Committee on Trade in Civil Aircraft
Sub-Committee of the Committee
on Trade in Civil Aircraft

MEETING OF 8 OCTOBER 1992

Note by the Secretariat

1. The Sub-Committee held its first meeting on 8 October 1992 under the Chairmanship of Mr. Mikael Lindström (Sweden). Participants discussed a non-paper circulated by the Chairman containing a draft framework of possible elements in a new multilateral agreement. They also discussed general issues relating to the development of a new multilateral text and its relationship to existing GATT agreements and to draft texts from the Uruguay Round.

2. Participants welcomed the Chairman’s non-paper as a useful checklist of issues to be addressed in the negotiations. Several participants expressed concern that the structure of a new agreement should not be circumscribed by the structure of the existing EC-US bilateral agreement on large civil aircraft. A number of participants were of the view that any new agreement should have as a foundation existing GATT principles and rules, including those from the Uruguay Round - e.g., subsidies, government procurement and dispute settlement - to which provisions specific to the aircraft sector could be added. Some participants expressed reservations concerning this approach, citing the special characteristics of the civil aircraft sector and the inappropriateness of some of the Uruguay Round text disciplines to this sector.

3. One participant took the view that any new multilateral agreement in the aircraft sector should include all of the substantive and procedural provisions necessary for it to be self-standing as an agreement in Annex 4 of the MTO. Another participant raised the issue of special treatment for developing countries in the context of encouraging as many countries as possible to sign onto a new multilateral agreement. This idea was supported by another participant, who added that market access would be an important issue for countries not signatories of the existing aircraft agreement.

4. One participant said that the objective of the negotiation exercise should be to revise the rules so as to progressively reduce government support in the civil aircraft sector. Areas of the existing GATT Aircraft Agreement where improvements were needed were government interference in...
purchasers' decisions, and government support or subsidies. On the issue of transparency, one participant expressed the view that these provisions would have to be more comprehensive in order to cover the expanded substantive disciplines in a new agreement, while another said that any such rules would have to take account of the smaller producers of aircraft and parts.

5. One participant suggested that the text of the EC-US bilateral agreement could be a starting point for the development of a new multilateral agreement, with work focused on three areas: product coverage, range of types of support covered and dispute settlement. Another participant agreed that in some areas the provisions of the bilateral agreement could be transposed to a multilateral agreement, but not in others. One participant stressed that disciplines should not only be adequate but also appropriate, and should take account of the different types and systems of support given in different countries in order to achieve a balanced and equitable result.

6. Regarding the timetable for the negotiations, one participant expressed the view that there was a clear link between this exercise and the Uruguay Round negotiations, and thus a need to clarify the substantive parameters of a new aircraft agreement by the time the Uruguay Round was concluded.

7. The Sub-Committee agreed to the Chairman's proposal that participants should submit specific written proposals not later than 16 November on the issues identified in the Chairman's checklist.