

GENERAL AGREEMENT ON TARIFFS AND TRADE

Preparatory Committee

MODALITIES AND INSTITUTIONAL ARRANGEMENTS

FOR THE NEW ROUND

Note by the Secretariat

1. This note is issued under the responsibility of the secretariat and is intended to facilitate further discussion in the Preparatory Committee. It seeks to identify, in the light of the discussions recorded in PREP.COM(86)SR/4 and earlier discussions, the main considerations which have been raised in relation to the recommendations which the Committee is required to formulate on the question of modalities and institutional arrangements for the new round. This note is not intended to be a summary of the discussions. It in no way prejudices the views that delegations may have as to how issues relating to modalities and institutional arrangements might figure in the Preparatory Committee's recommendations to Ministers, nor should the listing of points for further discussion be regarded as exhaustive.

Main points emerging from the discussion

2. It was noted that the modalities would have to be related to the scope, objectives and subject matter of the negotiations. There were differing views on the degree of detail which the Preparatory Committee should specify in regard to negotiating modalities within specific negotiating areas. One suggestion made was that the negotiations should be divided into three separate areas of activity. These areas were rule and discipline orientated activities, activities concerned with improved market access, and activities concerning the links between trade policy and other areas of economic policy. Reference was made to the need for standstill and rollback commitments, backed by effective monitoring arrangements, to be in place before negotiations began.

3. It was stated that the negotiations should be conducted on the basis of certain fundamental principles. Principles mentioned in this regard were the m.f.n. principle, mutual advantage, mutual commitment, overall reciprocity, special and differential treatment for developing countries, and special treatment for the least-developed countries.

4. The view was expressed that the negotiations should be seen as a single undertaking in which parallel progress was made in all areas of the negotiations. Another view was that progress in some areas should not necessarily be conditioned by progress in others. Thus, conclusion and implementation of the results of negotiation in some areas should not be held up because negotiations in others were still under way. It was stated that such arrangements could be beneficial to developing countries in particular.

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5. It was suggested that a Trade Negotiations Committee be established and that this Committee establish subsidiary bodies as required. It was also suggested that the Preparatory Committee should specify the institutional structure for the negotiations and, where possible, the terms of reference of any proposed subsidiary negotiating bodies or groups. It was suggested that the Trade Negotiations Committee should play an active rôle in ensuring that negotiations were conducted in a transparent manner, and to this end should receive periodic progress reports in regard to all areas of negotiation.

6. In regard to the duration of the negotiations, the view was expressed that there should be a target date by which the new round would be completed. One suggestion was that the negotiations should be completed within four years, and another was that they should be completed by the end of 1989. This, it was also suggested, would not preclude the early implementation of some aspects of the negotiation. It was further stated that the Trade Negotiations Committee should begin its work as soon as possible after the launching of negotiations.

Points for further discussion

7. The Preparatory Committee is required to make recommendations on modalities. Is there a need to spell out negotiating modalities in specific negotiating areas?

8. Should the Preparatory Committee identify any priority areas in terms of an early timetable for negotiation?

9. What should be said about negotiating principles?

10. Should the Preparatory Committee recommend an institutional structure for the negotiations?

11. Should a termination date for the negotiations be agreed upon?