

GENERAL AGREEMENT ON TARIFFS AND TRADE

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Committee on Trade and Development
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BACKGROUND NOTE FOR REVIEW OF IMPLEMENTATION OF PART IV AND OPERATION OF THE ENABLING CLAUSE

Prepared by the Secretariat

Addendum

1. The following paragraphs update the information in Section III, "Developments in Other GATT Bodies of Interest in Relation to Part IV".

Committee on Anti-Dumping Practices (L/5058)

2. At its meeting of 20-22 October 1980, the Committee examined notifications of national legislation and implementing regulations submitted by ten countries and the European Communities and draft legislation being prepared by one country. The Parties to the Revised GATT Anti-Dumping Code which had not submitted their national legislation and implementing regulations were invited to do so by 31 December 1980. The Committee also examined semi-annual reports under Article 14:4 of the Agreement on anti-dumping actions. The Committee agreed to hold a meeting in January 1981 to discuss problems related to the basic price systems. At the request of the Brazilian delegation, the Committee took a decision to the effect that it recognized that Brazil would require a further period of three years in order to implement its domestic legislation in conformity with provisions of the Agreement and it noted that Brazil undertook not to take anti-dumping actions until it would be able to proceed with such a full implementation of its domestic legislation. In accordance with Article 16:7 of the Code, the Committee examined and adopted its annual report to the CONTRACTING PARTIES (L/5052).

Committee on Subsidies and Countervailing Duties (L/5059)

3. At its meeting of 23-24 October, the Committee examined notifications of national legislation and implementing regulations submitted by seven countries and the European Communities and examined draft legislation which is being prepared by one country. The signatories to the Code on Subsidies and Countervailing Duties which had not submitted their national legislation and implementing regulations

were invited to do so by 31 December 1980. The Committee also examined semi-annual reports under Article 2:16 on countervailing duty actions. The Committee took note of the commitment under Article 14:5 by the Republic of Korea. The Committee had a preliminary discussion of problems related to the invocation of the provisions of Article 19:9 of the Agreement. It was agreed that, without prejudging the issues to be discussed, the Committee would meet at a date to be fixed by the Chairman in consultation with interested delegations to afford signatories the opportunity to consult further on these problems. In accordance with Article 19:6 of the Agreement, the Committee prepared and adopted its annual report to the CONTRACTING PARTIES (L/5055).

Committee on Safeguards (L/5061)

4. In accordance with the mandate given to it by the CONTRACTING PARTIES (L/4898), the Committee held its second meeting on 29 October 1980. Members of the Committee underlined the need to come to an early agreement in the area of safeguards. The Committee noted that discussions and consultations in this area were continuing on an informal basis among a certain number of participants and expressed the hope that information in respect of these consultations would be made available to all participants. It noted that more time was needed for this process of discussion and consultation. It also noted that all delegations remained committed to seeking early agreement in this matter and agreed that negotiations should commence in the Committee as soon as possible. One delegation, recalling the reservation it had made at the thirty-fifth session of the CONTRACTING PARTIES in respect of the mandate of the Committee, stated that it was not in a position to agree to a solution which was limited to safeguard actions taken under Article XIX of the GATT. Other delegations did not consider it appropriate at this stage to record their positions or to comment on specific points made in the discussion. The Committee continues to remain on call for further meetings. It will meet not later than April 1981 for a substantive review of the situation and of the progress made.

Consultative Group of Eighteen (L/5066)

5. The Consultative Group of Eighteen met on 30 and 31 October 1980. The Group exchanged views on current trends and prospects in the international economy and their implications for trade policies. Members agreed that it was essential, in the present persisting economic difficulties, that governments continue to resist protectionist pressures, and to make the fullest use of the opportunities and procedures which GATT offers for resolving trade problems. In this context, the special difficulties of developing countries and, in particular, the problems stemming from their heavy debt burden were underlined. The payments position of such countries could be restored only through the expansion of their export earnings and any increase of protectionism would make this process very difficult. The Group also resumed its examination, undertaken at the request of the CONTRACTING PARTIES, of

how work in GATT on structural adjustment and trade policy should be carried forward. The Group decided to recommend to the Council that it establish a Working Party to elaborate specific proposals for the future work of GATT relating to structural adjustment and trade policy, including the nature and objectives of such work, in the light of the report of the Consultative Group of Eighteen and of the views expressed in the Council, as well as the discussions in the Committee on Trade and Development. It further decided to recommend to the Council that it invite the Working Party to report to it by March 1981. It was understood in the Consultative Group that the Working Party, in fulfilling its mandate, will bear in mind the provisions of the GATT, including Part IV, and that the Council, in its consideration of the Working Party report, shall take account of the views expressed on the report by the Committee on Trade and Development and the Consultative Group of Eighteen. In addition, the Group reviewed a number of subjects which have been proposed by members for examination at future meetings. It agreed that the implementation of the MTN should continue to figure on the Group's agenda.

Committee on Tariff Concessions

6. At its meeting of 3 November 1980, the Committee continued its consideration of questions arising from the decision to introduce a loose-leaf system for the schedules of tariff concessions; it was understood that delegations would endeavour to submit their consolidated schedules as soon as possible. With regard to the status of acceptances of the Geneva (1979) Protocol and the Supplementary Protocol, the Committee noted that a number of countries had not yet been able to complete the necessary ratification procedures and that the Council would consider at its meeting of 10 November a draft decision extending the time-limit for acceptances of the Protocols to 30 June 1981. The Committee also further examined the proposed revised procedures for negotiations under Article XXVIII, and agreed on a text which it forwarded to the Council for adoption. On the question of the adjustment of specific duties, the Committee agreed to recommend to the Council that the Committee on Tariff Concessions rather than the Committee on Balance-of-Payments Restrictions should be the principal forum for any discussion that might be taken up in connexion with the new guidelines on this matter adopted by the Council on 29 January 1980. In discussions on the Tariff Study, members of the Committee considered the methodology and the possible enlargement of the Study. The Committee requested the secretariat to prepare for its next meeting a document on the methodology applicable in the calculation of tariff averages and on the methods for aggregating products, in the light of discussions which took place in the Group of Technical Experts on the Tariff Study before the launching of the MTN. On the question of the measurement of tariff escalation, the Committee agreed that the applicable methods to measure the progressivity of tariffs should be carefully examined and requested the secretariat to prepare a note on this subject. The Committee also examined a secretariat document on problems connected with tariff reclassification and agreed that the document should be revised on the basis of the discussion in the Committee.

Committee on Technical Barriers to Trade

7. At its meeting on 4-6 November, the Committee arranged for consultations to be held on the terms of acceptance of a country under Article 15.2 of the Agreement on Technical Barriers to Trade. It also agreed to establish a working party to examine the request for accession to the Agreement by a non-contracting party. The Committee discussed the applicability of the Agreement to processes and production methods and agreed to continue its discussion on this matter at its next meeting. The Committee initiated its annual review of the implementation and operation of the Agreement under Article 15:8; the review will be completed at the Committee's next meeting in the light of additional information supplied by signatories. The Committee adopted its report to the CONTRACTING PARTIES which is being distributed as document L/5068.