

MULTILATERAL TRADE  
NEGOTIATIONS  
THE URUGUAY ROUND

RESTRICTED

MTN.GNG/NG14/W/33

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Group of Negotiations on Goods (GATT)

Negotiating Group on Functioning  
of the GATT System

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COMMUNICATION FROM CANADA

The following communication has been received from the delegation of Canada with the request that it be circulated to the members of the Group.

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In our view, there are four basic questions which need to be answered if a country's trade policy is to be properly understood:

- (a) how does trade policy fit into the overall context of national economic policy?
- (b) how is trade policy made?
- (c) how is trade policy implemented?
- (d) what external factors affect trade policy?

Given the nature of past debates in the Negotiating Group on the format issue and with these aforementioned questions in mind, my authorities have reviewed the structure and contents of the format text in MTN.GNG/13 in light of the objectives of the Trade Policy Review Mechanism. On the basis of this review, we propose the attached alternate format text. This alternate text incorporates most of the elements of the GNG/13 format, but the modifications to the original text should, in our view, provide better guidance to countries in compiling their reports.

Country Report Format

The following agreed outline format for country reports shall allow the prompt implementation of the Trade Policy Review Mechanism on a provisional basis. It should help contracting parties to provide the country reports for the first reviews under the newly established mechanism. The outline format for country reports shall be reviewed, and modified as appropriate, in the light of the experience gained from the operation of these arrangements.

The format outlined is based on the need to provide, for each country, a minimal level of detail which is both meaningful and readily achievable, and which makes use of information provided under present notification obligations.

It is recognized that it may be burdensome for least-developed countries to adhere fully to the following outline format. A simplified reporting format for reviews of trade policies and practices of the least-developed contracting parties should therefore be considered.

A. Objectives and overview of trade policy

- Objectives of trade policies in the context of overall national economic policy;
- Overview of trade policy/practices, including a general description of the system and its relationship to the objectives.

B. Formulation and instruments of trade policy

(i) Formulation of Trade Policy

A summary description of the trade policy decision-making structure and process, including a description of the functioning of the bodies primarily concerned in the formulation of trade policy, e.g. political, bureaucratic, domestic regulatory and/or review bodies, industry/consumer input; how trade policy is initiated, examined, etc.

(ii) Domestic Laws and Regulations in Force Governing Trade Policy

With reference to the relevant measures identified in the annex, describe the legal and administrative basis governing trade policy, e.g. the main legislation/regulations used to implement policy/practices affecting trade; identification of administrative agencies and how they function.

(iii) Existing and new bilateral, multilateral, regional or preferential trading agreements, their scope, duration and expected effects.

C. Implementation of trade policy

(i) To the extent the measures described in the annex affect trade:

(a) describe how the measure was used during the period under review;

(b) compare the use of the measure with earlier periods;

(c) anticipated changes in the use of the measure.

(ii) Sectoral features of the trade policy instruments in force. Where particular sectoral trade policies have evolved, an explanation should be provided of their economic goals and significance. Any changes/developments since the previous report should be reported. In addition, quantitative measures for each sector, indicating the degree of trade coverage of the trade policy instrument, should also be provided.

(iii) Developments related to agreements referred to in Section B(iii).

D. Modifications

Programmes or legislation in existence or about to be introduced which will modify existing trade conditions, and their timetable where applicable.

E. Other factors affecting trade policies

This section might include, inter alia, the following elements:

- External market access problems, including existing significant barriers to trade as well as new developments;

- Important trends in the external micro-environment (e.g. price developments);

- Important trends in the external macro-environment (e.g. exchange rate fluctuations, balance-of-payments position, interest rates, debt);

- Relevant domestic policies and practices impacting on trade.

F. Additional information

- Relevant statistical information relating to trade (e.g. imports and exports by major commodity group and geographic area; comparability);

- Identify any relevant published studies assessing effects of trade policies/practices.

ANNEX

The following is an indicative list of the types of measures which should be included in the country reports, recognizing that to achieve the fullest degree of transparency, contracting parties should provide information on the full range of trade policies and practices.<sup>1</sup>

<u>Measures directly affecting imports</u>	<u>Measures directly affecting exports</u>	<u>Other measures affecting trade</u>
tariffs	export taxes	govt. assistance (incl. subsidies, tax exemptions)
quasi-tariff measures (surcharges, tariff rate quotas (TRQs), variable levies)	export subsidies (incl. tax exemptions)	state-trading
QRs (incl. VERs)	free-trade zones (incl. in-bond manufacturing)	standards
rules of origin	concessionary export financing	government procurement
safeguard actions	export restrictions	foreign exchange controls
anti-dumping actions	other	countertrade
countervail actions		other
other		

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<sup>1</sup>As noted in MTN.TNC/7(MIN), information contained in country reports should, to the greatest extent possible, be co-ordinated with notifications made under GATT provisions, bearing in mind the relevant paragraphs of the 1979 Understanding Regarding Notification, Consultation, Dispute Settlement and Surveillance. The Secretariat has provided an overview of existing notification obligations in MTN.GNG/NG14/W/18, dated 10 March 1988.