

GENERAL AGREEMENT ON TARIFFS AND TRADE

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Multilateral Trade Negotiations

GROUP 2(b) - CONSIDERATION OF TECHNICAL WORK TO BE UNDERTAKEN

Note by the Secretariat

1. The present note has been prepared by the secretariat to assist members of the Group in carrying out the programme of work entrusted to it by the Trade Negotiations Committee (document MTN/2 of 11 February 1974). It is limited to those tasks of the programme of work which are suggested for discussion at the first meeting of the Group beginning 4 March, i.e., paragraph 2, 8, 12 and 14 (see GATT/AIR/1067).

Work under paragraph 2 of document MTN/2

2. The task of the Group under this paragraph is "bringing up to date and completing the documentation and basic data with respect to non-tariff measures assembled in the context of the programme of work adopted by the CONTRACTING PARTIES in 1967 (Industrial Products, Chapters 25-99 BTN)".

(a) Inventory of Non-Tariff Measures

3. A new edition of the Inventory of Non-Tariff Measures has recently been issued by the secretariat (documents MTN/3B/1-5). It contains all notifications which have been submitted to the secretariat. The pattern of the Inventory is the same as in the previous edition in that it is divided into five parts containing the following non-tariff measures:

- Part 1: Government Participation in Trade;
- Part 2: Customs and Administrative Procedures;
- Part 3: Standards;
- Part 4: Specific Limitations;
- Part 5: Import Charges.

For details concerning the pattern of the Inventory, see Annex.

4. The following changes have been made in the new Inventory:

- (i) new notifications have been added at the request of exporting countries and with the consent of importing countries;

- (ii) old notifications have been deleted when requested;
- (iii) existing notifications have been up-dated and modified at the request and with the consent of countries concerned.

In order to facilitate the work of delegations, each part of the Inventory contains a concordance table between the earlier and the new edition of the Inventory.

5. The procedure which was used by the secretariat in establishing the new Inventory is the same as was used before: if a request for the inclusion of a new notification was received, the importing country was asked for comments. These comments have been included on the same page as the notification itself. In cases where the inclusion was challenged, further information was sought by the exporting country.

6. The attention of the Group is drawn to the cut-off date of January 1974 for the new Inventory. Notifications which were received after that date or for which comments had not been received will be included in an addendum.

7. The new Inventory is submitted to the Group for consideration and possible guidance. It is suggested that, as in the past, the Inventory be kept up to date (loose-leaf format) and that consequently delegations are free to request the inclusion of new notifications or the amendment or deletion of existing notifications.

8. It is the intention of the secretariat to amend the present version of the Inventory in the light of comments received by the Group and to have additional copies printed so that a sufficient supply can be put at the disposal of every delegation.

(b) Documentation of Joint Working Group

9. The Joint Working Group was established in 1971 as an ad hoc body to conduct consultations without commitments with contracting parties concerning import restrictions. The Joint Working Group has assembled data on import restrictions maintained by eighteen developed countries for both agricultural and industrial products. The latest data, covering information received by the secretariat up to 15 March 1973, is combined in document COM.IND/W/97/ COM.AG/W/92. This document, in its Annex IV, contains an indicative list of items of particular export interest to developing countries.

10. The information contained in the above document is presently being brought up to date by the secretariat on the basis of data provided by contracting parties. Depending on the availability of a few outstanding notifications, the revised list of existing import restrictions could be issued in March or April 1974.

(c) Special documentation concerning non-tariff measures affecting trade of developing countries

11. At the twenty-eighth session, the CONTRACTING PARTIES reaffirmed that removal of distortions of trade resulting from non-tariff measures would be one of the important elements in the forthcoming multilateral trade negotiations. To provide a basis for discussion in the Committee on Trade and Development, an attempt was made in document COM.TD/W/182 to identify those non-tariff measures which are relatively important to developing countries from the point of their restrictive effects on trade.

12. Other documents pertaining to specific non-tariff measures affecting trade in products of interest to developing countries are contained in the Annex to MTN/2 (Check List of Documents).

13. The Group might discuss which additional documentation or background material is warranted.

Work under Paragraph 8 of Document MTN/2

14. The task entrusted to the Group is the "continuation of the study already begun on quantitative restrictions including import prohibitions and export restrictions (Industrial Products, Chapters 25-99)".

15. The Group might examine the two possible solutions, contained in the Annex to Spec(73)17, for the elimination of quantitative restrictions which were elaborated by Working Group 4 of the Committee on Trade in Industrial Products in March 1973 with a view to reconciling the different views expressed in these two alternatives. The divergence relates to the following points:

- (a) whether legal and illegal restrictions should be treated as one problem or as entirely separate issues;
- (b) whether liberalization of restrictions applies both to developed and developing countries, or to developed countries only;
- (c) should export restraints be dealt with on the same basis as quantitative restrictions or as a separate problem.

16. The Group might examine possible alternative solutions bearing in mind in each of these alternatives the question of differential treatment for developing countries. Specific reference is made in this connexion to the documentation assembled in the Committee on Trade and Development, i.e., documents COM.TD/W/179, COM.TD/W/184, COM.TD/W/203, as well as to the statements containing proposals for solutions made by delegations of developing countries (COM.TD/W/188, COM.TD/W/198).

17. The Group might furthermore discuss whether additional statistical material or further analytical work is required, especially in relation to products of export interest for developing countries.

Work under Paragraph 12 of Document MTN/2

18. The task entrusted to the Group is "beginning of the work relating to packaging and labelling (General Aspects)".

19. The Group might look at the background note on packaging and labelling which was produced by the secretariat in October 1973 (COM.IND/W/114).

20. Another possible task for the Group might be to consider to what extent the problems relating to packaging and labelling are or should be covered by the proposed GATT Code of Conduct for Preventing Technical Barriers to Trade (Standards Code) (COM.IND/W/108 and Corr.1), bearing in mind that differences of view still exist in some areas covered by this draft Code.

Work under Paragraph 14 of Document MTN/2

21. The work to be done by the Group comprises the "continuation of the study relating to import documentation (Chapters 1-99)".

22. At its meeting in October 1972, Working Group 2 of the Committee on Trade in Industrial Products reaffirmed the desirability of simplification and harmonization of import documents. In order to avoid duplication of the work being conducted by the Customs Co-operation Council (CCC) and the Economic Commission for Europe (ECE), Working Group 2 agreed that the technical work of preparing draft standard forms of an all-purpose entry document and of a standard invoice should be done by those organizations, but that the GATT should, in due course, prepare ad referendum solutions on the basis of the work done by the CCC and the ECE.

23. The work done by these two organizations up to October 1973 has been summarized in a Note by the Secretariat (COM.IND/W/115). Developments which have taken place since then are:

(i) CCC: In January 1974 a Special Working Party examined draft Annexes to the International Convention for the Simplification and Harmonization of Customs Procedures dealing with rules of origin and documentary evidence of origin. Drafts of a further six annexes, including one dealing with the Declaration of Goods for Home Use, are to be examined by a Working Group at a meeting to be held from 18 February to 1 March 1974 and later by the Permanent Technical Committee of the CCC from 4-8 March 1974.

(ii) ECE: The Group of Experts on Data Requirements and Documentation held its fifth session on 15-17 October 1973 and its sixth session on 29-30 January 1974. At the fifth session the Group examined a draft questionnaire on a standard invoice which was to be submitted to the members of the Working Group and later to certain countries outside the ECE membership. The questionnaire had been drawn up with the intention

of determining the indispensable data to be included in a standard invoice. At the sixth session, the Group was informed that some replies had been received and that progress would depend on the replies to the final questionnaire which would be sent in the immediate future. It was suggested by one delegation that this procedure was somewhat slow in view of GATT's interest in the matter. It was therefore decided that the above procedure would be combined with a more speedy method whereby the standard invoice ("aligned commercial invoice") would be submitted for discussion at the next meeting of the Group scheduled for 3-4 October 1974.

24. The Group might wish to decide how it wants to embark upon the work at hand, possibly with the assistance of customs experts (for the all-purpose entry document), bearing in mind the on-going work in the CCC and the ECE.

ANNEX

The following is the composition of the five parts of the Inventory.

			<u>Document number</u>
<u>Part 1 - GOVERNMENT PARTICIPATION IN TRADE</u>			MTN/3B/1
<u>Section</u>	<u>Title</u>	<u>Notification numbers</u>	
A	Government Aids ¹	1-52	
B	Countervailing Duties	53-55	
C	Government Procurement	56-81	
D	Restrictive Practices tolerated by governments	82-93	
E	State trading, government monopoly practices, etc.	94-124	
<u>Part 2 - CUSTOMS AND ADMINISTRATIVE ENTRY PROCEDURES</u>			MTN/3B/2
A	Anti-Dumping Duties	125-136	
B	Valuation	137-171	
C	Customs Classification	172-176	
D	Consular formalities and documentation	177-232	
E	Samples	233-241	
F	Repayment of Duties	-	
G	Customs Formalities	242-247	
<u>Part 3 - STANDARDS</u>			MTN/3B/3
A	Industrial Standards	248-273	
B	Health and Safety Standards	274-306	
C	Other Standards concerning Product Content	307-318	
D	Requirements concerning marking, labelling, measurement and packaging	319-341	

¹Government aids include export subsidies, production subsidies which stimulate exports and production subsidies which impede imports.

<u>Part 4 - SPECIFIC LIMITATIONS</u>			<u>Document number</u> MTN/3B/4
<u>Section</u>	<u>Title</u>	<u>Notification numbers</u>	
A	Quantitative restrictions and import licensing	360-503	
B	Embargoes and other restrictions of similar effect	504-562	
C	Screen-time quotas and other mixing regulations	563-586	
D	Exchange control	587-594	
E	Discrimination resulting from bilateral agreements ¹	595-608	
F	Discriminatory sourcing	609-612	
G	Export restraints	613-618	
H	Measures to regulate domestic prices	619-625	
I	Tariff quotas	626-627	
X	Others	628-629	

<u>Part 5 - IMPORT CHARGES</u>			<u>MTN/3B/5</u>
A	Prior import deposits	630-643	
B	Surcharges, port taxes, statistical taxes	644-729	
C	Discriminatory film taxes, use taxes, government controlled insurance rates, etc.	730-756	
D	Discriminatory credit restrictions	757-764	
E	Variable levies	765-774	
F	Border tax adjustments ²	775-851	
G	Emergency action	852-855	

¹Some of the notifications in this section may be partially covered by work on quantitative restrictions (Section A).

²A notification and consultation procedure for border tax adjustments has been elaborated in 1970 by the Working Party on Border Tax Adjustments (L/3464 and C/M/65).