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GENERAL AGREEMENT ON TARIFFS AND TRADE

Consultative Group of Eighteen
Fifteenth Meeting
25-26 June 1981

IMPLEMENTATION OF THE MTN

Note by the Secretariat

1. Following the suggestion made at the fourteenth meeting of the Consultative Group (CG.18/14, paragraph 15), the present note summarizes the main developments in the implementation of the MTN Codes and of the Framework decisions, as well as in the tariff field, for consideration at the next meeting of the Group.

Tariffs

2. The Committee on Tariff Concessions met in November 1980 and in May 1981 and considered the following issues:

(i) nomination of officers;

(ii) status of acceptances of the Geneva (1979) Protocol and the Supplementary Protocol;

(iii) implementation of MTN tariff concessions;

(iv) submission of loose-leaf schedules of tariff concessions;

(v) procedures for negotiations under Article XXVIII;

(vi) tariff escalation;

(vii) tariff reclassification;

(viii) tariff study;

(ix) Report to the Council.[1]

3. In the light of the discussions which have taken place in the Committee, the following proposals have been adopted or approved:

- Guidelines for Procedures for Negotiations under Article XXVIII (adopted by the Council on 10 November 1980 - C/M/144);

[1] The Report by the Chairman of the Committee was presented to the Council on 10 November 1980 (C/M/144).

- allocation to the Committee on Tariff Concessions of the functions theretofore assigned to the Committee on Balance-of-Payments Restrictions in connexion with the guidelines on the adjustment of specific duties (approved by the Council on 10 November 1980 - (C/M/144);

- extension until 30 June 1981 of the time-limit for acceptance of the Geneva (1979) Protocol and the Supplementary Protocol (adopted by the CONTRACTING PARTIES on 24 November 1980 - SR.36/1).

Multilateral Agreements and Arrangements resulting from the Multilateral Trade Negotiations

4. On 1 January 1981 the two remaining instruments negotiated in the Tokyo Round came into force, namely:

the Agreement on Government Procurement;

the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade.

5. An updated status of acceptances of these Agreements, together with that of the Agreements and Arrangements which entered into force on 1 January 1980, is shown in document L/4914/Rev.4[1] and in the annex to this Note.[2]

Arrangements on bovine meat and dairy products

6. The International Meat Council[3] met in December 1980. It considered replies to the agreed questionnaire concerning statistics and information. The Council also undertook an evaluation of the world market situation and outlook, and examined the functioning of the Arrangement. The Council is comprised of twenty-one signatories, including one provisionally-acceding country and one other non-contracting party. Observer status has been accorded to eighteen countries, including one provisionally-acceding country and three other non-contracting parties. The Council is scheduled to meet again on 15-16 June 1981 (GATT/AIR/1727).

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[1] To be issued shortly

[2] English only, to be issued separately

[3] The International Meat Council presented its annual report to the CONTRACTING PARTIES (L/5050) in November 1980.

7. The International Dairy Products Council[1] met in September 1980 and in April 1981 (L/5035, L/5137). The Council reviewed the functioning of the Arrangement and took note of the reports of the three Committees of the Protocols Regarding Certain Milk Powders, Regarding Milk Fat and Regarding Certain Cheeses, respectively. It also took note of the decision made by each of the Committees to increase, as from 1 October 1980, the minimum prices of the products covered respectively by the Protocols. The Council also undertook evaluations of the situation in the outlook for the world market for dairy products, and discussed the questions of fresh milk and fresh milk products, dairy policies and food aid. The Council is comprised of sixteen signatories, including one non-contracting party. Observer status has been accorded to eighteen countries, including one provisionally-acceding country and two other non-contracting parties.

Arrangement on Trade in Civil Aircraft

8. The Committee on Trade in Civil Aircraft[2] met in December 1980 and in March 1981 (L/5094, L/5133). The Committee heard status reports on acceptance of the Agreement, on GATT aircraft bindings and on end-use systems. It discussed matters arising under different provisions of the Agreement, in particular trade restrictions under Article 5 and government supports under Article 6. The Committee also considered reports by the Technical Sub-Committee, and decided to apply the Decision of 26 March 1980 (L/4962) on Modification and Rectification of Schedules in respect of the Annex to the Agreement. The Committee is comprised of nineteen signatories. Observer status has been accorded to twenty-one countries, including one provisionally-acceding country. The Committee is scheduled to meet again on 18-19 June 1981 (GATT/AIR/1728).

Agreements on Non-Tariff Measures

9. The Committee on Anti-Dumping Practices[3] met in October 1980 and in February and April 1981 (L/5058, L/5107, L/5143). The Committee examined notifications of national legislation and implementing regulations, and examined reports under Article 14.4 of the Agreement on anti-dumping actions. The Committee also discussed the extent to which basic price systems may be used in conformity with the Agreement, and reviewed special anti-dumping monitoring schemes and the problems related thereto. In addition, the Committee examined a report of the Joint Group of Experts on the Definition of the Word "Related"[4] and agreed to take a final decision on the report at

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[1]The International Dairy Products Council presented its annual report to the CONTRACTING PARTIES (L/5057) in November 1980.

[2]The Committee presented its annual report to the CONTRACTING PARTIES (L/5075) in November 1980.

[3]The Committee presented its annual report to the CONTRACTING PARTIES (L/5052) in November 1980.

[4]Established in conjunction with the Committee on Subsidies and Countervailing Measures.

its next meeting. The Committee is comprised of eighteen signatories. Observer status has been accorded to thirty-four countries, including two provisionally-acceding countries and four other non-contracting parties.

10. The Committee on Subsidies and Countervailing Measures[1] met in October and December 1980 and in April 1981 (L/5059, L/5092, L/5144). The Committee examined notifications of national legislation and implementing regulations, and examined reports under Article 2.16 of the Agreement on countervailing duty actions. The Committee also discussed certain issues raised by the invocation of Article 19.9 by a signatory.[2] In addition, the Committee examined the report of the Joint Group of Experts referred to in the preceding paragraph, and likewise agreed to take a final decision on the report at its next meeting. The Committee is comprised of seventeen signatories. Observer status has been accorded to thirty-six countries, including two provisionally-acceding countries and four other non-contracting parties.

11. The Committee on Technical Barriers to Trade[3] met in November 1980 and in February 1981 (L/5069, L/5112). The Committee agreed on terms of acceptance for Tunisia under Article 15.2 of the Agreement. It also established a Working Party on the Accession of Bulgaria to the Agreement, which has held several meetings. The Committee continued its discussion on the applicability of the Agreement to processes and production methods, and heard statements on the implementation and administration of the Agreement. In addition, the Committee concluded the first annual review of the implementation and operation of the Agreement. The Committee is comprised of thirty-two signatories, including one provisionally-acceding country. Observer status has been accorded to twenty-eight countries, including one provisionally-acceding country and four other non-contracting parties. The Committee is scheduled to meet again on 12 June 1981 (GATT/AIR/1725).

12. The Committee on Import Licensing[4] met in December 1980 and in April 1981 (L/5091, L/5136). The Committee examined the information available on licensing procedures and requested delegations to supply information as called for in the Agreement. The Committee also agreed on the approach to be taken

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[1]The Committee presented its annual report to the CONTRACTING PARTIES (L/5055) in November 1980.

[2]Some other aspects have been discussed in the Council under the provisions of Article XXIII of the General Agreement.

[3]The Commitee presented its annual report to the CONTRACTING PARTIES (L/5068) in November 1980.

[4]The Committee presented its annual report to the CONTRACTING PARTIES (L/5070) in November 1980.

and the procedures to be followed in preparing for the first biennial review of the Agreement, which would take place before the next session of the CONTRACTING PARTIES. The Committee is comprised of twenty-two signatories. Observer status has been accorded to thirty-two countries, including two provisionally-acceding countries and five other non-contracting parties.

13. The Committee on Customs Valuation met in January and May 1981 (L/5097, L/5139). It adopted a text, based on the CONTRACTING PARTIES' Decision of 28 November 1979 (BISD 26 S/201) providing for the participation of observers, and agreed on the procedures for circulation and derestriction of its documents. The Committee also adopted procedures for reservations under the Agreement. In addition, the Committee heard statements of a general-policy nature and had an exchange of views relating to the implementation and administration of the Agreement on the basis of a check-list of issues. The Committee also heard a detailed oral report by the Chairman of the Technical Committee on Valuation concerning the March 1981 meeting of that Committee. The Committee agreed on certain arrangements in respect of the preparations for the annual review of the implementation and operation of the Agreement. It has on its agenda the question of the accession of further countries to the Agreement. The Committee is comprised of seventeen signatories. Observer status has been accorded to twenty-five countries, including three non-contracting parties.

14. The Committee on Government Procurement met in January and April 1981 (L/5101, L/5132). As in the case of the Committee on Customs Valuation, it adopted a text providing for the participation of observers, and agreed on procedures for circulation and derestriction of its documents. The Committee heard statements on steps taken to implement and administer the Agreement, and agreed on the modalities for the submission of information on relevant national laws, regulations and procedures, as well as the modalities for meeting the requirements concerning annual statistics and matters pertaining to exchange rate questions in relation to Articles VI:9 and I:1(b) of the Agreement, respectively. It also has on its agenda the question of the accession of further countries to the Agreement. The Committee is comprised of eleven signatories. Observer status has been accorded to twenty-five countries, including two non-contracting parties.

Safeguards

15. The Committee on Safeguards met in October 1980 (L/5061) and noted that, while discussions and consultations were still going on, all delegations remained committed to seeking an early agreement on this matter. The Committee met again in April 1981 (L/5151) and adopted the following conclusions:

> "1. The provisions of Article XIX of the General Agreement continue to apply fully and at the present time the rules and procedures for their application remain unchanged.

"2. The CONTRACTING PARTIES will continue to keep the matter under examination and discussion and to this end the Committee on Safeguards will expedite its work.

"3. All actions taken under Article XIX, and to the extent possible, other actions which serve the same purpose will be notified to the CONTRACTING PARTIES. In addition, it will be open to contracting parties to bring up any matter in accordance with the Understanding Regarding Notification, Consultation, Dispute Settlement and Surveillance."

Framework decisions

16. On 28 November 1979 the CONTRACTING PARTIES adopted four decisions relating to the framework for the conduct of international trade, as follows:

(a) Decision on Differential and More Favourable Treatment, Reciprocity and Fuller Participation of Developing Countries[1];

(b) Declaration on Trade Measures for Balance-of-Payments Purposes[2];

(c) Decision on Safeguard Action for Development Purposes[3];

(d) Understanding Regarding Notification, Consultation, Dispute Settlement and Surveillance.[4]

17. Primary responsibility for the supervision of the implementation of the Enabling Clause was given to the Committee on Trade and Development which, at its end-of-year meeting in November 1980, reviewed the operation of the Enabling Clause on the basis of notifications provided by a number of contracting parties (COM.TD/W/321 and Addenda), and a background note prepared by the secretariat (COM.TD/W/322, Section II) covering, inter alia, developments with respect to GSP schemes and preferential arrangements among developing countries. Further information provided by delegations in the course of the meeting is set out in paragraphs 9-13 of document L/5074. At the meeting in March 1981 a number of delegations provided information on actions taken or contemplated in respect of the operation of the Enabling Clause (COM.TD/107, paragraphs 49-53).

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[1] BISD 26 S/203. Also referred to as the "Enabling Clause".

[2] Id./205

[3] Id./209

[4] Id./210

18. The Declaration on Trade Measures for Balance-of-Payments Purposes has been taken into account in the work of the Committee on Balance-of-Payments Restrictions. In this context, consultations include all restrictive import measures taken for balance-of-payments purposes as provided for in paragraph 4 of the Declaration; background papers are prepared by the secretariat in accordance with the provisions of paragraph 7 of the Declaration, and consultations under Article XVIII:12(b) are subject to the factors listed in paragraph 8 of the Declaration.

19. The Decision on Safeguard Action for Development Purposes provides for CONTRACTING PARTIES to review the Decision in the light of experience with its operation, with a view to determining whether it should be extended, modified or discontinued.

20. The decision relating to the conduct of the regular and systematic review of developments in the trading system was referred to the Council, which had a first discussion on Notification and Surveillance in November 1980 (C/M/144). In May 1981 the Council met in special session (C/M/147) to review this matter on the basis of a background note prepared by the secretariat (C/W/361) reflecting Notifications received to 31 March 1980. The Council is expected to conduct its next review later in 1981.

ANNEX

M T N AGREEMENTS - Legal Status as of 5 June 1981

COUNTRIES / CONTRACTING PARTIES		Geneva 1979 Protocol	Suppl. 1979 Protocol	Tech. Barriers	Gov't. Procur.	Subsid. Counter-vail	Bovine Meat	Dairy	Customs Val. Agree't	Customs Val. Protocol	Import Lic.	Civil Aircraft	Anti-Dumping
Argentina	AR	A		S			S	S	S*	S	S		
Australia	AU		A				A	A			A		
Austria	AT	A		A	S	A	A	A	A	A	A	A	A
Bangladesh	BD												
Barbados	BB												
Belgium	BE	A	A	A								A	
Benin	BJ												
Brazil	BR		S	A		A	A						A*
Burma	BU												
Burundi	BI												
Cameroon	CM												
Canada	CA	S	S	A	A	A	A		A*	A	A	S*	A
Cent. Afr. Rep.	CF												
Chad	TD												
Chile	CL		A	A		A					A		
Congo	CG												
Cuba	CU												
Cyprus	CY												
Czechoslovakia	CS	A									A		A
Denmark	DK	A*		A*								A*	
Dominican Rep.	DO		A										
Egypt	EG		A										
EEC	CE	A	A	A	A	A	A	A	A	A	A	A	A
Finland	FI	A		A	A	A	A	A	A	A	A		A
France	FR	A		A								A	
Gabon	GA												
Gambia	GM												
Germany	DE	A		A*								A*	
Ghana	GH												
Greece	GR			S								S	
Guyana	GY												
Haiti	HT												
Hungary	HU	A		A*			A	A	A	A	A		A
Iceland	IS	A											
India	IN		A			A			A*	A*	A		A
Indonesia	ID		A										
Ireland	IE	A		A								A	
Israel	IL	S	S										
Italy	IT	A		A								S	
Ivory Coast	CI		S										
Jamaica	JM	A											
Japan	JP	A*		A	A	A	A	A	A	A	A	A	A
Kenya	KE												
Korea	KR		A	A		A			A*	A*			
Kuwait	KW												
Luxembourg	LU	A		A								A	

A : Accepted S : Signed (acceptance pending)

*reservation, condition and/or declaration

Cf: L/4914/Rev.3 and Adds.1-14

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COUNTRIES CONTRACTING PARTIES		Geneva 1979 Protocol	Suppl. 1979 Protocol	Tech. Barriers	Gov't. Procur.	Subsid. Counter-vail	Bovine Meat	Dairy	Customs Val. Agree't	Customs Val. Protocol	Import Lic.	Civil Aircraft	Anti-Dumping
Madagascar	MG												
Malawi	MW												
Malaysia	MY		A										
Malta	MT												
Mauritania	MR												
Mauritius	MU												
Netherlands	NL	A		S*								A	
New Zealand	NZ	A		A			A	A			A		
Nicaragua	NI												
Niger	NE												
Nigeria	NG												
Norway	NO	A		A	A	A	A	A	A	A	A	A	A
Pakistan	PK		A	A		A					A		A
Peru	PE		A										
Philippines	PH			A							A*		
Poland	PL	A											A
Portugal	PT												
Romania	RO	A		A			A	A	A	A	A	A	A
Rwanda	RW												
Senegal	SN												
Sierra Leone	SL												
Singapore	SG		A	A	A								
South Africa	ZA	A					A	A			A		
Spain	ES	S	S	S					S*	S			S
Sri Lanka	LK												
Suriname	SR												
Sweden	SE	A		A	A	A	A	A	A	A	A	A	A
Switzerland	CH	A		A	A	A	A	A	A	A	A	A	A
Tanzania	TZ												
Togo	TG												
Trinidad & Tobago	TT												
Turkey	TR												
Uganda	UG												
United Kingdom	GB	A		A*	A*	A*	A*		A*	A*	A*	A*	A*
United States	US	A		A	A	A	A	A	A	A	A	A	A
Upper Volta	HV												
Uruguay	UY		A			A	A	A					
Yugoslavia	YU	S		S		S	S		S	S	S		S
Zaire	ZR		S										
Zimbabwe	- -												
OTHER COUNTRIES													
Bulgaria	BG						A	A					
Colombia**	CO												
Costa Rica	CR												
Ecuador	EC												
Mexico	MX												
Panama	PA												
Thailand	TH												
Tunisia**	TN			A			A						
Venezuela	VE												

**Provisional accession to GATT

A : Accepted

S : Signed (acceptance pending)

*reservation, condition and/or declaration

Cf: L/4914/Rev.3 and Adds.1-14