

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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8 May 1974

Multilateral Trade Negotiations

GROUP 3(b) - PACKAGING AND LABELLING

Note by the Secretariat on Meeting of May 1974

Draft

1. The Group met on 7 and 8 May 1974. Its task was to clarify the problems which packaging and labelling requirements create for international trade and to examine what other organizations were doing in this area and, as a next step, to consider the extent to which these problems were covered by the proposed GATT instrument for preventing technical barriers to trade (COM.IND/W/108 and Corr.1) or whether a separate instrument should be drawn up to deal with these problems (MTN/3B/7, paragraph 18).
2. There was a difference of opinion as to whether problems relating to marks of origin were covered by these terms of reference. The Group agreed that this matter should be reverted to either in the Group itself or in the Trade Negotiations Committee.

Clarification of the problems

3. It was suggested that different problems arose in the field of labelling on the one hand and packaging on the other and that these might therefore be discussed separately.
4. With regard to labelling it was pointed out that in some cases labelling was mandatory as such; in other cases it was not mandatory to label products but if labels were used they had to conform to certain requirements (conditional labelling);

in yet other cases labelling was entirely voluntary. There were two types of mandatory requirement, in the first it was mandatory to show certain information and in the second it was mandatory to present information in a certain way.

5. Some delegations said that conditional labelling requirements were less onerous than mandatory requirements. Some delegations said that problems might arise in certain cases because, while in theory it might be voluntary to use a label, in practice it was mandatory to do so.

6. It was emphasized that the motivations behind these requirements could be very different. In some cases the motivation was consumer protection while in others it was health or safety. In some other cases the motivation could be to restrict trade. Many delegations pointed out however that in practice it would be difficult to identify motivations; it was the trade effect of labelling requirements that was important in the present context and the Group should concentrate on these.

7. The Group noted that a number of specific trade problems were contained in part 3 of the inventory of non-tariff measures (MTN/3B/3) and some delegations quoted additional examples.

8. Some delegations from developing countries said that labelling rules created problems for their exports. The first problem was to know what the rules were and the second was to follow them.

9. With regard to packaging, it was pointed out that there were different types of requirement in this area. These dealt with the material to be used, the way that the package performed, the range of package sizes permitted and the standard of fill. These might all have implications for international trade.

Work of other organizations

10. It was pointed out that a number of organizations were already working on the subject of packaging and labelling requirements. The secretariat was requested to prepare a note on what other organizations were doing in this field, bringing out inter alia the status of the work, the results obtained and the extent to which these had actually been applied, distinguishing between the work of governmental and non-governmental organizations.

Approach to be adopted

11. Some delegations put forward a number of ideas as to how the problems in this area might be solved.

12. It was pointed out that Article III already laid down the principle that the same packaging and labelling requirements were to be applied to both domestic and imported products. It was suggested that rules were required to ensure that the national treatment requirement of Article III was administered in such a way as to eliminate unjustifiable obstacles to international trade. Some delegations said that this might not be sufficient and it would be necessary to go beyond this.

13. Some delegations suggested that there was a need for the international harmonization of packaging and labelling requirements. Some delegations said that this would be difficult to achieve in the short term.

14. It was suggested that in the solution a distinction might be drawn between consumer goods and goods used by manufacturers. In particular the labelling of each piece should be discouraged in the latter case.

15. It was suggested that there was a need for procedures for prior consultations on mandatory packaging and labelling requirements.

16. It was also suggested that an inventory of national practices and legislation in the field of packaging and labelling should be drawn up.

17. Some delegations from developing countries said that any solution should provide for:

- (a) the simplification and harmonization of packaging and labelling requirements,
- (b) closer co-operation among governments and international organizations in this area,
- (c) wide publicity for these regulations, and
- (d) technical assistance for developing countries.

18. The Group noted that it was called on to consider the extent to which problems in the field of packaging and labelling were covered by the proposed instrument for preventing technical barriers to trade (the Standards Code). Some delegations said that in their opinion the proposed code fully covered the problems, including those raised by developing countries, and no separate instrument was required. They suggested that the proposed code should be taken up and finalized at an appropriate stage of the negotiations. One delegation said that some of the problems would be dealt with by the implementation of the proposed code but some would not. One delegation said that it would be helpful to have examples of problems which would not be covered by the code. Some delegations said that it was premature to take up this problem.

Next meeting

19. The Group agreed to hold a further meeting in the week of 18 June 1974.