KENNEDY ROUND OF TRADE NEGOTIATIONS

Forthcoming Meetings

The Kennedy Round of trade negotiations was officially opened at a meeting of Ministers in Geneva on 4 May this year. The Trade Negotiations Committee, composed of representatives of governments intending to participate, is supervising the conduct of the negotiations. This Committee met at the end of May to establish a programme of meetings to be held in the next few weeks by its sub-groups, which deal with particular aspects of the negotiations.

This particular set of meetings will not deal with two of the main outstanding issues, the treatment of agricultural products and the question of tariff disparities. Discussion on these elements in the negotiation will be resumed at a later stage.

Tariff Negotiating Plan

The Sub-Committee dealing with this aspect of the negotiations is to meet on 11 and 12 June. It will then be discussing a number of issues, some of them substantive in nature and some of a largely procedural and technical nature. The

1The tariff negotiations are to be based on a plan of a substantial across-the-board ("linear") tariff reduction. The working hypothesis is that the depth of this reduction will be 50 per cent. Where, however, there are significant disparities in tariff levels, the reductions will be based on special rules of general and automatic application. This issue was first raised by the EEC, with particular reference to disparities between the level of the United States and EEC tariff. Intensive discussion on the general rules has taken place, but certain outstanding issues have still to be resolved.
first group of issues includes the question of the period of time over which the tariff reductions will be staged. The second group of issues includes a number of questions relating to the implementation of the agreed negotiating rule that exceptions to the general rule of the linear tariff reduction are to be kept to a bare minimum necessitated by reasons of overriding national interest and that these exceptions should be subject to confrontation and justification. The Sub-Committee will be discussing the arrangements for circulating the lists of exceptions (which have to be submitted on 16 November) and the procedure for confrontation and justification.

Non-tariff barriers

It has been agreed that the trade negotiations should cover not only tariffs but also non-tariff barriers. In the discussions so far held on this subject, attention has been concentrated on the identification of those non-tariff barriers on which participating governments wish to negotiate. These include such topics as anti-dumping policies, the use of arbitrary or excessive values for customs purposes, government procurement policies and administrative and technical regulations which hinder trade.

When the trade negotiations were opened at the beginning of May, it was agreed that in view of the importance for the full success of the negotiations of solving these problems, the necessary procedures should be drawn up at an early date. At its meeting on 15 June, the Sub-Committee on Non-Tariff Barriers is, therefore, to clarify where necessary what is involved in the case of each non-tariff barrier identified as a subject for negotiation, and, where interested governments are prepared to start on substantive negotiation, to set up special groups in which these negotiations could begin.

Participation of less-developed countries

One of the principles on which the trade negotiations are based is that every effort shall be made to reduce barriers to exports of the less-developed countries, but that the developed countries cannot expect to receive reciprocity from the less-developed countries.

It has also been agreed that the need to reduce barriers to the exports of the less-developed countries should be borne in mind in the preparation by the developed countries of their exceptions lists and it has been noted that all participating governments are prepared to consider the possibility of making cuts deeper than 50 per cent in, or eliminating completely, duties on products of special interest to less-developed countries. The Sub-Committee on the Participation of the Less-Developed Countries will be meeting on 22-24 June. Among the matters to be considered are procedures which will enable less-developed countries to make known any particular wishes they have in these contexts.
Participation of Poland in the trade negotiations

Poland which, while not a contracting party does participate in the work of the GATT under a special arrangement, has indicated that it wishes to take an active part in the trade negotiations. At the ministerial meeting which inaugurated the negotiations, this move was warmly welcomed, and there was general agreement that it should be feasible to work out a practical arrangement. It is expected that the Sub-Committee on Non-Tariff Barriers and Other Special Problems will at its meeting on 15 June, set up a special group to deal with the participation of Poland and that this group will meet about the end of June.