

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

MTN/SEC/3

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Special Distribution

Multilateral Trade Negotiations

Group "Sector Approach"

MEETING OF NOVEMBER 1975

Summing-Up by the Chairman

1. The Group "Sector Approach" held its third meeting on 3-7 November 1975. The Secretary-General of UNCTAD, or his representative, was invited to attend the meeting as an observer.
2. As provided for in the agenda, the Group addressed itself to a detailed examination of the documentation provided by the secretariat dealing with ores and metals.
3. Some delegations considered that the data on tariffs and trade flows suggested a correlation between the relatively small share of semi-manufactures in the trade in this area and the problems of tariff escalation, effective protection and non-tariff measures. Some other delegations considered that this share was nevertheless significant and that other factors influencing the location of production may be of major importance. These delegations also stated that it had not been demonstrated that tariff escalation had a greater impact in the ores and metals sector than in other sectors. Some delegations considered that there were gaps in the secretariat documentation which made it impossible to reach any conclusions at this stage on the possibilities offered by the sector approach in the ores and metals area. The Group agreed that the secretariat might be asked to provide additional information with respect to supply and demand projections, investment plans, import/consumption ratios etc. to the extent that this was readily available and to up-date the tariff and trade data with a view to permitting a fuller analysis of the pilot study without implying any commitment as to the way in which these items would be dealt with in the negotiations.
4. There was some discussion on the question of export measures applying to ores and metals in the light of communications contained in MTN/SEC/W/1/Add.3 and MTN/SEC/W/5. Some delegations explained the background to certain of the measures which had been applied by their countries. Some other delegations said that they would be ready to

make a statement on the subject at a future meeting of the Group. One delegation recalled that it had pointed out at a previous meeting of the Group that there were agreed procedures for the notification of non-tariff measures in the context of the multilateral trade negotiations.

5. It was stated by some delegations that the work of the Group should proceed broadly in parallel with that of other Groups and Sub-Groups in the negotiations. In this connexion, certain delegations were of the view that the Group should proceed to an examination of the methodology for sector negotiations taking into account the question of differential treatment for developing countries. A number of delegations reiterated their previously stated view that, before any conclusions could be reached as to the usefulness of the sector approach, it was necessary to see what results were likely to be achieved on the basis of the general approaches to be worked out in the various areas of the negotiations.

6. The Group had before it a note (MIN/SEC/W/7) circulated by the Canadian delegation outlining elements of a possible agreement to liberalize trade in copper products and also heard some additional comments and explanations from the Canadian delegation. In this respect, the Canadian delegation stated that it intended to undertake bilateral and plurilateral discussions with interested delegations. In giving their preliminary reactions, many delegations welcomed the Canadian paper as a positive contribution to an examination of the sector approach. Some delegations considered that many of the elements suggested for inclusion in a sector negotiation on copper would need to be taken up in the context of the global negotiations on various non-tariff measures. It was indicated by the Canadian delegation that work on such measures within the framework of a sector negotiation should take account of any global negotiations on them within the framework of the multilateral trade negotiations.

7. Delegations from developing countries welcomed the reference to differential treatment for developing countries in the field of tariffs contained in the note and suggested that the possibilities of extending such treatment to the non-tariff field should also be examined.

8. The Group agreed that the Canadian paper should remain on the table for more detailed consideration at its next meeting.

9. The Group examined the background information contained in document MIN/SEC/W/2 concerning possible sectors of interest to developing countries and took note of various suggestions for improvement of the data so as, inter alia, to provide profiles on the total level of protection to be found in importing countries with respect to certain specific sectors. The Group agreed to the

secretariat undertaking further work to this end. Some delegations stressed the need for taking up for examination, at the appropriate time, other sectors of interest to developing countries such as textiles and processed foodstuffs.

10. The Group also addressed itself to the proposal circulated by the United States delegation in document MTN/SEC/W/6 with respect to the compilation of data on the chemicals, electronics and heavy electrical equipment sectors. The Group had before it, in addition, a note by the secretariat (MTN/SEC/W/4) on the availability of statistics for the additional studies mentioned. The United States delegation stated that existing studies, and those being proposed, did not imply any commitment to sectoral negotiations in any field, and that new sectors should be studied without prejudice to any delegation's position. In this respect, this delegation noted that it would be advisable to have adequate information available for these sectors in good time.

11. Some delegations indicated that they could agree to the carrying out of the additional studies as proposed by the United States delegation, provided that this implied no commitment to negotiate in these sectors and on the assumption that other sectors of interest to them could also be taken up for examination as and when it was thought useful to do so. A number of delegations expressed reservations on the question of carrying out additional studies at this stage in advance of any agreement being reached on the general approaches to the negotiations. These delegations considered that it would not be advisable to initiate studies with respect to these particular sectors at this stage of the work.

12. The Group agreed to request the secretariat to initiate the compilation of readily available data on trade flows, tariffs, non-tariff measures and production for sectors which have not already been taken up.

13. The Group agreed to hold its next meeting in March 1976.