

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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## GATT WORK PROGRAMME

Listed below are a number of issue areas which the Consultative Group of Eighteen may wish to recommend to the CONTRACTING PARTIES for adoption and inclusion in the GATT work programme.

### 1. Implementation of MTN results

High priority will now have to be given by the GATT to the implementation of the results of the Tokyo Round of Trade Negotiations. It would seem that this would require action in the following areas:

#### (a) Institutional structures and new mechanisms

The following structures will need to be established and mechanisms set in motion:

(i) All the multilateral agreements, with the exception of those on Customs Valuation and Government Procurement, will need to be implemented as of 1 January 1980. This will require the establishment of the various Committees envisaged by the Agreements as soon as legally possible so that such Agreements can become operational on time and can be properly and fully made use of. Informal meetings of the various Committees before the end of 1979 should be envisaged for this purpose.

(ii) The tariff-cutting plans will have to be set in motion according to schedule and properly implemented.

(iii) The tariff concessions stemming from the Tokyo Round will have to be incorporated into the relevant schedules which should thus be brought up to date. In this connexion, it should be borne in mind that the present status of many GATT Schedules is unsatisfactory. This situation may improve to some extent as a result of the decision to effect a general consolidation of schedules and to introduce a loose-leaf system. It appears, however, that the task of keeping GATT Schedules permanently up to date would be greatly facilitated by the establishment of a supervisory body in the form of a Permanent Committee on Tariff Concessions, which would also supervise the staging of cuts and also be used as a forum for discussion of questions relating to the second tranche of staging for the Tokyo Round tariff concessions.

- (b) Co-ordination of the activity of the various Committees established under the MTN Agreements and adoption of appropriate procedures to provide adequate control of their operation by the CONTRACTING PARTIES

Procedures will have to be established to provide for timely reporting by the various Committees to the CONTRACTING PARTIES so that the activities of the Committees can be co-ordinated and form part of a coherent whole under the general guidance of the CONTRACTING PARTIES.

- (c) Incorporation of the "Framework" agreements into the GATT Structure

The CONTRACTING PARTIES will need to take action to incorporate the various elements of the "Framework" agreement into the legal framework of GATT and ensure that they become operational within both the General Agreement and the GATT as an institution.

2. Regular and systematic review of developments in the trading system

This issue forms part of the "Framework" package, and is to be conducted in the context of the "Surveillance" which the CONTRACTING PARTIES have agreed to conduct on a continuing basis. It would seem that the appropriate body to carry out such an exercise would be the Council, with the benefit of advice and recommendations by the Consultative Group of Eighteen and pertinent studies which the secretariat may be asked to carry out in this area. The modality of such reviews would have to be determined in due course.

3. Multilateral agricultural framework

Participants in the Tokyo Round have agreed to recommend to the CONTRACTING PARTIES that active co-operation in the field of agriculture be pursued within the context of an appropriate consultative framework. Such a framework would undoubtedly constitute the appropriate forum to pursue discussions on and consider modalities for the resolution of problems still facing agricultural trade to which many contracting parties attach the utmost importance. The CONTRACTING PARTIES will no doubt address themselves to this issue before the end of 1979.

4. Export restrictions and charges

This issue constitutes another area of the "Framework" package where the participants have requested the CONTRACTING PARTIES to take action on a priority basis. The Group may wish to formulate recommendations to the CONTRACTING PARTIES regarding the forum and the modalities of such an exercise.

5. Continuation of the process of trade liberalization

There seems to be agreement that the process of further trade liberalization must be pursued on a systematic and continuing basis, particularly in regard to products of export interest to developing countries

and in areas such as tariff escalation and tropical products. Such an effort would enable the GATT to carry on the momentum of trade liberalization generated by the Tokyo Round. This exercise could be based on an up-dating by the secretariat of both the tariff study and the inventory of non-tariff measures which would give the profile of trade obstacles still remaining after the results of the MTN are fully implemented.

6. Structural adjustment and trade policy

In the context of GATT's continuing efforts to maintain and further the process of trade liberalization, the CG.18 should continue to serve as a forum for consultations with respect to emerging problems in specific product sectors and in the international economy more generally and, as appropriate, explore the contribution that measures of structural adjustment involving necessary adaptation of patterns of trade and production might make to the maintenance of an open trading system. The secretariat could be expected to contribute through appropriate documentation to an examination of the problems to which the Group gives its attention.

7. Trade policy as development policy

The Group appears to be agreed on the importance of continuing the effort to promote trade measures by both developed and developing countries with a view to effectively assisting the developing countries in their development efforts. In this connexion, apart from pursuing arrangements aimed at action on barriers affecting the trade of developing countries and effective implementation of the enabling clause, the Group may also wish to exchange views on the rôle the Committee on Trade and Development could be expected to play with respect to the examination of future protective action by developed countries affecting developing country exports and on proposals developed in the Committee for the establishment of necessary procedures and arrangements to this end. This issue should be considered also in the context of UNCTAD Resolution 131(V).

8. Trade negotiations among developing countries

The Committee of Participating Countries agreed at its meeting on 23 July 1979 on a programme of preparatory work aimed at the launching of a new round of trade negotiations among developing countries in the autumn of this year. The CONTRACTING PARTIES may wish to follow developments in this important area of activity.

9. Trade in services

In the light of the interest expressed by certain members of the Group it may be appropriate for the secretariat to undertake a study of this issue, consisting mainly of an inventory of measures affecting trade in services notified by countries, to enable the Group to focus better on the various problems involved.

P.M.: Technical Assistance

It should be noted that the technical assistance activities of the GATT initiated at the outset of the Tokyo Round shall be continued and readapted to meet the requirements of the developing countries in the context of the new work programme. Such assistance, available upon request, will be continually geared to meet new demands which may arise.

Other important issues on which further documentation or studies may be needed

It may appear useful to further document a number of issues to which attention has been previously drawn, in order to permit eventually a fruitful discussion within the Group. These issues are, inter alia, the following:

(1) Increasing rôle of governments in production and trade

The secretariat may be asked to produce a paper on this topic outlining the problems which the Group could be expected to keep under review.

(2) Fair labour standards

The member from the United States may wish to undertake to submit to the Group a paper on this issue.

(3) Rules of origin

In this case also, the member from the United States may wish to submit a paper to the Group.

In the light of its mandate, it will of course remain open to the Group to add other items to its work programme having regard to trade policy developments and the ongoing process of discussion and negotiation in international fora.