SUBSIDIES

The following communication, dated 2 May 1986, has been received from the delegation of Australia with the request that it be circulated to all members of the Preparatory Committee.

The objective on Subsidies in the new round should be a renegotiation of the provisions of Article XVI concerning all subsidy practices. The negotiations should particularly but not exclusively focus on:

(A) Improving and clarifying the provisions of Article XVI:1 concerning the obligations of Contracting Parties to limit subsidisation so that its prejudicial effects may be reduced; and

(B) Replacing present provisions concerning export subsidies on primary products with the same provisions as apply to export subsidies on manufactured products.