

**MULTILATERAL TRADE  
NEGOTIATIONS  
THE URUGUAY ROUND**

RESTRICTED

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Group of Negotiations on Goods (GATT)

Negotiating Group on GATT Articles

ARTICLE XXVIII - ILLUSTRATION OF EFFECTS OF PROPOSALS  
FOR THE REDEFINITION OF SUPPLIERS' RIGHTS

Note by the Secretariat

Addendum

In the Secretariat Note MTN.GNG/NG7/W/45, the effects of different proposals made in the Group for the redefinition of suppliers' rights for negotiations under Article XXVIII were illustrated by reference to a sample of recent negotiations. This Addendum describes the situation regarding countries holding Initial Negotiating Rights (INRs) for the cases under consideration.

For the tariff concessions in these cases, which were granted either in connection with the enlargement of the European Communities under Article XXIV:6 in 1973 or in the Tokyo Round (1973-79), no INRs in the classical sense were accorded. However, those countries which over the last three years preceding the renegotiation had on average been the principal supplier of the product in question were deemed to be the contracting parties with which the concession was initially negotiated, i.e., these countries held what is known as Floating Initial Negotiating Rights in the sense of the CONTRACTING PARTIES' Decision of 15 June 1988 (L/6367). These countries are ranked first in the tables in NG7/W/45 which show average imports over the three year period preceding the renegotiation. They are also identified in the table attached to the present document as holders of Floating INRs.

The table also identifies countries holding Historical INRs - that is, countries with which concessions on the items in question had previously been negotiated at a level higher than the bound level at the time of the renegotiation. (This means that if the bound rate were to be raised above the level specified under these historical INRs, the countries in question would have a right to participate in negotiations.)

INITIAL NEGOTIATING RIGHTS

| <u>Country</u> | <u>Item No.</u> | <u>Rate of<br/>Duty</u> | <u>Concession<br/>established<br/>in</u> | <u>INR</u> | <u>Floating<br/>INR</u> | <u>Historical<br/>INR</u><br>(year, INR<br>country, rate) |
|----------------|-----------------|-------------------------|--|------------|-------------------------|---|
| CANADA         | 32648-1         | free                    | 1979                                     | -          | US                      | 1947, US, 15%   |
|                | 35302-1         | 2.1%                    | 1979                                     | -          | US                      | 1957, US,<br>3 cts./lb.                                   |
|                | 53110-1         | 12.5%                   | 1979                                     | -          | EEC                     | 1949, IT, UY,<br>12.5% +<br>17 cts./lb.                   |
| EEC            | 48.01A          | free<br>(within quota)  | 1973                                     | -          | FIN                     | ---   |
|                | 92.11 A II a)   | 5.1%                    | 1979                                     | -          | JAP                     | 1973, US, 7.5%  |
|                | 92.11 A II b)   | 9.5%                    | 1973                                     | -          | JAP                     | 1973, <u>US</u> , (partial)                               |
|                | 92.11 B         | 8%                      | 1973                                     | -          | JAP                     | ---   |
| UNITED STATES  | 609.41          | 1.5%                    | 1979                                     | -          | CAN                     | 1947 --   |
|                | 609.43          | 5.3%                    | 1979                                     | -          | CAN                     | 1947, EEC6, 8.5%<br>SE, 8.5%                              |
|                | 609.70          | 5.5%                    | 1979                                     | -          | EEC                     | 1947, EEC6, 12.5%<br>SE, 12.5%                            |