

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

MTN/TAR/7

19 October 1976

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## Multilateral Trade Negotiations

### Group "Tariffs"

#### SUMMING-UP BY THE CHAIRMAN OF THE MEETING HELD ON 13-14 OCTOBER 1976

1. The Group met on 13-14 October 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 three specific proposals for a tariff cutting formula which were put forward at preceding meetings of the Group and reproduced in MTN/TAR/2, paragraph 3 (further specified in MTN/TAR/W/18), MTN/TAR/W/15 and Add.1 and MTN/TAR/W/29. The Group heard a statement from a delegation tabling a new specific and major proposal for a tariff cutting formula. The proposal and the statement are reproduced in MTN/TAR/W/35 and MTN/TAR/W/36 respectively. Another major and specific proposal for a tariff cutting formula was tabled by another delegation and is contained in MTN/TAR/W/34 and Add.1. The statement introducing this proposal is reproduced in MTN/TAR/W/37.
3. Delegations welcomed the proposals submitted and several made preliminary comments on them. Some of these comments are reproduced in MTN/TAR/W/38, MTN/TAR/W/39 and MTN/TAR/W/40. Among the issues raised were the question of depth of reduction, scope of the harmonization element, the product coverage, link between the general formula and possible exceptions, application of the formula to smaller and less diversified economies of certain developed countries, treatment of low duties and tariff floor, link between negotiations on tariffs and on non-tariff measures, tariff escalation, base rates, and special attention to be given to products of export interest to developing countries.
4. There was agreement in the Group that the tariff formula proposals made at this and previous meetings required further detailed consideration by members of the Group.
5. The Group noted that at the present time it was not the intention of delegations to table additional tariff cutting formula proposals. Thus, while no delegation would be precluded from submitting new proposals in the future, the Group had now

reached a new stage in its work. It was the Chairman's impression that work in capitals as well as discussions between delegations could and should now concentrate on the various elements contained in the proposals before the Group with a view to narrowing existing differences and with the ultimate aim of agreeing on a single tariff cutting formula.

6. The Group continued the discussion on special and more favourable treatment, where feasible and appropriate, to be provided to exports of developing countries. Developing countries stressed the need that the work to elaborate special measures and special procedures for negotiations between developed and developing countries proceed in parallel with the work to establish a general tariff cutting formula. In underlining this point, the developing countries reiterated a number of the special measures for differentiated treatment proposed earlier which they considered should be negotiated within the framework of such procedures. Some delegations from developing countries stressed that agreement on special measures should be reached before special procedures could be agreed upon.

7. Some delegations from developed countries suggested that a first step in elaborating special treatment for developing countries was a process of bilateral notifications of products of export interest to developing countries, along the lines proposed in MTN/TAR/W/10. On the basis of these notifications discussions could be held on the special measures to be taken in favour of developing countries. Reference was also made to proposals made at earlier meetings; these are reproduced in MTN/TAR/W/17 and MTN/TAR/W/32.

8. It was the Chairman's impression that the time had come for the Group to make concerted efforts to decide how best to fulfil, in the tariff field, the Tokyo undertaking to provide, where feasible and appropriate, special and differentiated treatment for developing countries. It was agreed that for the next meeting delegations would prepare themselves to focus on this issue, covering both the question of special procedures and special measures, with the view towards reaching agreement.

9. 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.

10. 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.

11. The Group also agreed to revert to the question of exceptions at its next meeting.

12. The Group was informed that the updating of the tariff and trade information to 1974 has in general been completed and that several countries have supplied, or are preparing, 1975 data. The Group agreed that without prejudice to the final decision on the question of base rates/base date, the updating to 1975 should be carried out on the basis of the tariff as of 1 January 1975 and, for the countries in the Southern hemisphere, on the basis of the corresponding fiscal year. With regard to the tariff rate information file, the secretariat has at present thirteen files recorded on magnetic tape, some of which still require to be completed. The secretariat will work out a method to correlate as closely as possible these information files with the tariff and trade file of the countries participating in the exercise. The Group was informed that several delegates are preparing a revised and updated version of the tariff rate information files.

13. The Group agreed to hold its next meeting beginning 15 December 1976. It agreed to keep on the agenda all the items on the agenda for the present meeting. As noted above, it was agreed to focus on the question of special procedures and special measures in favour of developing countries.