

GENERAL AGREEMENT ON TARIFFS AND TRADE

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Committee on Technical Barriers to Trade

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WORKING PARTY ON THE ACCESSION OF BULGARIA TO THE AGREEMENT

Second Progress Report by the Chairman

1. The terms of reference of the Working Party on the Accession of Bulgaria, established by the Committee at its fourth meeting in November 1980, are "to draw up proposals for mutually satisfactory terms for the accession of Bulgaria to the Agreement on Technical Barriers to Trade and to report to the Committee prior to the next meeting" (TBT/4).
2. The first progress report by the Chairman was submitted to the sixth meeting of the Committee which invited the Working Party to report to its next meeting (TBT/5). This second progress report, like the first one, is submitted to the Committee by the Chairman on his own responsibility.
3. Following the sixth meeting of the Committee, the Working Party met on 6 March, 3 April, 20-21 May and 10 June 1981.
4. The Working Party completed the exchange of factual information which it had initiated at its first meeting. It noted that this exchange of information had been conducted satisfactorily for all concerned.
5. In presenting his country's request for accession to the Agreement, the representative of Bulgaria said that his government was prepared to accept all the provisions of the Agreement. It could also accept the terms of the April 1979 statement of the Trade Negotiations Committee concerning the participation of non-contracting parties to the Tokyo Round Agreements (MTN/P/5, paragraphs 2, 4 and 9). As a result of its accession to the Agreement on Technical Barriers to Trade, Bulgaria only expects to assume rights and obligations under that Agreement, and not to obtain any GATT rights or to contract any GATT obligations and it interprets the Trade Negotiations Committee statement as having the same meaning.
6. The Working Party welcomed Bulgaria's intention to join the Agreement and to participate in its trade liberalization objectives. It noted that the Agreement provided that the terms should relate to the effective application of rights and obligations under the Agreement (Article 15.3). It further noted that the Committee had agreed that negotiations for the accession of governments not contracting parties to the GATT should be conducted on a case-by-case basis (TBT/M/3, Annex II), and agreed that the purpose of the terms of accession should be to ensure a balance of rights and obligations

among all Parties to the Agreement taking into account the fact that Bulgaria was not a contracting party to GATT. It also agreed that the terms of accession should be understood as giving rights and obligations only in the field defined by the Agreement.

7. The Working Party agreed to proceed with the consideration of terms of accession without making specific reference to the provisions contained in the April 1979 statement of the Trade Negotiations Committee. The representative of Bulgaria nevertheless stated that, pending agreement in the Working Party on mutually satisfactory terms of accession, his delegation's proposal for terms contained in TBT/WPB/1, which was based on a multilaterally agreed format for terms of accession to MTN agreements by countries which are not contracting parties to GATT, remained before the Working Party.

8. In discussing other aspects of proposals for terms, on which there were initial differences of views in the Working Party, the Working Party concentrated on the question of dispute settlement procedures to be applied between Parties which are contracting parties to the GATT and Bulgaria as a non contracting party, including the scope of action that might be taken in the event of a dispute and the role of the Committee on Technical Barriers to Trade in this respect. The issue was to substitute for Article 14.23 dispute settlement procedures applicable between Parties that are contracting parties to GATT and Bulgaria. The representative of Bulgaria mentioned that the multilateral character of the dispute settlement mechanism should be maintained. Several members of the Working Party signatories of the Agreement stressed the need to preserve the multilateral character of the Agreement.

9. Following in-depth consultations, the Working Party considered at its meeting of 20-21 May 1981, a draft text of terms of accession which dealt with the various aspects of the question that had been raised in the discussion, and which contained elements of compromise between different views initially expressed on some of these aspects.

10. The Working Party noted that at that stage no delegation had given its assent to any part of the text nor to the text as a whole, and that the text was not binding on any government represented in the Working Party. However, the Chairman of the Working Party proposed that the delegations of members present the text in a positive manner to their authorities and recommend its approval. The Working Party decided to hold a further meeting to consider reactions to this text.

11. At its fifth meeting held on 10 June 1981, the Working Party considered those reactions to the draft text that had emerged at its fourth meeting. A number of delegations said their authorities could accept the text. Some delegations were prepared to join in a consensus of the Working Party on this compromise text. The spokesman for a group of delegations said that he was not yet in a position to report an official reaction to the text, and requested that the Working Party resume its discussions at a future date.

12. The Working Party agreed to meet again at a date to be fixed by the Chairman in consultation with delegations, on the understanding that the meeting would be held within about one month's time.

ANNEX

DRAFT DECISION ON BULGARIAN ACCESSION TO THE
AGREEMENT ON TECHNICAL BARRIERS TO TRADE

The following terms of accession to the Agreement on Technical Barriers to Trade take into account the fact that Bulgaria is not a contracting party to the GATT and that therefore Article 14.23 of the Agreement does not apply in the case of Bulgaria. These terms of accession would apply only as long as Bulgaria is not a contracting party to the GATT. These terms are intended to achieve mutual economic advantage and a balance of rights and obligations between the Government of Bulgaria and the other Parties to the Agreement:

1. The agreement shall be understood as giving rights and obligations only in the field defined by the Agreement.
2. When recourse to the dispute settlement procedures of the Agreement, including consideration of the matter by the Committee on Technical Barriers to Trade, has not permitted a mutually accepted solution, the Party or Bulgaria may take action in order to suspend such obligations under the Agreement which it deems appropriate in the circumstances to preserve the balance of rights and obligations under the Agreement. Any such action would be promptly notified to the Committee on Technical Barriers to Trade.
3. Should any Party or Bulgaria consider that the action taken is not appropriate in the circumstances it may refer the matter to the Committee on Technical Barriers to Trade which will, upon request from such Party or Bulgaria, examine the action with a view to promoting a mutually satisfactory solution.