

GENERAL AGREEMENT ON TARIFFS AND TRADE

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DEVELOPMENTS IN THE MULTILATERAL TRADE NEGOTIATIONS

Prepared by the Secretariat

1. At recent meetings, the Committee on Trade and Development has undertaken a review of developments in the multilateral trade negotiations with particular reference to points of interest to developing countries. In the following paragraphs an attempt has been made to provide a general summary of developments in the negotiations, as of 22 October, since the April 1976 meeting of the Committee.

Group "Tariffs"

2. The Group "Tariffs" met in July and again in October. At these meetings the Group had a preliminary discussion of a number of specific proposals for a tariff negotiating formula which had been put forward by certain delegations. In addition, the Group continued its discussion on special and more favourable treatment, where feasible and appropriate, to be provided to the exports of developing countries in the field of tariffs and on the special procedures required to facilitate this. Other questions discussed at these meetings included base rates and base dates as regards unbound rates, the suggestion that assessment of reciprocity in the tariff negotiations should take into account whether duties were applied on a c.i.f. or f.o.b. basis and the question of exceptions. The above matters will be taken up again at the next meeting in December when the Group has agreed to focus on the question of special procedures and special measures in favour of developing countries.

Group "Non-Tariff Measures"

3. The Group met in April and July. In its discussion on the establishment of a second list of non-tariff measures, it agreed to set up a Sub-Group "Government Procurement", which would organize its own work in the light of documentation available to it from both GATT and OECD sources, having regard to any views expressed regarding requirements for additional material. The Group also addressed itself to proposals

for the creation of two other Sub-Groups; one on variable levies, minimum import prices or non-tariff charges on imports and the other on anti-dumping. The Group discussed procedures for negotiations on measures not being dealt with multilaterally, in respect of which there was general support for a procedure of notification subject to certain conditions. The Group agreed to revert to the above matters at its next meeting.

Sub-Group "Subsidies and Countervailing Duties"

4. At its meeting in July, the Sub-Group continued its discussion on problems encountered in the area of subsidies and countervailing duties and on proposals for appropriate solutions to these problems on the basis of a checklist of positions of delegations prepared by the secretariat and submissions by delegations. The Sub-Group agreed that it was necessary to bring the issues and solutions into sharper focus. To constitute a basis for further discussion, the secretariat is preparing a revised checklist of positions on the various issues, taking into account any further submissions by participants. One delegation is endeavouring to present, in time for the next meeting, a negotiating proposal.

Sub-Group "Customs Matters"

5. At its July meeting, the Sub-Group had a further discussion on the main elements of possible new international rules or principles on customs valuation on the basis of a note by the secretariat. The Sub-Group also discussed the question of the application of any new valuation principles or rules to charges or restrictions covered by Article VII, other than customs duties. In addition, the question of how special and more favourable treatment as provided for in the Tokyo Declaration could be afforded to developing countries was raised and reference was made in this respect to documentation noting the specific problems encountered by developing countries in this area (COM.TD/W/195). The Group agreed that the secretariat should prepare a revised checklist, indicating areas of broad consensus and areas where divergences existed, as a basis for discussion at the next meeting of the Sub-Group.

6. In regard to import documentation, the Sub-Group had a further exchange of views on specific documentation requirements which appeared to be burdensome to traders in some countries. In this respect developing countries referred to the particular problems they encountered in this field. In addition, in respect of consular fees and formalities, the Sub-Group had a detailed exchange of views which allowed some delegations of countries maintaining consular formalities and/or fees and countries with an interest in having these formalities removed to provide

additional explanations and comments. Some delegations explained the reasons for the continued application of consular formalities by their countries which, in their view, did not constitute obstacles to trade.

Sub-Group "Technical Barriers to Trade"

7. The Sub-Group at its meeting in May discussed the definitions to be used in the draft Standards Code and agreed to base them on the ECE/ISO definitions, only departing from these to the extent necessary for the purpose of the draft Code. The Sub-Group also had a detailed discussion of proposals relating to the definitions. The Sub-Group discussed a number of proposals relating to the operative provisions in the draft Code. It decided that points agreed during these discussions should be incorporated in the text of the draft Code. The Sub-Group suggested that the time had come for a review of the applicability of the draft Standards Code to agriculture and tropical products to be initiated by the Groups "Agriculture" and "Tropical Products" in accordance with the decision of the Group "Non-Tariff Measures" at its first meeting.

Sub-Group "Quantitative Restrictions"

8. At its meeting in July 1976, the Sub-Group "Quantitative Restrictions" reviewed developments under the consultation procedures agreed earlier by the Sub-Group. It was agreed that the process of consultations should be continued and that delegations which had not yet submitted summary notes should endeavour to do so prior to the next meeting of the Sub-Group with a view to facilitating an analysis of the existing situation. The Sub-Group continued its discussion of the possibility of formulating additional procedures for bilateral and for plurilateral negotiations on quantitative restrictions and the possibility of working out a general formula or formulae of automatic application, as well as the possibility of differential treatment including special procedures in favour of developing countries. The Sub-Group agreed to revert at its next meeting to these matters and at a subsequent meeting to the question of a review of the GATT provisions relating to the use of quantitative restrictions from the point of view of developing countries. The Sub-Group also discussed the question of ensuring an accurate and complete data base on quantitative restrictions. The Sub-Group continued its discussion of import licensing procedures on the basis of the two texts for proposed solutions and agreed at its next meeting to examine in detail the different proposals made.

Sub-Group "Government Procurement"

9. The Sub-Group held its initial meeting on 20 October to organize its work in the light of the documentation available to it, both from GATT and OECD sources, having regard to any views expressed regarding requirements for additional material. The Group heard a number of statements on matters relating to government procurement, including a statement by some delegations that work in this area should take into account the relevant provisions of the Tokyo Declaration relating to special and differential treatment for developing countries, where this is feasible and appropriate, both in respect to rights and obligations. The secretariat was asked to prepare for the next meeting of the Sub-Group a list of elements already identified in the area of government procurement taking into account suggestions which may be submitted by delegations. There was broad agreement that the OECD should be requested to forward to the GATT secretariat, at the earliest possible date for the purposes of the Sub-Group, the Draft Instrument currently under consideration in that body. If available, the examination of the draft instrument at the next meeting would be without prejudice to any decision regarding the negotiating hypothesis which might be adopted by the Sub-Group for its work.

Group "Sector Approach"

10. At its meeting in October, the Group reverted to the points taken up at its last meeting in the light of the comments and proposals made and the additional documentation provided by the secretariat. It was noted that the Canadian delegation intended to elaborate on its proposal relating to a sector negotiation, through informal bilateral and plurilateral discussions in the coming weeks, in even more detail and with greater precision. In addition, the Group agreed that the secretariat should be asked to provide additional information on the separate identification of handicraft products in national tariffs and various schemes concerning imports of handicraft products by developed countries with such additional trade data and non-tariff information as may be available. The Group also took note of the data provided by the secretariat with regard to a number of sectors not so far taken up in the Group. The Group agreed that at its next meeting it would revert to the points taken up at the present meeting and any other matters which might be raised by delegations relevant to its work.

Group "Safeguards"

11. Since the last meeting of the Committee on Trade and Development, the Group "Safeguards" has met twice, in May and July 1976. At its May meeting, the Group decided that the first phase of its work - the examination of the operation of the

present multilateral safeguard system - had been carried as far as it usefully could be at that time. At its July meeting, the Group began the second phase of its work in taking up an examination of what elements could be built into a possible new or revised multilateral safeguard system, on the understanding that delegations could come back to an examination of the present system at any time, and that the examination of the elements would be without prejudice to the question of the adequacy or inadequacy of the present system. The Group had before it a number of new proposals as well as proposals which had been on the table for some time, and had a useful preliminary discussion of different general issues, including the particular problems of developing countries.

Group "Tropical Products"

12. The Group "Tropical Products" has carried forward its negotiations in this area in accordance with the agreed Guidelines. Following the submission of requests for concessions by some forty-four developing countries, offer-making countries tabled their initial offers on tropical products involving m.f.n. offers, GSP contributions and some non-tariff measure actions, in the first half of 1976.
13. The tabling of these offers and contributions has been followed by a process of consultation and negotiation at the bilateral level and also between regional groupings and individual offer-making countries. The provision for plurilateral consultation and negotiations has also been availed of.
14. Requesting countries expressed disappointment at the size, scope and content of the offers and regretted that it had not been possible to achieve any significant improvements in the course of the consultations and negotiations. On the other hand representatives of offer-making countries stated that their governments had made an important effort to table significant and substantial offers on tropical products. It was noted that all participants continued to adhere to the agreed aim of achieving concrete results on tropical products in 1976 and agreed that offer-making countries should work towards the implementation of their concessions and contributions on 1 January 1977 or the earliest possible date thereafter consistent with their domestic procedures. The Group urged that any specific problems relating to implementation of offers by any individual country be resolved through appropriate consultations.
15. The Group also noted that further bilateral and plurilateral negotiations on tropical products in certain cases could be helpful in achieving an improved list of concessions and contributions for implementation at an early date. Some

delegations indicated that further action with respect to tropical products will be undertaken in the overall context of the negotiations. At its next meeting, the Group is expected to review progress with regard to the implementation of concessions, review developments in the bilateral and plurilateral negotiations which are expected to take place and keep under review the question of promoting further progress on tropical products in line with the guidelines for negotiations in this area.

Sub-Group "Grains"

16. When it met in May, the Sub-Group on Grains continued the multilateral examination and analysis of measures affecting exports and imports applied by individual countries. The Sub-Group also continued its discussion on various elements contained in proposals with regard to the three interrelated categories of topics which had been identified at its first meeting - stabilization of prices and markets, trade liberalization and objectives concerning developing countries. During the discussion, some delegations further elaborated and clarified proposals made by them at earlier meetings. It was agreed that consideration of these matters should continue at the next meeting of the Group. There was a general view in the Sub-Group that, in order to advance its work, bilateral and plurilateral discussions among participants on the outstanding issues before the next meeting of the Sub-Group should be intensified, and there was a consensus that the time had come for the Sub-Group to deal in depth with the details of the elements contained in the various proposals with a view to agreeing on mutually acceptable solutions at an early date.

Sub-Group "Meat"

17. At its July meeting, the Sub-Group on Meat continued the discussion on various elements contained in proposals made with regard to the categories of topics identified at its first meeting (expansion and greater liberalization of trade, stable and secure trading conditions, proposals for special and differential treatment for developing countries, and forms of international co-operation and its mechanisms). For this purpose, the Sub-Group continued its study of the elements which might, inter alia, be the subject of possible multilateral treatment, as well as the elements which might not be the subject of such treatment, account being taken in either case of the inter-relationships of the commitments which might be undertaken. It agreed that it would continue consideration of these matters at its next meeting.

Sub-Group "Dairy Products"

18. The Sub-Group, at its July meeting, continued its examination of various elements contained in the proposals concerning the categories of questions agreed on at its first meeting - competition in international markets, special

and differential treatment for developing countries, and forms of international co-operation and its mechanisms. In particular, it discussed means of improving and extending the devices of the existing international agreements or arrangements and concurrently import and export régimes, notably duties, non-tariff measures and export aids. It was agreed to continue these discussions at the next meeting of the Sub-Group. Members were invited to communicate in writing their views on the deficiencies in existing international arrangements or agreements in the dairy sector, as well as means of improving or completing them and, concurrently, on the means of liberalizing import and export régimes.

