

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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Committee on Trade and Development

PROPOSED ARRANGEMENTS FOR THE FURTHER EXAMINATION OF IMPORT RESTRICTIONS

Note by the Secretariat

At the meeting of the Committee on Trade and Development, held on 28-29 July, the secretariat was requested to provide further details in respect of the suggestions contained in document COM.TD/W/64 so that governments may be able to reach final decisions in the matter. The present note provides supplementary details relating to the establishment of panels of experts to examine restrictions on industrial products, to which the points raised at the meeting, in general, related.

(i) Composition of the panels. The panels will comprise experts selected primarily for their familiarity with the problems involved. In general, they will be drawn from government departments and delegations of contracting parties but experts of international standing from other circles may also be designated. The governmental experts will function in their personal capacity and not as representatives of their governments.

Each panel may have up to five or seven members. Their nomination shall be made in consultation with the parties having a direct interest in the restrictions to be examined. As a rule a panel will not include persons who are nationals of the directly interested countries.

(ii) Number of panels to be set up. This should be related to the number of industrial product groups requiring detailed examination. Prima facie three panels may at present be established for (a) jute and coir products, (b) other textiles, excluding cotton textiles, (c) other manufactures, notably footwear and other leather manufactures. The three panels may start their work simultaneously but it should be possible for a particular expert to serve on more than one panel.

(iii) Terms of reference. These may be broadly: "to examine the restrictions applied by developed contracting parties on the product or product group in question and to report its views on how progress may be made in the removal of these restrictions". In the course of its work, the panel should (a) examine how the exports of developing countries are affected by these restrictions and (b) address itself to the specific problem of bringing about the removal of the restrictions, taking into account the grounds on which these are maintained and other relevant circumstances, including problems of a multilateral character.

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In the course of its examination, the panel may thus be expected to investigate why the particular industry needs protection in the form of quantitative restrictions and what may be done to liberalize trade through action at the industry, national and multilateral levels. For the purpose, the panel should address itself to the compelling reasons of national interest that stand in the way of the removal of restrictions and deal with both the underlying circumstances of the industry in question and the problem of industrial adjustment.

Within its terms of reference, each panel should be free to examine all factors that have a bearing on its task in reporting on the possibilities and the means of achieving further trade liberalization. The panels' studies evidently may cover such points as the volume and prices of imports, comparative costs, production and demand trends, inter-industry relationships, the level of tariffs and the rôle of adjustment policies, etc.

(iv) Proceedings of the panels. Each panel should be free to seek relevant information on matters falling within its terms of reference from the contracting parties directly concerned and would be assisted by statistical and analytical data compiled by the secretariat. The panel should also hold discussions with such contracting parties, either singly or jointly, both before and after it has formulated any preliminary conclusions.

(v) The reports of the panels. Each panel will report to the Committee on Trade and Development and, simultaneously, to the GATT Council of Representatives within a period of six months of its appointment, subject to such extension of the time limit as may be agreed upon by the Committee or the Council.

(vi) Miscellaneous. The CONTRACTING PARTIES may be requested to seek the co-operation of contracting parties not applying Part IV in helping the panels to fulfil their functions in accordance with the terms of reference assigned to them.