NOTES BY THE CHAIRMAN ON MEETING
ON 9-10 OCTOBER 1972

1. The Working Party held its sixth meeting on 9-10 October 1972. As agreed at its meeting in July (Spec(72)85), the Working Party reviewed the situation as regards documentation to be provided by the enlarged Communities and the question and answer procedure, and discussed its future work programme.

2. The representative of the enlarged Communities summarized the position with regard to the transmission of documentation to contracting parties. A list of the documents supplied is reproduced in Annex I hereto. He noted that the replies by the enlarged Communities to the questions put by contracting parties had been transmitted to the secretariat.¹

3. The representatives of Australia, the United States and Canada made general statements regarding the impact on their trade of the enlargement of the European Communities. The full texts of these statements have been circulated in documents Spec(72)110, Spec(72)112 and Spec(72)111, respectively.

4. The spokesman for the enlarged Communities said that he would revert at a later occasion to the questions raised in the three statements. He could understand that the exporting countries were concerned about possible developments in certain sectors. He pointed out, however, that past experience in the Communities had shown that third countries had also derived benefits from the expansion of the markets.

5. With regard to the future work programme, the spokesman for the enlarged Communities said that the Community services were preparing cards for individual tariff items, mainly as documentation for the negotiations under Article XXIV:6. There would be two kinds of cards: (i) customs cards. They would contain tariff information for the item concerned as well as information on non-tariff barriers to the extent that they were covered by the base documentation to be supplied (Annex I to Spec(72)79). For agricultural products, the existence of variable levies would be indicated. A sample card was given to members of the Working Party. It is reproduced in Annex II; (ii) statistical cards. Their final form had not

¹Document Spec(72)99/Add.1
yet been decided upon, but they would in principle contain the same kind of statistical information that had been supplied for the 1960/61 negotiations under Article XXIV:6.

The spokesman for the Communities pointed out that the cards, although primarily intended for the renegotiation of bound duties, would cover practically all items in the customs tariff since the duties on almost all items were bound in the tariffs of the Communities or the acceding countries. The spokesman for the Communities thought that there would be no difficulty in providing cards on the few remaining items.

6. Members of the Working Party welcomed the willingness of the Communities to supply information for the renegotiations in card form. The hope was expressed that cards could be circulated as soon as they had been prepared and not only when the whole documentation would be ready. The request was also made that the tariff cards for agricultural items should include information on the ad valorem equivalents of variable levies.

7. The spokesman for the Communities confirmed that the cards would be transmitted seriatim.

8. Several members of the Working Party recalled that it had been agreed at the July meeting that members who were prepared to do so might discuss at the present meeting the methodology of future work. Those members stressed the importance to pursue the examination under Article XXIV:5(a) as quickly as possible, and underlined that the great mass of data made it necessary to determine how the material could be made readily available. They proposed that tariff averages be used for the calculations and said that weighted averages (averages 2 or 4 of the Tariff Study) would give more meaningful results. Averages should be calculated at least per sector - as defined in the Tariff Study - but preferably per BTN chapter. Averages should be calculated not only on basis of m.f.n. rates but also on basis of preferential rates. They proposed that variable levies be quantified on the basis of ad valorem equivalents but they were open to other methods of calculating their incidences. In view of the technical difficulties involved in some of the calculations, they suggested that a Technical Group be appointed to examine how the results would have to be adjusted to take into account such factors as quotas, deficiency payments and buyers' premiums.

9. Several members of the Working Party pointed out that few contracting parties had the technical possibilities of going through and analyzing all the documentation to be supplied by the Communities as well as by other countries. They felt that the only reasonable and expeditious way to make the data
accessible to all countries was to give the secretariat the task of consolidating information received from both sides. It seemed impossible to agree on a common set of data or common methods of analysis but such a consolidation would present in a succinct manner the magnitude of the differences of opinion in the Working Party.

10. Representatives of developing countries recalled that they had, at earlier meetings of the Working Party, made it clear that they would have to rely on assistance from the secretariat in the preparation of data. They stressed that it was essential for them that the examination would not be limited to M.F.N. rates but would also cover preferential rates (Commonwealth preferences as well as the Generalized System of Preferences).

11. The spokesman for the enlarged Communities recalled that he had stated at the July meeting of the Working Party that he would not be prepared at the present meeting to enter into a discussion on the methodology of future work. He had, however, taken note of the suggestions made. He said that his views on the rôle of the secretariat in the preparation of documentation remained the same as those set out in paragraph 8 of the Note on the July meeting of the Working Party (Spec(72)85). With regard to the requests for secretariat assistance to developing countries, such help could, in this case as in others, be given to meet these specific requirements of developing countries.

12. A member of the Working Party pointed out that in the 1960/61 examination under Article XXIV:5(a) the secretariat had, at the request of members of the Working Party on the Examination, prepared a table showing on the basis of published figures of customs receipts and national imports the general incidence of applied rates in the member States of EEC compared with the general incidence of the Common Tariff (paragraph 13, L/1479). He hoped that the Communities in the light of that precedent would not object to the secretariat consolidating various sets of data. The spokesman for the enlarged Communities replied that, as set out in paragraph 8(ii) of Spec(72)85, the secretariat could be requested to consolidate data if no member of the Working Party objected to such work being undertaken. In the 1960/61 examination the Community had not objected to the secretariat task referred to above being undertaken.

13. The Working Party agreed that its next meeting should begin at 10 a.m. on 30 October. The Chairman suggested that one of the principal matters to be discussed at that meeting would be the methodology of the examination of the Accession Treaty under Article XXIV:5(a), including the establishment of a Technical Group. The Chairman also stated that all members should be prepared at that meeting to discuss the Questions and Answers submitted to the Working Party, pointing out that the French text of the Answers had been submitted to the Working Party during this meeting and that the English text would be submitted shortly.
ANNEX I

Documentation supplied by the
European Communities and the Acceding Countries

Denmark

Customs Tariff per 1 January 1972 with indication of legal rates and of GATT bindings
Denmark’s imports by tariff line level 1970 and 1971
Distribution of Danish imports on sub-headings in the Common External Tariff
(A document containing ad valorem equivalents will follow)

EEC

Customs Tariff of the European Communities with indication of most-favoured-nation rates of 1 January 1972
Concordance tables (as of 1 January 1972) with indication of respective most-favoured-nation rates of 1 January 1972
- Common External Tariff - Irish customs tariff + 1 corrigendum
  (Modification and corrections 1)
- Common External Tariff - United Kingdom customs tariff + 1 corrigendum
  (Modifications and corrections 1)
- Common External Tariff - Danish customs tariff + 1 corrigendum
  (Modifications and corrections 1)

Customs statistics 1970
Customs statistics 1971
List of Statistical numbers of the Common External Tariff 1970
Modifications sheets 1971 to list of statistical numbers
Repercussions on statistical numbers 1970 and 1971 of modifications to the tariff nomenclature of 1 January 1972
Ad valorem equivalents 1970 and 1971 of specific and mixed duties in the Common External Tariff
Agricultural prices
(Documentation on points 5-7 of Annex I to Spec(72)79 being prepared)
Ireland

Schedule showing

(i) Legal customs duties as at 1 January 1972

(ii) GATT bindings as at 1 January 1972

(iii) Estimated 1970 and 1971 ad valorem equivalents of specific and composite duties occurring in (i) and (ii) above

(iv) Distribution of Irish imports on sub-headings in the Common External Tariff

(Statistical information being prepared)

United Kingdom

Customs Tariff per 1 January 1972 with indication of legal rates

Ad valorem equivalents

Consolidated schedule of tariff concessions accorded under GATT

Statistical tariff sub-heading codes for 1970 and 1971 related to 1 January 1972

United Kingdom tariff

Import statistics by sub-heading 1970

Import statistics by sub-heading 1971

Imports by tariff sub-item 1970/71 - addenda

Imports by tariff sub-item 1970/71 - additional information

(Breakdown of United Kingdom tariff in terms of the Common External Tariff to follow)
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<th>Tariff</th>
<th>MFN rate</th>
<th>Equivalent ad valorem 1970</th>
<th>1971</th>
<th>Bindings</th>
<th>Description</th>
<th>Rate</th>
<th>Beneficiaries</th>
<th>Breakdown</th>
<th>Remarks</th>
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<td></td>
<td></td>
<td>ex A</td>
<td>ex A</td>
<td>12%</td>
<td>Direct beneficiary</td>
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<td></td>
<td></td>
<td>ex B</td>
<td>ex B</td>
<td>15 %re/kg.</td>
<td>K.R.</td>
<td>25%</td>
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<td>12%</td>
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<td>19.5%</td>
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<td>K.R.</td>
<td>100%</td>
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*This card is communicated only to show the approximate model. The data are purely fictitious.*