

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

MTN/3B/W/1
7 March 1974

Special Distribution

Multilateral Trade Negotiations

GROUP 3(b) - MEETING OF MARCH 1974

Note by the Secretariat

DRAFT

1. Group 3(b), established by the Trade Negotiations Committee on 7 February, held its first meeting from 4 to [] March 1974.

Task 2 Bringing up to date and completing the documentation and basic data with respect to non-tariff measures assembled in the context of the programme of work adopted by the CONTRACTING PARTIES in 1967 (Industrial Products, Chapters 25-99 BTN)

(a) Inventory of Non-Tariff Measures

2. The Group had before it the revised Inventory of Non-Tariff Measures (MTN/3B/1 to 5).

3. The Group agreed that the Inventory should be open-ended, i.e. that participants should be free throughout the negotiations to request the inclusion of new notifications or the amendment or deletion of existing notifications, in order to make the Inventory as useful as possible in the negotiations. It was stressed that notifications should contain sufficient detail to make the nature of the problem faced by exporters clear. The Group further agreed that the procedure used in the past should continue to be followed. This procedure provided that the Inventory be based on notifications by exporting countries. When notifications were received the secretariat contacted the importing participant concerned with a view to establishing

the accuracy of the notification and obtaining any comments that the importing participant wished to make. These comments would then be included on the same page as the notification itself. When a difference of opinion existed as to whether a notification should be included in the Inventory, the notification was included together with a note that such a difference of opinion existed.

4. The Group agreed that, in addition, delegations should, where necessary, discuss individual notifications bilaterally and communicate the discussions to the secretariat for inclusion in the Inventory.

5. It was further agreed that, while an item-by-item examination of the Inventory should not be necessary, there should be the possibility of discussing certain aspects of the revised Inventory in the Group itself. The Group agreed that ~~at its next meeting~~ ~~at a subsequent meeting~~ two days should be set aside for ~~an examination of new or modified notifications of multilateral interest~~ and ~~an examination of the categories used in the Inventory as set out in the annex to MTN/3B/6 with a view to seeing whether these were still appropriate~~. It was ~~suggested~~ ~~agreed~~ that thereafter the Group might also consider revising the illustrative list of non-tariff measures (L/3298, page 8).

6. Delegations from developing countries said that their main preoccupation was to ensure that all non-tariff measures adversely affecting their exports were included in the Inventory but drew attention to the fact that it was sometimes difficult for their authorities to identify these with precision. It was agreed that the secretariat should give every possible assistance to these countries with the aim of a more precise identification of specific non-tariff measures affecting trade in products of interest to them, taking into account any further information available within the secretariat or elsewhere.

7. It was recalled that the aim of the work was to deal with the problems described in the Inventory. Some delegations suggested that, to the extent practicable, the Inventory should contain an indication of those problems which would be solved by the implementation of the ad referendum solutions relating to valuation, licensing and standards.

8. The Group agreed that further copies of document MTN/3B/1 to 5 should be produced so that all participants in the negotiations had a sufficient supply.

(b) Documentation of Joint Working Group

9. The Group took note of the fact that the Joint Working Group documentation (COM.IND/W/97/COM.AG/W/92) was being revised in accordance with the Council's decision of June 1971.

10. The Group agreed that this would provide a useful complement to the Inventory of Non-Tariff Measures.

11. The Group agreed that restrictions notified under the Multi-fibre Arrangement should be excluded from the revised document as these would be covered in other documentation.

12. The Group agreed that the indicative list of items of particular export interest to developing countries contained in Annex IV of the document should be revised. It was agreed that additional items should be added if requested by any delegation. The secretariat was requested to assist developing countries in the identification of additional items for inclusion.

13. It was noted that the document at present covered eighteen developed countries. [Some delegations suggested] [It was agreed] that information on restrictions maintained by other countries at a comparable level of development should also be included in the revised document.

(c) Special documentation concerning non-tariff measures affecting trade of developing countries

14. It was noted that the secretariat had already prepared for developing countries a background note analyzing the impact of non-tariff measures on their trade (COM.TD/W/182) and analytical papers on standards (COM.TD/W/191) valuation (COM.TD/W/195) and Health and Sanitary Regulations (COM.TD/W/190). It was agreed that the secretariat should, wherever necessary, amplify and update these notes in the light of the Tokyo Declaration. It was agreed that, wherever feasible, similar papers should be prepared on other non-tariff measures, to bring out the problems facing developing countries and ways in which these problems might be solved.

15. The Group agreed that the document giving information on quantitative import restrictions on products of interest to developing countries (COM.TD/W/203) should be kept continuously up to date on the basis of all information available to the secretariat.

Task 8. Continuation of the study already begun on quantitative restrictions, including import prohibitions and export restrictions (Industrial Products, Chapters 25-99)

16. The Group noted that the position reached in previous discussions in the GATT on quantitative restrictions including embargoes and export restraints was reflected in Spec(73)17. It was suggested that it would be difficult to take the examination of the two proposals set out in that document any further without entering into negotiations proper, and at any rate it was necessary to have the up to date information prepared for the Joint Working Group in order to proceed further. It was also suggested that possible alternative solutions, including a discussion of

quantitative restrictions and export restraints in the context of safeguards, should be examined, bearing in mind in each of these alternatives the question of differential treatment for developing countries. The Group agreed that, as a first step, the secretariat should prepare a document synthesizing the various suggestions that had been made, in the GATT and elsewhere, as to the way in which differential treatment might be accorded to the trade of developing countries.

17. There was discussion of the need for more data on export restrictions and information on the GATT provisions relevant to these.

18. In view of the complexities of the issues the Group agreed that some time was needed for reflexion and agreed to revert to the matter.

Task 12. Beginning of the work relating to packaging and labelling
(General Aspects)

19. The Group agreed that, as a first step, a discussion should be held to clarify the problem which packaging and labelling requirements create for international trade and to examine what other organizations were doing in this area. The Group agreed that the next step would be to consider the extent to which these problems were covered by the proposed GATT instrument for preventing technical barriers to trade (COM.IND/W/108 and Corr.1) or whether a separate instrument should be drawn up to deal with these problems.

[The Group has still to discuss:

(a) whether the work would be done in the Group itself or in a Sub-Group,
and

(b) co-ordination with Group 3(e).]

Task 14. Continuation of the study relating to import documentation
(Chapters 1-99)

20. The Group agreed that work done in the Economic Commission for Europe and the Customs Co-operation Council was valuable and requested the Secretariat to continue to provide progress reports on that work. It agreed, however, that this did not replace the need for work in the Group.

21. The Group agreed that it should review the notifications relating to import documentation which were contained in the Inventory with a view to determining which should be dealt with multilaterally and which should be dealt with bilaterally.

22. The Group also agreed that it should discuss the type of information which was basically necessary for the clearance of imported products and establish general principles in this regard. In this connexion it was agreed that the lists reproduced in Annexes D and E of COM.IND/W/79 would be a good basis for this work. It was further agreed that the Group should examine the suggestion that the requirements of developing countries might be different from those of developed countries.

[/The Group has still to discuss:

- (a) whether the work would be done in the Group itself or
in a sub-group, and
- (b) co-ordination with Group 3(e).]