Introduction

1. As a contribution to the discussion of agenda item (A) for the 18 July 1989 meeting of the Negotiating Group on Tariffs, the delegations of Australia, Canada, Hungary and New Zealand submit the proposal set out below to ensure that there will be multilateral review and assessment of the tariff negotiations throughout their course. This proposal is without prejudice to any decisions to be taken about specific approaches and methods to be established for the negotiations. Indeed, it is judged to be a necessary component of the tariff negotiating procedures, regardless of the approaches and methods ultimately established.

2. The proposal is designed to provide a multilateral dimension to the process of review and assessment. It builds upon analyses of the type undertaken by the secretariat in assessing the Tokyo Round tariff reductions, but also ensures necessary confidentiality as to the content of line-by-line concessions proposed which might be subject to further negotiations.

3. Implementation of this proposal will ensure a capacity to keep track of the negotiations in terms of meeting the targets set out by Ministers in Montreal (MTN.TNC/11, page 4, paragraph 2). The time frame proposed for the multilateral review process to begin assumes that, no later than 15 January 1990, participants will have submitted to the secretariat initial lists of their proposed concessions. The preparation of such initial lists of proposed concessions assumes that an approach will already have been elaborated to give credit for bindings where none previously existed. The delegations submitting the current proposal attach priority to contributing a discussion paper on this matter to the Negotiating Group.

Proposal

4. Beginning in March 1990 and periodically thereafter through the course of the substantive tariff negotiations, sessions should be scheduled to review summary analyses prepared by the GATT secretariat of individual

GATT SECRETARIAT
UR-89-0156
lists of proposed concessions against the following criteria, as a means of monitoring the targets agreed to in Montreal. Distribution of these summary analyses and attendance at the sessions would be restricted to those Uruguay Round participants which have submitted lists of their proposed concessions.

A. Would lower and more uniform rates be achieved?

On both a trade weighted and tariff line basis:

(i) what would implementation of the list of proposed concessions do in respect of base rates within each five percentage point band up to and including 25 per cent, and in respect of all rates above 25 per cent taken together (i.e. how would high, low and other rates be dealt with)?

(ii) what would implementation of the list of proposed concessions do in respect of the top 10 per cent of rates within the tariff schedule (i.e. how would tariff peaks be dealt with)?

(iii) what would implementation of the list of proposed concessions do in respect of base rates within each of the twenty-one sections of the Harmonized System nomenclature (or within comparable sub-divisions of the CCCN or other nomenclatures)?

(iv) how would implementation of the list of proposed concessions address problems of tariff escalation?, e.g. what would it do in relation to rates applicable to:

(a) raw materials?
(b) semi-processed goods?
(c) finished manufactures?

(v) how close would implementation of the list of proposed concessions come to meeting a target amount for overall reductions of at least 33.3 per cent?

B. Would there be a substantial increase in the scope of bindings?

With implementation of the list of proposed concessions, what proportions of both tariff lines and trade would be subject to bindings, as compared with the currently existing situation for:

(i) the tariff as a whole?
(ii) raw materials items?
(iii) semi-processed goods items? and
(iv) finished manufactured items?

How much of a percentage increase over the current situation would this represent?