MEETING OF 13-14 OCTOBER 1988

Note by the Secretariat

1. The Group was chaired by H.E. Mr. L. Duthie. It pursued the discussion on the following points.

Item A. Continuation of exchange of views on submissions of proposals by participants relating to the tariff negotiations

2. In a new proposal, circulated in NG1/W/19, one participant stated that the Group had been unable to achieve consensus on a single modality for the tariff negotiations. There appeared to be no negotiating approach which met the practical and political needs of all participants. Indeed, no single approach was necessary, and the last two rounds of multilateral tariff negotiations had in fact seen a divergence of approaches. The proposal therefore suggests that for the mid-term review, agreement be reached on the basic objectives for the negotiations expressed in terms of the ultimate results to be achieved. Such an agreement would contain a commitment by all participants for a certain percentage reduction of average tariff levels over a given period of time, with each participant using the modality of its choosing, as well as a commitment for a full binding of all tariff schedules. This approach would allow all participants to target their specific priorities and seek liberalization in areas of greatest interest to them.

3. While appreciating the efforts of the participant who had put forward the above-mentioned proposal, several other participants, particularly those who had submitted the proposal contained in MTN.GNG/NG1/W/18, maintained that an agreement on the modalities for the tariff negotiations was not less important than the ultimate results. They underlined the importance of agreeing on the major elements of a systematic negotiating modality that would ensure a higher degree of predictability, balanced results and a higher degree of country participation. It was also stated that a result-oriented approach could not achieve the objectives laid down in the Ministerial Declaration, especially as it related to tariff peaks and tariff escalation, and might in fact end up in a mere arithmetic exercise without any real substantive liberalization in the tariff area. Only the application of a general formula could bring about a satisfactory outcome of the negotiations. Some other participants expressed the view that a statement on final results was politically meaningful and that it
might be possible to combine the elements contained in the proposals of NG1/W/18 and W/19. Concerning the full binding of entire tariff schedules as described in the proposal, several participants were of the view that this goal was too ambitious, especially as it related to the tariffs of developing countries, and that the wording in the proposal contained in NG1/W/18 was more realistic. In this connection, the question of the product coverage of the tariff negotiations was again raised.

Item B. Contents of the Chairman's report to the Group of Negotiations on Goods

4. One participant suggested that the Chairman's report should include, inter alia, the following points:

   (1) base date and base rate,
   (2) tariff cutting methods,
   (3) commitment to eliminate low duties in developed countries' tariff schedules,
   (4) scope of bindings,
   (5) special and differential treatment for developing countries,
   (6) full recognition of any voluntary or autonomous tariff reductions made after the Ministerial Declaration as a contribution to this negotiation.

5. Other participants referred to their statements made under the previous agenda item and requested that their points of view should be taken into account in drafting the Chairman's report.

6. An informal draft of Part A of the Chairman's report was distributed to delegations with the request that any amendments to the text should be brief and should be submitted in writing to the secretariat.

Item C. Consideration of next steps in the work of the Group and arrangements for further meetings

7. The Group agreed that the next meeting would be held on 5 November 1988.