

GENERAL AGREEMENT ON TARIFFS AND TRADE

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Committee on Tariff Concessions

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REPORT BY THE VICE-CHAIRMAN¹ OF THE COMMITTEE ON TARIFF CONCESSIONS TO THE COUNCIL ON 3 NOVEMBER 1981

1. The last meeting of the Committee on Tariff Concessions took place on 19 October last, so it has not been possible to prepare a detailed document describing the Committee's activities, have it approved and circulate it within the time-limit. In the absence of the Committee Chairman, therefore, I propose to give you an oral report on what the Committee on Tariff Concessions has been doing this year.
2. The Committee on Tariff Concessions has met twice in the course of the year, on 11 May 1981 and barely two weeks' ago on 19 October 1981.
3. The Chairman of the Committee was Mr. Tomoya Kawamura (Japan) and I served as Vice-Chairman. After Mr. Kawamura was recalled to Tokyo to take up other duties, I presided over the meeting of 19 October 1981.
4. In accordance with its terms of reference the Committee has continued to oversee the status of acceptances of the Geneva (1979) Protocol and the Supplementary Protocol (TAR/W/2/Rev.4). At the meeting of 11 May the members of the Committee agreed that it was necessary to submit to the Council on 11 June 1981 a request for extension of the time-limit for acceptance of the Protocols until 31 December 1981 (L/5159) because not all countries were in a position to complete the necessary formalities for final acceptance of those Protocols. At its meeting on 19 October the Committee noted with satisfaction that all the countries which had a schedule of concessions annexed to the Geneva (1979) Protocol had accepted that Protocol. However, since two countries had not yet accepted the Supplementary Protocol, it proved necessary to submit to the Council today, a further request for an extension of six months, i.e. until 30 June 1982, with a view to final acceptance of the Supplementary Protocol by those two countries (C/W/369).
5. With regard to the implementation of the stage-by-stage tariff cuts granted in the Multilateral Trade Negotiations, very few countries had not supplied information by the Committee's last meeting (TAR/W/8/Rev.3). Additional information

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has since been received concerning two countries. At this date only one country has not yet supplied particulars of the implementation of the reductions which it granted during the Multilateral Trade Negotiations.

6. At its meeting of 3 November 1980 the Committee asked the secretariat to prepare a background paper on tariff reclassification giving more detail than the paper previously distributed (TAR/W/19). An initial exchange of views was held at the meeting of 11 May 1981. Some differences of opinion emerged, however, and it was decided to continue the discussion in a small working group composed of the interested countries. The group has held several meetings but, since the discussions and consultations on the problem of tariff reclassification have not been completed, the discussion of the subject has been postponed to the Committee's next meeting, by which time a revised text of document TAR/W/19 will have been distributed.

7. One of the tasks of the Committee on Tariff Concessions is to establish a system of loose-leaf schedules of tariff concessions. At its last meeting the Committee learned that some dozen countries had transmitted their draft schedules in loose-leaf form (TAR/W/23). Several of those countries chose to fill in all the columns, whereas a grace period of a year had been granted from the time of submission of the schedule, within which to collect the necessary data on initial negotiating rights in old concessions. The time-limit for the submission of such schedules had been set at 30 September 1980 for the schedules proper and 30 September 1981 for information on initial negotiating rights. No new time-limit was set, it being understood that governments were endeavouring to prepare their schedules as required for the loose-leaf system as soon as possible. A check of the schedules already submitted has revealed some problems relating to the interpretation and description of previous concessions, which were often expressed in a different nomenclature. In that connexion the secretariat suggested at the meeting of 19 October that it prepare a new document that would examine in a detailed manner the problems raised in this field. Referring to the preparation of its own schedule in loose-leaf form, a delegation tackled the question of the validity of the loose-leaf schedules as legal instruments and requested that the question be examined in more detail at a further meeting of the Committee.

8. A new item appeared on the agenda of the Committee on Tariff Concessions for its meeting of 19 October (TAR/W/22). This was the Harmonized Commodity Coding and Description System and the implications of its adoption for the schedules of tariff concessions annexed to the General Agreement. This topic was the subject of a very general debate during the last meeting of the Committee where its members agreed upon the importance of the problem.

It was suggested that the secretariat should study in more detail the repercussions which the adoption of the Harmonized System would have on the schedules of concessions and that delegations should submit in writing their suggestions concerning such simplified procedures as they would like to see applied in that connexion. This item will be included in the agenda for forthcoming meetings of the Committee.

9. In the course of its two meetings the Committee examined the problems presented by the study of tariff escalation. On the basis of the document prepared by the secretariat (TAR/W/18) the delegations expressed their views on possible methodology for measuring tariff escalation. While some delegations continued to doubt the feasibility of such studies, several expressed the hope that the secretariat would begin straight away making calculations concerning product groups or manufacturing chains determined by the method proposed by the secretariat. At the Committee's last meeting most of its members expressed support for a pilot study to explore the possibility of measuring tariff escalation for one or two specific manufacturing chains as a first stage. One delegation, however, expressed serious misgivings about the methodology proposed in the secretariat paper and about the value of a study limited to tariffs without regard to quantitative restrictions.

10. The Committee also examined the question of the Tariff Study and noted that, for most of the Study files, the secretariat had completed the recording of the duties resulting from the Tokyo Round negotiations and of import statistics for 1978. The countries participating in the Study expressed the hope that those files would be updated annually. The majority of delegations also expressed support for the idea of expanding the Tariff Study to include more countries. One delegation, however, was not in favour of such expansion if the Study was to take no account of quantitative restrictions. In that connexion, several delegations pointed out that the instructions given to the secretariat for preparing the Tariff Study files had not covered non-tariff measures; other delegations envisaged that an expert group might be convened to examine the question.