

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

NTM/11
24 April 1985

Limited Distribution

Group on Quantitative Restrictions
and Other Non-Tariff Measures

MEETING OF 20 MARCH 1985

Note by the secretariat

Chairman: Ambassador A. Onkelinx (Belgium)

1. The Group met on 20 March 1985.
 - A. Written Proposals relating to Quantitative Restrictions and Other Non-Tariff Measures
2. The Chairman recalled that the Group's report (L/5713) stated that contracting parties should make specific written proposals by the end of April 1985 to achieve the elimination of quantitative restrictions which are not in conformity with the General Agreement or their being brought into conformity with the General Agreement and also to achieve progress in liberalizing other quantitative restrictions, as well as to achieve progress in liberalizing other non-tariff measures. The report also stated that a multilateral review should be conducted of progress made in achieving the objectives laid down by Ministers. The Chairman further referred to the agreement earlier reached in the Group that in all aspects of future work in these areas priority attention should be given to the need for action on quantitative restrictions and other non-tariff measures affecting products of particular export interest to developing countries. He suggested that these were the main tasks before the Group and that delegations should, accordingly, concentrate on these with a view to achieving as much progress as may be possible this year and making appropriate recommendations to the CONTRACTING PARTIES at their next annual session. The Group agreed to this approach.
3. Regarding the written proposals, the Chairman observed that 30 April was only a final deadline date and that, in view of the limited time available, delegations should come forward with proposals even earlier if possible as this would contribute to progress in the Group's work. In this connection the Group noted with appreciation that an offer from the European Economic Community had been received (and circulated to members at the meeting as NTM/W/12) well in advance of the deadline date.
4. The representative of the European Economic Community stressed the need for contracting parties to demonstrate, by way of concrete action, their intention to move in the direction of liberalization without getting unduly involved with questions of jurisprudence, legality, etc., which had delayed the work of the Group in the past. The EEC offer had been made in this spirit. It had been implemented in part; this did not, however, make it a fait accompli and the Community would not consider itself bound to maintain liberalization on particular quantitative restrictions if there was no response from other contracting parties. The Community had

concentrated its efforts on quantitative restrictions in the first instance. Other delegations may find it appropriate to concentrate on other non-tariff measures rather than on quantitative restrictions. In this connection, the representative of the Community recalled that his delegation had earlier provided to members a priority list of other non-tariff measures where the Community desired to see movement by other contracting parties. The representative stated that the list was being reviewed by his authorities with a view to bringing it up-to-date. He felt, however, that in overall terms, it was a useful starting point for the reflection of other contracting parties wishing to make offers on other non-tariff measures rather than quantitative restrictions in the context of the Group's work.

5. A number of delegations stated that they would have specific comments to make on the EEC offer after their authorities had examined it in detail.

6. Some delegations were critical of the offer on the ground that it excluded certain contracting parties and thus tended to increase the level of discrimination which currently existed in the Community's quota régimes vis-à-vis those countries. It was stated that in this sense the offer was not in accordance with the provisions of the General Agreement nor with the terms of accession to the GATT of the countries affected by such exclusion. In response, the representative of the European Economic Community stated that the offer of liberalization was such that all contracting parties benefited from it in one degree or other; also, in no sense were there additional forms of restrictions directed to any trading area. The important point to remember was that there was a limit to the speed with which the Community could proceed in the direction of liberalization.

7. Some delegations pointed out that there should be no reciprocity for the removal of restrictions which were not in conformity with the General Agreement.

8. Some delegations felt that proposals should be seen as part of an overall effort by contracting parties to liberalize international trade in the context of roll-back. More specifically, the view was expressed that proposals should include specific measures that contracting parties proposed to take to remove existing restrictive practices maintained by them as well as specific programmes of liberalization for individual restricted items providing advance notice, to the extent possible, of the plan. It was suggested that the format of proposals might be left flexible so as to accommodate varying needs and conditions, including those of contracting parties who did not maintain quantitative restrictions or other non-tariff measures. In answer to a question some delegations said, regarding measures in the areas of agriculture and textiles, that contracting parties might indicate in their proposals to the Group any proposals they might have made in the relevant GATT bodies by means of cross-referencing.

9. There was a general exchange of views on the nature and content of the written proposals and on how the multilateral review of the proposals might best be conducted. A large number of delegations indicated that they would be putting forward their written proposals to the Group before the deadline. The importance of the multilateral review was underscored. Some felt that the review should be conducted on a sector-by-sector basis, attaching priority to the examination of product sectors more adversely affected by restrictions, e.g. leather and articles of leather.

10. The Group took note of the comments made. The Chairman recalled that the CONTRACTING PARTIES, at their last session, had noted that "the Council had agreed to adopt the report of the Working Party on Structural Adjustment (L/5568), together with the recommendation contained in paragraph 47 asking relevant GATT bodies to take into account the insights gained and the conclusions reached in the Working Party" (L/5757/Rev.1). He suggested that contracting parties bear this in mind when preparing their proposals and the Group when carrying out its multilateral review. The Chairman urged delegations to observe the deadline of 30 April in putting forward their proposals. He suggested that the proposals might contain information on steps which could be taken immediately to eliminate or liberalize quantitative restrictions and other non-tariff measures as well as suggestions as to what action each contracting party might be prepared to take in the future; they might also indicate what steps contracting parties could take in regard to quantitative restrictions and other non-tariff measures affecting products of particular export interest to developing countries. How the multilateral review should proceed would become clearer when the proposals had been received.

B. Further Analysis by the Secretariat of Data relating to Quantitative Restrictions and of Other Non-Tariff Measures

11. The Chairman recalled that the Group's report had asked for further analyses of quantitative restrictions and other non-tariff measures to be undertaken by the secretariat for submission to the Group (L/5713, paragraphs 44(d) and 65(c)). It was understood that such studies would build upon the earlier secretariat analysis of the documentation before the Group (circulated to members as NTM/W/9) and that their main purpose would be to assist the Group in actually dealing with quantitative restrictions and other non-tariff measures within the framework of its mandate and in furthering the achievement of the objectives of the mandate laid down by Ministers.

12. On the Chairman's request, the representative of the secretariat informed the Group of the secretariat's thinking in regard to these studies. On quantitative restrictions, it was suggested that the secretariat analysis should, in the first instance, identify the various effects of restrictions without quantifying them and should provide a guide to quantitative studies of which the secretariat has knowledge. On other non-tariff measures, the studies would deal with the main techniques for liberalization and would also contain further analyses of the types of problems identified in the Inventory of Non-Tariff Measures and of the relevant provisions of the General Agreement and instruments drawn up by other international bodies, focussing in the first instance on types of problems not dealt with in the NTM Codes. The Group took note of these comments. It was agreed that the analytical studies should be circulated informally before the May meeting.

C. Questions of a Technical Nature

13. The Chairman drew attention to a number of other tasks of a technical nature, referred to in the Group's (1984) report (L/5713), to which the Group should give its attention during the course of this year. The Group recalled that most of these had received some consideration in the Group on earlier occasions (NTM/2 to NTM/10).

14. On quantitative restrictions, the Group agreed that it would take up the points contained in paragraphs 44(a), 44(e) and Annex 4 and 44(f) of the Group's report; on other non-tariff measures, it agreed to take up the points contained in paragraphs 65(a) and (e) thereof.

15. The representative of the United States referred to the proposal put forward earlier by his delegation regarding the preparation of a comprehensive data base on quantitative restrictions and other non-tariff measures. His authorities continued to attach importance to the proposal as they felt it would facilitate the work of the Group. Some delegations felt that the proposal, though useful, required further examination; for example, whether computerization was feasible and whether or not this would affect delegations' access to the data base. It was also pointed out that the usefulness of the data base depended upon the accuracy and adequacy of the information collected. It was, therefore, important to ensure that contracting parties continued to provide details of changes at regular intervals so that the data base could be kept up-to-date.

16. Referring to paragraph 44(f) of the Group's (1984) report, L/5713, some delegations reiterated their concern regarding cases of contracting parties invoking balance-of-payments, development or infant industry reasons without following the relevant procedures laid down by the General Agreement.

17. The Chairman suggested that, given the limited time available and other more major issues before the Group, a process of informal consultations might be necessary on these technical subjects and that he and the secretariat would be available to assist delegations.

D. Other Business; inter alia, Arrangements for Further Work and Dates of Future Meetings

18. The Group agreed that it should aim to tackle the substantive work before it in advance of the mid-year break. With this in view, the following time-table of meetings, as suggested by the Chairman, was agreed to by members, on the understanding that it could be modified, if necessary, in the light of developments:

21 May
24-26 June
10-12 July

19. The Group agreed to come back to arrangements for the consideration of a draft of the Group's report and its adoption when work in the Group had progressed further.