PRESENT STATUS OF THE MINISTERIAL WORK PROGRAMME

Paragraph 7(i) of the Ministerial Declaration

Since 1980 the Council has held periodic special meetings to review developments in the trading system. In July 1983 it agreed to extend the scope of these meetings to include monitoring of paragraph 7(i) of the Ministerial Declaration, and to hold such meetings twice a year.

In order to strengthen the capacity of the secretariat to assist the Council in monitoring the implementation of the commitment in paragraph 7(i) and developments in trade policies generally, the Director-General established in 1983 a new division in the secretariat, entitled the Trade Policies Division. One of the main tasks of the Division is to produce the documentation needed for the special meetings of the Council. The Special Council meeting of 15 May will have before it C/W/437, in which the secretariat has endeavoured to present the information available in such a way as to facilitate the identification and discussion of broad trends in trade policy. It is hoped that this will provide a basis for more substantive debate than has taken place in earlier special meetings of the Council.

Safeguards

The Chairman of the Council continued consultations in an informal group of interested delegations with a view to exploring how effective progress might be made. The group has since finished its discussion of the six elements identified by Ministers in the November 1982 Declaration. The Chairman has decided that time is needed for further reflection on the issues. He intends, in the meanwhile, to maintain informal contacts with delegations in order to determine as to how best to proceed further.

The basic problem holding up progress in these discussions is that the divergence of view between delegations which favour the selective application of safeguard measures and those opposed to it remains unresolved. There has also been no perceptible change of positions on the question of disciplines. The informal talks have not yet given signs of the political will that would be necessary to open new prospects for overcoming these difficulties.
The Committee on Trade in Agriculture has examined trade measures affecting market access and supplies, including those maintained under exceptions or derogations, with a view to achieving greater liberalization of trade in agricultural products. The trade measures of forty-six countries for which adequate information had been submitted have been examined. Similar documentation for a few more countries has been circulated recently.

Furthermore, the Committee has, on the basis of documentation prepared by the secretariat, examined the operation of the General Agreement as regards subsidies affecting agriculture, especially export subsidies, with a view to examining its effectiveness in the light of actual experience, in promoting the objectives of the General Agreement and avoiding subsidization seriously prejudicial to the interests of contracting parties. This examination covered all forms of export assistance.

The Committee has started its discussion of conclusions to be drawn and has asked the secretariat to prepare a first draft recommendation for consideration at a meeting to be held from 6 to 8 June 1984.

Quantitative Restrictions and other Non-Tariff Measures

Detailed information about quantitative restrictions and other non-tariff measures in regard to practically all principal trading countries has been compiled to provide an adequate data base for the work of the Group.

The Group is currently engaged in the second stage of its work, i.e., review of all existing QRs and NTMs, in particular the grounds on which they are maintained and their conformity with GATT provisions. It is expected to complete its review at its meeting scheduled for 7-8 May, by an examination of questions relating to measures in agriculture and textiles. Subsequent meetings are scheduled to enable work relating to the main question, consideration of the Group's findings and conclusions, to be concluded by mid October.
Rules and Activities
Relating to Developing Countries

i) Part IV Consultations

Consultations were held with the Nordic countries, Austria and Hungary last year, and are scheduled to be held with the European Economic Community, United States, Japan and a group of Latin American developing countries this year. The Committee on Trade and Development may be expected to make a recommendation to the CPs about the continuation of the programme of consultations with individual (and groups of) countries, possibly as a regular periodic cycle.

ii) Tropical Products:
"Consultations and Appropriate Negotiations"

The first round of consultations between the developing exporting countries and developed importing countries was held in November 1983, and a second round is scheduled for early May this year. The consultations have served the very useful purpose of precise identification of remaining problems and difficulties, and the direction of possible further negotiations in this sector.

The secretariat is not aware of any bilateral or multilateral initiatives in regard to negotiations between the exporting and importing countries addressed to the exchange of concessions or contributions in this area.

iii) Para 5:
Prospects for increasing Trade Between Developed and Developing Countries

A secretariat note on the prospects for increasing trade between developed and developing countries, prepared in accordance with an outline approved by the Committee on Trade and Development in November 1983, was distributed on 8 May (Spec(84)21). It will be considered by the Committee at its next session in June 1984.

iv) Technical Cooperation

The technical cooperation programme of the secretariat has been strengthened and reoriented to meet effectively the increasing number of requests for assistance from developing countries. Particular
effort has been made to respond to the technical assistance needs and requirements of the least-developed countries. A Commercial Policy Training Course for Spanish-speaking countries has been introduced on a regular basis.

v) Trade of Least Developed Countries

To supplement the regular and continuing review functions of the Sub-Committee on Trade of the Least Developed Countries, a programme of periodic in-depth consultations between individual least developed countries and their leading trading partners has been initiated. Consultations were held between Bangladesh and its trading partners last year. This year the Committee expects to organize further consultations between least developed countries and their trading partners. The programme has generated considerable enthusiasm and interest among least developed countries.

Tariffs

i) Tariff Escalation

Work on this question has not been pursued further, as a separate issue, since the Ministerial Meeting. It is however expected to be one of the principal questions to be dealt with in the context of the work on natural resource products that is in hand.

ii) Introduction of the Harmonized System

The Harmonized System was completed and approved by the Customs Cooperation Council in June 1983. Individual contracting parties have already initiated the process of informal consultations and preparations for Article XXVIII negotiations that will be necessary for the purpose of transposition of their tariff schedules to the new system. Negotiations are expected to be carried out in the course of 1985. The parties concerned are aiming at 1 January 1987 for the implementation of the Harmonized System.

MTN Agreements and Arrangements

Annual reports of the MTN Committees and Councils for 1983 were considered by the GATT Council and by the CONTRACTING PARTIES at their 1983 session for the purpose of the review called for in the Ministerial Decision. The consideration did not lead to any conclusions or recommendations. Consultations on the points raised in the Ministerial Decision are continuing in certain MTN Committees.
The report of the Working Party on Structural Adjustment and Trade Policy was considered by the Council in November 1983. The Council is to revert to the question of the thrust and direction, and the objectives, of further work in this area in the GATT. Informal consultations between delegations are continuing. The CG.18 is expected to discuss this issue at its July meeting with the assistance of a note by the secretariat.

The Director-General of GATT held consultations with the Director-General of WIPO in accordance with his mandate and submitted his report to the Council. The next step is for the Council to examine, in the light of this report, the question of the "appropriateness of joint action in the GATT framework on the trade aspect of commercial counterfeiting." The progress of work to date has been affected by differences of view on legal and institutional questions, procedures for the work and priorities in the Ministerial work programme. The secretariat is presently in the process of preparing a background paper (based upon information supplied by interested delegations and information available from relevant international organizations) to facilitate the further work.

Notifications have been made by twenty-one contracting parties. All such notifications report that domestically prohibited goods are not exported. The notifications received will form the basis for the consideration by the CONTRACTING PARTIES, at their 1984 Session, of the need for a study of GATT-related problems in this area and for any appropriate action to deal with them.

At their 1983 session, CONTRACTING PARTIES were informed that the OECD Arrangement on Guidelines for Officially Supported Export Credits had recently undergone modifications. These provide for lowering of minimum interest rates and a mechanism for automatic adjustment of the minimum rates every six months, depending on the movement of interest rates in certain key currencies. Relevant parts of the modified Guidelines were circulated to contracting parties in January last.
The secretariat study on Textiles and Clothing in the World Economy was distributed on 4 May (Spec(84)24). It is expected that the Council meeting on 15/16 May will agree to set up a working group to consider the secretariat paper and complete the work contemplated in the Ministerial Decision.

Secretariat background studies on Fish and Fisheries Products, Forestry Products, and on Lead and Zinc have already been issued. Studies on other non-ferrous metals are in progress. Following protracted informal discussions a decision was taken at the last session of the Council to establish one Working Party to deal with all natural resource products to be covered under this work programme.

The IMF has prepared a study on Exchange Rate Volatility and World Trade which was presented to the GATT Council at its meeting of 13 March 1984. The Council agreed to consider it further at a future meeting.

Delegations were invited by the Council, in January 1983, to send to the secretariat any comments or suggestions they may have on these subjects and on the manner in which these studies should be carried out. No comments or proposals have been received from any delegation.

A number of contracting parties are known to be engaged in the process of national examination of issues in this area. Two of them (the United States and Canada) have completed and made available their national studies which have been transmitted to all contracting parties. An informal meeting of delegations was held in March 1984 to exchange views and clarify information presented in the two studies, as part of the process of information exchange provided for in the Ministerial Decision. Further informal consultations may be held in the light of information submitted by interested delegations.