

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

RESTRICTED

MTN.GNG/NG1/12

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Special Distribution

Group of Negotiations on Goods (GATT)

Negotiating Group on Tariffs

MEETING OF 15 JUNE 1989

Note by the Secretariat

1. The Group was chaired by H.E. Mr. L. Duthie. It pursued the discussion on the following points:

Item A: Establishment of detailed procedures, approaches and methods necessary for the tariff negotiations (MTN.TNC/11, page 4, paragraph 1)

2. The Chairman reiterated that according to the mid-term review agreement, the Group had clear instructions from the Ministers to establish detailed procedures, approaches and methods necessary for the negotiations, bearing in mind the agreed target date for the commencement of the negotiations, i.e. 1 July 1989. He therefore urged the Group to make substantial progress in this regard at the present meeting. He also pointed out that there had been some indications, in the course of the informal meeting of the Group, that new submissions were under consideration, to be put forward at a future meeting.

3. One participant stated that it would be very difficult to conduct the negotiations on tariffs without an agreement on the negotiating approach. Referring to the discussion on this issue at the previous meeting of the Group, he stressed that a large number of participants supported a formula approach. He asked those participants who held different views to reconsider their position so that a consensus could be reached. This participant mentioned that his government was currently elaborating a possible negotiating approach based on a harmonization formula including the possibility of elimination of tariffs on certain items, bearing in mind the necessity of achieving a target amount for overall reductions at least as ambitious as that achieved in the Tokyo Round. Another participant stated that his government was one of those who did not think that the formula approach was the best method and stressed that it would not change its position.

4. One participant stated that it continued to take the view that there was much merit in looking at an across-the-board or formula approach in the tariff area. He stressed that the only way to ensure real market-access was to use an integrated approach looking at a tariff cutting formula, coupled with some way to get at non-tariff barriers which in fact block trade. He considered the request-and-offer approach as a way of going beyond what could be achieved by the formula approach. The participant

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mentioned that it was preparing a series of export interest lists so that it could be ready to engage in request-and-offer negotiations if that would be the wish of all participants of the Group. He added that its authorities were presently looking at the desirability of a proposal which might be submitted before the next meeting.

5. One participant stated that it attached importance to having in fact two formulae, one of which was a special formula to minimize tariff escalation. His delegation had stressed this point since the Preparatory Committee. He also emphasized that results achieved either by a formula or by a request-and-offer approach should be made applicable on a multilateral basis through the m.f.n. clause.

6. One participant suggested that this agenda item be kept open until the next meeting in view of the fact that the Group was not in a position to resolve the modality question at the present meeting. He also indicated that his government would submit request lists to its trading partners from whom it had received tariff and trade data, before the next meeting.

Item B: Broadening and updating of the factual data base for the tariff negotiations

7. Following a progress report made by a member of the secretariat, the Chairman, in view of the importance and urgency of the issue involved, proposed that the secretariat prepare a document which would contain a list of participants who had submitted tariff and trade data. The Chairman considered this proposal consistent with the Group's mandate.

Item C: Consideration of the Group's future work and arrangement for further meetings

8. The Group agreed that the next meeting would be held on 18 July 1989, to be followed by a further meeting on 27 September 1989.