

GENERAL AGREEMENT ON TARIFFS AND TRADE

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COMMITTEE ON TARIFF CONCESSIONS

Minutes of the Meeting held in the Centre William Rappard on 19 October 1981

Chairman: Mrs. Y. M'Bahia Kouadio (Ivory Coast)

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1. Departure of Mr. Kawamura

1.1 Mrs. M'Bahia informed the members of the Committee that the Chairman of the Committee, Mr. Kawamura, having left Geneva to take up other duties in his country and not being in a position to come back to preside over the work of the Committee, it was in her quality as Vice-Chairman of the Committee that she was in the chair. Moreover, she requested the delegation of Japan to transmit to Mr. Kawamura the very sincere thanks of the Committee for the excellent work he had carried out.

1.2 The representative of Japan said that Mr. Kawamura had asked him to tell the Committee that he had enjoyed being its Chairman and wished to convey his thanks to Mrs. M'Bahia, to the members of the Committee and to the secretariat for the assistance he had received.

2. Adoption of the Agenda (GATT/AIR/1760)

2.1 Referring to the agenda for the meeting the Chairman drew the attention of the Committee to the item dealing with tariff reclassification. Referring to document TAR/W/19/Add.1, she said that consultations and discussions on that subject were not terminated and that a revised text of document TAR/W/19 could not be circulated for the meeting. She suggested that the discussion of that item be postponed to the next meeting of the Committee. She also mentioned that, under "other business" she would take up the question of the Report to the Council on the activities of the Committee.

2.2 The representative of the European Communities requested that the item on tariff reclassification be maintained on the agenda.

2.3 The agenda was adopted.

3. Status of acceptances of the Geneva (1979) Protocol and the Supplementary Protocol (TAR/W/2/Rev.4)

3.1 The Chairman referred to document TAR/W/2/Rev.4 and noted that all the countries which had a schedule annexed to the Geneva (1979) Protocol had signed and ratified the Protocol. However, two countries (Haïti and Zaïre) had not yet accepted the Supplementary Protocol. She added that, according to information available, it would seem that Zaïre would be able to transmit to the secretariat the necessary instruments for the ratification of the Supplementary Protocol before the end of the year. Since it was unlikely that Haïti would be in a position to accept the Supplementary Protocol before 31 December 1981 the Chairman called the attention of the Committee to the necessity of requesting a further extension of the time-limit for the acceptance of the Protocol until 30 June 1982. This question would be placed on the agenda of the Council of Representatives at its meeting of 3 November 1981.

3.2 The representative of Zaïre confirmed that, according to information received from his capital, all the documents necessary for the ratification, should be received before the end of the month.¹

4. Implementation of tariff concessions resulting from the multilateral trade negotiations (TAR/W/8/Rev.3)

4.1 The Chairman referred to document TAR/W/8/Rev.3 and, on behalf of the secretariat, apologized for the late circulation of the document. The secretariat had hoped to include information which was still lacking related to Brazil, Pakistan and Zaïre. The Chairman asked whether any of those delegations were in a position to give some clarification regarding the implementation of the concessions contained in their lists.

¹Zaïre has ratified the Supplementary Protocol on 11 November 1981.

4.2 The representative of Brazil said that it was the intention of her authorities to implement the concessions totally before the end of the year.

4.3 The representative of Pakistan informed the Committee that his Government had been implementing its commitment under the Agreement on Tariff Concessions since 1 July 1981.

4.4 The representative of Austria confirmed that the third step of the tariff reductions granted by his country would come into force on 1 January 1982.

5. Submission of Loose-Leaf Schedules (TAR/W/23)

5.1 The Chairman introduced the subject referring to document TAR/W/23 and underlined that a dozen countries had submitted to the secretariat their draft loose-leaf schedules prepared in accordance with the requirements of the loose-leaf system. She added that since the publication of the document Austria had also forwarded its draft loose-leaf schedule (TAR/29) and Spain had sent the French version of its schedule (TAR/18/Add.2). The Chairman drew the attention of the Committee to the information contained in document TAR/W/23 relating to the list of countries that had requested an extension for the verification of the loose-leaf schedules or objected to their certification asking for clarification or additional information. She said that document TAR/W/23 would be brought up-to-date by the secretariat. She asked Mr. Lindén (secretariat) to take stock of the situation.

5.2 Mr. Lindén (secretariat) said that, as could be seen from document TAR/W/23, there was only one schedule (Burma) which had been finally approved and had been certified on 30 June 1981. No formal action had, however, yet been taken in connexion with the certification of the Burmese schedule, because when the first loose-leaf schedules were circulated in final form, it was the intention of the secretariat to take a series of actions at the same time. The appropriate covers would be sent to all contracting parties, as well as relevant explanatory notes including lists of abbreviations of countries and of legal instruments used in the preparation of the schedules. A Press Release introducing the new system would also be circulated offering the possibility to private firms and institutions to subscribe to the loose-leaf system. It would therefore be desirable to have at least a couple of schedules ready before presenting the new system. On a more detailed aspect of the loose-leaf schedules, the secretariat had received comments concerning technical problems inherent to several schedules in respect of information contained in columns 5, 6 and 7. He suggested preparing a new paper which would take up these questions as a complement to documents TAR/W/9 and Add.1. Another general aspect concerned the time-limit for the submission of the schedules. So far, twelve schedules had been received and circulated, and it was expected that a few more schedules would be forwarded to the secretariat before the end of the year. He did not think it would be worthwhile to fix a new target date since it was understood that governments would make every effort in order to submit their loose-leaf schedules as soon as possible. Out of those twelve schedules, it could be noted that nine had already incorporated information related to previous INR's. Delegations that had not yet submitted their schedules might also wish to immediately incorporate the necessary information in column 7. The secretariat had found it useful to incorporate in document TAR/W/23 the list of the countries which had raised objection or asked for an extension of the time for examination of the loose-leaf schedules. He pointed out that, in many cases, several

countries had asked for an extension and stressed that as long as there was one objection or one request for extension of the time-limit, it would apply to all contracting parties.

5.3 The Chairman, taking into account the explanations just given by Mr. Lindén, urged delegations to speed up the preparation of their loose-leaf schedules and confirmed that the secretariat was at their disposal in case they needed assistance in the preparation of those schedules.

5.4 The representative of Austria confirmed that his delegation had very recently transmitted to the secretariat its loose-leaf schedule and, with reference to what Mr. Lindén had said about requests for extension, questioned whether there was a time-limit to raise objections concerning information contained in columns 5 to 7.

5.5 Mr. Lindén replied that the first time-limit was ninety days for the certification of a loose-leaf schedule; then, there could be further extensions requested by any country. Requests for extension could either be for a particular period or, without specific limit, until the two parties were in a position to inform the secretariat that the examination of the schedule was terminated. Furthermore, until 1 January 1987 it would be possible to raise issues concerning INR's on earlier concessions even if a loose-leaf schedule had been certified.

5.6 The representative of the European Communities asked, through the Chairman, whether the Australian delegation could give any clarification on the necessity of withdrawing its whole schedule of concessions because of nomenclature changes, as notified on 6 October 1981 in document SECRET/279, since, as from the Kennedy Round, the Australian tariff concessions had been negotiated in the CCCN.

5.7 The representative of Australia, referred to the document (SECRET/279) notifying the contracting parties of the withdrawal of all previous tariff concessions in connexion with Australia's adoption of the CCCN for its entire schedule. He stated that the withdrawal resulted from the need to express tariff concessions in terms of Australia's CCCN based tariff and to allow Australia to conform with the agreed loose-leaf schedule system. He advised the Committee that a new loose-leaf schedule of Australia in CCCN terms would be available at the conclusion of the Article XXVIII renegotiations.

5.8 The representative of Japan said that his authorities were very near to completion of the preparation of their schedule in loose-leaf form but, prior to the final submission of the Japanese schedule, his delegation was encountering several problems related to the legal status of the loose-leaf schedules and the relationship between the loose-leaf schedules and other legal documents of GATT. His delegation considered it appropriate to raise several points for the consideration of the members of the Committee as well as of the secretariat. His delegation was of the opinion that even after the loose-leaf schedules were certified, other legal documents of GATT, like the Fourth Certification of Changes to Schedules or the Geneva (1979) Protocols, remained, at least as far as Japan was concerned, legally valid. The loose-leaf system itself would be regarded as confirming what was contained in the various Protocols containing results of negotiations. The representative of Japan wished to know whether the understanding of his delegation in this

respect was shared by other Committee members and by the secretariat. He offered presenting in writing the various points he had mentioned in order to have them circulated in a document.

5.9 The Chairman pointed out that the Japanese delegation had raised a very important legal problem. She repeated the question put by the delegation of Japan as to whether its understanding of the situation was shared by other members of the Committee and by the secretariat.

5.10 Mr. Lindén (secretariat) recalled that although the question of the legal status of the loose-leaf schedules had now been raised for the first time by the delegation of Japan in the Committee, the Japanese delegation had already taken up that question on several occasions in informal talks with the secretariat. Mr. Lindén welcomed the suggestion made by the representative of Japan to submit in writing the points he had raised verbally. He explained that the interpretation of the secretariat was different from that expressed by the delegation of Japan insofar as in the secretariat's view it had been the intention that, after 1 January 1987, the loose-leaf schedules would be the only legal source for interpretation of GATT concessions. Up to that date, there would, however, be a possibility, even in case a schedule had been certified, to come back to certain questions based on previous negotiating records.

5.11 The representative of the European Communities appreciated the willingness of the Japanese delegate to submit in writing the opinion of his Government, since it concerned a very important matter; one of the reasons for which the loose-leaf system had been adopted was to give a unique reference to be used later on. If, in the future, it would be necessary not only to consult the loose-leaf system but to be obliged to go back to all the files containing results of previous negotiations he considered that the main advantage of the system would be lost. It would be advisable to have in writing the position of the Japanese Government in order to be able to analyse the whole situation. It was in the same light that his delegation had addressed its question to the delegation of Australia, to what extent it was necessary to withdraw its list of concessions. Note had been duly taken of the Australian reply but he wished to reserve his delegation's position until it had examined the Australian action in order to see whether it was in conformity with the letter and the spirit of the General Agreement.

5.12 The representative of the United States stressed the importance of the question raised by the delegation of Japan and supported the proposal that the Japanese views be submitted in writing.

5.13 The representative of Japan realized that the points he raised were very important and, in order to get clear responses from the members of the Committee and the secretariat, he was ready to address to the secretariat the views of his Government, in writing, for circulation to the interested members of the Committee.

5.14 The representative of New Zealand referred to the statement by the representative of Japan and questioned who were the interested members of the Committee. He pointed out that any delegation that took the matter of tariff concessions seriously would be interested in that fundamental and rather new issue.

5.14 The representative of Nigeria shared the views expressed by the representative of New Zealand and hoped that the document to be prepared by the Japanese delegation would be made available to all the members of the Committee.

5.15 The representative of Spain confirmed that his delegation had recently forwarded to the secretariat the French version of the Spanish schedule in loose-leaf form as a follow-up to their submission of the Spanish version last June. Since then, several delegations had forwarded to his delegation remarks and queries which had been most useful. He furthermore asked the various delegations which had indicated they would have comments that they transmit them to the Spanish delegation as soon as possible.

5.16 The Chairman drew the attention of the Committee members to the important legal question raised by the delegation of Japan. In reply to the question as to how the comments made by Japan would be distributed, she confirmed that it was the intention of the secretariat to circulate them, as soon as received, in a TAR document which would be transmitted to all members of the Committee.

6. Tariff reclassification (TAR/W/19/Add.1)

6.1 The representative of the European Communities referred to document TAR/W/19/Add.1 where it was stated that the preparation by the GATT secretariat of a revised document was still subject to discussions and that it would not be possible to distribute such a document for the present meeting of the Committee. He explained that, as foreseen, the Communities had participated in the discussions and he accepted the fact that for the moment it was not possible to prepare a new document. However, the fact that discussions were still under way after a long period of time, did indeed show that the question raised was of great importance. With respect to the Communities, he stressed that it was a matter of urgency and that it was of the utmost necessity to find a solution. As far as the Communities were concerned, he considered its position logical inasmuch as when there was a reclassification, it was necessary to maintain, to the largest extent possible, the level of the concession granted. He recalled an action taken some time ago by the Communities where, while reclassifying three chemical products, it had fully subscribed to that attitude by creating sub-items as necessary to maintain duties negotiated during the Tokyo Round. The European Communities would like to see other countries taking a similar position. Therefore, in order to pursue the discussion of this matter, the Communities had the intention of addressing to the GATT secretariat a document which would explain in detail the Communities' position and he suggested that the other contracting parties who would not share that position would also explain their position by communicating it to the GATT secretariat.

7. Harmonized System (TAR/W/22)

7.1 The Chairman noted that this item had been included for the first time in the agenda of a Committee meeting. According to the requests formulated by several members of the Committee at the previous meeting, the secretariat had prepared a first general note concerning this question in document TAR/W/22, entitled "Implications on GATT schedules of the introduction of the Harmonized System for commodity description".

7.2 Mr. Lindén stressed that document TAR/W/22 was of a very preliminary nature, one reason being that even if the discussions on the Harmonized System had advanced in Brussels and agreement had practically been reached on the nomenclature, there were, however, still questions concerning the implementation of the Harmonized System which were not settled. Thus it was not clear whether the Harmonized System would be introduced through a new Convention which would, for countries accepting it, replace the CCCN Convention or whether the old convention would still live in parallel with the Harmonized System. Linked to that was the question as to at which level the new Harmonized System nomenclature would be obligatory, i.e. whether countries would have to accept it at 6-digit level or whether it would only be obligatory at the 4 or 5-digit level. At the latest Plenary Session of the Committee on the Harmonized System, it had been agreed to set up a Working Group which would look further into this matter. Awaiting the outcome of the talks in Brussels, it was difficult for the secretariat to be very precise since the extent to which negotiations would be necessary would depend, to a large extent, on the outcome of the discussions in Brussels. Furthermore, the secretariat did not know to what extent governments would be willing to introduce new sub-items in their nomenclature to take into account existing bindings or whether they would bind a new combined item at the lowest level of any of the constituent previous items. Such matters would greatly influence the need for renegotiations. Another uncertainty concerned the time at which governments would be ready to start renegotiations because, even if the pure technical work on the Harmonized System was practically finished, there remained the question of explanatory notes which would be worked out in the course of 1982. The secretariat did not know to what extent delegations would be prepared to start renegotiations before the explanatory notes had been agreed upon. This problem would also influence the base period for the statistics to be supplied as background documentation for the renegotiations. The secretariat would be very grateful for any indication that governments would be prepared to give regarding their intentions. The intention of the secretariat behind document TAR/W/22 was only to give a broad picture of how the introduction of the Harmonized System would influence the GATT schedules and to make reference to earlier relevant experience in GATT. The document prepared by the secretariat would be followed by a more precise paper at a later stage.

7.3 The representative of Norway said that his delegation was interested in the subject but since his authorities had not yet had an opportunity to examine the document prepared by the secretariat, he would revert to this subject at the next meeting of the Committee.

7.4 The representative of the European Communities said that the secretariat document would certainly assist delegations in understanding the scope of that important problem. As Mr. Lindén had explained not all information was yet available but that should not prevent the Committee from examining the renegotiation procedures which would be applied. His delegation had asked the secretariat to examine the procedures to follow in such a case. The procedures included the supply of statistics and determination of a base period. As far as the Communities were concerned, the situation was clear: these negotiations must, to the extent possible, maintain the level of the concessions. He was confident that this concern was shared by all contracting parties. Only in cases which would have to be duly justified would it be accepted that certain existing bindings could not be maintained. The Communities were aware that there would be such special cases and only those should give rise to negotiations between interested contracting parties. He

stressed that, in the opinion of the Communities, the first preoccupation in the negotiations should always be to maintain the level of the concessions obtained in the course of the Multilateral Trade Negotiations. The Communities had suggested that the secretariat should give its attention to the documentation which would have to be supplied. He understood that it was not possible to do so in a first document, but he expected that in a further document, those indispensable elements would be laid down. He questioned, for example, whether weighted averages would be taken into account or, if not, what would be the basis for negotiations. The representative of the European Communities suggested that the secretariat should deal in a further paper with the procedures to be used for the negotiations and the practical questions which he referred to earlier on. He reiterated that the position of the European Communities was to maintain the level of existing concessions and, that they would accept only in cases duly justified, that Article XXVIII be invoked. His delegation could not agree that the adoption of the Harmonized System would lead to a general renegotiation of concessions.

7.5 The representative of the European Communities asked the Australian delegation whether it would be possible to complete the table annexed to document TAR/W/22 with the necessary information in respect of Australia.

7.6 The representative of Australia replied that this topic had been subject of discussions between himself and members of the secretariat, as well as correspondence between the Australian mission and the capital. He hoped that very shortly his delegation would be in a position to supply the GATT secretariat with the necessary computer tapes in order to complete the table.

7.7 The representative of Japan said that his delegation found it difficult to discuss in detail at this stage the relationship between GATT and the Harmonized System and to judge the extent to which the introduction of the Harmonized System would have impacts on concession rates. However, his delegation considered it appropriate that the GATT while keeping in close contact with the Customs Co-operation Council and following its work, would explore ways for facilitating the implementation of the Harmonized System. Secondly, a basic point which should be studied in GATT regarding the Harmonized System would be how the following two contradictory requirements would be co-ordinated in a satisfactory manner: on one hand it was suggested to avoid, to the maximum extent possible, a situation in which contracting parties would be involved in a large scale negotiation exercise and, on the other hand, to avoid as far as possible working out voluminous tariff documentation in order to demonstrate that the existing bindings were respected. When such a study would be conducted in the GATT, full attention should also be paid to finding out whether or not special ways and means would be available for settling properly the question of the relationship between the GATT and the Harmonized System.

7.8 The representative of the United States expressed his appreciation at the secretariat document which he found very useful as a preliminary note. In the coming months, however, he suggested that the Committee should begin to think about the procedures that would be required and, in particular, ways in which Article XXVIII negotiations - whether extensive or not - could be simplified. In his delegation's opinion the simplest way of beginning such a work would be for the secretariat to organize an informal group of interested delegations in order to explore any suggestions delegations might have. Any suitable proposals could then be discussed in the Committee at a subsequent meeting.

7.9 The representative of Canada said that his authorities had not had time yet to examine the document prepared by the secretariat; however, thinking about the potential implementation of a new nomenclature, his delegation would support the suggestion that it would be useful to adopt some accelerated or simplified procedures to bring the new nomenclature into the GATT schedules. If such procedures were to be discussed, his authorities would hope that a common base period could be established for any potential renegotiations under Article XXVIII.

7.10 The representative of Romania stressed the great importance of maintaining the level of concessions obtained during the Multilateral Trade Negotiations, as earlier explained by the delegate of the European Communities. Furthermore, his delegation felt that this principle should equally apply to tariff reclassifications.

7.11 The representative of New Zealand acknowledged the importance of the problem and supported the proposal put forward by the delegation of the United States for an informal group to take up the questions raised by the delegation of the European Communities and others with a view to making some concrete progress on the procedures that might be required.

7.12 Mr. Lindén recalled that the Council had adopted, about a year ago, guidelines for the conduct of Article XXVIII renegotiations and that those guidelines would be valid for the negotiations which might be required in connexion with the introduction of the Harmonized System, whether extensive or not. The base period, according to the guidelines, should be the three latest years before the beginning of the negotiations for which statistics were available. Referring to the remarks made by the delegate of Japan concerning the collaboration with the Customs Co-operation Council, Mr. Lindén assured him that the secretariat had been in close contact with the CCC and would continue so. He thought that it might be useful for the CCC to be present at the Committee meetings in the future when the Harmonized System was to be discussed. As far as the proposal made by the delegate of the United States for an informal group was concerned, the secretariat would be prepared to set up such a group formed by interested delegations.

7.13 The Chairman said that the number of delegations that had spoken on the subject and the number of problems raised, showed that the matter was of particular importance. Some delegations had underlined that it would be very important for them that the adoption of the Harmonized System would not create a negative effect on the tariff concessions and several delegations had stressed the importance of maintaining the existing levels of concessions except in very exceptional cases. One delegation had raised the question of maintaining a close co-operation between the CCC and the GATT secretariat. Another delegation had suggested the possibility of establishing a working group. Several delegations were in favour of simplified procedures for the renegotiations envisaged in connexion with the adoption of the Harmonized System. A number of delegations had underlined the link between the problems pertaining to the Harmonized System on one side and the tariff reclassification on the other side. She confirmed that the adoption of the Harmonized System and its implications on GATT schedules would be maintained on the agenda of the forthcoming meetings of the Committee. She finally requested the delegations particularly interested in this question to get in touch with the secretariat in order to examine the problems raised in more detail.

7.14 The representative of the European Communities reverted to the problem of tariff reclassification and admitted that a certain confusion had emanated from the meetings of the small working group. This confirmed the necessity to obtain precise procedures for negotiations related to the adoption of the Harmonized System since it was clear that confusion had arisen because of the lack of precise rules. As far as the maintenance of concessions was concerned, it was obvious that there were only a few delegations that had expressed their agreement in this respect but he was convinced that it was everybody's concern. His delegation would be ready to participate in meetings of a small working group in order to establish in advance precise rules to be followed and to avoid confusion at the time of the negotiations.

8. Tariff escalation (TAR/W/18)

8.1 The Chairman recalled earlier discussions in the Committee on Trade and Development on the question of tariff escalation and drew attention to the note by the secretariat TAR/W/18 and especially to paragraph 11 suggesting possible approaches for a case study. She invited delegations to exchange views and make suggestions.

8.2 The representative of Chile agreed with the evaluation and suggestions contained in document TAR/W/18, i.e. that the methodology proposed by the secretariat, although it gave rise to some problems, did seem to be the most appropriate. On the basis of this, he considered that it would be possible to go ahead with a pilot study on one or two sectors and, from the experience of such, to examine the best ways to carry out further work in the field of tariff escalation. He felt, as did a number of other delegations, that it would be most appropriate that one of the sectors to be studied be copper.

8.3 The representative of Australia recognized that tariff escalation can present problems to developing countries and that there could be useful studies carried out in this field. His Government, therefore, had supported at a meeting of Commonwealth heads of Governments the creation of a group of independent high-level experts to investigate this matter. He found, however, the secretariat document confused and complex. Furthermore, while recognizing that tariff escalation was by definition a study of the escalation of tariffs, non-tariff barriers must also be looked at and quantified. Therefore, before giving support to any study his delegation would expect a more refined and practical approach than that outlined in the document before him.

8.4 The representative of Peru agreed that the proposed methodology might not be the most appropriate one in view of the complexity of the problems and that there were other matters such as non-tariff barriers which should be studied in parallel. However, the study on tariff escalation should not be put aside because of these problems and his delegation seconded the proposal that among the pilot studies one of the first should be dealing with copper.

8.5 In the view of the Japanese delegation the appropriate methodology for measuring the effect of tariff escalation had not been established and it would, therefore, not be appropriate to embark upon a proposed pilot study on tariff escalation at this stage. However, in the light of the importance attached to this subject by developing countries his delegation would not raise any objection to a preliminary case study along the lines of paragraph 11, sub-paragraph (i) and (ii), together with the first and second

sentence of sub-paragraph (iii) of TAR/W/18. He felt that this should concern a simple case with easily identified processing chains and be of interest to both developing and developed countries.

8.6 The representative of Brazil, stressing the importance of tariff escalation, mentioned that in a report of the World Bank this question was presented as being one of the relevant elements in world trade structures which run against developing countries. As to the method of measurement he recognized the complexity of the problem and since each product chain was an individual case it was not possible to generalize. Thus he felt there should be firstly pilot studies which would establish guidelines and provoke thoughts rather than present conclusions. The secretariat should, therefore, move ahead and keep the Committee and interested delegations informed of the developments of the pilot study. Referring to the question of how to select areas for the study, he felt that it should cover, firstly, significant areas of international trade and secondly, as large a number of exporters as possible. A decision on which products to select could be taken through informal consultations.

8.7 The representative of the United States expressed serious doubts about the practicality of a study on tariff escalation but would not be opposed to a pilot study of one or two cases.

8.8 The representative of the European Communities said, as he had already indicated at the last meeting of the Committee, that the secretariat's paper was a good basis for a pilot study. He reiterated that the chain concept should be retained and that there should be an adequate geographic coverage containing all the pertinent countries. He added that this study should be based on the applied tariff and that the secretariat should, in consultation with interested delegations, propose one or two processing chains taking into account the methodology mentioned by a number of delegations.

8.9 The representatives of Canada, Norway, Spain and Yugoslavia supported the proposal for a pilot study.

8.10 The Chairman in summing up noted, from the number of delegations having spoken on the subject of tariff escalation, the importance attached to it in the Committee. She also noted that substantial progress had been made since the last meeting of the Committee and that concrete proposals had been made. It would seem that, in principle, there were no objections to carrying out a pilot study. A number of delegations had given the criteria for selecting the products and had stressed the importance of geographic coverage. The methodology would seem to be a difficulty, but there was a consensus that the problem was of major importance to both developing and developed countries. The Committee had taken due note of all the statements made and it was agreed that the secretariat would carry out a pilot study on certain products to be selected in consultation with interested delegations. The Chairman agreed that this Committee and the Committee of Trade and Development should work together and that they should both be kept informed of progress.

9. Tariff Study (TAR/W/15 and TAR/W/20)

9.1 The Chairman remarked that the note by the secretariat in document TAR/W/15 was before the Committee. She recalled that, at the last meeting there had been an exchange of views but no decision had been taken. She pointed out that the secretariat had nearly finished updating the Tariff Study

files which included duties resulting from the Multilateral Trade Negotiations and import statistics for 1978. A decision was therefore needed relating to further work on the Tariff Study. The Chairman also noted that, since the last meeting, Hungary had submitted relevant data. She asked whether there were other countries which would like to supply information in order to enlarge the geographic coverage of this study. She also pointed out that the tariff study would be an indispensable complement to the study on tariff escalation.

9.2 The representative of Australia doubted the benefits of an extension of the Tariff Study since the objectives of the study as described in document TAR/W/20 appeared to be somewhat vague. While he acknowledged the usefulness of some of the tariff information, he stressed that analyses based on tariffs alone could not accurately represent treatment accorded to all imports in all markets. There was, therefore, little justification for extending either the country coverage or the product coverage unless non-tariff measures were included so as to present a more accurate picture of the world trading situation.

9.3 The representative of Japan stated that his delegation had no objection to including any new countries in the Tariff Study and added that the files should be updated annually. Concerning the content of the files, his government saw no need to enlarge the scope of the information.

9.4 The representative of the European Communities said his delegation had no special preference regarding the annual or bi-annual updating of the Tariff Study files. He added that these files when processed and standardized by the secretariat were useful. The updating of this information would, furthermore, make it possible to have a certain amount of data available for use within the framework of the harmonized system. In respect of the coverage, the files gave information in the area of tariffs and this should be maintained. Regarding the geographic coverage, his delegation was in favour of increased participation in the Tariff Study. Referring to the analytical studies, he recognized the usefulness of certain information which used to be printed in the earlier Summary Tables and he wondered whether reproduction on microfiche would be acceptable instead in view of the budgetary constraints with regard to printing costs.

9.5 The representative of Canada agreed to the annual updating of the Tariff Study. Concerning the technical issues raised in the secretariat papers, his delegation felt it might be useful to convene a group of experts since those questions had not been considered for some length of time.

9.6 The representative of the United States supported the updating of files annually and broadening the geographic coverage. With regard to the access to the files, his delegation felt they should be limited to the participants as in the past.

9.7 The representative of Austria would also welcome an enlarged geographic coverage and believed that some of the more advanced developing countries should be included in the Tariff Study.

9.8 The representative of Romania shared the opinion that it would be useful to know in detail the situation of tariff protection after the Tokyo negotiations and thus approved the proposal of updating the Tariff Study in as complete a form as possible.

9.9 In summing up, the Chairman stated that no delegation had any objection to continuing the Tariff Study and that updating should be carried out on a yearly basis. In respect of geographic coverage, there were also no objections, in fact it was requested that the more advanced developing countries be invited to participate in this Study. On the subject of dissemination of information, delegations expressed the wish that present procedures be continued.

9.10 The representative of Australia recalled the position of his delegation that any extension of the study should only be undertaken if non-tariff measures were included in the Tariff Study programme.

9.11 The representative of Japan recalled that the terms of reference for conducting the Tariff Study did not cover the point raised by the delegate for Australia.

9.12 The representative of the United States supported the views of Japan. He added that he had no objection to working on non-tariff measures, but it should not preclude any further enlargement of the geographic coverage and make it dependent upon this condition.

9.13 The representative of the European Communities wished to be associated with the statement of the previous two delegations.

9.14 The representative of Hungary stated that, as the latest participant, her delegation could not accept any distinction concerning the data requirements between countries already covered by the Tariff Study and the new participants thereof.

9.15 The representative of New Zealand liked the Canadian suggestion for an expert group, in particular if it were to direct its attention to the question of whether the quantification of the non-tariff barriers was the reason why CCCN Chapters 1 to 24 were not included in the results of the Tariff Study.

9.16 Mr. Till (secretariat), having been asked to speak, stated that from past experience in the work of the Group of technical experts on the Tariff Study it was unlikely that such a matter could be settled by an expert group alone. Since, furthermore, it was not envisaged to undertake an analysis of the tariff and related matters in the near future, he wondered if a meeting of technical experts would not be premature at this stage.

9.17 The Chairman said that the statements of the representatives of Australia, Japan, the European Communities and Hungary would be reflected in the minutes of the meeting. Concerning the question of having an expert group or a working party she felt the secretariat had given an appropriate answer.

10. Date of next meeting

10.1 The Chairman suggested that the next meeting of the Committee could take place during the first quarter of 1982, in February or in March, at a date to be fixed by the Chairman in consultation with the members of the Committee. It was so agreed.

11. Other business

11.1 Under this item, the Chairman brought up the question of the report to be submitted to the Council on the activities of the Committee on Tariff Concessions. She referred to the procedure followed the year before and explained that again this year, the next meeting of the Council being scheduled for 3 November, it would not be possible to have before that meeting a detailed written report adopted by the Committee. In the circumstances, the Chairman suggested that she would make an oral statement at the Council on the activities of the Committee on Tariff concessions during the year, and her statement would be reproduced subsequently in a TAR/¹ series document and distributed to all contracting parties. It was so agreed.

¹ See document TAR/34.