

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

MTN/NTM/67

5 April 1979

Special Distribution

Multilateral Trade Negotiations

Group "Non-Tariff Measures"

Sub-Group "Customs Matters"

MEETING OF 3 APRIL 1979

Chairman's Summing-Up

1. The Sub-Group met on 3 April 1979. It invited the Secretary-General of UNCTAD or his representative to attend this meeting of the Sub-Group. It also invited a representative of the Customs Co-operation Council to attend this meeting of the Sub-Group in an expert capacity. At the end of the meeting and on his own responsibility, the Chairman made the following summing-up.
2. The Sub-Group had before it the revised text of an Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade (MTN/NTM/W/229 and Corr.1), circulated at the request of a number of delegations, and a text from several developing countries containing amendments to the draft Agreement (MTN/NTM/W/222/Rev.1).
3. Delegations from developed countries welcomed the text contained in MTN/NTM/W/229 and Corr.1 and stressed that its adoption would form an important part of the global package in the negotiations. They stated that in their view the text represented a fair, neutral and reasonable compromise between the importers and exporters and a balanced whole. They emphasized that the provisions of the Code were not designed to favour one class of traders as against another. They also referred to the provisions regarding special and differential treatment for developing countries. These delegations said that it would be desirable for the largest possible number of governments to join the Agreement; particular problems which developing countries might face could be overcome under the reservations clause of Article 23 on an interim basis. Any difficulties in the operation of the Agreement could also be reviewed in the light of experience. These delegations finally stated that the text represented the most that could be achieved by way of a multilateral solution in the area of customs valuation and that they were ready to recommend to their governments the acceptance of this text.

4. Delegations from developing countries referred to document MTN/NTM/W/222/Rev.1 which had been circulated at their request. They reiterated that in their view the text of MTN/NTM/W/229 and Corr.1 was not neutral between related and non-related traders, on a number of points favoured firms and enterprises of developed countries, did not deal adequately with the problem of price reductions not freely available and with the question of sole agent or distributor. It, furthermore, did not provide sufficient recognition of the position of developing countries with respect to specific provisions having regard to their trade, financial and development needs. These delegations considered that serious prejudice would be caused to their export and import interests if any agreement adopted in this area did not contain the points in MTN/NTM/W/222/Rev.1. They concluded that under these circumstances and unless the points raised in MTN/NTM/W/222/Rev.1 were included in MTN/NTM/W/229 and Corr.1, they saw themselves unable to accept the draft Agreement in its present form and requested that document MTN/NTM/W/222/Rev.1 should be forwarded to the Trade Negotiations Committee on an equal footing with MTN/NTM/W/229 and Corr.1.

5. Several procedural questions related to the Final Provisions in MTN/NTM/W/229 and Corr.1 were raised. Some delegations proposed that Article 22:1 be amended by insertion of "after being adopted by the Trade Negotiations Committee" after "This Agreement shall". A question was also raised regarding the provisions for accession to the Agreement by governments which are not contracting parties to the GATT or which have applied for GATT membership. Some delegations proposed that in Article 24, 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 1981" and that the words "for the governments which have accepted or acceded to it by that date", in the same Article, be deleted.

6. It was noted that these differences of view on the procedural questions were of a general nature and not specifically related to the work of this Sub-Group. 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.

7. While noting the view of some delegation that there may be scope for further consultations in this area, the Chairman concluded that the Sub-Group had taken its work on customs valuation as far as it could and that he would transmit this summing-up, together with the texts of MTN/NTM/W/229 and Corr.1 and MTN/NTM/W/222/Rev.1, to the Trade Negotiations Committee.

8. Some delegations referred to the work undertaken in the Customs Co-operation Council on trade facilitation (Kyoto Convention), the harmonized commodity description system and the tariff nomenclature of the CCC. These delegations expressed their appreciation of the progress made in these fields and welcomed the CCC's contribution to the facilitation of international trade and encouraged governments to continue to actively participate in this work.