

GENERAL AGREEMENT ON TARIFFS AND TRADE

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DEVELOPMENTS IN THE MULTILATERAL TRADE NEGOTIATIONS

Prepared by the Secretariat

1. At recent meetings, the Committee on Trade and Development has undertaken a review of developments in the multilateral trade negotiations with particular reference to points of interest to developing countries. The following paragraphs provide a summary of the main developments in the negotiations as at the end of May since the November 1976 meeting of the Committee.

Group "Tariffs"

2. At its meeting in December 1976, the Group continued its discussion on special and more favourable treatment which might be provided to exports of developing countries in the field of tariffs. There was consensus that agreement on measures for special and more favourable treatment and procedures therefor be reached prior to, but at any rate by, the time the tariff-cutting formula or formulae were selected. The Group had a useful and detailed exchange of views on which measures for differential treatment might be applicable, in connexion with the negotiations on a product level, in order to provide additional benefits for developing countries. There was also some discussion of the question of the contribution to be made by developing countries in accordance with the provisions of the Tokyo Declaration. It was agreed that discussions on special measures and procedures should be continued bilaterally or plurilaterally with a view to making further concrete progress at the next meeting of the Group. The Group had a brief discussion on the question of the data base for the conduct of the tariff negotiations and agreed to return to this and the other agenda items at its next meeting.

Group "Non-Tariff Measures"

3. The Group "Non-Tariff Measures" met in January 1977 and again in April. With regard to the consideration of a second list of non-tariff measures, the Group agreed to revert at its next meeting to a proposal for the establishment of a Sub-Group on variable levies, minimum import prices or non-tariff charges on imports. In connexion with a proposal that a Sub-Group "Anti-Dumping" be set up, the Group agreed that at its next meeting it would continue discussion, under a separate agenda

item, of substantive problems which delegates of developing countries considered to exist in this field, the specific difficulties or considerations which they wished to see taken into account and any suggestions or proposals that might be put forward to deal with these matters. As regards the question of procedures for negotiations on measures not being dealt with multilaterally, the Group agreed that, as an initial step, delegations would undertake a process of information, examination and dialogue with priority attention being given to non-tariff measures of interest to developing countries.

Sub-Group "Quantitative Restrictions"

4. When it met in March 1977, the Sub-Group "Quantitative Restrictions" continued its discussion on the possibility of formulating additional procedures for bilateral and/or plurilateral negotiations on quantitative restrictions, and the possibility of working out a general formula or formulae of automatic application in the light of proposals and statements before it. Some further clarification was provided with respect to existing proposals and suggestions, and certain additional suggestions were made. Views were expressed, inter alia, with regard to the bilateral and multilateral aspects of proposed procedures for negotiations on quantitative restrictions, the relevance of the legal status of existing quantitative restrictions under the GATT, the product coverage of the proposed procedures, the treatment of discriminatory restrictions and/or restrictions inconsistent with Article XIII, the question of export restrictions, the proposal for a standstill and the relationship between further progress in this area and other areas of the multilateral trade negotiations. The Sub-Group also continued the discussion of proposals and suggestions with respect to differential treatment including special procedures in favour of developing countries. It was agreed that the Sub-Group should revert to these matters at its next meeting. In addition, the Sub-Group considered developments under the consultation procedure agreed earlier by it and agreed that the consultation process should be continued. On the question of import licensing, the Sub-Group held discussions at technical level, with a view to working out an improved text on import licensing procedures for further negotiations in the Sub-Group. Many points were clarified and further suggestions were made in the course of these discussions.

Sub-Group "Subsidies and Countervailing Duties"

5. When it met in February 1977, the Sub-Group continued its discussion on problems encountered in the area of subsidies and countervailing duties. It had before it, inter alia, a checklist of points and positions on the various issues. There was some preliminary discussion on the text of a draft code presented to the Sub-Group by one delegation. It was agreed that consultations might be held between interested delegations in order to get further explanations and clarify certain issues, so that the Sub-Group might be better placed to determine the consideration to be given to the draft text in its future work. It was noted that all proposals previously made in the Sub-Group would also be taken into account in its future deliberations.

Sub-Group "Technical Barriers to Trade"

6. The Sub-Group met in November 1976 and also in March 1977. At its November meeting, it had a detailed discussion of the proposals relating to the Operative Provisions of the Draft Standards Code, including an extensive discussion of proposals designed to deal with problems faced by developing countries. In the course of these meetings, the Sub-Group reached agreement on a number of proposals before it and decided to incorporate them in the text of the Draft Code. It also agreed to the insertion of a text of the definitions in the Draft Code.

Sub-Group "Customs Matters"

7. At its meeting in February 1977, the Sub-Group "Customs Matters" had a preliminary discussion of issues related to rules on customs valuation on the basis of communications received from delegations, and agreed to continue this discussion at its next meeting. To assist the Sub-Group in its work, a checklist of issues raised and possible elements that may be included in any new set of international principles on customs valuation was made available. In relation to other matters under consideration in the Sub-Group, it was decided to adopt a procedure of notification and consultation, aimed at facilitating the work of the Sub-Group by providing a framework for finding solutions to specific customs problems including in particular customs procedures, import documentation and consular formalities and fees.

Sub-Group "Government Procurement"

8. At its meeting in March 1977, the Sub-Group "Government Procurement" examined and discussed a list of elements already identified in the area of government procurement. It was widely recognized that government procurement was an area in which differential treatment for developing countries might be feasible and appropriate. Some delegations indicated on a preliminary basis a number of specific areas where they considered that provisions to that end could be made. The Sub-Group agreed that material to be provided by the secretariat including a checklist of points summarizing views on specific issues raised by individual delegations, additional submissions that might be made by participants, and the existing background documentation would form the basis for a detailed examination of major issues and approaches in the negotiations on government procurement at its next meeting.

Group "Tropical Products"

9. When it met in May 1977, the Group noted that most developed countries had put into effect concessions and/or contributions on tropical products. A number of representatives of offer-making countries indicated that the concessions and contributions implemented represented the maximum effort their governments could

make towards treating tropical products as a special and priority sector. This did not mean that in the context of the multilateral trade negotiations as a whole further consideration would not be given to the possibility of taking additional action as the work proceeded in other Groups and Sub-Groups of the TNC. Some delegations indicated their readiness to continue consultations on outstanding problems relating to tropical products and one representative said that his country was considering the possibility of further action taking into account consultations which were in progress with certain requesting countries.

10. Representatives of requesting countries, while expressing appreciation for the efforts made so far by certain offer-making countries, indicated their disappointment, in the light of the provisions of the Tokyo Declaration concerning tropical products, with both the scope and coverage of the concessions and contributions which had been implemented. They emphasized the need for a major effort by offer-making countries to improve the existing concessions and contributions and make wide-ranging additional concessions and contributions in response to the requests submitted. They also emphasized the importance they placed on the improvement and early implementation of the offer made by one major participant on a basis consistent with the provisions of paragraph 5 of the Tokyo Declaration taking into account the views expressed in the meeting. In reiterating the position taken by his delegation at an earlier meeting of the Group, the representative of this country affirmed the continuing readiness of his authorities to carry on consultations with requesting countries with a view to arriving at a mutually satisfactory result.

11. The Group agreed that the process of bilateral and plurilateral consultations and negotiations should continue to take place between interested requesting and offer-making countries with a view to promoting further progress. It also agreed that the lists of requests and of concessions and contributions implemented should be referred to other relevant Groups of the MTN, so that these Groups according to their own procedures could also examine pending requests, or requests not fully met, having regard to the provisions of the Tokyo Declaration.

12. At its next meeting the Group will review the situation and overall progress in the field of tropical products having regard to developments in other areas of the negotiations. It will also examine further the question of the status of m.f.n. concessions and the situation of the contributions which have been made. It expressed the hope that such consultations and negotiations would result in the implementation of the offers not so far implemented by one offer-making country, taking into account the views expressed on this subject in the Group, and would review the situation in this regard. At an appropriate stage and in the light of further developments, the Group would also consider the question of examining the specific problems which have affected fuller implementation and of proceeding to an evaluation of the results achieved in this sector of the negotiations.

Group "Safeguards"

13. The Group "Safeguards" met in February and May 1977. At the February meeting, members of the Group commented in detail on proposals which had been made for special and differentiated treatment for developing countries. The Group also had a useful discussion based on other specific proposals before it and the considerations which had been advanced by other delegations. At its meeting in May, the Group began an examination of the following groupings of related issues that had been identified by delegations it being understood that special and differentiated treatment for developing countries could be raised under each of the groupings: criteria, conditions, suspension of substantially equivalent concessions or other obligations, compensation and adjustment assistance; types of measures and modalities of application; domestic procedures; short-term seasonal and cyclical problems; notification, consultation, surveillance, dispute settlement; other topics. The Group will continue work on these groupings of related issues at its next meeting.

Group "Agriculture"

14. The Group "Agriculture" met in December 1976 and again in March 1977. At its December meeting, it agreed on reporting procedures under the process of information, examination and dialogue with respect to tariff and non-tariff measures affecting agricultural products other than those covered by the product Sub-Groups. At both meetings the Group considered developments in other Groups and Sub-Groups relevant to its work. The Group also initiated a review of the applicability of the draft standards code to agricultural products and will continue with this at its next meeting.

Group "Framework"

15. The Group commenced its substantive work in February 1977 having had presented to it the following five-point work programme: The legal framework for differential and more favourable treatment for developing countries in relation to GATT provisions, in particular the most-favoured nation clause; safeguard action for balance of payments and economic development purposes; consultations, dispute settlement and surveillance procedures under Article XXII and XXIII of the General Agreement; for the purpose of future trade negotiations: applicability of the principle of reciprocity in trade relations between developed and developing countries and fuller participation by the developing countries in an improved framework of rights and obligations under the GATT that takes into account their development needs; and an examination of existing GATT rules concerning the application of restrictions at the border that affect exports, taking into account the development needs of developing countries. A large number of statements, containing many proposals, including proposals relating to the present trade needs of developing countries were made and discussed. The Group will continue to address itself to the substantive questions it has been called upon to deal with at its next meeting.

