

GENERAL AGREEMENT ON
TARIFFS AND TRADE

RESTRICTED

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COMMITTEE ON TARIFF CONCESSIONS

Draft Minutes of the Meeting held in the
Centre William Rappard on 30 April 1984

Chairman: Mr. W. Lavorel (United States)

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1. <u>Adoption of the Agenda</u> (GATT/AIR/1997)	
1.1 The <u>Chairman</u> welcomed the participants to the thirteenth meeting of the Committee and called their attention to document GATT/AIR/1997 containing the agenda and the list of documents for the meeting. The agenda was <u>adopted</u> without modification.	
2. <u>Submission of Loose-Leaf Schedules</u> (TAR/W/23/Rev.8)	
2.1 The <u>Chairman</u> pointed out that since the distribution of document TAR/W/23/Rev.8, South Africa had submitted its schedule in loose-leaf form in document TAR/79. He regretted to note, however, that although the exercise had started some four years ago, a number of countries such as Australia, Czechoslovakia, Romania and Switzerland had not yet prepared their	

loose-leaf schedules. Slow progress had been made since the last meeting towards certification of loose-leaf schedules: only six schedules were ready for certification (Burma, Colombia, Nigeria, Poland, Singapore and Thailand). The Chairman also pointed out that countries were taking far too much time for the verification of schedules which had been submitted months and, in some cases, even years ago. In view of the forthcoming negotiations in connexion with the introduction of the Harmonized System, it seemed essential that delegations should have all the schedules available in loose-leaf form, even if they could not be certified in time. To this end, he once more urged delegations to forward their comments and replies regarding the various loose-leaf schedules under consideration.

2.2 The representative of Switzerland promised the Committee that the Swiss schedule would be forwarded to the secretariat within the next few weeks.

2.3 The representative of Canada informed the Committee that a complete loose-leaf schedule containing the information in columns 6 and 7 would be available in October.

2.4 The representative of Australia said that her country's submission of its loose-leaf schedule depended on the conclusion of Article XXVIII negotiations with a number of major countries. She urged those countries, particularly the European Communities, Japan and the United States, to assist her authorities in completing those negotiations .

2.5 The representative of Portugal informed the Committee that the work on the Portuguese schedule in loose-leaf form was being terminated and he hoped that his delegation would be able to submit it very soon.

3. Harmonized System and GATT Concessions (L/5470/Rev.1 and TAR/W/41)

3.1 The Chairman explained the present situation and recalled that procedures for the rectification and renegotiations of GATT schedules in connection with the introduction of the Harmonized System had been adopted by the Committee in February 1983 and subsequently approved by the GATT Council in July 1983. The text of these procedures was contained in document L/5470/Rev.1. In December 1983, the Committee had also reached a consensus that the secretariat could begin the preliminary work towards the establishment of a common data base which would be used by delegations concerned for the conduct of their negotiations under Article XXVIII, it being understood that - as in the past - technical assistance by the secretariat would be available for developing countries so that they could fully participate in these negotiations. He added that it might be useful, as a first point for discussion, to hear statements from those delegations who were in a position to do so at this stage, as to their governments' intention to adhere to the Harmonized System, including the possible timing of their signature and implementation of the Harmonized System Convention. He also invited delegations to report on the work in their respective capitals on the conversion of their tariff schedules into the Harmonized System nomenclature. In order to carry out the negotiations under Article XXVIII, contracting parties who intended to adhere to the Harmonized System would have to submit to their trading partners those conversion tables including the new rates of duty under the Harmonized System.

3.2 The Chairman further said that he had been informed that since the Committee last met, a number of delegations had held consultations on the way how best to prepare the Article XXVIII negotiations from the more technical point of view. He understood that delegations who were in a position to do

so intended to exchange among themselves the conversion tables, on a chapter-by-chapter basis, and engage in a series of discussions with a view to explaining how the conversions were carried out. He also understood that the conversion work in capitals was most advanced on Chapters 1-24 and that the discussions were expected to begin on these chapters sometime in June or July. He encouraged delegations who were in a position to do so to participate in this process on the basis of their own and their trading partners' conversion tables. Discussions on other chapters obviously had to follow in the autumn as and when the respective work on individual chapters was finalized.

3.3 The representative of Canada indicated that drafts of Chapters 1 to 24 had been completed, that Chapters 25 to 67 were expected to be ready by next June and the remainder should be available in the fall. Subsequently, there would be a process of domestic consultations that had to be carried out. He said that his delegation attached great importance to having early technical discussions with trading partners on draft transpositions. He hoped it would be possible to arrange for such discussions in a logical and efficient manner.

3.4 The representative of the United States reported that the draft conversion had been completed and was being examined within the United States Government. His delegation would be prepared to begin explanatory discussions on Chapters 1 to 24 in mid-June with countries which were similarly prepared to do so. No decision had yet been made regarding the date of the signature of the Convention.

3.5 The representative of the European Communities confirmed that his delegation would be ready to start in June/July bilateral technical consultations with contracting parties that would have reached the same stage of preparation on the agricultural chapters and to pursue the discussion on the industrial chapters in the autumn, it being understood that those consultations only implied an examination from the technical point of view of the transpositions made and that they did not involve any negotiations nor consultations on the statistical aspects of Article XXVIII negotiations. This exercise would allow delegations to single out the problems on which they would have to concentrate later on.

3.6 The representative of Japan reported that his Government had the intention to attend the explanatory discussions between delegations in order to facilitate the Article XXVIII negotiations. His authorities would make utmost efforts to submit a draft schedule of Chapters 1-24 in English before the consultations started.

3.7 The Chairman added that he considered this pre-negotiating phase, which should be concluded by the end of this year, as an important aspect of the entire process because it would hopefully permit the actual negotiations to begin in early 1985. Since those negotiations, at least for certain countries, were expected to be far-reaching and time-consuming, the whole of 1985 would probably be needed to conclude the negotiations, leaving 1986 for the domestic procedures such as ratification of the Harmonized System by parliaments, and hopefully meet the date of 1 January 1987 for the entry into force of the Convention.

4. Application of Article XXVIII to new products (L/5522, L/5537, C/W/424, TAR/W/42 and TAR/W/45)

4.1 The Chairman reported that since the last meeting of the Tariff Committee which took up this question, interested delegations had held one informal meeting on 12 December 1983. Participating countries had had a preliminary exchange of views on various aspects of the problem such as (i) how were principal and substantial suppliers determined in cases where there was little or no trade, (ii) how was compensation to be determined in such cases, and (iii) other questions related to the application of Article XXVIII in such instances. From those discussions, it was clear that other informal meetings of this kind would be necessary to explore further certain issues which had been raised. Moreover, the Japanese delegation had only recently circulated a note in document TAR/W/45. The Chairman added that he intended to hold further informal discussions and would maintain the item on the agenda for the next meeting of the Committee.

4.2 The representative of Japan indicated that, following long deliberations, his authorities had prepared the position paper contained in document TAR/W/45 and hoped that members of the Committee could accept the general lines of argument expressed in the paper. He realized that no substantive discussion could take place on the paper at the present meeting and requested that further informal meetings be arranged in this respect.

4.3 The representative of the European Communities said that the Japanese working document deserved to be examined in detail and discussed in informal meetings. He regretted, however, the sudden urgency attached to the examination of the problem when the interested delegation had practically

remained silent for months. He made it clear that the discussion to be held in informal meetings should not allow participants to question the applicability of Article XXVIII to new products as well as to any other products. He agreed that certain problems had arisen in this connection, particularly regarding the details of compensatory adjustment when some statistical data were missing. He further stated that those discussions should not lead to any interpretation of Article XXVIII which would create new obligations for contracting parties. Moreover, he insisted that any further discussion should be held in general terms and not be related to any specific case. The aim of these consultations should be to clarify the technical aspects of the situation. He recalled that his delegation, at the time it had invoked Article XXVIII, had made an offer for compensation to the country considered to be the main supplier, but this offer had not been accepted. The representative of the European Communities said that it would have been possible, through bilateral negotiations, to find a reasonable solution of the problem.

4.4 The representative of the United States indicated that his delegation considered that this matter presented an important problem which needed to be addressed with some urgency. He had hoped that there would have been some discussion of substance at this meeting but his delegation was ready to discuss the problem in an informal context, as suggested by the Japanese delegation. His delegation was of the view that nothing should be excluded from those discussions and if delegations had proposals to make on principles, on new obligations or guidelines, they should be permitted to do so, and they should be given serious consideration.

4.5 The Chairman concluded that he would undertake to arrange for informal consultations at a date and time to be determined in consultation with interested delegations and that the item would remain on the agenda for the next meeting of the Committee.

5. Date of Next Meeting

5.1 The Chairman suggested to hold the next meeting of the Committee in the autumn, at a date which would be transmitted to delegations well in advance.