

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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Limited Distribution

Agreement on Trade in Civil Aircraft

COMMITTEE ON TRADE IN CIVIL AIRCRAFT

Report to the Contracting Parties

1. This report is submitted under Article 8.2 of the Agreement on Trade in Civil Aircraft. It sets out the activities of the Committee since November 1984.

2. In October 1985 there were twenty signatories to the Agreement: Austria, Canada, the EEC, Belgium, Denmark, France, Federal Republic of Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, the United Kingdom, Egypt (subject to ratification), Japan, Norway, Romania, Sweden, Switzerland and the United States. In addition, the following contracting parties have observer status in the Committee: Argentina, Bangladesh, Brazil, Cameroon, Czechoslovakia, Gabon, Ghana, India, Indonesia, Israel, Malta, Mauritius, Nigeria, Poland, Portugal, Singapore, Spain, Sri Lanka, Trinidad and Tobago, Tunisia, Turkey, Yugoslavia. The IMF and UNCTAD are also observers.

3. The Committee on Trade in Civil Aircraft held two regular meetings in the period under review: on 17 and 18 April 1985, and 9 October 1985. On 18 April 1985 the Committee held a special meeting in response to the CONTRACTING PARTIES' Decision of 30 November 1984 (L/5756). The meeting was to provide an opportunity for non-signatory contracting parties to express their views in a general discussion on the adequacy and effectiveness of the Agreement and the obstacles they may have encountered to its acceptance. The Committee noted that there were no non-signatories attending the meeting to inform it of the obstacles they might have encountered.

4. The negotiations under Article 8.3 resulted in an agreement to include thirty-two new categories of products (expressed in terms of CCCN) in the Annex to the Agreement. The new Annex, contained in the Third Certification of Modifications and Rectifications, entered into force on 1 January 1985. The Committee has reviewed the implementation of the new Annex and is continuing its review of the inclusion of aircraft concessions in signatories' respective GATT Schedules.

5. The Committee discussed further the transposition of the Annex to the Agreement into the Harmonized System nomenclature, as well as the methods of incorporating aircraft concessions expressed in Harmonized System in GATT Schedules and national tariffs. It received several progress reports from the Technical Sub-Committee to which it has referred the technical aspects of the work. The Technical Sub-Committee will submit a final report in early 1986 which will be considered by the Committee at its April 1986 meeting.

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6. The Committee had exchanges of views on the interpretation of Article 4.4 in relation to government inducements. There were also discussions of the provisions of Article 6, government supports. Developments in the OECD on export credits for civil aircraft remained a matter of major interest to the Committee, which it will continue to follow. Other matters raised concerned Article 8.3.

7. The minutes of the Committee's meetings are contained in documents AIR/M/1 to 15 and are available to the contracting parties to the GATT.