Preparatory Committee

PREPARATIONS FOR MINISTERIAL MEETING

Note by the Secretariat

At its last meeting the Preparatory Committee agreed that, on the basis of suggestions made in the Committee and further consultations, a short paper should be prepared which would enable it to bring its deliberations into better focus. (PREP.COM/R/4, paragraph 5).

This paper has therefore been prepared with this aim in mind: it does not prejudice the position of any contracting parties on any matter, e.g. whether an item should appear on the agenda of the Ministerial Meeting or the shape of that agenda.

There seems to be a fairly wide measure of agreement that further work by the Preparatory Committee should be divided into three parts.

Part One This would be essentially political in character. Among the elements included would be a common assessment of the problems facing the international trading community, such as protectionism, and a reaffirmation of adherence to and, where necessary, improvement of the disciplines of the GATT.

Part Two This part would relate to substantive decisions to be submitted to ministers, and would be designed to give effect to the political declaration. These decisions might be of two kinds: ministers might either agree on particular solutions to problems or on principles and directives for the solution of problems within a specified time-frame.

Part Three This part would relate to issues requiring further clarification. The decisions to be submitted to ministers on these issues might call for further work and set deadlines for recommendations to be submitted.

It is evident that it is not possible at the present stage of the work to decide definitively if an item in the catalogue would be dealt with under a particular Part or would be dealt with at all. This paper therefore groups the items in the catalogue (PREP.COM/W/1/Rev.1) under the three headings suggested above without excluding any item at the present stage. It is possible that further discussion in the Committee will show that some items should be deleted while others should be moved from one Part to another. It is also quite possible that a particular item in the catalogue might in the end be dealt with in more than one Part, or indeed under all three Parts.
It is also evident that, if the Ministerial meeting is to be equal to the situation now facing the international trading community, substantive decisions should be taken on major questions. At the present stage, therefore, the Committee should, where possible, work towards substantive decisions for inclusion in Part Two.

**Part One**  The Situation in the World Trading System - Political Commitment

**Assessment of Problems**
- Problems facing world economic and trading system
- Protectionism
- Problems of developing countries
- Problems of least developed countries

**Political commitment**

**Part Two**  Maintaining and Strengthening the GATT System - Substantive Decisions

**The Safeguard system**
- Safeguards, voluntary export restraints, orderly marketing arrangements, etc.
- Structural adjustment

**Agriculture in the GATT**
- Agriculture
- Framework for international trade in agriculture

**Tariffs and Non-Tariff measures**
- Tariffs, including harmonized tariff system, rules of origin and tariff escalation
- Non-tariff measures
- Quantitative import restrictions
- Export restrictions and charges
- Tropical products

**Dispute settlement**
- Notification, consultation and surveillance
- Dispute settlement

**Full implementation of the GATT**
- Part IV of GATT
- Greater participation of developing countries in world trade and GATT system
- Technical assistance for developing countries
- Full implementation of GATT rules and removal of exceptions to general rules of GATT (in waivers, accession protocols, Article XXXV, etc.)
- Association of new countries with the GATT system

**MTN Agreements and Arrangements**
Part Three The GATT system in the 1980's

Sector specific problems
- Fisheries
- Textiles
- Non-ferrous metals, minerals
- High technology products

Other
- Counterfeiting
- Services
- Investment performance requirements and trade-related investment incentives
- Trade practices of multinational enterprises
- Double pricing systems
- Domestic legislation or draft legislation of a protectionist nature
- Exchange rate problems
- Trade negotiations among developing countries