1. The fifteenth meeting of the Group was chaired by H.E. Mr. L. Duthie. It pursued the discussion on the following points contained in paragraph 2 of the airgram GATT/AIR/2852:

Item A: Establishment of detailed procedures, approaches and methods necessary for the tariff negotiations (MTN.TNC/11, page 4, paragraph 1).

2. The Chairman reported to the Group that he had held informal consultations on a paper drafted by him, which contained suggestions for procedures, approaches and methods necessary for the tariff negotiations. He indicated his intention to redraft the paper in the light of comments made by participants at the informal meeting and to circulate it well before the next meeting.

3. Appreciating the Chairman’s initiative as timely and appropriate, one participant stated that despite its strong preference for a harmonization formula, his authorities were ready to go along with any tariff reduction formula so long as it would contribute to achieving the objectives and the target set out by Ministers at Montreal. Concerning the coverage issue, he maintained that it would be unrealistic to apply the same reduction formula to agricultural tariffs, given that the negotiations on agriculture concerned not only tariffs, but also non-tariff measures, subsidies and other border measures. Regarding the time-frame for the submission of request and offer lists, the participant stated that there should be more time between the initial requests and the initial offers than provided for in the Chairman’s paper because his authorities would need some time to evaluate the application of any formula and the resulting exceptions. He also noted that there was no mention of the nature of the submission of request or offer lists in the Chairman’s suggestion, and maintained that some kind of review procedure should be incorporated in the text. He finally stated that wider preferential treatment should be accorded to developing countries in, e.g., the scope of exceptions and the phasing period.
4. Another participant stated that the phrase "appropriate recognition" needed to be defined more clearly in the Chairman's suggestion. She noted that the formula approach contained in the Chairman's paper was too rigid as it required both developed and developing countries without distinction to cut tariffs by a maximum of 38 per cent. She expressed the need to spell out clearly the special and differential treatment aspects for developing countries, bearing in mind Part I.B. paragraphs (iv) to (vii) of the Punta del Este Declaration. In this connection, she mentioned in particular delayed implementation of the results of the tariff negotiations. In relation to the proposed substantial increase in the scope of bindings, this participant stated that her authorities had difficulty with comprehensive bindings by developing countries, especially as regards import-sensitive sectors.

5. Several participants commented on elements to be incorporated in the paper that the Chairman intended to draft, such as multilateral review and assessment, credit for bindings and participation of developing countries in the tariff negotiations. Regarding credit for bindings, one participant recalled that Article XXVIII bis referred only to the binding of tariffs against increases of low duties or of duty-free treatment.

6. One participant in a general statement emphasized that his government was willing to engage in negotiations in the sectors which had escaped the application of the formula reduction in the past and where tariffs were greater than 10 per cent. Recognizing the use of a formula as an excellent way to expand bindings, he stressed that it was imperative that countries which had not previously applied a formula achieve near universal bindings in the present Round, either through use of a formula or by other means. He also stated that while his authorities expected and desired the participation of those countries which had previously implemented formula cuts, this time the CONTRACTING PARTIES had agreed at Montreal that the objectives of the tariff negotiations applied to all participants. The statement by this participant was subsequently circulated in NG1/W/28.

Item B: Broadening and updating of the factual data base for the tariff negotiations

7. The Group had before it a document prepared by the secretariat (NG1/W/27) concerning the status of schedules of participants. One participant referred to the fact that the status of GATT obligations in some schedules was extremely unclear and asked the secretariat to clarify the meaning of the comment "renegotiations appear necessary" which appears in several places in the document. A member of the secretariat explained that in a number of cases, a comparison between the GATT schedules of the countries in question and the published national tariff schedules had shown the applied rates to be higher than the bound rates. The participant mentioned above emphasized the need to rectify the current situation with a view to clarifying the basis of the tariff negotiations, and suggested that such a clarification process should be part of the procedure of the Group. Another participant also stressed that submission of the necessary data should be considered as a basic element for securing transparency in the negotiations.
8. Two participants indicated their readiness to submit data on tariffs and trade to the secretariat. The Chairman urged again those participants who had not yet submitted the necessary information to do so as soon as possible.

Item C: Consideration of the Group’s future work and arrangements for future meetings.

9. The Group confirmed the date of the next meeting, as agreed upon by the Group previously, on 23 November 1989.