

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

MTN/TAR/6
13 July 1976

Special Distribution

Multilateral Trade Negotiations

Group "Tariffs"

SUMMING-UP BY THE CHAIRMAN OF THE MEETING HELD ON 7 JULY 1976

1. The Group met on 7 July 1976. It invited the Secretary-General of UNCTAD or his representative to attend this session of the Group as an observer. At the end of the meeting the Chairman, on his own responsibility, gave the following summing-up.

2. The Group had before it the two specific proposals put forward earlier, reproduced in MTN/TAR/2, paragraph 3 (further specified in MTN/TAR/W/18) and MTN/TAR/W/10 and Add.1 and heard a statement from a delegation tabling a new specific and major proposal for a harmonization tariff-cutting formula. In the statement, which is reproduced in MTN/TAR/W/29, it was underlined that the submission of a specified proposal in the tariff field neither meant that the tariff negotiations should be privileged in relation to other aspects of the multilateral trade negotiations nor that the tariff element should be considered as the most important in these negotiations. It was also stated that for further progress of the work in Group "Tariffs" there must be parallel progress elsewhere, including in the field of non-tariff measures. The Group noted furthermore that the delegation submitting the formula reserved its position as regards the staging of cuts, the depth of cuts to be made at each stage, the rounding of the resulting rates, the question of floor duties and the possibility of introducing a limited number of exceptions. It noted also that the formula was to apply to industrial products only and that the proposal contained some suggestions regarding the contribution of developing countries to the tariff negotiations.

3. Several delegations welcomed this statement and made preliminary comments on it. Some of these delegations said that in their view the formula offered promising possibilities. Some other delegations made a number of critical remarks on the proposal, dealing inter alia with the questions of reciprocity, product coverage, tariff escalation, harmonization, the absence of a linear element in the formula and the overall tariff reduction to be achieved.¹ There was agreement in the Group that this and all the other proposals before the Group required further detailed consideration by members of the Group.

¹Statements submitted in writing are reproduced in MTN/TAR/W/30 and MTN/TAR/W/31.

4. The Group heard statements from two other delegations to the effect that they were presently finalizing tariff cutting proposals which they intended to submit to the Group after the summer recess.

5. The Group continued the discussion on special and more favourable treatment, where feasible and appropriate, to be provided to exports of developing countries in the field of tariffs. There was a wide support for the view that agreement on this point be reached prior to, but at any rate by, the time the tariff cutting formula or formulae be selected. Developing countries proposed that such an agreement should include, inter alia, special measures relating to tariff cuts, staging, exceptions, binding of preferential margins of preference, action to eliminate or substantially reduce the effects of tariff escalation, tariff reclassification, improvement and increased security of the GSP. While several developed countries members of the Group could agree with some of the measures put forward, others said that further reflection was needed and that it was premature to try to reach an agreement at this stage. In discussing the view expressed by many developing countries that agreement on special procedures should be reached before the actual tariff negotiations begin, some developed countries referred to two proposals which had been submitted at a previous meeting (MTN/TAR/W/15, page 5 and MTN/TAR/W/17), stressing that the implementation of these proposals would deal in an adequate and orderly fashion with the problem of special procedures. It was agreed to continue this discussion at the next meeting.

6. On the question of base rates/base date as regards unbound rates, the Group noted that bilateral consultations were going on and agreed to revert to it at its next meeting.

7. The Group noted that consultations between delegations were proceeding concerning the suggestion that assessment of reciprocity in the tariff negotiations should take into account whether duties were applied on a c.i.f. or f.o.b. basis and that appropriate adjustment of depth of cuts should be made. The Group agreed to revert to this item at its next meeting.

8. Several delegations stressed that as many members of the Group as possible should endeavour to submit consolidated schedules of concessions. Members of the Group were invited to submit in writing any comments or amendments they might have on the information contained in MTN/TAR/W/26.

9. With respect to the question of rapid evaluation of the implications for developing countries of tariff cutting formulae, it was noted that the secretariat has been examining with interested delegations the ways in which it can provide the sort of assistance the developing countries wish. The secretariat

hopes that a satisfactory means can be found and that the matter need not further engage the attention of the Group. If this should not prove the case, then the matter can of course be brought before the Group at any meeting.

10. It was agreed that the date of the next meeting should be fixed by the Chairman in consultation with delegations, taking into account the date at which the two additional proposals mentioned in paragraph 4 could be presented.

11. It was agreed that all the items on the agenda for the present meeting should continue on the agenda for the next meeting.