargement under Article XXIV. The Working Party has set 30 June as a target date for submission of questions to the EEC and acceding countries and 30 September as a target date for replies by the EEC.

6. TRADE NEGOTIATIONS AMONG DEVELOPING COUNTRIES

On 25 February 1972 the sixteen developing countries which had drawn up the Protocol signed this instrument. The Protocol will enter into force when one half of the participants have deposited instruments of ratification.