

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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Preparatory Committee

## NOTIFICATION AND SURVEILLANCE

### 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 held on 17-18 March and 15-16 April (PREP.COM(86)SR/4 and 5) and earlier discussions, the main considerations which would appear to be relevant should the Committee decide to formulate recommendations on notification and surveillance. The note is not intended to be a summary of the discussions. It in no way prejudices the views delegations may have as to whether and how the question of notification and surveillance 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. There was general agreement that an effective notification and surveillance system was essential for a better functioning of the General Agreement and hence of the international trading system, and that the present system should be strengthened. It was widely felt that there was scope for improvement and streamlining of the notification requirements and procedures. It was also felt that the quantity and quality of responses received from contracting parties, and the use to which the information assembled is put, should be examined.
3. There was also general agreement that an effective notification and surveillance mechanism was essential to monitor any commitments undertaken on standstill or rollback in the context of the new round.
4. It was suggested that efforts be made to reduce and simplify the large number of existing notification requirements so as to avoid unnecessary duplication and make it easier for contracting parties to comply. The possibility should also be examined of reducing the number of GATT bodies presently engaged in surveillance in order to make it more effective.
5. It was suggested that a permanent GATT body be charged with more effectively monitoring compliance with GATT obligations, including compliance with standstill and rollback. An alternative suggestion was to set up a separate body for the duration of the negotiations to monitor standstill and rollback. More specifically, it was suggested that the permanent body carry out regular reviews of trade and trade-related policies of individual contracting parties. It was stressed that any improved or new surveillance system should ensure a proper balance of rights and obligations among contracting parties.

Points for further discussion

6. There is agreement that existing notification and surveillance arrangements need to be streamlined and made more effective, whether in the context of the new round or as part of the normal work programme.

7. It is agreed that the standstill and rollback commitment as formulated in the context of the new round will need to be subject to effective surveillance.

8. Could the Committee agree to recommend that a new body should be created to carry out the surveillance function? Such a body might be called the Trade Policies Committee and made responsible for carrying out the present functions of the Special Council Sessions and for surveillance of the standstill and rollback commitments undertaken in the context of the new round. It could report to the GATT Council, and also to the Trade Negotiations Committee for the duration of the new round.

9. Further work on the improvement of the GATT machinery for notification and surveillance arrangements would need to be continued on a long-term basis, independently of the new round. It is for consideration whether responsibility for this task should also be entrusted to a Trade Policies Committee, if it were created.