

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

AIR/TSC/1

12 December 1980

Special Distribution

Agreement on Trade in Civil Aircraft

TECHNICAL SUB-COMMITTEE

Second Progress Report by the Chairman

1. The Technical Sub-Committee met twice since the Progress Report submitted to the Committee in July 1980: namely on 30 September and 1 October, and on 9 and 10 December 1980.

2. Under point 1 of its terms of reference, it examined further the proposal for regular statistical reporting on which the Committee had made a positive recommendation (AIR/M/2, paragraph 38). The Sub-Committee agreed at its September-October meeting that, in view of the technical difficulties being experienced by some Signatories, written reports should be submitted to the December meeting describing:

- (a) which products in the Annex could be covered by Signatories' existing statistical collection, and
- (b) the form in which data could be provided.

Only a few Signatories made submissions to that meeting and, therefore, it was agreed that all outstanding reports should be submitted to the secretariat by the end of 1980. It was agreed that the Technical Sub-Committee would work toward achieving, to the extent possible, uniformity, compatibility and comparability of statistical reporting in order to develop an efficient tool to monitor trade under the Agreement. It was recalled that the Aircraft Committee had decided that the available statistical data would be reported by each Signatory as early in 1981 as possible.

3. The Sub-Committee also discussed further a proposal relating to the Harmonized System Code. In view of the unresolved difficulties related to the definition of civil and military aircraft, the matter would be reverted to at a later meeting.

4. The Technical Sub-Committee agreed that it would consider initiating in 1981 a comparative study of Signatories' end-use systems and their implementation.

5. Members of the Sub-Committee examined specific tariff classification matters. The secretariat is keeping an informal record of such questions and answers, it being understood that classification opinions given are not binding. It was proposed that Signatories should notify procedures which

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traders should follow with domestic customs officials in order to ensure that products covered by the Agreement are accorded duty-free treatment. This matter would be reverted to at the next meeting.

6. Under point 2 of its terms of reference and pursuant to the indications of the Committee (AIR/M/2, paragraph 48), the Sub-Committee further refined proposals for broadening the product coverage of the Annex to the Agreement. AIR/TSC/2 contains the annotated list of selected products for which certain Signatories have indicated they attach priorities. One member of the Sub-Committee emphasized that he believed further work is needed by the Sub-Committee to gather additional information regarding the products listed, particularly information that could indicate the relative trade significance of the selected products. Work under point 2 of the agenda has been developed to the point that the Technical Sub-Committee decided to submit the list of selected products (AIR/TSC/2) to the Aircraft Committee, for its consideration and guidance.

7. The outgoing Chairman of the Technical Sub-Committee (Mr. R. Wright - Canada) thanked the members of the Sub-Committee and the GATT secretariat for their support over the term of his chairmanship. He noted that the Aircraft Committee would be charged with the responsibility of agreeing on his replacement.