

MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND

RESTRICTED
MTN.GNG/NG8/17
16 May 1990
Special Distribution

Group of Negotiations on Goods (GATT)
Negotiating Group on MTN
Agreements and Arrangements

MEETING OF 1 MAY 1990

1. The Group met on 1 May 1990 under the Chairmanship of Dr. Chulsu Kim (Republic of Korea).

A. The Agreement on Import Licensing Procedures

2. The Chairman recalled the discussion at the previous meeting and the conclusion (MTN.GNG/NG8/16, paragraphs 10-14). He noted that a further informal meeting concerning this Agreement would be held on 4 May 1990 and expressed the hope that by the next NG8 meeting progress would be made.

B. The Agreement on Technical Barriers to Trade

3. The Chairman recalled that at the last meeting the Chairman had enumerated the proposals before Group (MTN.GNG/NG8/16, paragraphs 2-8). A new proposal by Canada would be circulated.

4. The Chairman also noted that a synoptic table had been circulated, comparing the text of the Agreement and the relevant proposals made to the Negotiating Group and to the Committee on Technical Barriers to Trade. He considered that this table had been useful in evaluating the status of work and the progress made so far. He was pleased to note that there was already a rather clear picture of what was expected to be achieved since delegations had made a major effort in tabling their proposals in the form of amendments to the present text of the Agreement or new provisions to be included in it. In the majority of areas, the problems were addressed in a single proposal. On the other hand, the synoptic table also showed the scope of the work that remained to be done between now and the July deadline. There were a considerable number of amendments proposed to almost each of the Articles of the Agreement. There were also suggestions for additional provisions, for adopting codes of conduct on the activities of bodies other than central government bodies and for the extension of the definitions used in the Agreement. The discussions held since the beginning of the Round in the present Group and in the Committee on Technical Barriers to Trade had been helpful in understanding the positions of delegations on different issues. It was his view that the issues discussed relating to the improvement, clarification and expansion of the Agreement, if successfully concluded, would have a major importance in facilitating trade. Whatever the divergences of views between different delegations on various issues, he strongly invited delegations to focus on the improvements of the texts before the Group. No effort should be spared in order to arrive at a single text which accommodated the interests of all

participants, by the Group's meeting of mid-July. The presentation of the text in one single draft should in no way exclude participants' rights to consideration of the issues of substance beyond that date. In terms of the synoptic table, the aim should be to arrive at one text in the right hand column at the end of the present phase of negotiations. He added that the work in the Committee in clarifying the proposals was continuing. He also understood that informal consultations would be held in order to work on the texts in the synoptic table. He invited all delegations wishing to participate in these consultations to get in touch with the secretariat.

5. The representative of Canada introduced the new proposal on "technical regulations and standards as unnecessary obstacles to trade in the Agreement on Technical Barriers to Trade" (subsequently issued as MTN.GNG/NG8/W/77).

C. The Agreement on Implementation and Application of Article VII
(Customs Valuation Code)

6. The representative of India introduced an informal paper dealing with proposed amendments to the Protocol to the Agreement. The representative of Kenya, on behalf of the PTA countries, introduced another informal paper with proposed amendments to the Protocol.

7. A number of preliminary comments were made. With respect to the former proposal, one delegation expressed willingness to examine the underlying issue in a constructive manner. On the specific approach envisaged, it considered that undue emphasis was placed on price, isolating this from other factors in a transaction. It also noted a lack of safeguards for "honest" traders, stating that if fraud was the concern, the solution should be one which would be satisfactory if any Party to the Agreement were to apply it. On the latter proposal it noted the elimination of specific reference to uplift practices but thought that the provisions on additions for "discounts" might still maintain the possibility of such actions. The proposed legal language on discounts and minimum prices did not allay the concerns that the proposals undercut the very essence of the Code and - with respect to minimum prices - raised serious questions with respect to GATT Article VII.

8. A number of delegations shared these views. One of these delegations added that any solution to counter customs fraud should be consistent with the spirit of the present Agreement and not introduce new possibilities of arbitrary administration entailing difficulties for importers which declared low prices with sound reasons. Some delegations added that they had reservations to the approach of opting for formal amendments to the Agreement or its Protocol.

9. One delegation stated that it had problems similar to those of some other countries and therefore welcomed the Indian document in particular.

10. Delegations in general looked forward to further discussions after having studied the proposals further (for further work see paragraph 15).

11. The Chairman concluded that these proposals, as well as preliminary reactions heard, could be suitably discussed further at the next informal expert meeting which could be held in conjunction with the next NG8 meeting. Again he hoped to see early progress towards a mutually satisfactory solution.

D. The Agreement on Government Procurement

12. The Chairman stated that the next informal meeting on this subject would be held on 21 May 1990. He expressed the hope that progress would be made in this area before the next meeting.

E. The Agreement on Implementation of Article VI (Anti-Dumping Code)

13. The Chairman noted that since the last NG8 meeting one new proposal had been tabled by the Nordic countries (MTN.GNG/NG8/W/76). This had been discussed in the informal context.

14. He recalled that intensive discussions on the items in the structured agenda which he had circulated on 19 January 1990 were now taking place in informal meetings. As it was not possible for him to come to Geneva for these informal meetings, he had requested Mr. C.R. Carlisle, Deputy Director-General, to chair them. He had been informed by Mr. Carlisle that since the last NG8 meeting two informal meetings had been held, on 23 March and from Wednesday, 25 April to Sunday, 29 April 1990. In these two sessions it had been possible to complete the discussions on the items relating to Determination of the Existence of Dumping. The meetings had discussed two other items, viz. Determination of the Existence of Material Injury Caused by Dumped Imports and Circumvention of Anti-Dumping Measures. It had not been possible, however, to complete this discussion which would thus continue, as would the discussion of other items in the structured agenda, in further meetings scheduled to be held from 28-31 May and from 18-21 June 1990. He had been informed that these meetings had provided an opportunity to delegations to have open and frank exchanges of views on the various proposals and legal texts that had been submitted for modifications in the Code. Given the highly technical and complex nature of the issues under discussion, it was not surprising that it had been possible to deal with only three items in the structured agenda. He felt confident that the comprehensive paper in the area of anti-dumping which would be circulated by the end of June would provide the basis for further discussions and intensive negotiations in an informal meeting which was tentatively proposed to be held in the week starting on 9 July 1990, i.e. the week before the formal meeting of the NG8 itself.

F. Other business, including arrangements for the next meeting(s) of the Negotiating Group

15. The Chairman recalled that the Group had previously agreed to meet on 28 May-1 June. However, as suggested, some of the time set aside for the NG8 "might more appropriately be spent in informal meetings" (MTN.GNG/NG8/16, last paragraph). Apart from the informal meeting on anti-dumping in that week, he proposed to set aside the afternoon of 31 May 1990 for an informal expert meeting on customs valuation. He therefore proposed that the next meeting of the NG8 be held on 1 June 1990.

16. The Group so agreed.