1. In mentioning pre-shipment inspection programmes among the issues which may best be tackled through multilateral action in the Negotiating Group on Non-Tariff Measures, the European Community clearly showed the importance it attached to the establishment of a multilateral framework.

2. The European Community notes with satisfaction that this concern is shared not only by contracting parties whose exporters face difficulties created by the implementation of pre-shipment inspection programmes that do not constitute non-tariff measures as such, but also by contracting parties which have recourse to such programmes.

3. First of all, the European Community wishes to confirm that it recognizes the legitimacy of the use of pre-shipment inspection programmes for countries which as yet lack suitable technical infrastructure and also often face major financial difficulties.

4. However, it considers that the final objective of the parties in question should be to establish as rapidly as possible the public administrative structures that can provide the services currently rendered by private firms, which represent a real cost for the economies concerned. This development should go hand-in-hand with accession of the contracting parties concerned to the customs valuation and import licensing codes. The European Community is ready to provide technical assistance to any contracting parties which would find it useful.

5. The European Community has given careful consideration to the communication from Zaire (MTN.GNG/NG2/W/30); in its view, the principles set out in that document constitute a very useful basis for further discussion to advance work in the Negotiating Group. On the other hand, the Community has doubts as to the desirability of introducing into a multilateral framework any reference to an association representing private interests.

/.
6. Following the proposal by Zaire, other delegations have suggested a number of principles and obligations also deserving careful examination by the Group. To that end, and without prejudice to the provisions that will be adopted regarding procedures, the Community proposes that the secretariat prepare a consolidated document enabling the Group to define the negotiating topics concerning this subject, taking account also of statements made in this area. The Community is prepared to play an active part in this phase by submitting further contributions.

7. Furthermore, the European Community supports the request for a study on the application of GATT rules to pre-shipment inspection programmes implemented by the governments or government agencies of contracting parties.

8. At the present stage, it wishes to stress two elements:

- this work concerns the preparation within GATT of an instrument relating to the rules to be followed by governments or government agencies having recourse to pre-shipment inspection programmes implemented by other legal entities acting on behalf of such governments or government agencies to control the quality, quantity and price of goods intended to be exported from the customs territory of one contracting party into the customs territory of contracting parties making use of such programmes;

- the establishment of a suitable dispute settlement procedure in GATT to resolve disputes between contracting parties is essential in order to deal with abuses or misunderstandings which may arise concerning the provisions on which the contracting parties will have agreed.

9. The instrument to be adopted should also provide for the definition of a suitable framework for the settlement of any dispute that may arise between private parties involved in the day-to-day business of pre-shipment inspection (exporters and pre-shipment inspection enterprises). The parties to the instrument would have to implement this framework in their national legal systems.

10. The European Community does not wish at this stage to take a final position on the type of instrument that should be elaborated. A code having the same status as the codes adopted in the course of the previous multilateral trade negotiations is not necessarily the best solution, especially as the present situation shows that the mere existence of a code does not imply that it will be applied by all contracting parties.

11. In view of the nature of the problem to be tackled, it is on the other hand fundamental that as of now the contracting parties concerned participate actively in this work with the firm intention of reaching a universally satisfactory solution, and commit themselves to implementing it in an appropriate manner at the national level.