

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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Multilateral Trade Negotiations

GROUP 3(b) - REPORT TO THE TRADE NEGOTIATIONS COMMITTEE

Draft Section on Task 8

Task 8: Continuation of the study already begun on quantitative restrictions, including import prohibitions and export restrictions (Industrial Products, Chapters 25-99)

1. The Group took up this task at its March meeting and held further discussions at technical level on 28 May 1974. Details of these discussions will be found in the Notes by the Secretariat, MTN/3B/7, paragraphs 16 and 17, and in MTN/3B/18.
2. The question was raised, but no consensus could be reached, on whether it would be possible at this stage to take the examination of the two proposals concerning quantitative restrictions, including embargoes and export restraints, which were elaborated on in the preparatory phase of the negotiations and which are contained in Spec(73)17, any further. One view expressed was that work on these proposals should continue and that export restraints and some quantitative import restrictions of a safeguarding nature should be discussed in the context of safeguards. Another view was that it would be difficult to take the examination any further without entering into the negotiations proper.
3. The Group discussed a proposal concerning a standstill on quantitative restrictions and an agreed action programme for further liberalization in this field (see Annex to MTN/3B/18). This proposal was supported by many delegations from developing countries, and to some extent by some other delegations.

4. There was considerable support in the Group for the idea that the area of quantitative import restrictions was one in which differential treatment in favour of developing countries was feasible and appropriate. Another view expressed was that special consideration to be given to developing countries should be on a most-favoured-nation basis; this meant in practice that priority should be given to the abolition of import restrictions for products of interest to developing countries.
5. The Group requested the secretariat to examine the technical feasibility of implementing the proposals which were made by developing countries for differential treatment to developing countries in the field of quantitative restrictions, including a description of the experience gained in the past with preferential treatment in liberalization of quantitative restrictions among countries. A report on this examination will be issued shortly.
6. The Group considered the technical secretariat note "GATT and Export Restrictions" (MTN/3B/9). There was a difference of opinion in the Group regarding the appropriateness and usefulness of such a note, and the competence of the Group to deal with export restrictions other than "export restraints" imposed at the request of importing countries. There was also a divergence of view as to the importance and urgency of the problem of access to supplies as such.
7. The view was expressed that the technical note gave no consideration to the special problems of developing countries. Access to markets continued to be the most pressing problems. Developing countries stressed that they were not prepared to accept a link between commitments on access to supplies and commitments on improved access for their exports.

8. The Group agreed to refer to the TNC the question of its task concerning export restrictions. In the meantime, countries wishing to notify specific export restrictions would do so by requesting the secretariat to include them in the Inventory of Non-Tariff Measures. The secretariat would compile these notifications, and the ones already included in the Inventory, in a technical note for the information of the TNC at its next meeting.