

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

RESTRICTED

MTN.GNG/NG10/19

19 June 1990

Special Distribution

Group of Negotiations on Goods (GATT)
Negotiating Group on Subsidies
and Countervailing Measures

MEETING OF 31 MAY-1 JUNE 1990

Note by the Secretariat

1. The Group met on 31 May-1 June 1990 under the Chairmanship of Mr. Michael D. Cartland (Hong Kong). The Group adopted the following agenda (GATT/AIR/2996):

A. Framework for the Negotiations

(i) Special treatment for developing countries

(ii) Notification of subsidies

B. Arrangements for the next meeting of the Group

2. The Group discussed various approaches to the question of special treatment for developing countries on the basis of proposals made at previous meetings of the Group and summarized in an informal note by the Chairman. Participants reiterated their positions as expressed in earlier discussions of this issue and gave additional explanations (see MTN.GNG/NG10/14, paragraphs 14-15, MTN.GNG/NG10/16, paragraphs 16-17 and MTN.GNG/NG10/17, paragraphs 10-12).

3. The Group discussed various issues related to the question of notification of subsidies. Most participants expressed the view that actionable subsidies and subsidies which may be prohibited should be notifiable. There were different views as to whether generally available subsidies should be notified or be notifiable upon specific request only. Some participants considered that, because of their federal structure, they might have problems in notifying subsidies granted at local or regional level. Other participants said that a subsidy could have adverse effects irrespective of the level at which it was granted and therefore a different level of obligation was not acceptable. In addition, such a different level would open the door to circumvention of the obligation on notifications. Concerning the question of the frequency of notifications, some participants favoured the existing system, while some others considered that full notifications should be submitted on a yearly basis. Several participants were of the view that the questionnaire on subsidies should be revised in the light of new disciplines which would emerge from the negotiations.

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4. The Chairman introduced his comprehensive paper on subsidies and countervailing measures, based on the in-depth issue-oriented discussions in the Group. The paper is structured according to the Montreal Framework for Negotiations and is intended to provide the basis for the Group's future work. The Chairman said that the paper was put forward on his own responsibility and could not in any way commit any delegation. It reflected his present perception of possible solutions in the area of subsidies and countervail. The Chairman reserved his right to make changes, amendments or other modifications to the paper in the light of further developments. The Chairman said that, given the informal nature of the paper, he intended to discuss this paper at informal meetings.

5. Several delegations reiterated their positions on the product coverage of the negotiations in this Group.

6. As agreed at the meeting of 21 February 1990, the next meeting of the Group will be held on 21-22 June 1990.