

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

MTN/SEC/1

14 April 1975

Special Distribution

Multilateral Trade Negotiations

Group "Sector Approach"

CHAIRMAN'S SUMMING UP - MEETING OF 7-9 APRIL 1975

1. In accordance with the agreement reached in the Trade Negotiations Committee, the Group "Sector Approach" met from 7 to 9 April 1975 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 exchanged views on the principles, objectives and criteria to be applied in sector negotiations having regard to the provisions of the Tokyo Declaration and taking into account the secretariat's background note MTN/3C/1.
3. The Group agreed that in the examination of the possibilities for the co-ordinated reduction or elimination of all barriers to trade in selected sectors, and in sector negotiations, due account would have to be taken of the specific trade problems of the developing countries and of the need to apply differential measures in ways which will provide special and more favourable treatment for developing countries 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.
5. Attention was drawn to a number of other objectives of the sector approach, such as the co-ordinated reduction or elimination of tariffs and non-tariff measures, and the elimination or reduction of tariff escalation and effective tariff protection.
6. At the same time, a number of delegations indicated that some of the objectives of the sector approach listed in document MTN/3C/1 would require further clarification.

7. There was broad agreement on some of the criteria for the selection of sectors suggested in paragraph 41 of document MTN/3C/1. However, it was noted that some of these criteria might not be mutually compatible and would warrant further examination.

8. Some delegations emphasized the danger of the sector approach being used to justify a level of liberalization below the norm set by the 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.

9. Some delegations suggested that the best way of examining the possibilities offered by the sector approach and ensuring that appropriate use could be made of this technique would be to assemble readily available information with respect to certain sectors or product groups. They noted that this would facilitate the commencement of negotiations on a sectoral basis, as soon as participants were ready to make use of this approach with respect to selected sectors or groups of products. A number of sectors with respect to which data might be collected and examined were mentioned.

10. The majority of the Group agreed that the consideration of the possibilities offered by the sector approach could be advanced through the collection of information on a sector. It was decided that the secretariat should assemble data on trade, tariffs and non-tariff measures, and where available, production and consumption relating to products in the ores and metals sector as defined in the Tariff Study with the inclusion of alumina, on the understanding that such data collected would not imply a commitment by any delegation as to the way in which these items would be dealt with in the negotiations. It was also understood that delegations may suggest other sectors for study as the work of the Group proceeds.

11. The Group agreed that, as suggested in paragraph 68 of MTN/3C/1, 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 differentiated treatment and the implications of the sector approach for the GSP.

12. The Group agreed to meet again in the week commencing 30 June 1975.