

**MULTILATERAL TRADE  
NEGOTIATIONS  
THE URUGUAY ROUND**

RESTRICTED

MTN.GNG/NG1/W/6  
MTN.GNG/NG2/W/5  
MTN.GNG/NG3/W/3  
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Group of Negotiations on Goods (GATT)

Negotiating Group on Tariffs

Negotiating Group on Non-Tariff Measures

Negotiating Group on NRPs

SUBMISSION BY CANADA

To liberalize trade in goods, participants need to address, in a co-ordinated manner, the problems of access, both tariffs and non-tariff measures. In order to reach agreement on a common negotiating basis in the Negotiating Group on Tariffs, the Negotiating plan suggests participants submit proposals on the following points:

- tariff cutting approach(es), including elimination of tariffs;
- elimination or reduction of high tariffs and tariff escalation in the appropriate products areas;
- possible criteria to extend the scope of tariff concessions including the degree of tariff bindings.

In the case of "non-tariff measures", negotiations should aim to reduce or eliminate non-tariff measures, including quantitative restrictions. The Negotiating Plan indicates that, in the initial phase, the Group should examine the relationship with other areas of the negotiations and examine techniques to pursue the negotiations with a view to reaching a common understanding on procedures.

In the case of "natural resource-based products" it is evident from previous work that the problems impeding trade are tariffs, in particular tariff escalation, and non-tariff measures. It, therefore, would be more practical and efficient, to integrate negotiating modalities and techniques for natural resource-based products with those used for tariffs or non-tariff measures.

In establishing negotiating modalities and techniques, consideration will have to be given to what parameters and approaches are needed to form the common negotiating basis. Canada does not wish to pre-judge any particular approach to the negotiations. Approaches considered will have to be assessed against their potential for success in achieving objectives of

negotiations in these areas as set out in the Ministerial Declaration. As a starting point, however, Canada would propose that all countries put themselves in a position to (a) negotiate the broadest and deepest possible package of trade liberalisation, covering all goods and including the elimination of tariffs and non-tariff measures on a reciprocal and balanced basis and (b) fully bind their tariff schedules for all products. At the moment there is a very large disparity among contracting parties on the scope of bindings. Full bindings by all participants in the MTN would provide a much higher degree of security and stability in international trade than is currently the case. The level of these bindings would be the subject of negotiation among participants.

With reference to negotiations on specific tariff rates, tariff escalation and non-tariff measures, it is evident that sufficient information is still not available to the group. To facilitate discussion and agreement on a common negotiating basis aimed at improving market access conditions on all products, the following preparatory work should immediately be undertaken.

In order to identify how specific objectives can

be best addressed, it will be necessary for participants to have a better sense of the particular problems to be negotiated as well as the potential scope of negotiations. To that end, participants should aim to submit by 1 December 1987, export interest lists to other participants. Such lists would identify on a tariff line basis the full range of products of actual or potential export interest to each participant as well as the associated market access problem to be dealt with, such as high and/or unbound tariffs, tariff escalation, QR's and other non-tariff measures. This exchange of lists will complement whatever negotiating approaches or techniques are eventually agreed, will allow time for the examination of such lists prior to and during the substantive phase of negotiations and will facilitate the development of concrete information on the scope of negotiations desired by each participant. (It will be recalled that during the Tokyo Round, request lists were exchanged by some participants as a process complementary to the use of a tariff cutting formula.)

Data on measures which affect trade will also need to be collected and analyzed. While relatively comprehensive data has been submitted by most participants on non-tariff

measures, including quantitative restrictions, similar information is badly lacking in the tariff area. Currently the Tariff Study covers only 12 participants. Incomplete tariff information will make it difficult, if not impossible, for the group to come to a reasoned and comprehensive view of how best to realize the objectives for negotiations on tariffs, non-tariff measures and resource based products affecting all products, as set out in the Ministerial Declaration. Thus all participants should submit tariff rate information together with the associated trade statistics on a tariff line level by the end of the year and should announce their intention to do so as soon as possible. The Secretariat should provide technical assistance to those countries with limited resources. For those countries intending to adopt the Harmonized System, information should be submitted using HS nomenclature as soon as feasible.

It is recognized that tariff line import statistics on a Harmonized System basis may not be available for some time. Participants should examine the possibility of submitting bridge data based on updated transposition tables. Moreover, since not only tariffs affect trade flows, it will be

increasingly important to examine ways of and take decisions soon on integrating the current incompatible data bases in the Secretariat that deal with tariffs, quantitative restrictions and other non-tariff measures. Finally, participants will need to agree on certain modalities to govern the negotiations. These would include a reaffirmation that all products are to be covered by negotiations; that the most current nomenclature and bound rates be used for each participant together with unbound rates in effect on 19 September 1986; that for those countries implementing the Harmonized System (HS) on January 1, 1988, the nomenclature and bound rates in effect on that date should be used - in this connection, participants should take the opportunity to use the negotiating process in such a way that would simplify the structure of the HS to the maximum extent possible; and that participants use a reference date of 1986 for trade statistics.