

GENERAL AGREEMENT ON TARIFFS AND TRADE

Agreement on Trade in Civil Aircraft

TECHNICAL SUB-COMMITTEE

Note by the Chairman

(Mr. J. Schraven - Federal Republic of Germany)

The Technical Sub-Committee met on 17 and 18 July 1984 to start work related with the Harmonized System, as requested by the Committee (AIR/M/12, page 2).

1. Consolidation of Aircraft Annex in Harmonized System

The Sub-Committee undertook a first examination of a proposed transposition of the Aircraft Annex into the Harmonized System Nomenclature, on the basis of document AIR/TSC/W/57, a US working paper containing a draft transposition, as well as informal discussion papers submitted by Sweden (paper of 16 February 1984) by Switzerland (paper dated 16 July 1984) and by Japan (paper dated 17 July 1984). The Annex to be transposed was the New Annex (AIR/45), due to enter into force on 1 January 1985. It was understood that the Sub-Committee's work was exploratory, and did not commit Signatories' respective governments as to the final outcome.

The Technical Sub-Committee was able to draw up a list of the results of this first examination, consisting of two columns; the first showing those 6-digit Harmonized System items from document AIR/TSC/W/57 which did not appear to raise any problems for the time being; the second indicating additions, modifications, and items needing further consideration as flagged by members of the Technical Sub-Committee. The Sub-Committee focussed mainly on the 6-digit items and their coverage; it made no attempt at this stage to consider draft language.

For its next meeting, the Technical Sub-Committee would have a draft informal paper, consolidating the results of the first examination, which should help it to further identify those areas that need closer consideration.

2. Methods of Incorporating Aircraft Concessions (in Harmonized System) in GATT Schedules and National Tariffs

The Technical Sub-Committee heard the presentation by Japan of document (AIR/TSC/W/58), a working paper describing two different approaches of reflecting aircraft concessions in GATT Schedules and national tariffs, and proposing a Committee decision on the matter. In a preliminary discussion views were expressed to the effect that the method of incorporating aircraft concessions in GATT Schedules involved legal matters beyond the jurisdiction

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of the Aircraft Committee such as the status of loose-leaf Schedules and obligations under the Convention on the Harmonized System. The need for transparency of aircraft tariff concessions in national tariff schedules was related to the question of obtaining comparable and compatible trade statistics. It was also pointed out that the number of items in a tariff increased its bulk only, not its complexity; short tariffs could be very complex for want of definition.

It was agreed that the matter would be reverted to at the next meeting, which was set for 8 and 9 October, with a possibility of meeting on 11 October between two meetings of the Committee.