

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

L/5376

13 October 1982

Limited Distribution

## COMMITTEE ON TRADE IN CIVIL AIRCRAFT

### Report to the Contracting Parties

1. This report is submitted under Article 8.2 of the Agreement on Trade in Civil Aircraft. It sets out the activities of the Committee since November 1981.
2. In October 1982 there were twenty Signatories to the Agreement: Austria, Canada, the EEC, Belgium, Denmark, France, Federal Republic of Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, the United Kingdom, Egypt (subject to ratification), Japan, Norway, Romania, Sweden, Switzerland and the United States.
3. The Committee on Trade in Civil Aircraft held three meetings in the period under review: on 17 March, 1 July and 6-7 October 1982.
4. The Committee had adopted on 26 March 1980 the GATT procedures for modification and rectification of Schedules (BISD, 27th Supplement, page 25) with respect to the Annex to the Agreement on Trade in Civil Aircraft. In October 1982, it agreed to the modalities of its application, mutatis mutandis.
5. The Committee continued its detailed discussion of several items on the operation of the Agreement. In the context of its discussion on the question of the binding in Signatories' respective GATT schedules of the duty-free or duty-exempt treatment for duties and other charges on repairs, it was led to examine the customs treatment of repairs of civil aircraft. The matter of military entities, as it relates to the coverage of the Agreement under Article 1.2, was concluded at the eighth meeting, pending a further notification.
6. Under Article 5, the Committee sought clarification of certain Signatories' trade regulations. The matter was settled satisfactorily and removed from the agenda.
7. The Committee heard statements of general policy under Article 6. The Committee also received a notification by a Signatory under Article 8.6 of initiation and investigation of alleged subsidies. It entered into simultaneous consultation on this matter according to Article 8.6, and heard views of the two parties concerned.

8. The Committee also heard the particular concerns of a Signatory on official export credit financing of civil aircraft sales which, in its view, constituted subsidies. The concerns had led that Signatory to commission a study on the economic impact of export credit subsidies on certain domestic industries.

9. The Committee received the final report by the Technical Sub-Committee on product coverage, together with the list of Selected Products and Additional Information. This was prepared by the Technical Sub-Committee in view of enlarging the coverage of the Annex to the Agreement. The Committee decided at its October 1982 meeting to include the report for further negotiations of the Agreement as provided for under Article 8.3 and had a first examination of this report.

10. The minutes of the Committee's meetings are contained in documents AIR/M/1 to 9, and are available to the contracting parties to the GATT.