

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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## Multilateral Trade Negotiations

### Trade Negotiations Committee

#### MEETING OF JULY 1975

##### Statement by Chairman of Group "Sector Approach"

1. The Group "Sector Approach" was established by this Committee in February to carry out an examination of the possibilities for the co-ordinated reduction or elimination of all barriers to trade in selected sectors as a complementary technique.
2. The Group has held two meetings: from 7-9 April and from 1-3 July. My summing-up of the results of these meetings is contained in documents MTN/SEC/1 and MTN/SEC/2.
3. The Group exchanged views on the principles, objectives and criteria to be applied in sector negotiations having regard to the provisions of the Tokyo Declaration with regard to developing countries and the recognition of the importance of the application of differential measures to developing countries in ways which will provide special and more favourable treatment for them where this is feasible and appropriate.
4. The Group noted that the sector approach was intended to be a complementary technique. Many delegations stressed that the objective of the sector approach should be to achieve a measure of trade liberalization going beyond the results which might be provided by the general approaches to negotiations on tariffs and non-tariff measures. Some delegations stated that an objective of the sector approach could be to achieve a greater liberalization of trade in the sector concerned than might otherwise be possible. Some delegations emphasized the danger of the sector approach being used to justify a level of liberalization below that which may be set by general formulae. They considered that the sector approach should be taken up after some indication was available of the results likely to be achieved on the basis of general approaches.
5. Some delegations suggested that the best way of examining the possibilities offered by the sector approach would be to ask the secretariat to assemble information with respect to certain sectors or product groups. Accordingly, the majority of the Group agreed to the collection of data for the ores and metals sector with the understanding that delegations could suggest other sectors for study as the work of the Group proceeded and that such data collected and examined would not imply a commitment by any delegation as to the way in which these items would be dealt with in the negotiations.

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6. In addition, the Group agreed that the secretariat would undertake a more detailed examination of the implications of the sector approach for developing countries, including the identification of possible sectors of interest to developing countries, the question of differential treatment and the implications of the sector approach for the GSP.
7. For its second meeting, the Group received from the secretariat two documents; one containing a voluminous set of data on trade, tariffs and non-tariff measures and other relevant statistics relating to production in the ores and metals sector, and the other providing information on certain sectors of interest to developing countries.
8. The Group noted that it had not been possible for governments to carry out an in-depth analysis of the information recently provided and agreed to carry out a detailed examination of the material at its autumn session. The Group agreed that following this examination it would revert to the question of additional studies of certain sectors already proposed, or to be proposed by delegations. In the meantime, the secretariat would keep under review the possibilities of identifying other sectors of interest to developing countries.
9. In the light of their preliminary examination of the information on ores and metals, a number of delegations stated different positions. Some delegations indicated that important problems of tariff escalation and effective protection, reinforced by non-tariff measures existed in this sector and noted that the sector approach was necessary to bring about a more efficient allocation of resources and promote an orderly expansion of trade in these areas. It was also suggested that the work on the sector approach should be undertaken in parallel with the work of other groups.
10. Some other delegations, however, considered that their preliminary examination of the study did not, at this stage, show that the sector approach would provide any advantages over formulae of general application for trade liberalization.
11. A number of delegations emphasized that the sector approach should continue to be regarded as a complementary technique and that an examination of the possibilities offered by this approach could be usefully undertaken only after general approaches for the reduction or elimination of tariffs and non-tariff measures had been developed.
12. At its next meeting scheduled for the week beginning 3 November, the Group "Sector Approach" will carry out, as I have already mentioned, a detailed examination of the documentation with a view to determining what conclusions, if any, may be reached with regard to the possibilities offered by the sector approach in respect of ores and metals and in respect of other sectors of interest to developing countries.