

**GENERAL AGREEMENT ON
TARIFFS AND TRADE**

COMMITTEE ON TARIFF CONCESSIONS

Draft Minutes of the Meeting held in the
Centre William Rappard on 12 December 1983

Chairman: Mr. W. Lavorel (United States)

1. The only item on the agenda was the establishment of a common data base in connection with the introduction of the Harmonized System and Article XXVIII negotiations (TAR/W/41).

2. The Chairman recalled that the Committee had had a first discussion at its meeting on 20 October, on the basis of a secretariat note, TAR/W/41. At that time, a number of delegations had supported the idea of a common data base while others needed more time to examine the note. Since the October meeting, several delegations had consulted informally with the secretariat and hopefully most of their concerns had been alleviated. He made it clear that the Committee was not called upon to take a decision on the details of TAR/W/41. All that was necessary at this stage was an agreement that the secretariat could begin technical preparations for a common data base, preparations which - this was also an important factor - would have no GATT budgetary consequences. He also stressed that the agreement which he hoped could be reached was without prejudice to the position of any delegation as to its eventual participation in the data base or, indeed, its position vis-à-vis the Harmonized System. It would simply enable the secretariat to move ahead with technical preparations which, due to the complexity of the work, would inevitably take between 6 to 8 months because this work would have to be carried out in addition and in parallel to the normal tasks of the secretariat.

3. The Chairman explained that it was not the intention, at this or any subsequent meeting, to formally adopt document TAR/W/41. This was a very technical and complicated paper which in many parts would only be understood by computer experts. He suggested that delegations who would eventually decide to participate in the data base continue to examine the document, together with the technical experts, and to the extent necessary, get in touch with the secretariat for further clarification.

4. The Chairman went on to say that at the October meeting, a number of delegations had indicated that they did not envisage participating in the data base at this stage or at an early stage since they did not have the necessary technical means. This might be true for a few developed countries, but even more so for developing countries. As mentioned earlier there was no obligation to join the data base and those countries who would choose not to do so, would nevertheless be able to carry out the negotiations under Article XXVIII. He added that, in response to concerns expressed by developing countries, the GATT secretariat had assured him that technical assistance would be available so that they could fully participate in the negotiations. Such assistance in connection with tariff negotiations had been extended in the Tokyo Round and at other occasions, and the secretariat would stand ready to do so again for the forthcoming exercise. This would enable developing countries, as far as their trade and export interests were concerned, to have the necessary information to participate fully in the negotiations.

5. The Chairman thought that it was useful to make this rather detailed opening statement in order to allay some of the fears that had seemed to him to exist at the October meeting. He hoped that delegations' concerns had been addressed sufficiently so that the Committee could give the secretariat the green light to begin the preparations.

6. The representative of Brazil took note of the Chairman's introductory statement and recalled that at the last meeting of the Committee his delegation had raised several questions on the establishment of a data base for the Harmonized System negotiations. He indicated to the Committee that his delegation was not opposed to such an exercise and thanked the

secretariat for the clarifications given. His delegation could join in the consensus of the meeting and indicated that his delegation would pursue its contacts with the secretariat in order to obtain the technical assistance promised by the secretariat regarding Brazil's participation in the exercise.

7. The representative of the European Communities felt it important that the secretariat should start the work related to the establishment of a data base. His delegation agreed with the points mentioned by the Chairman.

8. The representative of Hungary said that his country did not envisage participating in the exercise due to the lack of technical means and the financial implications involved, but would be willing to fully co-operate in the preparation of the Harmonized System negotiations under Article XXVIII. His delegation was ready to make available to the Committee as much data as it could.

9. The representative of Korea said that his delegation was in favour of creating a common data base and expressed its preparedness to go along with the ideas contained in the secretariat note. He raised the following technical points: firstly, regarding the question of INRs in paragraph 5 of document TAR/W/41, his delegation would make only reference in the Harmonized System Loose-Leaf Schedule to the existence of earlier INRs but detailed information might be provided in the process of negotiations, if necessary. Secondly, in paragraph 6, as to the ad valorem equivalents, his delegation felt that AVEs should be calculated for each of the three years in order to ensure a more precise assessment; he also expressed the view that the use of a coding system for recording specific, mixed and compound rates would be useful. Thirdly, regarding paragraph 8 and import statistics, his delegation thought that they should be recorded in both national currency and the currency actually used in transactions in order to avoid possible errors which could occur in the course of conversions; the fluctuation of exchange rates might be the source of statistical errors. Lastly, with reference to paragraph 11 and the form the data base would take, the Korean authorities would prefer the second approach.

10. The representative of South Africa informed the Committee that his authorities were presently examining the possibilities of participating in the exercise. His delegation would contact the secretariat for further questions in the coming weeks.

11. The Chairman took note of the consensus in the Committee that the secretariat could begin the preliminary work on the establishment of a common data base and encouraged delegations to keep in contact with the secretariat in order to facilitate their decision on whether or not to participate in the data base. It was so agreed.