

GENERAL AGREEMENT ON TARIFFS AND TRADE

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DEVELOPMENTS IN THE MULTILATERAL TRADE NEGOTIATIONS

Note by the Secretariat

1. As agreed at its meeting in May 1975, the Committee on Trade and Development undertakes, at each of its meetings, a review of developments in the multilateral trade negotiations with particular reference to points of interest to developing countries. For this purpose at the November 1978 meeting of the Committee, the secretariat circulated a background note which provided a broad review of developments at that time. In the following paragraphs, an attempt has been made to provide a general summary of the situation as of mid-March 1979. It is expected that in the Committee delegations may have particular points on which they would wish to elaborate or particular issues to raise including in connexion with more recent developments in the MTN. It might be noted that the secretariat will be undertaking an analysis of the results for developing countries as soon as the negotiations have been completed and the final details have become available.
2. By the end of 1978, a view was widely held that while considerable progress had been made in the various areas of the negotiations, certain issues remained to be resolved including, inter alia, greater application of special and differential treatment for developing countries and the need to take more fully into account the negotiating objectives of those countries. In the first weeks of 1979, the negotiations were pursued largely through bilateral and plurilateral contacts between delegations interested in all or specific areas with the objective of reaching maximum possible agreement on the outstanding issues. Attention was also being given to certain legal and drafting aspects of the various instruments under negotiation, with a view to their preparation for submission to the Trade Negotiations Committee.
3. A number of developing countries participating in the multilateral trade negotiations have applied for either full or provisional accession to the GATT in the context of the MTN. The GATT Council has considered these applications and put into operation procedures for their examination. In parallel, tariff negotiations concerning full accession, are taking place.

4. In the field of tariffs, it would seem that negotiations among a number of developed country participants at the bilateral level have been largely concluded, although some points continue to remain for resolution. Negotiations between certain developed countries and developing countries have also continued with some being completed in the period since the Committee on Trade and Development last met. These have been dealing, inter alia, both with the offers of the developed countries in order to seek their improvement and the concessions and contributions that developing country participants might make towards the multilateral trade negotiations as a whole.

5. At the December 1978 meeting of the Group "Non-Tariff Measures" delegations of some developing countries registered their concern at the lack of concrete progress in negotiations on item-related non-tariff measures subject to requests. These matters have been followed up between delegations concerned since the last meeting of the Committee. The Group "Non-Tariff Measures" also had an exchange of views on the relationship of certain provisions proposed for inclusion in an agreement on subsidies and countervailing duties to provisions in the Anti-Dumping Code and took note of the interest expressed by some delegations of developing countries in discussions or negotiations aimed at securing a wider acceptance of the Anti-Dumping Code. Both in meetings of the Committee on Anti-Dumping Practices and in bilateral and plurilateral contacts, consultations have been taking place on the question of suitable adjustments to the Anti-Dumping Code to accommodate also the particular concerns of developing countries.

6. The Sub-Group "Subsidies and Countervailing Duties" has had before it an outline of an arrangement on subsidies and countervailing duties. The Sub-Group at a meeting in December 1978 noted that although the outline provided a substantive basis for final agreement, it did not commit any delegation and further elaboration would be needed in order to arrive at an operational document. Following plurilateral consultations among delegations on the basis of this outline, a text containing a draft Agreement on Interpretation and Application of Articles VI, XVI and XXIII of the General Agreement on Tariffs and Trade, which has the broad acceptance of a number of delegations has been circulated. It is understood that further consultations have since been held between delegations particularly on points of interest to the developing countries.

7. At its meeting in March 1979, the Sub-Group "Customs Matters" had before it a revised text of the draft Agreement on Implementation of Article VII of the General Agreement, submitted by a number of delegations. The Sub-Group also had before it a number of proposals for amendments to the draft Agreement, including some presented by developing country delegations with a view to taking into account their concerns. The Sub-Group had an exchange of views on the draft Agreement, focussing in particular on the problems raised by developing country participants. It agreed that consultations should continue among all interested delegations.

8. The Sub-Group "Government Procurement" continued its work on the negotiation of an arrangement on government procurement at meetings in November and December 1978. At its December meeting, the Sub-Group had before it, in addition to earlier documentation, the text of an "Agreement on Government Procurement" made available by a number of participants. It was noted that the text took into account a number of points raised previously in the Sub-Group as well as matters examined in the course of bilateral and plurilateral consultations among interested delegations. Further consultations and negotiations on the text have been taking place among interested delegations, with a view to presenting a final document to the Sub-Group for consideration as quickly as possible. At its meetings, the Sub-Group also reviewed the situation with regard to negotiations on lists of procurement entities and took note of additional offers and requests that had been made. In accordance with agreed procedures, participants wishing to do so have been undertaking negotiations on procurement entities also with a view to finalizing this aspect of the government procurement negotiations.

9. At its meeting in December 1978, the Sub-Group "Technical Barriers to Trade" had before it a revised text of the Draft Standards Code incorporating the agreement reached in the Group "Agriculture" regarding the applicability of the draft code to agricultural products. The Sub-Group noted that there was broad agreement on the text before it and that the main elements of the standards code had been negotiated out. The Sub-Group agreed that the precise wording of some provisions in the text would have to be re-examined. It also agreed that governments should examine the text to see if it was acceptable to them. Informal consultations have been taking place.

10. Following consultations, in accordance with the agreement reached in the Sub-Group "Quantitative Restrictions" at its meeting in September 1978, the text of a draft Agreement on Import Licensing Procedures was circulated in December 1978 at the request of a number of delegations. Consultations have since been taking place among interested delegations with a view to reaching agreement on a final text. Negotiations on item-related quantitative restrictions have been proceeding in contacts among delegations, in line with the procedures for negotiations on specific non-tariff measures adopted by the Group "Non-Tariff Measures" in July 1977.

11. The Group "Safeguards", when it met in December 1978, had before it a draft integrated text on safeguards reflecting the thinking of several delegations on chapters dealing with serious injury and causality, domestic procedures, conditions, notification and consultation, surveillance and dispute settlement and response to safeguard measures. The text did not cover chapters relating to the nature of safeguard action, export restraints and differential treatment for developing countries. The Group had an exchange of views on matters covered by the text as well as matters not covered. Subsequently, consultations have been taking place among interested delegations on outstanding matters, in particular the question of the nature of safeguard action.

12. At its meeting in December 1978, the Group "Agriculture" agreed that the proposed Draft Code of Conduct for Preventing Technical Barriers to Trade was applicable to agricultural products, subject to the statements made and the reservations expressed in the Group and to the understanding that delegations retained the right to revert to proposals on any matter in the Sub-Group "Technical Barriers to Trade". The Group also had before it a text reflecting the thinking at that time of certain delegations on a multi-lateral agricultural framework. Following discussion aimed at clarifying a number of issues contained in the text, there was a broad consensus in the Group that an improved level of international co-operation in matters affecting agricultural policies and trade was both desirable and necessary, and that a mechanism for consultation on such matters under the auspices of GATT could be an appropriate instrument towards this objective. The Group agreed that the issues raised in the document merited further examination in depth and that it would revert to the matter. As regards agricultural matters not being dealt with multilaterally, bilateral and plurilateral consultations and negotiations among interested delegations have been taking place under the procedures agreed by the Group "Agriculture".

13. Following meetings of the Sub-Group on Dairy Products in November and December 1978, there appeared to be a large measure of agreement on the text of a draft International Dairy Arrangement, having regard to a number of reservations made and certain proposals submitted for consideration. The position concerning the draft Agreement Regarding Bovine Meat, following meetings of the Sub-Group on Meat in November and December 1978 was broadly similar. With regard to grains, negotiations in the context of the United Nations "Grains" Conference, aimed at replacing the existing international wheat agreement were suspended in February 1979 without agreement on some of the main issues. Under these circumstances, the Conference decided to recommend the prolongation of the existing wheat agreement as well as the Food Aid Convention.

14. In the field of tropical products, consultations and negotiations have continued to take place in connexion with requests for concessions on tropical products submitted or resubmitted in the framework of the procedures agreed in the Groups "Non-Tariff Measures" and "Agriculture", as well as in the context of the negotiations on tariffs. At its meeting in December 1978, the Group "Tropical Products", in the light of the advanced stage of the negotiations overall, reviewed the situation with respect to tropical products having regard to developments since its previous meeting in October 1978 and heard, among other things, the concern expressed by a number of developing country delegations at the lack of progress in certain product areas of particular importance to them. It was understood that consultations and negotiations among the participants concerned would be continued over the following weeks with a view to reaching agreement in the area of tropical products at the highest possible level.

15. At its meeting in December 1978, the Group "Framework" had before it texts on the various points of the Group's work programme incorporating the results of informal consultations between a number of delegations. Following further informal consultations, a revision of these texts was circulated.

