

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

MTN/NTM/3  
16 May 1975

Special Distribution

Multilateral Trade Negotiations

Group "Non-Tariff Measures"

Sub-Group "Technical Barriers to Trade"

## ACTING CHAIRMAN'S SUMMING-UP AND RECORD OF DECISIONS TAKEN AT THE MEETING

Meeting of May 1975

1. The Sub-Group invited the Secretary General of UNCTAD or his representative to attend this meeting of the Sub-Group as an observer.

### A. Standards

2. The Sub-Group noted the decision of the Group "Non-Tariff Measures" that it "should draw up general rules in the area of standards and that the applicability of these rules to health and sanitary regulations concerning agricultural and tropical products should be examined by Groups "Agriculture" and "Tropical Products" (MTN/NTM/1, paragraph 2)".

3. The Sub-Group agreed that the proposed Code of Conduct for Preventing Technical Barriers (the "Draft Standards Code" annexed to MTN/NTM/W/5) should be used as the basis for the work of the Sub-Group and that the solution could take the form of a binding code, it being clearly understood that no delegation was committed to the text and that delegations were free to suggest any amendments to it that they felt to be necessary at any stage.

4. Several delegations suggested that a target date should be set for the completion of the Sub-Group's work and the end of 1975 was mentioned in this connexion. Other delegations did not feel that this would be useful. During the discussion, questions of balance and reciprocity were also touched upon and concern was expressed in this connexion by some delegations. In this connexion there was a wide measure of agreement that the Sub-Group should press ahead with its work as rapidly as possible, bearing in mind this suggestion and the need to produce a code of good quality dealing as effectively as possible with the trade problems in this area, which was mutually acceptable to as wide a number of participants as possible in a larger context. The Sub-Group agreed that the draft Code should be open to all countries.

5. The Sub-Group had an exchange of views on the way in which the draft Code might be simplified. Several delegations stressed that, while they were in favour of simplification, this should not be done at the expense of quality. The Sub-Group agreed that the possibility of simplifying the text should be borne in mind as it was examined during the course of the work.

6. Different views were expressed in the Sub-Group as to the applicability of the ECE definitions to the draft Code. The Sub-Group agreed that, as a first step, the secretariat should prepare a working paper comparing the two sets of definitions and the implications of the ECE definitions for the draft Standards Code.

7. Different views were also expressed as to whether the working hypothesis adopted by Working Group 3 of the Committee on Trade in Industrial Products that "benefits under the Code would accrue as of right solely to other adherents without these benefits having to be extended to contracting parties which do not adhere to the Code" should be maintained. The Sub-Group noted the view of several delegations that a decision could not be taken on this point until agreement had been reached on the main substantive issues and agreed to revert to this question at a later stage.

8. The Sub-Group discussed the adequacy of the provisions in the draft Code which were designed to meet the particular problems of the developing countries (e.g. Sections 2(e)(ii), 9(c)(ii), 16 and 17). Many speakers emphasized the need of developing countries for technical assistance and, inter alia, for adequate advance information with respect to the content of new standards. Some delegations also said that there might be need to make certain obligations placed on developing adherents more flexible than those placed on developed adherents. The Sub-Group agreed that, in its work on the text, it should consider specific suggestions designed to meet the particular problems of developing countries.

9. The Sub-Group examined how developing countries could undertake obligations in this area. The point was made that the Code would provide a number of advantages for developing countries and it would be in the interest of these countries to adhere to it. The Sub-Group noted statements by developing countries, however, that it would be premature to discuss the question of obligations which they might undertake in this area until more was known about the substantive provisions of the Code, but that the better the Code was adapted to their needs the more likely they would be able to adhere to it.

10. The Sub-Group went on to examine the other points set out in paragraph 9 of the background document (MTN/NTM/W/5) and the draft text itself. The Sub-Group agreed that delegations would be free to raise other points at further meetings. Some of the more important issues, in the view of the Chairman, were the following, on which a number of detailed suggestions were made:

- (a) provisions relating to the preparation, adoption and use of mandatory standards by central government bodies;
- (b) the way in which standards of bodies other than central government bodies should be dealt with;
- (c) provisions regarding the opening of quality assurance systems and arrangements;
- (d) whether the draft Standards Code should have retroactive provisions;
- (e) the administrative provisions, including the relationship between the draft Code and the GATT, the powers of the proposed committee, procedures for the settlement of disputes and sanctions, and the final provisions.

The Sub-Group agreed that the secretariat should prepare a paper on the issues raised and the detailed suggestions made during the meeting or submitted in writing by 15 June 1975. The Sub-Group also agreed that the secretariat should prepare a paper on the ISO/UNESCO work in connexion with the establishment of an information network.

11. It was suggested that a brief description be drawn up of the principal kinds of standards-making bodies and quality assurance systems in the countries participating in the Sub-Group, covering the relation between national government bodies, local government bodies (including those of States, provinces, l nder, etc.) and voluntary bodies bringing out the number of standards being written. After discussion, the Sub-Group requested the secretariat to report at its next meeting on the extent to which the data requested was readily available.

#### B. Packaging and labelling

12. The Sub-Group agreed that the draft Standards Code already dealt with many of the problems in the area of packaging and labelling. It agreed that, as work proceeded, delegations would be free to propose amendments to the text (including the definitions) necessary to ensure that specific points relating to packaging and labelling were adequately dealt with. It also agreed that at a later stage the Sub-Group could review the situation to ascertain whether any further action was necessary.

13. Delegations were invited to submit any proposed amendments to the secretariat by 15 June 1975, on the understanding that delegations would also be free to suggest amendments after this date.

C. Marks of origin

14. The Sub-Group had a first discussion of problems relating to marks of origin. It noted that, essentially, two approaches were suggested:

- (a) that work should be based on the 1958 GATT Recommendation, and
- (b) that work should be based on the Standards Code.

It agreed to revert to this matter at its next meeting.

D. Continuation of the work

15. The Sub-Group agreed to meet in September or early October, the precise date to be fixed nearer to that time.

16. The Chairman was invited to consult with delegations, inter alia, on the question of the applicability of the ECE definitions to the draft Standards Code, on the basis of the working paper to be established by the secretariat on the definitions (see paragraph 6).

17. The meeting of the Sub-Group would be preceded by a meeting at technical level to examine comments made at this meeting and those made in writing by 15 June with the aim of establishing specific drafting suggestions.