

**MULTILATERAL TRADE  
NEGOTIATIONS  
THE URUGUAY ROUND**

RESTRICTED

MIN.GNG/NG2/2

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Group of Negotiations on Goods (GATT)

Negotiating Group on Non-Tariff Measures

MEETING OF 28 APRIL 1987

Chairman: Ambassador L. Duthie (Australia)

Note by the Secretariat

1. The Negotiating Group had before it the following agenda:
  - A. First examination of the issues to be covered, including the relationship between the negotiations in this area and other areas of the negotiations;
  - B. Establishment of an adequate data base for the negotiations;
  - C. Proposals from the participants setting out the particular problems that they want to address and the techniques which they consider should be used to deal with them;
  - D. Observer organizations;
  - E. Other business, including arrangements for the meetings of the Negotiating Group which will be held during the initial phase.
- A. First examination of the issues to be covered, including the relationship between the negotiations in this area and other areas of the negotiations

2. Some delegations underlined the commitment contained in the Ministerial Declaration on the Uruguay Round, for measures which are not GATT-consistent to be phased out unilaterally before the end of the Round. It was therefore necessary to develop criteria in order to distinguish between these measures and those that were GATT-consistent and would be liberalized through negotiations or converted into tariffs. Negotiations had to take fully into account the principle of differential and more favourable treatment for developing countries, including advance implementation of concessions to be accorded to those countries. Concessions which were not compatible with the trade, development and financial needs of the developing countries had to be avoided. Measures affecting their exports had to be removed as a starting point. Negotiations on textiles, tropical, agricultural and natural-resource products had to be carried out primarily though not exclusively in the

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respective negotiating groups. At least to begin with, measures covered by the MTN Codes and Arrangements also had to be dealt with in the appropriate group, in order to avoid duplication. Positive lists of non-tariff barriers which could be dealt with in this negotiating group, could be drawn up with the help of the secretariat without prejudicing ongoing work.

3. Other delegations suggested that a request-and-offer procedure could be initiated on an item-specific basis and that a first exchange of requests be held by 1 December 1987. Much of the preparatory work had been done and the requests and offers could cover both tariffs and non-tariff measures. Request lists would identify the full range of products of export interest to each participant. A basis for determining negotiating approaches and techniques to be pursued could thus be provided. There existed difficulties in trying to classify measures according to their consistency with the GATT and these should not be allowed to block progress towards liberalization which was the objective of the Group. A more realistic approach would be for each participant to examine the documentation and distinguish between those measures which could be dealt with in the Negotiating Group on Non-Tariff Measures, and those which could be dealt with in other bodies. On this point, another view was that the Negotiating Group on Non-Tariff Measures should cover all measures without exception.

4. The view was also expressed that it was necessary to maintain a distinction between quantitative restrictions and other non-tariff measures. In the past there had been a differing pace of progress in these two areas. On non-tariff measures, six multilateral instruments had been negotiated in the Tokyo Round, but as regards quantitative restrictions little liberalization had been achieved. The Negotiating Group therefore had to concentrate on quantitative restrictions. The question of which Group would look at which measure should not be prejudged at this stage. What was important was to achieve a measure of transparency to ensure that requests would be notified to all participants. As far as GATT-inconsistent measures were concerned, the only matter for discussion was the time-frame involved for their dismantlement and that was a question for the Surveillance Body. Individual participants could notify to the Surveillance Body measures which had not yet been subjected to rollback, after participants had been given a reasonable time to notify the GATT justifications for the measures that they maintained. There was no obligation to negotiate on measures which were consistent with the GATT, even though the Punta del Este declaration had recognized the desirability of reducing or eliminating them. The Negotiating Group could start with measures whose GATT-conformity was not questioned, such as those maintained under waivers or Protocols of Accession. It was suggested that the Inventory of Non-Tariff Measures could serve as an initial request list, provided it was updated.

B. Establishment of an adequate data base for the negotiations

5. A representative of the secretariat provided information on the preparation of an integrated data base, comprising tariffs, non-tariff measures and trade flows. Many delegations indicated the importance they attached to this data base being made available as soon as possible because it was necessary in the negotiations to look at the impact that tariffs and non-tariff measures could together have on individual products. Some delegations stated that the data base, which should comprise up-to-date information at the tariff-line level on the measures maintained by all participants, should be based on the harmonized system, but that in view of the already existing and comprehensive documentation, negotiations need not be delayed until it became available, since this might require some considerable amount of time.

C. Proposals from the participants setting out the particular problems that they want to address and the techniques which they consider should be used to deal with them

6. In the context of the discussions under this item, some delegations recalled the views expressed by them under the preceding item of the agenda. Some delegations underlined that for particular measures of concern to individual participants the most appropriate procedure was the exchange of requests and offers subject to multilateral scrutiny in the Negotiating Group, since bilateral agreements could have effects on third parties. There were also practices, such as measures taken at the border, which could lend themselves to a concerted examination by the Group, with a view to determining whether a multilateral agreement would be appropriate. There were issues which were not adequately covered by GATT provisions and it might be necessary to formulate rules or codes for them. Others stressed that the request-and-offer procedure could only address GATT-consistent measures.

7. The Chairman recalled that the negotiating plan for non-tariff measures envisaged that proposals be put forward by participants in the initial phase (MTN.GNG/5). So far, however, the secretariat had not received specific detailed proposals. In the initial phase, i.e. before the end of the year, the Group was required by the negotiating plan to complete its examination of the proposals and reach an understanding on both the subjects to be dealt with multilaterally and the techniques and procedures for the negotiations. He therefore called on delegations to forward specific written proposals to the secretariat as far as possible in advance of the next meeting.

D. Observer organizations

8. Recalling the agreement reached at the meeting of the GNG held on 14 April 1987 (MTN.GNG/7, paragraphs 19-21), the Chairman proposed that delegations reflect on the recommendations which the Negotiating Group would submit to the GNG, with respect to the international organizations

which could assist it in its task. It was suggested that it would be logical for the Customs Co-operation Council to be granted observer status, and that the UNCTAD had done work on non-tariff measures which could be of relevance to the Group. The Group agreed to revert to the question of observer organizations at its next meeting.

E. Other business, including arrangements for the meetings of the Negotiating Group which will be held during the initial phase

9. At the suggestion of the Chairman, the Negotiating Group agreed that its next meeting would be held in the week beginning 29 June 1987.