

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

COM.TD/W/265

4 November 1977

Limited Distribution

Committee on Trade and Development
Thirty-Fourth Session
14-15 November 1977

DEVELOPMENTS IN THE MULTILATERAL TRADE NEGOTIATIONS

Prepared by the Secretariat

1. At each of its 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, on the basis of a secretariat background note. The main developments which have taken place in the various Groups and Sub-Groups of the Trade Negotiations Committee since the June 1977 meeting of the Committee are summarized in the following paragraphs. They are not intended to be exhaustive of all the points raised in the course of the meetings, nor do they reflect any views of the secretariat on any matter or issue listed. Because of the summary form of this note, the precise position with respect to any particular point may not be entirely reflected.

2. The decision of the seven major western industrial countries at the London Economic Summit in May 1977 to give the multilateral trade negotiations a new impetus (see COM.TD/W/263) was followed by informal bilateral and plurilateral consultations among certain participants also with this end in view. In addition to the points reflected below, it should be noted that in accordance with the procedures agreed in the relevant Groups and Sub-Groups, there has been a continuing process of bilateral as well as certain plurilateral consultations among interested participants with respect to different areas of the negotiations.

Group "Agriculture"

3. On the basis of a decision taken by the Group "Agriculture" at its meeting in July 1977, participants are in the process of presenting requests for concessions concerning tariff and non-tariff measures affecting agricultural products. In this connexion, the date of 15 January 1978 has been accepted for the submission of offers.

4. Special procedures have been adopted for the presentation of requests by developing countries within the same broad time framework. Requests previously submitted under the procedures for negotiations on tropical products which are still pending or which have not been fully met, may be considered as having been resubmitted following a communication to that effect; these requests will not lose their special and priority character. In presenting offers, it is intended that special and priority attention will be given to the requests submitted by developing countries, with a view to ensuring substantial benefits for the international trade of these countries in the field of agriculture.

5. Developed countries so wishing will submit to developing country participants, indicative lists of their agricultural export interests in the markets of the developing countries concerned. Developing countries in a position to do so, will indicate on a provisional basis, their contributions to the negotiations within a reasonable period of time after the offers are presented by developed countries. Such contributions will be finalized not on a sectoral basis, but in the light of the additional benefits they receive from the negotiations as a whole.

6. The Group will keep under review the progress made in the negotiations on agricultural products and take such action as may be needed to achieve the objectives of the negotiations, in particular with respect to the trade of developing countries.

7. In accordance with the decisions of the Group "Agriculture", the Sub-Groups on Dairy Products and Meat are in the process of discussing concrete proposals for multilateral solutions to problems in these two sectors. The Sub-Group on Grains is expected to meet as soon as possible and pursue its work in the light of the progress made in discussions taking place within the framework of the International Wheat Council. All three Sub-Groups are addressing themselves to the main issues with a view to finding multilateral solutions in their respective sectors. These issues include stabilization of prices and markets, expansion and ever greater liberalization of trade and special and differentiated treatment to be given to developing countries.

Sub-Group on Dairy Products

8. At its meeting in October 1977, the Sub-Group had before it two proposals concerning an arrangement in the dairy products sector; it held a broad discussion on the elements contained in these proposals. At its next meeting, the Sub-Group will continue discussion of the elements contained in the proposals. To help that discussion the secretariat will prepare, before the next meeting and on its own responsibility, a document bringing together the elements contained in the two proposals and the considerations expressed during the initial discussion of these proposals.

Sub-Group on Meat

9. At its meeting in October 1977, the Sub-Group had before it two proposals concerning an arrangement in the meat products sector; it held a broad discussion on the elements contained in these proposals. At its next meeting, the Sub-Group will continue discussion of the elements contained in the proposals. To help that discussion the secretariat will prepare, before the next meeting and on its own responsibility, a document bringing together the elements contained in the two proposals and the considerations expressed during the initial discussion of these proposals.

Group "Non-Tariff Measures"

10. On the basis of a decision taken by the Group "Non-Tariff Measures" at its meeting in July, participants are in the process of submitting lists of requests regarding any non-tariff measures. In this connexion, the date of 15 January 1978 has been accepted for the presentation of offers.

11. Special procedures have been adopted for the submission of requests by developing countries. Requests previously submitted under the procedures for negotiations on tropical products which are still pending or which have not been fully met, may be considered as having been resubmitted following a communication to that effect from developing countries concerned; these requests will retain their special and priority character. In presenting offers, developed country participants will give special and priority attention to the requests of developing countries, with a view to ensuring substantial benefits for the international trade of these countries.

12. Developed countries so wishing will submit to developing countries indicative lists of non-tariff measures of their export interests in the markets of developing countries. Developing countries in a position to do so, will indicate on a provisional basis their contributions to the negotiations within a reasonable period of time after the offers are presented by developed countries. Such contributions will be finalized not on a sectoral basis but in the light of the additional benefits they receive from the negotiations as a whole.

13. Work will continue in the existing Sub-Groups on the drafting of general codes or other solutions that will deal with the non-tariff measures being considered in these Sub-Groups. The Group will keep under review the progress made in the negotiations on non-tariff measures and take such action as may be needed to achieve the objectives of the negotiations, in particular with respect to the trade of developing countries.

Sub-Group "Quantitative Restrictions"

14. When it met in July 1977, the Sub-Group 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 as well as the question of differential treatment including special procedures with respect to developing countries. The Sub-Group heard a statement from a delegation tabling a new proposal; several delegations raised a number of questions and sought clarification on particular aspects of this proposal. Further comments were also made on previous proposals, and views were expressed with regard, *inter alia*, to the bilateral and multilateral aspects of a possible approach for the elimination of quantitative restrictions under the GATT, the socio-economic realities underlying existing restrictions, the relationship between further progress in this area and other areas of the multilateral trade negotiations, the product coverage of proposed procedures, treatment of other measures having the same effect as quantitative restrictions and the possible elaboration of criteria for the elimination of quantitative restrictions. Delegations from developing countries reiterated their position on how to provide special and more favourable treatment for developing countries in this regard. The Sub-Group requested the secretariat to examine in consultation with delegations, the feasibility of establishing a list of quantitative restrictions which have emerged from consultations held under the procedures agreed earlier in the Sub-Group as well as those contained in other GATT documentation on import restrictions. In addition, the Sub-Group considered developments under the consultation procedure and agreed that it should be continued.

15. In relation to import licensing procedures, the Sub-Group heard a report by the Acting Chairman on the meeting at technical level held in May 1977 with a view to working out an improved text on import licensing procedures for further negotiation in the Sub-Group. It was noted that while in some instances the discussion at the meeting had contributed to narrowing down existing differences of view, no final conclusions were reached on any of the points under consideration. The Sub-Group requested the secretariat to examine, in consultation with delegations, the feasibility of drawing up a draft text on Automatic Licensing along the same lines as the draft text on Licensing to Administer Import Restrictions. The Sub-Group would consider at its next meeting whether these draft texts could constitute a basis for the discussion on import licensing procedures.

Sub-Group "Technical Barriers to Trade"

16. At its meeting in September 1977, the Sub-Group reviewed the proposals before it for modifications in the text of the Draft Code of Conduct for Preventing Technical Barriers to Trade and agreed to insert a number of these in the Draft Code. Some new proposals were made and discussed. The Sub-Group also had an extensive discussion of the proposals relating to special and differential treatment for developing countries.

Group "Safeguards"

17. When it met in June 1977, the Group "Safeguards" focussed on the matters which should be dealt with by the Group, the relationship between its work and other areas of the negotiations and special and differential treatment for developing countries. The Group examined in turn the following groupings of related issues, taking into account points relating to special and differential treatment for developing countries; 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. One delegation recalled proposals which it had tabled in the Group "Sector Approach" in regard to safeguards and explained the main elements and purposes of these proposals. The Group agreed that its discussion of the groupings of issues had been carried as far as was useful at the present stage. There was a consensus in the Group that a period of reflection on all the points made would be in order; at the same time this would enable bilateral and plurilateral consultations to take place and provide members of the Group with the possibility of tabling drafts of concrete elements which might form the basis of further negotiations in the Group.

Group "Framework"

18. At its June/July meeting, members of the Group "Framework" continued to address themselves to substantive questions which the Group is called upon to deal with in the context of its work. The discussion enabled members of the Group to set out their ideas on matters before the Group, to obtain clarification of points of view already expressed and to give first reactions to specific proposals already made under the different topics. It was noted that it remained open to members of the Group to submit proposals in writing in advance of the next meeting of the Group. The Group agreed that at its next meeting, it should carry forward in more specific terms the discussion of the substantive questions which it was called upon to deal with and that, to this end, each of the substantive questions should be taken up in turn at that meeting.