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GENERAL AGREEMENT ON TARIFFS AND TRADE

Committee on Trade and Development
Forty-Fifth Session
12-13 November 1981

BACKGROUND NOTE FOR REVIEW OF IMPLEMENTATION OF PART IV AND OPERATION OF THE ENABLING CLAUSE

Note by the Secretariat

Addendum

1. Paragraphs 2-7 below update the information in Section III, "Developments in Other GATT Bodies of Interest in Relation to Part IV". Paragraphs 8 and 9 provide additional information pertaining to Annex I, "Activities in Other International Organizations Relevant to Part IV".

Council

2. At its meeting on 3 November 1981, the Council approved texts of draft decisions, for consideration by the CONTRACTING PARTIES at their thirty-seventh session, on the extension of the time-limit for acceptance of the Protocol Supplementary to the Geneva (1979) Protocol to the GATT, the establishment of a new Schedule XXI by Indonesia, the renegotiation of its Schedule by Pakistan, Uruguayan import surcharges and the Turkish stamp duty. The Council took note of a communication from Tunisia concerning negotiations for full accession to the GATT and requested the secretariat to prepare, for consideration by the CONTRACTING PARTIES at their thirty-seventh session, a draft proces-verbal extending the Declaration on the Provisional Accession of Tunisia and a draft decision on the further extension of the Decision on the Participation of Tunisia in the Work of the CONTRACTING PARTIES. The Council adopted the reports of the Committee on Balance-of-Payments Restrictions on its consultations with Italy, Peru and Turkey and the report on the annual review by the Textile Committee and took note of the report of the Consultative Group of Eighteen and the Committee on Tariff Concessions. The Council also adopted the report of the Panel established in regard to the imposition by the United States of countervailing duty without injury criterion on industrial fasteners from India and noted that the matter had been satisfactorily resolved as a result of bilateral consultations between the two countries. The Council took note of the report of the Panel on Spanish measures concerning domestic sale of soyabean oil and of statements on the matter made in the Council or circulated in documents. The Council also took note of statements made in regard to recent modifications to GSP schemes. Other matters considered by the Council included the tax practices of certain

countries, the review under paragraph 4 of the Swiss Protocol of Accession, United States imports of certain automotive spring assemblies, the biennial report on the EFTA-FINEFTA Agreement and secretariat training activities.

Agreements on non-tariff measures

3. At its meeting on 20-22 October 1981, the Committee on Technical Barriers to Trade (L/5217) heard a progress report from the Chairman of the Working Party on the Accession of Bulgaria to the Agreement on Technical Barriers to Trade and agreed to revert to this matter when a report by the Working Party is presented to it. The Committee discussed regional standards-related activities as well as a study on the activities of non-governmental standardizing bodies to be prepared by the secretariat; it agreed to revert to these matters at its next meeting. Following informal consultations among experts responsible for the enquiry points established under the Agreement, the Committee adopted a number of practical steps to improve the flow of information about technical regulations, standards and certification systems. The Committee heard statements and clarifications from a number of signatories about steps taken by them to implement and administer the Agreement. The Committee completed its second annual review of the operation of the Agreement and adopted its second annual report to the CONTRACTING PARTIES (L/5218).

4. At its meeting on 26-27 October 1981, the Committee on Anti-Dumping Practices took note of the acceptance of the Agreement on Implementation of Article VI by two additional countries, Pakistan and Poland. The Committee examined semi-annual reports on anti-dumping actions and reports on preliminary or final anti-dumping actions; a number of comments on particular cases were made and explanations given. The Committee considered the questionnaires used by a number of signatories in anti-dumping investigations. In regard to basic price systems and special monitoring schemes, the Committee adopted the text of an Understanding on Article 8:4 of the Agreement, took note of reservations and comments made by several members of the Committee and noted that the matter would be further discussed at future meetings of the Committee. The Committee adopted the report of the Group of Experts on the Definition of the Word "Related", established jointly with the Committee on Subsidies and Countervailing Measures. The Committee undertook its annual review of the operation of the Agreement and adopted its report to the CONTRACTING PARTIES (L/5229).

5. The Committee on Subsidies and Countervailing Measures, at its special meeting of 12 October 1981, examined the acceptance of the Agreement by New Zealand with a reservation in respect of Article 19:5. The Committee accepted this reservation with certain qualifications. The Committee discussed at a special meeting on 27 October 1981 a statement made by Australia on its acceptance of the Agreement. At its meeting of 28-30 October 1981, the Committee continued its examination of national legislation and implementing regulations. In regard to the notification of subsidies, the Committee decided that all signatories should submit full notifications in response to the questionnaire on subsidies not later than 31 December 1981, and that the Committee would undertake an examination of the questionnaire as well as of qualitative aspects of responses to it at a special meeting early in 1982. The Committee examined semi-annual reports

on countervailing duty actions as well as reports on preliminary or final countervailing duty actions; a number of comments on particular cases were made and explanations given. The Committee adopted the report of the Group of Experts on the Definition of the Word "Related" that had been submitted to the April 1981 meeting of the Committee. The Committee was informed of the outcome of consultations between the United States and the European Communities concerning subsidies on the export of wheat flour and had a preliminary discussion of further procedures to be followed in this case. The Committee undertook its annual review of the operation of the Agreement and adopted its report to the CONTRACTING PARTIES (L/5231).

6. At its meeting on 4-5 November 1981, the Committee on Customs Valuation continued its exchange of views on the implementation and administration of the Agreement, on the basis of written replies by delegations to points contained in a revised checklist of issues. The Committee also considered the use of various valuation methods, having before it data, submitted by a number of Parties to the Agreement, on customs entries classified by the various valuation methods provided for under the Agreement. The Committee heard a report by the Chairman of the Technical Committee on the work of that body. The Committee undertook its annual review of the operation of the Agreement and adopted its annual report to the CONTRACTING PARTIES (L/5240). The Committee concluded that no substantial difficulty had been encountered during the first year of operation of the Agreement.

7. At its meeting on 28 and 30 October 1981 (L/5224), the Committee on Trade in Civil Aircraft reviewed the status of acceptances of the Agreement. It noted that the matter of new notifications on entities operating military aircraft was not yet resolved. It continued discussion of texts concerning the binding of duties and other charges on repairs, and decided to revert to this matter at its next meeting. The Committee received the third progress Report from the Technical Sub-Committee, and gave it instructions to pursue the work on statistics. The Committee continued its discussion of trade restrictions under Article 5 of the Agreement. With respect to matters under Article 6, the Committee heard two statements on subsidies, export credits and the relationship between the Aircraft Agreement and the Agreement on Subsidies and Countervailing Duties. The Committee adopted its annual report to the CONTRACTING PARTIES (L/5225).

Cancun summit meeting

8. Leaders of twenty-two countries met in October 1981 in Cancun, Mexico to discuss economic relations between developed and developing countries. The main issues discussed at Cancun related to food, primary products, international trade, energy and monetary and financial questions. As agreed by the participants prior to the meeting, no communique was issued.

Commonwealth summit

9. Heads of government of Commonwealth countries met in Australia in October 1981. In their communique, the heads of government, referring to the forthcoming Cancun summit, expressed their resolve to make every effort to remove obstacles to an early start to global negotiations. At the same time, they recognized the need for immediate and effective action in such critical areas as trade, energy, food and money and finance, and called on leaders of all countries, without prejudice to the global round of negotiations, to join them in commitment to such action. The heads of government expressed their anxiety over the trend towards increased protectionism and reviewed a number of problem areas in international trade relations. In this context, they welcomed the proposal for a ministerial meeting of the GATT and urged the CONTRACTING PARTIES of the GATT to take a positive decision to convene the ministerial meeting in 1982 to consider these and other problems of trade faced by all countries.