

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

MTN/NTM/66

5 April 1979

Special Distribution

Multilateral Trade Negotiations

Group "Non-Tariff Measures"

Sub-Group "Subsidies and Countervailing Duties"

MEETING OF MARCH 1979

Summing-up by the Chairman

1. The Sub-Group met on 30 March 1979.
2. It invited the Secretary-General of UNCTAD or his representative to attend this session of the Sub-Group as an observer.
3. The Sub-Group considered the text of the Agreement on Interpretation and Application of Articles VI, XVI and XXIII of the General Agreement on Tariffs and Trade circulated in MTN/NTM/W/220/Rev.1, Add.1 and Corr.1.
4. The Sub-Group took note of a note by the Chairman which set out additional proposals under consideration by several delegations for inclusion in MTN/NTM/W/220/Rev.1. This note was circulated on the understanding that upon confirmation from national authorities, these proposals would be incorporated in the next revision of this document.
5. Some delegations made points on a number of specific provisions in the text. With regard to item (h) of the Annex, one delegation explained its position as set out in document MTN/NTM/W/227. With reference to item (i) of the Annex, one delegation stated that it interpreted the term "physically incorporated", in conformity with its law, as to cover catalysts which have entered into the production of an exported product. Other delegations saw a bias against countries applying certain tax and levy systems in the way these items were structured. One delegation expressed its concern and reserved its position on certain provisions of Article 15 concerning the use of domestic prices in the importing country for price comparisons.
6. Delegations who had prepared the Agreement were aware of special difficulties that some developing countries had with certain items, including items (h) and (i), on the Illustrative List of Export Subsidies. The view was expressed that such difficulties, where they involved particular situations in individual developing countries, could be resolved through a reservation to be made by such a country upon its accession or in connexion with its entering into a commitment under Article 14:5.

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7. Several delegations expressed some reservations or concern on certain provisions of the text and said that, given its recent circulation, they were not in a position to take a definitive stand on it and reserved the rights to come back to the text.

8. Many delegations welcomed the text and a number of delegations stressed that it formed a reasonable compromise and a balanced whole. The hope was expressed that as many governments as possible would find themselves in a position to adhere to the Agreement. In this connexion the view was expressed that Article 14:5 of the text provided a basis for the accession of developing countries. Some other delegations indicated that they did not consider the aim of the paragraph to be the stipulation of conditions for the accession of developing countries.

9. Some delegations expressed the view that the Agreement did not provide for a sufficient discipline as far as subsidies in the field of agriculture were concerned.

10. In relation to the Final Provisions some delegations proposed that Article 19:2(a) be amended by the insertion of "after being adopted by the Trade Negotiations Committee" after "This Agreement shall".

Some delegations proposed that in Article 19:2(a), the words "and by governments having provisionally acceded" be inserted at the end of this paragraph. A question was also raised regarding the provisions for accession to the Agreement by other governments not contracting parties to the General Agreement. The view was expressed that such governments should not be put in a less favourable position than contracting parties. Some delegations proposed that in Article 19:4, the words "provided that by such date no less than two thirds of the total number of States parties to the Multilateral Trade Negotiations have accepted or acceded to the Agreement" be inserted after "1 January 1980".

11. It was noted that these differences of view on the procedural questions were of a general nature and not specifically related to this Agreement. The Chairman stated that these differences would be drawn to the attention of the Chairman of the Trade Negotiations Committee, the body responsible for the overall conduct of the negotiations, with the suggestion that he consider, in consultation with delegations, how these matters could best be dealt with.

12. The Chairman said that the revised text, as soon as it would be available, would be transmitted to the Trade Negotiations Committee.