1. The Working Party on the Tariff Study was established by the Committee on Trade in Industrial Products in February 1971, with the following terms of reference:

"On the basis of documentation that has been prepared and such other material as may be found useful, the Working Party should carry out an objective analysis of the tariff situation as it will exist when all Kennedy Round concessions have been fully implemented, with a view to providing the Committee on Trade in Industrial Products with the necessary elements for carrying out its terms of reference in the tariff field. This analysis, incorporating trade flows, will provide an objective basis for the contracting parties, at the appropriate time, to explore various possible approaches to future action in the tariff field and would include, inter alia, an examination of the variations in tariff rates as between and within categories and as between countries, and of the differentials in duties according to the degree of processing. The report of the Working Party will present the results of the various parts of the analysis, but should not make recommendations as to possible action.

"The Working Party should submit to the Committee, as soon as possible, a preliminary report on the basis of the present documentation. A final report incorporating additional trade and tariff data will follow.

"The Working Party will also examine the feasibility of analyzing and developing better measures of the effects on trade of tariffs and tariff changes and should report, as soon as possible, the results of its examination to the Committee on Trade in Industrial Products."

Since its establishment the Working Party has met three times - in March, June and October.
2. In compliance with the first two paragraphs in the terms of reference, the Working Party carried out a general analysis of industrial tariffs and trade (Annex I to this document). In addition, preliminary analyses of the tariff and trade situation in each of the twenty-three product categories were performed (see Annex II).

3. Supplementary tables to the basic documentation, presenting the data in a form more suitable for analysis, were also prepared. This documentation will be brought up to 1970 trade figures and data for Australia and New Zealand will be incorporated.

4. With regard to the feasibility study (the third paragraph in the terms of reference), the Working Party decided that the first step should be to determine what relevant information was available. A questionnaire regarding the availability of statistics was sent to the countries which had already supplied data for the Tariff Study. Seven countries have already replied to this questionnaire while the remaining countries stated that their response would be submitted in the near future. In addition, a letter was circulated to all members of the Committee on Trade in Industrial Products requesting information on studies and research relevant to the feasibility study.

5. At the October meeting of the Working Party it was agreed that the next step in the Tariff Study should be to ...