

GENERAL AGREEMENT ON TARIFFS AND TRADE

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NOTE ON DEVELOPMENTS IN THE MULTILATERAL TRADE NEGOTIATIONS

Prepared by the Secretariat

1. At the May 1975 meeting of the Committee on Trade and Development it was suggested that future meetings of the Committee should undertake a review of progress in the multilateral trade negotiations on the basis of a separate secretariat note on developments in the negotiations, which would, inter alia, take into account issues of interest to developing countries. This note summarizes developments in the negotiations¹ since the summer recess on the basis of notes on the discussions of the various Groups and Sub-Groups issued up to 24 October 1975. Information on subsequent developments will be circulated as an addendum to this document.

Group "Tariffs"

2. At its meeting on 14-16 October 1975, the Group had a further discussion on tariff cutting formula or formulae to be used in the negotiations including the suggestion that any such formula or formulae be based on the concept of substantially equivalent competitive opportunities. There was also further discussion of how account might be taken of the importance of maintaining and improving the GSP and how special and more favourable treatment might be provided to exports of developing countries. Special procedures for tariff negotiations between developed and developing countries was also discussed. The Group intends to revert to these matters at its next meeting.

¹Notes on developments in the multilateral trade negotiations during the first half of 1975 are contained in COM.TD/W/227 and Add.1.

3. The Group, also considered a note it had requested the secretariat to prepare in consultation with interested delegations, on a system for rapid evaluation of the implications for developing countries' exports of different tariff-cutting formulae. It was agreed that the proposed system would be developed further, in consultation with interested delegations. Some delegations envisaged a need to establish a technical sub-group which would examine problems in this and in associated areas of the Group's work.

4. The Group agreed that the secretariat examine the feasibility of calculating the effective protection rates applicable, in the developed countries' markets, to products on which developing countries either had at present or seemed likely to develop processing facilities.

5. The Group also agreed to revert at its next meeting to a number of other questions which appeared to need further clarification, including the following: (a) base rates/base dates for negotiations on tariff cuts; (b) a choice between c.i.f. and f.o.b. bases in assessing and negotiating the depth of tariff cuts; and (c) questions relating to links between negotiations on tariffs and those related non-tariff measures.

Group "Non-Tariff Measures"

6. The Group at its meeting on 13-15 October 1975 resumed discussion of the establishment of a second list of non-tariff measures which could include, inter alia, variable levies and minimum import prices, anti-dumping duties, government procurement, and prior import deposits, together with the possibility of constituting new sub-groups to examine them. These matters are being included in the agenda for the Group's next meeting on 3 December 1975. The Group held a further discussion on the procedures for negotiations on non-tariff measures not dealt with multilaterally and agreed to revert again to the matter at its next meeting. It also agreed to revert to the question of a link between negotiations on non-tariff measures and tariffs and to a proposal that the Tariff Rate Information File should be expanded to include indicators of certain non-tariff import measures which relate directly to individual tariff lines.

Sub-Group "Technical Barriers to Trade"

7. At its meeting on 3 October, the Sub-Group discussed a number of points relating to marks of origin and agreed to invite delegations to submit any proposals they might have on how marks of origin might be dealt with in the negotiations. The Sub-Group also discussed certain matters relating to the proposed GATT Code of Conduct for Preventing Technical Barriers to Trade, noting also that the draft

had been taken up for examination at the technical level. A number of delegations said that particular attention should be paid to the provisions in the text which were designed to meet the special interests of developing countries. At its next meeting, the Sub-Group is expected to examine the points identified for consideration at the technical level meeting on standards and packaging and labelling with a view to reaching agreement on as many of these as possible.

Sub-Group "Customs Matters"

8. The Sub-Group has been examining issues relating mainly to customs valuation, including the problems in this area experienced by developing countries. It has been suggested that it would be desirable to agree on a new set of international rules or principles on customs valuation which could be formulated in the context of the multilateral trade negotiations. Participating countries have been invited to submit to the secretariat specific comments in writing on a number of specific issues relating to customs valuation as well as on the elements they would wish to have included in any new set of international rules or principles on customs valuation.

9. The secretariat has been requested to update an earlier note on "Import Documentation Requirements" and to keep the Sub-Group informed of developments concerning documentation in certain other organizations. The Sub-Group also agreed to have at its next meeting an extensive and detailed exchange of views, inter alia, on aspects of policy considerations underlying import documentation requirements.

10. The Sub-Group agreed that the question of consular formalities and fees - on which the secretariat had been requested to collate certain information - would be reverted to at a later meeting.

Sub-Group "Subsidies and Countervailing Duties"

11. After an extensive review of issues in the areas of subsidies and countervailing duties at its meeting of 3-5 June 1975, the Sub-Group achieved widespread consensus to proceed from general discussion to substantive negotiations based on specific proposals made by governments. The next meeting of the Sub-Group is scheduled for 10 November 1975 when it will begin the examination of written comments on problems and of proposals made by a number of governments regarding their solutions. Consideration is also expected to be given to the question of differentiated treatment in favour of developing countries.

Group "Agriculture"

12. In addition to its earlier meetings during March/May 1975, the Group held a further meeting in September to pursue its work in accordance with the mandate given to it by the Trade Negotiations Committee.

Group "Tropical Products"

13. At its third meeting during the period 20-23 October, the Group discussed developments in the consultations which had taken place between countries submitting requests for concessions on tropical products and countries to which requests had been addressed. It was agreed that these consultations should continue for the purposes of clarifying and examining the request lists and providing an opportunity for substantive preliminary reactions to the requests. Plurilateral consultations may also take place where this is considered useful. The Group also agreed on certain arrangements for the tabling of initial offers. At its next meeting scheduled for 10 February 1976, the Group will continue to take up matters for decision in the context of carrying forward the negotiations on tropical products as a special and priority sector.