

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

MTN/TAR/W/4

2 June 1975

Special Distribution

Multilateral Trade Negotiations

Group "Tariffs"

CHECKLIST OF POSSIBLE ELEMENTS OF A TARIFF NEGOTIATING PLAN

Note by the Secretariat

At its meeting on 13-16 May 1975 the Group decided that "the secretariat should prepare, on the basis of past experience and of the discussions in the Group and its predecessors, a paper setting forth various elements which, inter alia, might be included in a tariff negotiating plan".

In accordance with this decision the secretariat has drawn up the following checklist of possible elements which might be included in a tariff negotiating plan.

I. Choice of major tariff cutting technique

1. Linear technique - offers made in accordance with a general rule providing for equal cuts by different participants.
2. Harmonization technique - offers made in accordance with a general rule under which the higher the tariff the deeper the cut.
3. Item-by-item technique - bilateral request lists followed by bilateral offer lists.
4. Combination of above techniques.

II. Issues directly related to the tariff reductions

1. Depth of reduction (including the possibility of deeper cuts for products of export interest to developing countries).
2. Basis for reduction (base rates, base date).
3. Problems concerning comparison between duties based on f.o.b. values versus those based on c.i.f. values.

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4. Problem of taking account of the effects of tariff reductions on the Generalized System of Preferences.
5. Treatment of low duties (cutting to zero, fixing of threshold duties).
6. Tariff disparities.
7. Tariff escalation.
8. Staging of cuts.

III. Exceptions

1. General principles.
2. Date of tabling and circulation of lists of exceptions.
3. Limitations to exceptions (adoption of a ceiling, e.g. a certain percentage of all imports).
4. Justification and confrontation.
5. Special examination of exceptions for products of export interest to developing countries.
6. Implication of possible exceptions by the "Big 3" on trade of smaller countries.

IV. Link with negotiations on particular non-tariff measures

V. Countries to be exempted from the obligation to implement a general formula