

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 2

Task 2: Bringing up to date and completing the documentation and basic data with respect to non-tariff measures assembled in the context of the programme of work adopted by the CONTRACTING PARTIES in 1967 (Industrial Products, Chapters 25-99 BTN)

1. The Group took up this task at its March meeting and held further discussions at technical level on the Inventory of Non-Tariff Measures on 25-27 June 1974. Details of the discussion at the March meeting will be found in a Note by the Secretariat, document MTN/3B/7, paragraphs 2-5.

Inventory of Non-Tariff Measures (MTN/3B/1-5 and Add.1)

2. The Group agreed that the Inventory should be open-ended, i.e. that participants should be free throughout the negotiations to request the inclusion of new notifications or the amendment or deletion of existing notifications, in order to make the Inventory as useful as possible in the negotiations. It was stressed that notifications should contain sufficient detail to make the nature of the problem clear. The Group further agreed that the procedure used in the past should continue to be followed. This procedure provided that the Inventory be based on notifications by countries affected by the measure. When a difference of opinion existed as to whether a notification should be included in the Inventory, the notification would be included, together with a note that such a difference of opinion existed.

3. The Group agreed that, in addition, delegations should, where necessary, discuss individual notifications bilaterally and communicate the result of the discussions to the secretariat for appropriate modification of the Inventory. The Group at its June meeting noted that such bilateral consultations were being held between several delegations.

4. The Group examined at its June meeting problems raised by a number of new or modified notifications of multilateral interest. The notifications so examined are being revised to reflect the main points raised in the discussion.¹

5. A proposal was made that the notifications contained in the Inventory be broken down into the following three categories:

- (a) measures of a purely bilateral nature;
- (b) measures of a bilateral nature, but at the same time of general interest and therefore suitable for multilateral consideration; and
- (c) measures already discussed in GATT working groups or requiring multilateral solutions.

The Group agreed that the proposal merited further consideration in the light of future discussion in the Trade Negotiations Committee.

6. The Group examined the categories used in the Inventory, as set out in the Annex to document MTN/3B/6. The Group discussed the question of the appropriate place for export restrictions in the Inventory, and agreed to revert to this issue after the Trade Negotiations Committee had taken a decision on the more general problem of export restrictions.

7. The Group considered the Illustrative List of Non-Tariff Measures (L/3298, Annex 1; MTN/3B/W/8) and agreed that at this stage there was no need to change the list.

8. The Group agreed that the secretariat should give every possible assistance to developing countries, including assistance of a statistical and analytical nature, with the aim of achieving a more precise identification of specific non-tariff measures affecting trade in products of interest to them. The secretariat should also take into account any further information available, within the secretariat or elsewhere, in connexion with the identification of additional non-tariff measures for possible inclusion in the Inventory.

¹ See notifications 11, 50.1, 136, 316, 405, 430, 441, 593 and 629.

9. It was stressed by some delegations that discriminatory import restrictions still maintained against exports from their countries, whether notified or not, could not be the subject of negotiations, but should be abolished in accordance with the provisions of their respective Protocols of Accession to the GATT. One of these delegations underlined, furthermore, that with regard to the removal of other countries' non-discriminatory import restrictions, full reciprocity could not be expected from its country, which belonged to the group of developing countries.

Documentation of the Joint Working Group

10. The Group took note of the fact that the Joint Working Group documentation (COM.IND/W/97, COM.AG/W/92), including the Annexes of particular interest to developing countries, was being revised in accordance with the Council's decision of June 1971, and agreed that this would provide a useful complement to the Inventory of Non-Tariff Measures. The Group discussed the advisability of excluding restrictions notified under the Arrangement Regarding International Trade In Textiles from the revised document because these would be covered in other documentation; no conclusion was reached, however. It was also noted that the document at present covered eighteen developed countries. A suggestion was discussed that information on restrictions maintained by other developed countries should also be included in the revised document.

Special documentation concerning non-tariff measures affecting trade of developing countries

11. It was noted that the secretariat had already prepared for developing countries a background note analysing the impact of non-tariff measures on their trade (COM.TD/W/182) and analytical papers on standards (COM.TD/W/191), valuation (COM.TD/W/195), and health and sanitary regulations (COM.TD/W/190). It was agreed that the secretariat should, wherever necessary, amplify and update these notes in the light of the Tokyo Declaration and, in the first instance, identify, where feasible, non-tariff measures affecting the products included in the

Generalized System of Preferences. It was agreed that similar papers should be prepared on other non-tariff measures as and when feasible, to bring out the problems facing developing countries and ways in which these problems might be solved.

12. On instructions from the Group, a document giving information regarding import restrictions on products of export interest to developing countries (COM.TD/W/203/Rev.1) was issued by the secretariat. The Group agreed that this information was of great interest and should therefore be kept continuously up to date on the basis of all information available to the secretariat.