

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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Multilateral Trade Negotiations

Trade Negotiations Committee

MEETING OF JULY 1975

Statement by Chairman of Group "Non-Tariff Measures"

1. Since the Trade Negotiations Committee's was last in session, the Group on "Non-Tariff Measures" has held two meetings; one in March and the other in June. The Chairman's summing up and record of decisions taken at these meetings will be found in MTN/NTM/1 and MTN/NTM/6.
2. At its first meeting the Group agreed that negotiations should be commenced on a number of topics and set up four families of measures under the following headings:
 - (a) Quantitative restrictions
 - (b) Technical barriers to trade
 - (c) Customs matters, and
 - (d) Subsidies countervailing duties.

Each of these Sub-Groups has held one meeting and documents in which their Chairmen have summed up the meeting and recorded the decisions taken have been circulated as MTN/NTM/W/2, 3, 4 and 5.

3. In this introductory statement, I shall endeavour to pick out only the main points concerning the work that has been done and its future direction.

Quantitative restrictions

4. The Sub-Group "Quantitative Restrictions", which is chaired by Ambassador I.S. Chadha (India), deals with both quantitative restrictions and import licensing procedures.
5. The Sub-Group has decided that, as an initial step towards working out solutions, a process of information, examination and dialogue should be undertaken with respect to existing quantitative restrictions through detailed bilateral or plurilateral consultations or discussions between countries maintaining restrictions and countries

notifying a direct trade interest in these restrictions through the secretariat. So far requests for such consultations or discussions have been received from twelve exporting countries or groups of countries and forty-three importing countries are involved in this process. Further requests are still coming in.

6. The summing-up by the Chairman of the Sub-Group includes a number of points regarding coverage of the consultations or discussions in terms of both products and measures reflecting a balance between diverging approaches of delegations. In this connexion, The Group "Non-Tariff Measures", noting the difference of opinion on this point, has also noted that practical problems of definition would be taken up in the first instance in the consultations or discussions themselves. The Group "Non-Tariff Measures" also agreed that the indication given by delegations in the Sub-Group "Quantitative Restrictions" as to where they intended to consider quantitative restrictions on agricultural products should be brought to the attention of the Group "Agriculture".

7. The Sub-Group "Quantitative Restrictions" is to meet again in October. At this meeting the Sub-Group is to receive reports on the results of the consultations or discussions and to analyze the existing situation. At the same meeting, the Group may also consider the possibility of formulating additional procedures for bilateral and/or plurilateral negotiations such as specific requests and offers in those areas where this would be appropriate. It may also consider the possibility of working out a formula or formulae of automatic application. The Group has noted that during each stage of its work, differentiated and more favourable treatment would be extended to developing countries wherever feasible and appropriate in accordance with the Tokyo Declaration.

8. With regard to licensing procedures, the Sub-Group agreed that the two ad referendum texts worked out in the preparatory stage of the negotiations, i.e. the draft text on automatic licensing and the draft text on licensing used to administer import restrictions, should be the starting point for discussion at the Sub-Group's October meeting. In the meantime, delegations were invited to submit specific proposals for alterations to these two draft texts.

Technical barriers to trade

9. The Sub-Group "Technical Barriers to Trade" has agreed that the proposed Code of Conduct for preventing Technical Barriers to Trade (often referred to as the Draft Standards Code) should be used as the basis for its work on standards and that the solution could take the form of a binding code, it being clearly understood that no delegation was committed to the text and that delegations were free to suggest any amendments to it that they felt to be necessary at any stage.

10. The Sub-Group discussed the main issues arising from the text, including the adequacy of the provisions of the draft code which were designed to meet the particular problems of the developing countries.
11. The secretariat has prepared a number of working papers, including a document setting out the issues raised and the detailed suggestions made during the meeting. Delegations are also submitting further detailed suggestions in writing and a paper containing these will be circulated shortly.
12. The Sub-Group is to meet at technical level from 22 September to examine the comments made with the aim of establishing specific drafting suggestions. This meeting will be followed by a full meeting of the Sub-Group.
13. The Sub-Group is also dealing with problems relating to packaging and labelling and has agreed that the draft Standards Code already dealt with many of the problems in this area. It agreed that, as work proceeded, delegations would be free to propose amendments to the text necessary to ensure that specific points relating to packaging and labelling were adequately dealt with. It also agreed that at a later stage, the Sub-Group could review the situation to ascertain whether any further action was necessary.
14. The Sub-Group also had a first discussion of problems relating to marks of origin. It noted that, essentially, two approaches were suggested: (a) that work should be based on the 1958 GATT Recommendation, and (b) that work should be based on the Standards Code. It agreed to revert to this matter at its next meeting.

Customs Matters

15. The Sub-Group on Customs Matters first took up questions of customs valuation. After discussing the main issues in this area, including problems experienced by developing countries, the Sub-Group agreed that participants should submit to the GATT secretariat in writing by 15 September 1975 specific suggestions for the elements that they wished to have included in any new set of international rules on valuation to be adopted in the context of the multilateral trade negotiations.
16. With regard to import documentation, the Sub-Group agreed that a useful starting point for its work in this field would be the list of particulars required by the customs for formalities on the importation of goods drawn up by the Customs Cooperation Council. The Sub-Group agreed that members should submit to the secretariat in writing by 15 September 1975 lists of what they considered to be excessive in other countries' information requirements, explaining and identifying their specific difficulties. It is then to hold discussions at its next meeting on 6 October on the basis of a secretariat paper which would give a synopsis of the complaints and comments received.

17. With regard to consular formalities and fees, countries which felt it necessary to retain consular formalities were invited to explain in detail the justification for their continued existence and possible problems associated with their abolition. This would enable possible solutions to be sought within the context of the negotiations.
18. The discussion on customs procedures centred mainly on two problems, delays incurred in the formal customs clearance process and penalties for errors. One delegation indicated its intention to make specific proposals concerning delays, in time for discussion at the October meeting of the Sub-Group. The Sub-Group agreed to revert to the question of penalties at that time.
19. The Sub-Group had an exchange of views on the problems in the area of customs nomenclatures, but no firm conclusion was reached and the Sub-Group is to consider the specific suggestions that have been made at its October meeting.
20. The Sub-Group on subsidies and countervailing duties held an extensive exchange of views on issues arising in these areas.
21. There was widespread consensus in the Sub-Group that it was desirable to move from the stage of general discussion of the issues in the areas of both subsidies and countervailing duties to the stage of negotiations on the basis of specific proposals to be made by governments. To that end, the Sub-Group agreed that participants should submit in writing by a target date of 15 October 1975 to the secretariat, for distribution, their comments on problems encountered in the areas of subsidies and countervailing duties as well as any specific proposals for appropriate solutions to these problems including, where feasible, draft texts or suggestions.
22. The Sub-Group discussed, inter alia, the possibility of providing differentiated treatment for developing countries in the areas of subsidies and countervailing duties. It was agreed that the secretariat should prepare a note setting out the legislative history of relevant provisions of Part IV and summarizing the experience so far with the operation of the provisions of Article XXXVII:3(c) in relation to countervailing duties so that the adequacy of existing provisions and the possibilities of improving them could be assessed.
23. It has been agreed that the Sub-Group would meet in November for a sufficient period of time to discuss the specific comments and proposals submitted.

24. Mr. Chairman, if I were to permit myself a concluding observation on the work of the four Sub-Groups I would say that it is important for the next stage of our work in the Sub-Groups that participants use their best endeavours to meet the deadlines established for the presentation of comments and proposals and in so far as quantitative restrictions are concerned for the submission of notifications and the holding of consultations.

25. The Group "Non-Tariff Measures" has also examined a number of other matters.

26. It will be seen from paragraph 8 of MTN/NTM/6 that some delegations have stressed the need for early developments of special procedures for negotiations between developed and developing countries to take into account the interests of developing countries.

27. The Group agreed that at its next meeting, to be held on 13 October, it will consider the establishment of a second list of non-tariff measures to be taken up multilaterally. While a number of delegations have already proposed certain topics for inclusion in this list, it is the understanding of the Group that a decision on a second list will be made in the light of proposals made at its next meeting.

28. The Group has also discussed procedures for negotiations on non-tariff measures not dealt with multilaterally and has agreed to revert to this matter at its October meeting.