

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

W.27/3

26 November 1971

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CONTRACTING PARTIES
Twenty-Seventh Session

SUMMING UP BY CHAIRMAN

I will sum up the main points of the twenty-seventh session but wish to clarify that this summing up is in addition to the one I already gave last Monday, notably on specific points concerning the trade of developing countries, otherwise there may be misunderstanding with the less developed countries.

The main points are as follows:

1. The CONTRACTING PARTIES have just adopted a Decision relating to the trade negotiations among developing countries, authorizing the necessary waiver from the provisions of Article I of the General Agreement.
2. The proposal by Sweden for the establishment of a high-level trade policy group and the proposal by Australia for the establishment of a small group of independent experts on agriculture received a large measure of support from among delegations. This support, however, was insufficient to enable the CONTRACTING PARTIES to adopt the two proposals, as it was felt by some delegations that they were premature at this time. It would be open to the Council to revert to the matter at a later stage, if contracting parties so wished.
3. Following the discussions we have had, we should now consider the reports of the Committee on Trade in Industrial Products, the Agriculture Committee and the Committee on Trade and Development to be adopted.

4. There has been a consensus on the following:

(a) Group of Three

The CONTRACTING PARTIES have decided that the Group of Three should be retained in order to ensure follow-up action on its report. It should explore with the contracting parties concerned the possibilities for dealing with difficulties connected with the implementation of its recommendations and the progress made in implementing them. In the light of discussions held in the

relevant GATT Groups and Committees, the Group of Three may also make recommendations or suggestions aimed at facilitating the implementation of Part IV of the General Agreement. The Group should report, in the ordinary course, to the Committee on Trade and Development and to the CONTRACTING PARTIES.

(b) (i) The Contracting Parties look with interest to the conclusion of negotiations in connexion with the accession of a number of European countries to the Treaty of Rome.

(ii) They request the Director-General, to consult, at the appropriate time, with interested contracting parties for the purpose of formulating and submitting to the Council terms of reference for a working party. There was widespread desire that the Director-General initiate these consultations immediately upon the signature of each agreement.

(c) Reports on regional agreements

The CONTRACTING PARTIES instruct the Council to establish a calendar fixing dates for the examination, every two years, of the reports on the preferential agreements.

(d) The Contracting Parties decide to ascertain as far as possible the statistical facts concerning their trade at most favoured nation and at other rates. Accordingly the Director-General is requested to determine for each Contracting Party that is a Member of the GATT as of the twenty-seventh session and for the Contracting Parties as a whole, the total imports at most-favoured-nation rates and total imports at preferential rates from all sources by country, including imports from other parties to customs unions, free-trade areas, and special trading arrangements. Calculations should be made for representative year in the period 1955-1970 inclusive.

In its task the secretariat will be guided by a working party which will provide appropriate directives.

The Director-General's findings should be made available within six months to the Council, which shall then consider what further steps should be taken.

5. Committee on Trade in Industrial Products

With regard to future work of the Industrial Committee on non-tariff barriers, there was general agreement that the main emphasis should be given energetically to pursuing the work now under way on standards and licensing to the end that shortly, as has already been the case for valuation, texts might be submitted to governments.

In addition there was a consensus that the time has come to select certain additional non-tariff barriers for similar work as and when the schedules of the various groups permit. The following items commanded general support. Group 1 to undertake work on exports subsidies, covered by Article XVI:4. Group 2 to consider the problem of import documentation, including consular formalities. Group 3 should consider the problems of packaging and labelling. There was also general agreement that there should be continuous exploration of the possibilities of adding other topics to this work programme.

With regard to the Tariff Study, the consensus seems to be that the work programme outlined in the Report to us by the CTIP should be endorsed.

6. Statement on trade policy

The CONTRACTING PARTIES are conscious of the dangers of instability and disorder in trade relations.

They recognize that prolonged debate and confrontation over issues, which it is in the interests of all to resolve, would be dangerous both economically and politically.

However, the CONTRACTING PARTIES believe that the current situation, despite the serious risks it presents, also offers opportunities for constructive action. They recognize the importance of avoiding these risks and of seizing these opportunities through concrete action in the field of trade relations.

The CONTRACTING PARTIES reaffirm their firm intention to continue to work together in the framework of the GATT to overcome trade problems and differences. They reaffirm their determination to continue to give particular attention to the trade problems of developing countries and to the resolution of these problems.

The CONTRACTING PARTIES agree to pursue, through the GATT Programme for Trade Expansion, every opportunity of making further progress toward trade liberalization with respect to individual measures, or groups of measures, both in the industrial and in the agricultural field.

They also agree to take such opportunities as might arise for the settlement of particular trade problems, especially those regarded as most dangerous and irritating and the removal of which would lessen current frictions.

The CONTRACTING PARTIES further agree that, looking to the longer term, it is their intention, as a principal objective, to pursue in the GATT a new major initiative for dealing with the longer-term trade problems as soon as this is feasible.

There was a large majority who favoured including additional sentences as follows:

In pursuance of their intention to work together toward resolving trade problems and differences, the CONTRACTING PARTIES with respect to the short term, direct the Council during the coming months to make appropriate arrangements for identifying those trade problems capable of prompt resolution and procedures for the settlement of these problems in 1972. With respect to the longer term the CONTRACTING PARTIES direct the Council to make arrangements to analyze and evaluate alternative techniques and modalities for dealing in the GATT with longer-term problems affecting world trade in the industrial and agricultural sectors.

There were, however, some other delegations who were not prepared to agree to these sentences and which favoured including the following:

In pursuance of their intention to work together toward attaining the above-mentioned objectives, the CONTRACTING PARTIES confirm the terms of reference given to the Council in 1970 and direct the committees concerned to examine various techniques and modalities for giving, when the time comes, the necessary impetus with a view to new multilateral and general action within the GATT in the direction of increased liberalization of international trade.