

GENERAL AGREEMENT ON TARIFFS AND TRADE

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Multilateral Trade Negotiations

USE OF COMPUTER FACILITIES IN THE MULTILATERAL TRADE NEGOTIATIONS

Note by the Secretariat

1. During the Kennedy Round considerable time was spent on collection and reconciliation of the documentation used by negotiators. Much of the data needed for that purpose, however, lends itself to computer treatment which, already during the Kennedy Round, was successfully applied by one delegation. In light of this experience, the secretariat decided, under the mandate given to it by the 1967 Work Programme, to establish the basic files of the Tariff Study in a form suitable for electronic data processing.
2. In connexion with the present negotiations, several governments used electronic data processing facilities for the preparation of background information and the related analytical work. Some of the governments were of the view that the negotiating teams would best be assisted if computer facilities were available at the place of negotiation and considered moreover that, for purely cost-saving reasons, a part of the computerized documentation and of the required facilities could be established in common by all interested parties. The documentation prepared by the secretariat would help resolve the data reconciliation problems encountered in earlier negotiations. Further saving of time could be achieved if the transmission of voluminous information between the capitals and the negotiating teams were reduced to a minimum.
3. The basis for the common documentation was built up from the tariff study files which delegations of the participating countries obtained from the secretariat and adjusted to their specific requirements. Some delegations supplemented the tariff study statistics by other computerized data, such as domestic production and price statistics as well as by other information which they considered useful for negotiating purposes.
4. Arrangements were made to open the computer facilities of the United Nations International Computing Centre to any delegation, either directly or through the GATT secretariat. In addition to the hardware, these include software packages belonging to the ICC and programmes compiled by the secretariat for the tariff study.

5. While the secretariat cannot know all the specific purposes to which delegations with access to computer facilities will put these data, it is obvious that, for example, exploration of alternative negotiating hypotheses can be carried out by computer in order, inter alia,

- (i) to determine the impact on individual tariff lines and their structure of the various tariff cutting formulae;
- (ii) to help evaluate the corresponding impact on imports; and
- (iii) to assist in establishing a base for the measurement of the value of offers and the assessment of the overall level of reciprocity.

In the more advanced negotiating stages, the exploration of areas of exception, if any, and possible reformulation of the initial offer could again be facilitated by the use of computerized data files. Finally, these facilities would grant the negotiating teams the opportunity to keep track of the progress reached in the various aspects of negotiation, and be of help in adjusting the overall balance at any stage of the negotiations. But, it must be repeated, each delegation can be expected, as the negotiations proceed, to find other uses of the system to clarify questions it considers important.

6. How complex the assessment will be obviously depends on the negotiating hypotheses as well as on the degree of diversification of the country's trade. In a number of cases, computer operations will not be required; necessary assessments could be based on data already published.

7. The secretariat has already aggregated the common basic data in different ways in order to facilitate direct comparisons of tariff structures and level of protection in various economic sectors, and has worked out illustrative tabulations based on several negotiating hypotheses. Such aggregations obviously cannot focus on all the aspects which might be important for individual delegations or which could emerge at later stages of the negotiations. Furthermore, the data included at present in the GATT data files are incomplete since the files neither cover information on non-tariff measures, nor include all the economic data that may prove essential.

8. In spite of their incompleteness the preparation of these tabulations has necessitated establishment of a series of computer programmes, the compilation of which has often required considerable time. In order to simplify and speed up this work, the secretariat envisaged a re-organization of the data files and the adoption of a data management system. However, this solution could not up to now be adopted in view of the high cost of acquisition of such a system, of its adaptation to the MTN requirements, and of the transformation of the data files to the system specifications.

9. The secretariat has been informed that the United States Government has acquired a data-base management system (GIM II prepared originally by TRW) and adjusted it to the requirements of trade negotiations. The US delegation has offered to make available this system to other negotiating parties through the secretariat.
10. The system will be installed by the United States at the UN-ICC in Geneva in May. The US authorities have already transformed the tariff study data for 1970 and 1971 to the specifications of the system. 1972 figures will be converted as soon as the up-dating of the tariff study files is completed. The tariff rate information files could also be incorporated in the data base together with any other information which negotiating delegations may wish to add at a later stage.
11. The delegation of the United States is offering to make the system available, through the secretariat, free of charge to any participant in the MTN. The secretariat believes that the process of the negotiations would be technically facilitated if this offer were accepted. Although the system is to be made available free of charge, the data processing itself will involve certain expenditures which will be charged to the users. Complementary equipment will have to be installed at the ICC and in the secretariat. Further, one programme-analyst will have to be made available for this project to take care of the management of the data base. Several delegations are expected to acquire terminals and do their own calculations on the common data base, supplemented by their own statistics. The secretariat will continue to prepare such tabulations as may be requested by the established negotiating or working groups. In addition, the secretariat will also be able to make calculations for individual delegations that may request them. The cost of processing information requested by the negotiating or working groups, as well as calculations made in order to assist developing countries in the negotiations, will be borne by the secretariat within the budgetary limitations: processing required by other participants in the negotiations will be charged to the countries concerned.
12. Delegations wishing to have direct access to the data base or to add to the common data files private information for their exclusive use have the possibility of so doing. Financial conditions of this type of participation will be determined at a later date by the mutual agreement of the interested parties. Information recorded in the private files of individual delegations will not be accessible to other participants. The content of the common data base may be revised according to requirements when necessary and as agreed.
13. The cost of the operation to be supported by the secretariat cannot be estimated before the system becomes operational. The 1975 budget allowance under paragraph ix (a)-(c) of Chapter 3 would be sufficient for the financing of the rental of a computer terminal (to be installed in the secretariat's offices) and for covering the secretariat's participation in the operational cost of the system management and data processing, at least in the initial stages of the exercise.

Temporary assistance funds available for the MTN under Chapter 4 would be used for salary expenses of one Programme Analyst, P.3, required for the management of the data base.

14. The secretariat would propose to commit the expenditure described in paragraph 13 and to include in the draft budget for the year 1976 a provision for the continuation of this project, unless objections are expressed by governments participating in the MTN.

Any comments are requested by 12 May.