

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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Special Distribution

Group "Tariffs"

RECORD OF DECISIONS TAKEN AND CONCLUSIONS REACHED ON 18-21 MARCH 1975

Note by the Chairman

1. The Group met from 18-21 March 1975 and took the following decisions and reached the following conclusions. It invited the Secretary General of UNCTAD or his representative to attend this session of the Group as an observer.
2. The Group agreed that the Group should be chaired by the secretariat.
3. The Group had an exchange of views on the various elements of the tariff negotiating plan including, inter alia, the tariff negotiation formula, tariff escalation, staging of cuts, possible exceptions, etc. In light of this discussion, the Group agreed that the items on the agenda for the next meeting would be:
 - (a) possible elements of an appropriate tariff negotiating formula of as general an application as possible, which would take into account, inter alia, the interests of developing countries;
 - (b) improvement of the Generalized System of Preferences.

It was understood that delegations could, in the discussion of the above agenda items, discuss the matter of the relationship between the tariff negotiations and particular non-tariff measures.

4. On the question of determination of the base rates, the Group agreed that negotiations should be conducted on the basis of GATT bound rates, as negotiated under the Kennedy Round and previous rounds and the results of any negotiations under Articles XXVIII, XXIV:6 and accessions to the GATT. Concerning unbound rates, the Group agreed to revert to this question at its next meeting.

5. In the context of the discussion on base rates, the Group decided that the secretariat be requested to prepare tabulations showing the status of bindings for products in BTN chapters 1 99 including the percentage of tariff lines bound and the percentage of most-favoured-nation imports under bound items, for countries included in the Tariff Study, it being understood that the Group "Agriculture" would take up this item in accordance with the summing up of the Chairman of the Trade Negotiations Committee at its last meeting that the Group "Agriculture" "shall concern itself with the matter as regards agricultural aspects".

6. It was agreed in the Group that there would be no objection to the secretariat providing, to the extent this information was available, to individual members of the Group information on tariff rates under agreements notified under Article XXIV of the General Agreement. Some delegations regarded these data as of fundamental importance in their negotiations. A number of delegations considered these data not to be relevant to the negotiations. It was understood that these data would not be available for general distribution.

7. In the context of the discussion on reference year or years for the collection of statistics, the Group agreed that comparative tabulations prepared by the secretariat would initially be based on 1970-72 data.

The Group also agreed that 1973 data should be used for such tabulations as soon as they are processed by the secretariat, with a target date of early 1976.

The Group also recognized that for specific negotiating purposes use of statistics for more recent years than 1973 is envisaged. When published, these statistics will be available in the secretariat for consultation by any interested member of the Group. If not published, but provided to the secretariat, access to them would require the consent of the furnishing country.

8. The Group agreed to revert to the question of the determination of unit of reference at its next meeting.

9. In the discussion on how account might be taken of the importance of maintaining and improving the Generalized System of Preferences and how special and more favourable treatment, where feasible and appropriate, may be provided to exports of developing countries, the following conclusions were reached:

(a) The Group was aware of the importance of bearing in mind throughout the multilateral trade negotiations, and especially the tariff negotiations, the need to give developing countries special and more favourable treatment where feasible and appropriate.

(b) There was widespread concern, inter alia,

- for increased security of the Generalized System of Preferences,
- for the removal of existing limitations on the Generalized System of Preferences, and reductions of positive GSP rates down to zero,
- for the preservation, to the extent possible, of the margins of preferences,
- for an increase of the product coverage of the Generalized System of Preferences,
- for elimination or substantial reduction of tariff escalation affecting products of interest to developing countries,
- for products, where GSP treatment is not feasible, deeper than average tariff cuts,
- for non-discriminatory application of Generalized System of Preferences to all developing countries,
- for the need for elaboration of special procedures for the participation of developing countries in the tariff negotiations,
- for the need for advance implementation of MFN tariff cuts in favour of developing countries for products not included in the GSP, and
- for the need for international discipline in the use of safeguard procedures.

10. The Group emphasized the need for the secretariat to complete the preparation of tables illustrating the relationship between the GSP and MFN tariffs.

11. The Group agreed to hold its next meeting on 13-16 May 1975.