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GENERAL AGREEMENT ON TARIFFS AND TRADE

Multilateral Trade Negotiations

Group "Tariffs"

RECORD OF DECISIONS TAKEN AND CONCLUSIONS REACHED ON 7-10 JULY 1975

Note by the Chairman

1. The Group met on 7-10 July 1975 and took the following decisions and reached the following conclusions.
2. It invited the Secretary-General of UNCTAD, or his representative, to attend this session of the Group as an observer.
3. The Group had a further discussion on different proposals and hypotheses for tariff cutting formulae put forward at the previous meetings of the Group. A number of comments were made and further explanations and details were given as regards these proposals and hypotheses. The Group agreed to continue this discussion at its next meeting.
4. The Group had a preliminary discussion on various elements of a tariff negotiating plan on the basis of document MTN/TAR/W/4. Several additional items were put forward for possible inclusion in the tariff negotiating plan. Several delegations from developing countries stressed that the lack of progress in the development of special procedures for the negotiations between developed and developing countries should be brought to the attention of the Trade Negotiations Committee. The Group also noted a proposal that the procedures for dealing with non-tariff measures related to particular tariff items should be connected and integrated with procedures for the tariff negotiations. The Group agreed that the secretariat, on its responsibility, should prepare a revised version of document MTN/TAR/W/4 which would constitute a part of the agenda for the next meeting of the Group.
5. Within the framework of the discussion on the tariff negotiating plan the Group reviewed the question of base rates/base date as far as unbound rates are concerned. Since it was not possible to reach an agreement, the Group decided to revert to this question at its next meeting.

6. The Group had an extensive discussion on specific proposals which had been made at the previous meetings on how account might be taken of the importance of maintaining and improving the General System of Preferences and how special and more favourable treatment may be provided to exports of developing countries (MTN/TAR/2, paragraph 7). It was suggested that the Group, in addition to these proposals, should also deal with the question of compensation to developing countries for the erosion of the GSP through MFN tariff reductions. A number of delegations supported some of these proposals while there was substantial hesitation as regards certain other proposals. The point was made in this connection that more progress must be made in the general discussion before a more definite attitude could be taken to these proposals. Developing countries' delegations expressed deep disappointment and dissatisfaction at the nature and substance of the position taken by a number of developed countries in this area. It was agreed to give further consideration to these proposals at the next meeting.

7. The Group decided in principle that prior to the final selection of formulae for the tariff negotiations, a study would be made of the implications for the trade of developing countries of various tariff-cutting formulae. To this end, the Group entrusted the secretariat to prepare a system for rapid evaluation of the implications of different tariff-cutting formulae on the exports from developing countries to developed countries' markets when such formulae were formally proposed. In preparing such a system, the secretariat would consult with interested delegations. One delegation stated that it was not prepared at this point in time to agree to such a study, but that if the Group as a whole decided in principle to conduct such a study, this delegation did not wish to stand in the way of the Group.

8. With respect to the question of determination of unit of reference (MTN/TAR/W/2), the Group agreed that it would revert to this question at a subsequent meeting.

9. A number of delegations announced that they would shortly submit their tariff rate information file and the explanatory note describing procedures for fixing and modifying tariff rates. Other delegations were urged to submit the information as quickly as possible.

10. The Group continued the discussion on the proposal made at the previous meeting that the participants should submit to each other, or via the secretariat, their most recent tariff (MTN/TAR/2, paragraph 13). A number of delegations were in favour of this proposal while a number of other delegations questioned the utility of it at this stage of the Group's work. In this connexion it was agreed that the secretariat would circulate a list of the most recent tariffs available in the secretariat.

11. The Group agreed that, without prejudice to the final decision on the question of base rates/base date, the comparative tabulations should be up dated, in conjunction with the 1973 import data, on the basis of the following duty rates: present GATT rates and, concerning unbound rates, most-favoured-nation rates in force on 1 January 1973. When up dated to 1974, the present GATT rates and the unbound rates in force at 1 January 1974 would be used. The corresponding fiscal years would be used with respect to Australia and New Zealand. The statistics for the European Communities for the years 1973 and 1974 would be updated on the basis of the tariff in force on 1 January 1974.

12. The Group agreed that the Chairman should make an oral report to the Trade Negotiations Committee covering the work of the Group based on notes by the Chairman.

13. The Group agreed to hold its next meeting in the week of 13 October 1975.