

**MULTILATERAL TRADE  
NEGOTIATIONS  
THE URUGUAY ROUND**

RESTRICTED

MTN.GNG/NG7/W/32  
12 November 1987

Special Distribution

---

Group of Negotiations on Goods (GATT)

Negotiating Group on GATT Articles

ARTICLE XXVIII - STATISTICAL WORK ON PROPOSALS FOR  
THE REDEFINITION OF SUPPLIERS' RIGHTS

Note by the Secretariat

1. Following a request by several delegations (MTN.GNG/NG7/W/21), the secretariat prepared an illustrative calculation of what certain of the proposals put forward in regard to the redefinition of suppliers' rights would imply for negotiations under Article XXVIII (MTN.GNG/NG7/W/28). The calculation was made in respect of the proposals by New Zealand, Korea and Switzerland.

2. The present note provides additional information on data sources used for the calculation and also explains some of the difficulties which account for the absence in document MTN.GNG/NG7/W/28 of a numerical illustration of the effects of proposals on suppliers' rights by Argentina and Peru.

3. Before attempting to illustrate numerically the various proposals by delegations for ranking suppliers, the secretariat defined three criteria to ensure the accuracy of the results. These criteria were observed as closely as possible.

The criteria were that:

- i) basic statistics should be available for all GATT member countries;
- ii) basic statistics should be reliable and compiled on a basis allowing cross-country comparisons;
- iii) basic statistics should refer, as far as possible, to the same year.

Data Sources

4. With regard to the proposal by New Zealand (MTN.GNG/NG7/W/3), the secretariat used GNP statistics for the year 1984, which were available, for most GATT member countries, in the World Bank Atlas of the year 1986.

5. With regard to the proposal by the Republic of Korea (MTN.GNG/NG7/W/6), the secretariat used statistics on total exports by GATT member countries in 1985, as published in the 1986 yearbook of the International Monetary Fund.

6. With regard to the proposal by Switzerland (MTN.GNG/NG7/W/11), the secretariat used population statistics for the year 1984, also published in the 1986 Atlas of the World Bank.

7. The calculation which is reproduced in document MTN.GNG/NG7/W/28 is purely illustrative. If further calculations were made using real statistics, they would be based on the Tariff Study data base which contains import statistics for 12 markets, namely, EEC, USA, Japan, Canada, EFTA countries, Australia, New Zealand and Hungary.

Proposals by Argentina and Peru

8. With regard to the proposals by Argentina (MTN.GNG/NG7/W/22) and Peru (MTN.GNG/NG7/W/23), any calculation of their effects on the ordering of suppliers would require detailed export statistics for contracting parties, based on the same nomenclature and referring, if possible, to the same year.

9. The nomenclature which is most widely available for cross-country comparisons of export statistics is the SITC (Standard International Trade Classification). The GATT does not maintain computerized information on export statistics and the only source available is the UN data base on Commodity Trade Statistics, where import and export statistics are recorded in the SITC nomenclature for most of the UN member countries.

10. Trade statistics for most countries are available in the SITC revision 1 nomenclature. The SITC revision 1 comprises 10 sections (first digit of the SITC) corresponding to very broad categories of commodities. The 10 sections are sub-divided into 56 divisions (corresponding to the two digits of the SITC), further sub-divided into 177 groups of commodities (corresponding to the 3-digit level of the SITC). These 177 groups are finally sub-divided into 944 items corresponding to the 5-digit level of the SITC. The SITC revision 1 comprises, in all, 1312 basic items.

11. The import statistics of the Tariff Study markets, which are not all based on the CCCN (USA and Canada), comprise, on average, 4500 tariff lines. The tariff nomenclatures of the Tariff Study markets are therefore 4 times more detailed, on average, than the SITC. For that reason, it is not possible, in most cases to match adequately import and export data at an appropriate level of detail. In the absence of such matching, the necessary calculations cannot be made on the basis of historical data, since the import data for the calculations would come from the Tariff Study files.

12. Furthermore, although the UN data base is regularly updated to include most recent national statistics available, the statistics are not recorded on the same basis for all countries. Some GATT member countries could not be included in the data base. For other countries, the export statistics nomenclature does not allow the allocation of the data to the 5-digit level, to the 4-digit level or even to the 3-digit level of the SITC.

Thus, the 5-digit level of the SITC is not recorded for 21 GATT member countries and for 17 of them, the 4-digit level of the SITC is not available. Other serious difficulties arise in the cross-country comparison, since approximations were unavoidable in the conversion of national statistics to the SITC. Finally, the latest year available varies from one country to the other and for some countries the latest statistics available refer to the mid seventies.

13. In summary, there are three major difficulties encountered in any attempt to assess the impact of the Argentinian and Peruvian proposals on the basis of historical data. Firstly, it is often extremely difficult or impossible to establish a concordance between the nomenclatures employed for import and export statistics. Secondly, statistics on exports are not generally available at a sufficient level of disaggregation. Thirdly, even where export data are available, they are frequently not presented on a comparable basis among countries in terms of product categorization and the year to which they apply.