

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

MTN/SEC/2

4 July 1975

Special Distribution

Multilateral Trade Negotiations

Group "Sector Approach"

CHAIRMAN'S SUMMING UP: MEETING OF 1-3 JULY 1975

1. The Group "Sector Approach" held its second meeting during the period 1-3 July 1975 to carry forward its examination of the sector approach on the basis of documents MTN/SEC/W/1 and addenda and MTN/SEC/W/2, prepared by the secretariat. The Secretary-General of UNCTAD or his representative was invited to attend the session as an observer.

2. The Group noted that, since the documentation had become available only recently, it had not been possible for governments to carry out an in-depth analysis of the information provided. Some delegations considered that even a preliminary examination of the material in MTN/SEC/W/1 and addenda indicated that there were important problems of tariff escalation and effective protection, reinforced by non-tariff measures, and that the sector approach, involving co-ordinated action on both tariffs and non-tariff measures, was necessary to bring about a more efficient allocation of resources and promote an orderly expansion of trade in these areas. It was also considered by some delegations that the work on the sector approach should be undertaken in parallel with the work of other groups. 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. 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.

3. The Group agreed that it should, at its next meeting, carry out a detailed examination of the documentation provided by the secretariat, 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 in the light of the information provided by the secretariat and any elaboration by governments in accordance with agreed procedures.

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4. It was suggested that this examination should take into account questions relating to the inter-relationships between different trade barriers applying in the ores and metals area as well as other factors which may influence trading patterns in this area. This analysis should also include, inter alia, the possible implications of the sector approach for developing countries and the possibilities of differential treatment for developing countries in this area.

5. The secretariat would keep under review the possibilities of identifying other sectors of interest to developing countries.

6. The Group noted that one delegation intended to present to the next meeting a paper analyzing the possibilities offered by the sector approach with respect to certain non-ferrous ores and metals.

7. Some delegations proposed that the secretariat should be requested to undertake studies on sectors covering electrical machinery, electronics and chemicals. Such studies could be undertaken without prejudice as to whether these product groups may or may not be taken up for sector negotiations. A number of delegations, recalling their general positions on the relationship of the sector approach to the overall negotiations, considered that it was necessary first of all to pursue the analysis of the information which had been provided by the secretariat in the documentation produced for the meeting. The Group agreed to revert to this matter at its next meeting in the light of the examination of existing documentation and developments in other areas of the negotiations. It was noted that one delegation would present its proposals for the additional sector studies in writing.

8. It was agreed that the next meeting of the Group "Sector Approach" would be held during the week commencing 3 November 1975.

9. It was also agreed that the Chairman would make an oral report to the Trade Negotiations Committee on the activities of the Group.