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GENERAL AGREEMENT ON TARIFFS AND TRADE



THE TOKYO ROUND
OF
MULTILATERAL TRADE NEGOTIATIONS
II - SUPPLEMENTARY REPORT

GENEVA, JANUARY 1980

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GENERAL AGREEMENT ON TARIFFS AND TRADE



THE TOKYO ROUND
OF
MULTILATERAL TRADE NEGOTIATIONS
Volume II

**Supplementary Report by the
Director - General of GATT**

GENEVA, JANUARY 1980

Preface

My report on the Tokyo Round of Multilateral Trade Negotiations published in April 1979 recorded developments from their beginnings in September 1973 up to the last meeting of the Trade Negotiations Committee on 11-12 April 1979. By that time the bulk of the negotiations had been completed. However, a certain amount of unfinished business remained, on which negotiations continued. This Supplementary Report is a record of developments in those further negotiations and of the actions of the Contracting Parties to the GATT at their Session in November 1979, which constituted the final act of the Tokyo Round.

*Olivier Long
Director-General*

21 January 1980

THE TOKYO ROUND OF MULTILATERAL TRADE NEGOTIATIONS

VOLUME II: SUPPLEMENTARY REPORT

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CHAPTER I: INTRODUCTION

A report¹ on the Tokyo Round of Multilateral Trade Negotiations by the Director-General of GATT, Mr. Olivier Long, was published toward the end of April 1979.

Earlier that month, on 12 April, a Procès-Verbal, in which were listed texts embodying results of the Negotiations, had been approved by the Trade Negotiations Committee - the body responsible for overall supervision of the Tokyo Round - and opened for authentication of the texts by signature on the part of governments.

Most of the negotiated texts listed in the Procès-Verbal were definitive and ready for incorporation in the final Tokyo Round package.

There were, however, some notable exceptions. On these items negotiations continued over the following months, with attention particularly focussed on the unresolved problem of safeguards; reconciliation of the divergent views on certain aspects of the Codes on Customs Valuation and Anti-Dumping; and completion of a number of bilateral negotiations on tariffs and on tropical products. The further development of active co-operation in the agricultural sector within an appropriate consultative framework and the existence of two alternative texts of the International Dairy Arrangement were also matters still outstanding.

At their Session in the last week of November 1979 the Contracting Parties to the GATT had before them the final results of the Multilateral Trade Negotiations. They took such decisions as were necessary formally to incorporate within the GATT framework all elements negotiated in the course of the Tokyo Round.

¹"The Tokyo Round of Multilateral Trade Negotiations", Geneva, April 1979. (sales number GATT/1979-3). Available from the GATT secretariat.

The Director-General's report of April 1979 took the story of the Tokyo Round from its beginnings in September 1973 up to and including the meeting of the Trade Negotiations Committee in April referred to above. It is a comprehensive record of developments throughout the Negotiations, of the issues and the way that these were tackled, and of the results that had been achieved insofar as these could be assessed at that time.

This Supplementary Report takes up the story where the report of April 1979 left off. It covers the further negotiations that took place subsequent to April 1979, as well as the decisions of the GATT Contracting Parties at their Session at the end of November. For a full understanding of the developments throughout the Tokyo Round and of the results achieved, the two reports should be read together.

CHAPTER II: TARIFFS

At the time of the meeting of the Trade Negotiations Committee on 11-12 April 1979 twelve countries had drawn up, and submitted to the GATT secretariat, comprehensive records of agricultural and industrial tariff commitments negotiated in the Tokyo Round. These records, subject to technical verification including, if necessary, correction of inadvertent errors, and supplemented by the results of any further negotiations that might be undertaken, would be used for the establishment of Schedules of Concessions.

The point reached in the negotiations - as described above - was reported in a document listed in the Procès-Verbal approved by the Trade Negotiations Committee at its meeting on 11-12 April 1979.

A. TARIFF NEGOTIATIONS: CONCLUSION

The opening in the second half of 1979 of two legal instruments for acceptance by governments marked the formal conclusion of the Tokyo Round tariff negotiations.

The first of these instruments - The Geneva (1979) Protocol to the General Agreement on Tariffs and Trade - was opened for acceptance on 11 July 1979.

Attached to the Protocol were Schedules of Concessions setting out in full detail tariff-cutting commitments made in the Tokyo Round by the following: Argentina, Austria, Canada, Czechoslovakia, European Communities, Finland, Hungary, Iceland, Jamaica, Japan, New Zealand, Norway, Romania, South Africa, Spain, Sweden, Switzerland, United States and Yugoslavia.

The second instrument was The Protocol Supplementary to the Geneva (1979) Protocol to the General Agreement on Tariffs and Trade which was opened for acceptance on 22 November 1979.

This Supplementary Protocol embodies the results of negotiations continued into the later months of 1979. As a result of these negotiations, countries already with Schedules of Concessions attached to the Geneva (1979) Protocol made certain further concessions, bringing some improvements in benefits to developing countries, while additional developing countries also entered into tariff-cutting commitments.

Schedules of Concessions for the following are attached to the Supplementary Protocol: Australia, Brazil, Canada, Chile, Dominican Republic, Egypt, European Economic Community, Haiti, India, Indonesia, Israel, Ivory Coast, Korea, Malaysia, Pakistan, Peru, Singapore, Spain¹, Uruguay, Zaire.

Bulgaria took part in the tariff negotiations and was one of the twelve countries that submitted in April 1979 records of tariff commitments. As Bulgaria is not a contracting party to GATT, its Schedule of tariff concessions could not be incorporated in a GATT Protocol but was instead annexed to a separate legal instrument that was drawn up at the same time as the Geneva (1979) Protocol.

Three countries - Colombia, Mexico and the Philippines - carried out tariff negotiations in connexion with their accession to GATT within the framework of the Tokyo Round. The Schedules of Concessions of these countries are, or will be, annexed to their Protocols of Accession.

The publications containing the Protocols² and the attached Schedules of Concessions run together to some 4,000 pages, a clear indication of the magnitude of the tariff-cutting exercise. For each of the thousands of industrial and agricultural products listed, the Schedules give the tariff number, and exact description of the product, and the new customs duty rate resulting from concessions made in the Tokyo Round.

Except where otherwise stated in a country's Schedule, the tariff reductions will be implemented in equal annual rate reductions, the first having been made on 1 January 1980, the total reduction to become effective not later than 1 January 1987. There is nothing to prevent countries implementing their reductions in fewer stages or at earlier dates.

¹Text in French; the text in Spanish is annexed to the Geneva (1979) Protocol.

²Available from the GATT secretariat, see pages 52-53.

The Schedules of Concessions, by virtue of their attachment to the Protocols, are legally binding in the GATT.

There was one particular point relating to the tariff negotiations on which action by the Contracting Parties was required. This concerned the question of initial negotiating rights for concessions negotiated in the Tokyo Round and the conditions under which GATT member governments could claim such rights.

In several Articles of the GATT - XVIII, XXIV, XXVII and XXVIII - reference is made to contracting parties with which tariff concessions were initially negotiated and such contracting parties are given special rights in the case of withdrawals or modifications of concessions. Tokyo Round concessions were in most cases not the result of bilateral negotiations and thus no initial negotiator was specified. It was therefore felt that it would be advisable to establish a particular rule on initial negotiating rights in respect of these concessions.

A text was agreed in the GATT Council on 22 November 1979 and submitted to the Contracting Parties for adoption. The text as adopted is at Annex A. The decision regarding initial negotiating rights follows the lines of the rules agreed upon after the conclusion of the Kennedy Round in 1967.

B. TARIFF NEGOTIATIONS: ASSESSMENT
=====

The Director-General's Report of April 1979 gave a preliminary assessment of the results of the tariff negotiations. With a number of bilateral negotiations still proceeding, however, the records of commitments submitted to the secretariat at this time were in some cases incomplete, while the concessions that other countries would be making could not be included in the assessment at that stage. The assessment was not, therefore, definitive although it was broadly indicative of the extent and dimensions of the results that would ultimately emerge.

On the basis of the final Schedules of Concessions that became available later in 1979, a further assessment was made. The main points which emerged are set out in the following paragraphs. Details will be found at Annex B, which replaces the earlier assessment of the results of the tariff negotiations given in Part II, chapter II, of the Director-General's Report of April 1979.

The total value of trade affected by m.f.n. tariff reductions and bindings of prevailing tariff rates amounts to \$155 billion, measured on m.f.n. imports in 1976 or 1977 excluding petroleum, crude and refined.

Concessions by the European Communities and eight industrial countries (Austria, Canada, Finland, Japan, Norway, Sweden, Switzerland and the United States) covered imports valued at \$141 billion, \$14 billion in agriculture and \$127 billion in industry. Concessions by other developed countries affected imports valued at \$0.4 billion in agriculture and \$2.7 billion in industry.

Although the participation of developing countries was not subject to the reciprocity rule they made contributions, in the form of tariff bindings or reductions, on \$3.9 billion of their imports in 1976 or 1977.

Considering the nine industrial markets enumerated above, the weighted average tariff on industrial products will decline from 7.0 to 4.7 per cent, representing a 34 per cent reduction of customs collection. Measured on the basis of the simple tariff averages, the reduction amounts to 39 per cent and the level of tariffs on industrial products will decline from 10.4 to 6.4 per cent. As a result of the harmonizing effect of the tariff-cutting formula the difference in the nine tariff levels will be reduced by 25 per cent, measured by standard deviation of national averages.

Imports into the nine markets from developing countries affected by m.f.n. tariff concessions amounted to nearly \$40 billion; \$12 billion in agriculture and \$28 billion in industry. In agriculture, tariff action on products of interest to developing countries has been taken mainly in the form of improvements of the Generalized System of Preferences (GSP) in the framework of tropical products negotiations. Concessions on an m.f.n. basis in agriculture resulted in the decline of the weighted average tariff for developing countries from 8.1 to 7.1 per cent.

The nine m.f.n. tariffs facing developing countries' exports of industrial products will be reduced by 27 per cent based on the weighted average tariff and by 38 per cent based on the simple average tariff.

The effect of m.f.n. concessions on the GSP is difficult to assess in view of the imprecision underlying GSP statistics. Products entitled to GSP represented \$4.6 billion or 23 per cent of dutiable imports of agricultural products, and \$22.5 billion or 65 per cent of dutiable imports of industrial products. GSP contributions would increase the GSP product coverage by \$0.9 billion in agriculture, and in industry they would nearly compensate for elimination of GSP preference resulting from m.f.n. concessions at zero rates. The GSP preferential margin would be slightly increased in agriculture as m.f.n. concessions were more important on non-GSP products. In industry, where the GSP coverage is more extensive especially in processed goods, the GSP preferential margin shows a not unexpected decrease as a result of the application of the tariff-cutting formula on items where GSP admission was free of duty.

CHAPTER III: AGREEMENTS ON NON-TARIFF MEASURES

Some unfinished business relating to certain Agreements on particular non-tariff measures remained to be completed in the months following the April 1979 meeting of the Trade Negotiations Committee.

The Agreements concerned were the Customs Valuation Code, which had been under negotiation in the Tokyo Round, and the Anti-Dumping Code, which had been negotiated in the course of the Kennedy Round. In the case of each of these Agreements, two texts were listed in the Procès-Verbal before the Trade Negotiations Committee.

A. AGREEMENT ON IMPLEMENTATION OF ARTICLE VII OF THE GATT

(Customs Valuation Code)

Of the two texts in the Procès-Verbal, one was a complete text, while the other contained additional elements which certain developing countries wished to see incorporated in the text.

1. Resumption and completion of negotiations

During the summer of 1979, bilateral and plurilateral negotiations continued, both in Geneva and in capitals. From the beginning of September onwards, negotiations were intensified, culminating in an informal meeting of all the principally interested countries - developed and developing - early in October.

Throughout, interested developing countries pressed for acceptance of the ideas and purposes underlying their proposed additional elements. A principal preoccupation continued to be transactions between "related persons", and here they wished their Customs Administrations to preserve the necessary authority to offset any potentially unfair advantages that might result for exporters and importers that are "related". They also wished the definition of "related persons" to include sole agents and sole distributors.

Other points stressed by developing countries included: the need for Customs Administrations to be able to satisfy themselves as to the veracity of information provided for customs valuation purposes; the desirability of providing that the option of choosing between the deductive and computed valuation

method should only be open to the importer if the Customs Administration concurs; and their need to be able to delay application of the Agreement for a period considerably longer than five years.

Some of these points presented considerable difficulties for other countries but, by the beginning of November 1979, the text of a Protocol aimed at meeting, to the extent possible, the requirements of the developing countries, had been worked out and agreed upon. The Protocol to the Agreement on the Implementation of Article VII of the GATT represents a compromise between developed and developing countries, with neither side securing everything it might have wished from the negotiations.

With agreement reached on the Protocol, both the text of the Agreement and of the Protocol have been opened for signature by governments.

2. The Protocol: main features

The Protocol, which is deemed to be part of the Agreement, respectively interprets, modifies or waives certain provisions of the Agreement. In particular it provides for:

- (a) deletion of a provision (Article 1.2(b)(iv)), under which the Customs Administration was obliged to accept the transaction value in a sale between related persons if the importer had demonstrated that this value closely approximated the transaction value in sales between unrelated persons of identical goods except for having a different country of production.
- (b) sympathetic consideration to be given by the Parties to the Agreement to a request by a developing country for an extension of the five-year delay in the application of the provisions of the Agreement.
- (c) reservations enabling developing countries to retain minimum values, on a limited and transitional basis, under such terms and conditions as may be agreed to by the Parties.
- (d) reservations, by developing countries, which will be accepted by other Parties to the Agreement, to the effect that:

- (i) an importer may exercise his option concerning the order of application of the deductive and computed method of valuation only if the customs so agree
- (ii) Article 5.2 of the Agreement may be applied whether or not the importer so requests
- (e) a study, with a view to finding appropriate solutions, if practical problems should arise in developing countries in connexion with importations by sole agents or distributors.
- (f) interpretation of Article 17 to the effect that Customs Administrations may make enquiries concerning the truth or accuracy of any document or declaration presented to them for customs purposes and that they have the right to expect the full co-operation of importers in these enquiries.
- (g) recognition that the price actually paid or payable includes all payments actually made or to be made as a condition of sale.

B. AGREEMENT ON IMPLEMENTATION OF ARTICLE VI OF THE GATT (Anti-Dumping Code)

1. Background

One of the two texts listed in the Procès-Verbal of 12 April 1979 was a revision of the existing Anti-Dumping Code, which had been in operation for more than ten years. The revision brings the provisions of the Code in line with those of the Agreement on Subsidies and Countervailing Duties, in particular as regards determination of injury; price undertakings between exporters and the importing country; and the imposition and collection of anti-dumping duties. The revision also clarifies certain areas where difficulties have arisen in the past and aims to achieve a greater degree of uniformity in the implementation of the Code.

The second text was a paragraph put forward by developing countries, for inclusion in the revised Code, on the determination of normal price for products exported by developing countries - an issue of long-standing concern to these countries.

At the meeting of the Trade Negotiations Committee on 11-12 April 1979 it was indicated that efforts would continue to reconcile the two texts.

2. Further negotiations

Following bilateral and plurilateral negotiations over the following months between developed and developing countries, understandings were reached on certain outstanding issues. This should facilitate acceptance of the Code by developing countries.

The most important of these understandings is designed to meet the pre-occupations of developing countries as reflected in the text that they had presented. It recognizes that, as special economic conditions in developing countries affect prices in the domestic market, these prices do not provide a commercially realistic basis for dumping calculations and the fact that an export price is lower than the comparable domestic price shall not per se justify an investigation or the determination of dumping. In such cases, the normal value, for the purposes of ascertaining whether the goods are being dumped, is to be determined by methods such as a comparison of the export price with the comparable price of the like product when exported to any third country, or with the cost of production of the exported goods in the country of origin, plus a reasonable amount for administrative, selling and any other costs and for profits.

A second understanding accepts that developing countries may have difficulties in adapting their legislation to the requirements of the Code as regards anti-dumping investigations initiated by them. It provides for the granting, on a case-by-case basis, of time-limited exceptions from the relevant provisions of the Code. It also provides for the provision of technical assistance to developing countries parties to the Code. This covers implementation of the Code, training of personnel, and the supply of information on methods, techniques, and other aspects of conducting investigations on dumping practices.

The agreement on these understandings enabled developing countries to withdraw the text that had been listed on their behalf in the Procès-Verbal of 12 April 1979, thus enabling a single revised Anti-Dumping Code to be opened for signature by governments.

CHAPTER IV: AGRICULTURE

A. FURTHER INTERNATIONAL CO-OPERATION IN AGRICULTURAL SECTOR

The establishment of a multilateral agricultural framework was one of the matters referred to in the Procès-Verbal approved by the Trade Negotiations Committee at its meeting on 11-12 April 1979.

A text was agreed at that meeting recommending to the GATT Contracting Parties that active co-operation in the agricultural sector within an appropriate consultative framework be further developed and that the definition of this framework and its tasks be worked out as soon as possible.

There followed over the ensuing period informal bilateral and plurilateral consultations among delegations on the form the framework should take, on the principles that should govern its operation and on the powers that should be vested in it.

In the event, the sensitivities and deeply-entrenched problems and attitudes - political and social as well as economic - that invariably bedevil the negotiation of international commitments on agriculture, stood in the way of reaching agreement on the establishment of a formal mechanism.

No country, however, disagreed that improved international co-operation in the agricultural sector was necessary and desirable. Those countries in particular whose exports were predominantly agricultural products wished to see this matter carried forward in the most practical and effective way possible. At the same time, these countries stressed the disappointment with which they viewed the lack of progress on this subject and some of them, more generally, their dissatisfaction with the results of the Tokyo Round agricultural negotiations as a whole.

At the meeting of the GATT Council on 22 November it was agreed that, in the light of the recommendation put to the Contracting Parties by the Trade Negotiations Committee at its meeting on 11-12 April 1979 concerning the further development of active co-operation in the agricultural sector, the Director-General should be requested to consult with interested countries on this matter and report to the next regular Session of the Contracting Parties.

Although, as is indicated above, this did not go far enough to satisfy those who would have preferred to see substantive agricultural matters dealt with through a more formal arrangement, all countries supported the proposal which was subsequently endorsed by the Contracting Parties at their Session of 26-29 November 1979.

B. ARRANGEMENTS ON AGRICULTURAL PRODUCTS
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Arrangements on bovine meat and on dairy products were negotiated in the course of the Tokyo Round.

The Arrangement Regarding Bovine Meat was listed in the Procès-Verbal approved by the Trade Negotiations Committee at its meeting on 11-12 April 1979. It is open for signature and acceptance by governments.

In the case of the International Dairy Arrangement, however, two texts were listed in the Procès-Verbal. In the period from April 1979 up to the Session of the Contracting Parties in November, there was no request for the reconciliation of these texts on those points where they differed. Consequently, both texts are open for signature and acceptance by governments.

CHAPTER V: MULTILATERAL SAFEGUARD SYSTEM

A. INTRODUCTION

The Tokyo Declaration provided that the Negotiations should "include an examination of the adequacy of the multilateral safeguard system, considering particularly the modalities of application of Article XIX, with a view to furthering trade liberalization and preserving its results".

Against the background of increasing economic difficulties, there developed progressively considerable changes in emphasis and a hardening of positions on the part of some countries during the Tokyo Round. It was as a result of the deteriorating economic circumstances that the issue acquired increasing importance and had still not been resolved by the time of the GATT Contracting Parties Session in November 1979.

B. PURSUIT OF NEGOTIATIONS UP TO END-JULY 1979

At its meeting on 11-12 April 1979 the Trade Negotiations Committee endorsed the agreement that had been reached in the Group on Safeguards that work on the safeguards issue should be continued as a matter of urgency with the aim of completing it by 15 July 1979.

Immediately thereafter, negotiations were resumed and these became more intensive as time passed. For most of July 1979, there were informal meetings of one kind or another on nearly every day.

While there continued to be other important outstanding issues - such as export restraints and special and more favourable treatment for developing countries - attention became almost exclusively focussed in July on the issue of selectivity, which would involve the application of safeguard measures against one or a few countries only instead of the non-selective, non-discriminatory application to all countries having an import share of the market concerned which has been traditional in the GATT under Article XIX.

Early in 1979, participants had accepted selectivity as a working hypothesis. However, considering that they had made a major concession in the interest of reaching a mutually acceptable compromise, many countries,

developed and developing, insisted on the need for the application of strict rules, criteria and surveillance arrangements relating to the use of selective measures.

For these countries it was essential that a prerequisite for safeguard action must be agreement to such action by the affected exporting country or countries concerned or, in the absence of such agreement, a prior determination by the Committee on Safeguard Measures that would be established under any Code on safeguards to the effect that the conditions and criteria for selective action are fulfilled; that actual, and not only potential material injury to domestic production in the importing country has to be proven; that account has to be taken of damage that might be caused to export industries in developing countries; and that safeguard measures should not be used as a substitute for structural adjustment to changes in conditions of fair competition and shifts in comparative advantage.

For certain industrialized countries some of these conditions were unacceptable. In particular, they were opposed to the need for a prior determination by the Committee on Safeguard Measures. They favoured an approach that would permit unilateral, selective action with ex post facto review by the Committee, especially in critical circumstances where delay would cause damage difficult to repair. This, in effect, proved to be a major sticking point.

Despite the intensive negotiations of July 1979 it proved impossible to close the gap on the fundamental issue of selectivity. The Group on Safeguards took stock of the situation at its meeting on 26 July 1979, which in the event proved to be its last.

At this meeting, all delegations expressed their willingness and desire to continue work in the autumn with the objective of reaching agreement. In light of this, members agreed to reflect on how best to continue the work with a view to meeting the objectives of the Tokyo Declaration in this area, taking into account the work already done. The hope was expressed that there would be no unilateral interpretations of Article XIX by any delegation in the interim period.

C. DEVELOPMENTS FROM END-JULY 1979

On 25 July 1979, the Director-General took an initiative that brought consideration of the safeguards issue squarely into GATT. He presented a proposal to the GATT Council for the establishment by the GATT Contracting Parties of a Committee with the following terms of reference:

- "(a) to continue discussions and negotiations, taking into account the work already done, with the aim of elaborating supplementary rules and procedures regarding the application of Article XIX of the General Agreement, in order to provide greater uniformity and certainty in the implementation of its provisions;
- "(b) pending a satisfactory outcome of the discussions and negotiations mentioned in (a) above, to examine any future case of a safeguard measure, whether taken under Article XIX or otherwise, by contracting parties in the light of the relevant provisions of the General Agreement, including Part IV."

There were a number of considerations behind this proposal. In view of the impasse in the negotiations on safeguards, there was the risk - particularly with the approach of the summer recess - that the negotiations might from then on slip into a state of inactivity. There was need for a fresh momentum and a new direction.

Sub-paragraph (b) of the proposal reflected the concern of those countries, developed and developing, which felt that, while the negotiations continued, no safeguard action should prejudice the outcome of the negotiations on the overall safeguard issue.

While the Council did not consider the proposal in depth at the July meeting, it agreed to revert to the matter at its next meeting.

The proposal was the subject of continuous consultations from mid-September onwards; these were essentially focussed on procedural aspects and less on substance.

When the proposal of the Director-General was considered by the GATT Council in early November 1979, the suggested establishment of a Committee by the GATT Contracting Parties to continue negotiations was unanimously supported.

Sub-paragraph (b) of the proposal had a mixed reception however. It was widely supported by most developing and some developed countries. Other countries, however, felt that approval of the sub-paragraph might delay progress in the actual negotiations to be undertaken by the Committee which, in the view of all, needed to be completed as soon as possible.

The text on safeguards finally put forward by the Council and adopted by the Contracting Parties - Annex C to the present Report - provided for the establishment of the Committee. The need for efforts to continue to seek agreement on an improved multilateral safeguard system was thus recognized and this was of paramount importance.

There was, however, one element lacking in this text that was present in sub-paragraph (b) of the Director-General's proposal and to which - as is mentioned above - many countries attached particular importance. This was the provision for the Committee, pending completion of the negotiations on an agreement, to examine future cases of safeguard action.

In the event, following intensive consultations on the subject among a number of delegations, the content and purpose of the Director-General's proposal in sub-paragraph (b) were largely carried over into a separate text, providing for examination of protective measures affecting imports from developing countries by a Sub-Committee to be established by the GATT Committee on Trade and Development. The text also implements a commitment undertaken in May 1979 by all delegations at UNCTAD V in Manila regarding the examination in GATT of any case of future protective action by developed countries against imports from developing countries in the light of the relevant provisions of the GATT, particularly Part IV thereof. This text, as put forward by the Council and adopted by the Contracting Parties, is reproduced as Annex D.

Failure to negotiate an agreement on safeguards was regarded as a setback by a large number of countries. It leaves a lacuna in the results of the Tokyo Round especially as these are perceived by developing countries.

Fortunately, no country has closed the door on the negotiations. The way is still open for a solution, through continuing negotiation in GATT itself, to this difficult and politically sensitive problem.

CHAPTER VI: ACTION BY GATT CONTRACTING PARTIES

At their Session of 26-29 November 1979 the GATT Contracting Parties had before them the full results of the Tokyo Round. These results were presented to the Contracting Parties by the Director-General of GATT, who had also been Chairman of the Trade Negotiations Committee, in a report which is at Annex E.

Most of the results had been known for some time, although it was only shortly before the Session that final understandings in the fields of customs valuation and anti-dumping were reached and supplementary tariff concessions agreed upon.

A. TEXTS EMBODYING THE TOKYO ROUND RESULTS¹

1. Tariff Protocols and Agreements and Arrangements

The following texts comprise the results of the tariff negotiations, the Agreements on non-tariff measures and on trade in civil aircraft and the Arrangements on particular agricultural products.

- (a) Geneva (1979) Protocol to the General Agreement on Tariffs and Trade
- (b) Supplementary Protocol to the Geneva (1979) Protocol to the General Agreement on Tariffs and Trade
- (c) Agreement on Technical Barriers to Trade (Standards Code)
- (d) Agreement on Government Procurement
- (e) Agreement on Interpretation and Application of Articles VI, XVI and XXIII of the GATT (Code on Subsidies and Countervailing Duties)
- (f) Agreement on Implementation of Article VII of the GATT (Code on Customs Valuation) and the Protocol to the Agreement
- (g) Agreement on Import Licensing Procedures

¹The individual Tariff Protocols, Agreements and Arrangements, as well as the texts on the framework for the conduct of international trade have been published by, and are available from, the GATT secretariat. Details are given on the final pages of this Report.

- (h) Agreement on Implementation of Article VI of the GATT (Anti-Dumping Code) together with two Understandings
- (i) Agreement on Trade in Civil Aircraft
- (j) Arrangement on Bovine Meat
- (k) International Dairy Arrangements

Most of these texts had been agreed upon by the time of the April 1979 meeting of the Trade Negotiations Committee. Subsequent developments in those cases where negotiations had to be continued in the period following the Committee's meeting have been discussed in the earlier Chapters of this Supplementary Report. All the texts were open for signature and acceptance by governments before the November 1979 Session of the Contracting Parties.

2. Texts on framework for conduct of international trade

The four following texts relating to the framework for conduct of international trade - in other words the GATT trading system - were adopted by the Contracting Parties. They were designed, through the introduction of certain improvements to important GATT provisions, to reinforce and strengthen the system. Adoption of the texts was necessary before they could enter into force:

- (a) Decision on Differential and More Favourable Treatment and Reciprocity and Fuller Participation of Developing Countries
- (b) Declaration on Trade Measures for Balance-of-Payments Purposes
- (c) Decision on Safeguard Action for Development Purposes
- (d) Understanding Regarding Notification, Consultation, Dispute Settlement and Surveillance

Except for the settlement of one point, the four texts remained unchanged from those before the Trade Negotiations Committee at its April 1979 meeting.

The outstanding point concerned the character of the first text listed above. This text concerned the most important outcome in this area of the Tokyo Round: the recognition of preferential and more favourable treatment for developing countries as an integral part of the GATT system. For some time

there had been differences of view as to whether the text should be incorporated in the GATT as a new Article or set of provisions, or whether it should be adopted as a Decision by the Contracting Parties. In the event, following consultations between delegations on the subject, the final text submitted to the Contracting Parties by the GATT Council at its last meeting in November 1979 took the form of a draft Decision.

3. Issues unresolved in the Tokyo Round

The GATT Council discussed on 16 and 22 November 1979 the two issues - safeguards and the multilateral agricultural framework - on which agreement had not been reached in the Tokyo Round. The outcome of these discussions was contained in the Council's report, which was before the Contracting Parties at their Session.

B. RELATIONSHIP BETWEEN THE TOKYO ROUND RESULTS AND THE GATT

It was important, as the post-Tokyo Round period opened up, that the complex package emerging from the Negotiations be brought into the GATT framework in such a way as not to detract from the authority of the GATT rules; from countries' GATT rights, including those of signatories and non-signatories of the various Agreements and Arrangements; and from the unity and consistency of the GATT trading system.

The Contracting Parties recognized the need to guard against any such adverse side-effects as the complex Tokyo Round operation moved from the stage of negotiation to that of implementation. To that end they adopted a special Decision at their Session, designed to make clear and to reassert their attitude toward certain basic questions.

The Decision, which is reproduced in Annex F, is entitled "Action by the Contracting Parties on the Multilateral Trade Negotiations". It focusses on two points in particular: the GATT trading system and certain important questions in connexion with the various Agreements and Arrangements that had been negotiated in the Tokyo Round.

1. GATT trading system

In the Decision the Contracting Parties "reaffirm their intention to ensure the unity and consistency of the GATT system, and to this end they shall oversee

the operation of the system as a whole and take action as appropriate". This statement of support for the system and of the rôle the Contracting Parties intend to play is specific and unequivocal.

2. Relationship between Agreements and Arrangements and the GATT

In the weeks preceding the Session of the Contracting Parties, certain issues relating to the Agreements¹ became increasingly prominent. They were the subject of intensive consultations between delegations and were discussed at two meetings of the GATT Council in November.

The issues concerned essentially the relationship between the Agreements and the GATT. They were of prime importance, not only for the effective application of the Agreements, but also for international trade relations and for the authority and operation of the GATT itself.

The benefits to be derived from the Agreements, in terms of a greater efficacy and certainty in the operation of important GATT provisions and in the application of effective disciplines and surveillance mechanisms, were among the most important results of the Tokyo Round. Nevertheless, for many countries - in particular developing countries - certain assurances concerning the operation of the Agreements were essential.

(a) GATT rights and benefits

The safeguarding of existing GATT rights and benefits, including application of the principle of most-favoured-nation treatment, was for many countries a fundamental requirement.

Although none of the Agreements contains provisions that would prevent parties extending its advantages to other countries on an m.f.n. basis, there was concern that this was not expressly provided for in the Agreements themselves, which defined only rights and obligations as between parties to the Agreements.

The Decision deals specifically with this point: GATT rights and benefits under the most-favoured-nation provisions of the GATT, including Article I, are not affected by the Agreements.

¹In order to avoid unduly complicating the text, "Agreements and Arrangements" are simply referred to as "Agreements" throughout these paragraphs.

(b) Supervision and transparency

Some countries - especially some developing countries - are not likely, at least initially, to become parties to each and every Agreement. For these countries it was important for there to be transparency in the application of the Agreements and in the operation of the Committees or Councils established under them, as well as an adequate degree of supervision by the GATT Contracting Parties. They wished non-parties to the Agreements to have the right to be represented at meetings by observers.

The reasons for this are evident. Without an adequate knowledge of, and familiarity with, the application and operation of the Agreements, a country would find it difficult to make an informed judgement on the advantages or disadvantages of subscribing, at the appropriate time, to any particular Agreement and would also not be able to watch for any adverse effects on its own trade interests.

On the other hand there were countries which felt that the presence of observers might inhibit full and frank discussion of serious matters within the Committees and lead to their discussion outside the Committees.

For the GATT itself the issue was of considerable importance, both as regards its effectiveness as an institution and the authority and integrity of its rules. If the Committees or Councils were to operate in isolation they might tend - whether intentionally or unintentionally - to work in disregard of the overall GATT framework and of the need to maintain coherence and consistency in the functioning of the international trading system. It was necessary to avoid a situation in which the rights and obligations of GATT member countries could be differently interpreted and applied in different bodies.

Any compartmentalization would detract from the authority and scope of the GATT and adversely affect international trade relations. It would also not be conducive to the most effective working of the Agreements themselves.

The validity of these concerns is recognized in the Decision. In addition to reaffirming the intention of the Contracting Parties to ensure the unity and consistency of the GATT system, it provides for reporting by the Committees and Councils to the Contracting Parties on the operation of the Agreements; and

makes reference to the attendance at meetings of the individual Committees and Councils of observers from countries not parties to the Agreement concerned.

C. ACTION ON RESULTS

It may be recalled that, although the Tokyo Round was conducted within the framework of GATT, it was initiated, not by the GATT Contracting Parties as such, but at an ad hoc conference of Ministers in Tokyo in September 1973. It was, therefore, a principal task of the Contracting Parties, at their November 1979 Session, to take such action as was necessary to bring the Tokyo Round results within the framework of the GATT, both as an institution and as a legal instrument.

The action taken to this end by the Contracting Parties was along the following lines.

First, they adopted two formal Decisions. In the first they took note of the Tariff Protocols (Annex A) and dealt, as described in Chapter II, with the question of initial negotiating rights. In the second they took note of the various Agreements and Arrangements that had been negotiated (Annex F). In so doing, they brought the results of the Tokyo Round as embodied in these instruments within the framework of the GATT.

Secondly, by their adoption of the relevant formal texts relating to the framework for the conduct of international trade, they took the action necessary for the entry into effect of these texts.

Thirdly, with the Tokyo Round negotiations concluded, the Contracting Parties were called upon to deal with any unfinished business left over from the Negotiations - in particular safeguards and the multilateral agricultural framework. The action taken by them in this connexion has been described in Chapters IV and V.

* * *

In preparation for the Session there had been intensive consultations between delegations on the issues mentioned in Chapter VI that would be before the Contracting Parties. The texts adopted by the Contracting Parties were the

outcome of these consultations and of discussions at two meetings of the GATT Council in November. They were intended to provide the necessary clarification, refinement or reassurance to meet the preoccupations of many countries on a number of sensitive points. They represented compromises, whereby the normal process of give and take enabled a country, by conceding something on one text, to get what it wanted on another.

There was a close link and relationship between the texts, to the point where it could not be considered that there was agreement on one text until there had been agreement on all the texts. In other words, the whole was a package, no part of which could be decided upon in isolation. The Decisions on safeguards (Annex C) and on the examination of cases of future protective action against imports from developing countries (Annex D) can be quoted as an example of this interrelationship.

D. CONCLUSION OF THE TOKYO ROUND

The formal actions by the Contracting Parties described above marked the conclusion of the Tokyo Round.

What has been successfully negotiated, however, now needs to be implemented. The Tokyo Round chapter is closed, but the essential task of implementation of the results and follow-up remains. There is also important work to be done on certain unfinished business - in particular the unresolved problem of safeguards - carried over from the Tokyo Round.

The Contracting Parties were fully aware of this when they adopted a proposal put forward by the Director-General of GATT for a future work programme. The Director-General's proposal, as approved by the Contracting Parties, is at Annex G. While it gives top priority to implementation of the Tokyo Round results, it also provides for new tasks to be taken on. It will form the basis for the common effort in the period ahead.

A final judgement on the Tokyo Round cannot yet be made. Its real success requires the resolute implementation of the results, and a continuing demonstration by governments of the will to extract the maximum benefit, in terms of international trade and trade relations, from this great effort of international co-operation.

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ANNEX A

ACTION BY THE CONTRACTING PARTIES ON THE
MTN TARIFF CONCESSIONS

Decision of 28 November 1979

1. The CONTRACTING PARTIES note that as a result of the tariff negotiations in the Multilateral Trade Negotiations, the Geneva (1979) Protocol to the General Agreement on Tariffs and Trade and the Protocol Supplementary to the Geneva (1979) Protocol have been drawn up.
2. The CONTRACTING PARTIES adopt the following decision: In respect of the concessions specified in the Schedules annexed to the Geneva (1979) Protocol to the General Agreement on Tariffs and Trade and the Protocol Supplementary to the Geneva (1979) Protocol, a contracting party shall, when the question arises, be deemed for the purposes of the General Agreement to be a contracting party with which a concession was initially negotiated if it had during a representative period prior to the time when the question arises a principal supplying interest in the product concerned. This decision does not affect initial negotiating rights which are the result of bilateral negotiations and which have been duly notified.

ANNEX B

TARIFF NEGOTIATIONS: ASSESSMENT

A. INTRODUCTION

The detailed calculations contained in this assessment cover the following nine industrial import markets: Austria, Canada, the European Communities, Finland, Japan, Norway, Sweden, Switzerland and the United States. The pre-MTN¹ tariffs reflect in general the consolidated duties or the base rates used in the negotiations. These may be higher than the rates actually applied. The post-MTN tariffs are the rates shown in the comprehensive records of agricultural and industrial tariff commitments deposited with the GATT secretariat. The initial GSP rates are those in force in 1976. The trade figures refer to imports from m.f.n. origins in 1977 (or 1976 in the case of Austria, Canada and Norway). Imports eligible for GSP treatment are included in the m.f.n. total. For the assessment of benefits accruing to developing countries the trade flows covered include all imports originating in countries listed in national GSP schemes as GSP beneficiaries. Agricultural and tropical products referred to in this chapter cover commodities classified in CCCN Chapters 1-24. Industrial products refer to Chapters 25-99 of the CCCN. The assessment of concessions by other contracting parties is based on national statistics for 1976 or 1977 and on their GATT Schedules.

Any attempt to measure the importance of tariff reductions encounters a number of technical difficulties which negotiators had to face each time tariff concessions were exchanged. The main problem stems from the impossibility to correctly assess the volume of trade which will be generated by the agreed duty reductions. Instead of the future trade increment the past volume of trade is usually taken into consideration when the depth of the duty cut on individual customs tariff lines is combined in the overall

¹MTN = Multilateral Trade Negotiations.

assessment. Attempts to account for additional factors reflecting for example the relationship between the level of initial duties and the depth of tariff cuts, changes in tariff quotas, the modification of existing preferential margins or the value to be attached to the binding of prevailing zero rates render the evaluation process even more complex. Since the theoretically correct solution is not feasible, a more pragmatic though less satisfactory approach to the measurement problem had to be used. The method of the present assessment is based on the practice adopted by the negotiators themselves and on the methodology worked out by the Working Party on the tariff study.¹ The measurement is based on the comparison of the average level of duties in the reference period before the negotiations and the concessional rates agreed. Two tariff averages are used: the first tariff average is a simple arithmetic average of duty rates; the second is a weighted tariff average giving to each duty the weight of the imports on which such duty was collected. In other words the simple average measures the straightforward level of the tariff whereas the weighted average measures the average duty collection. The two methods can lead to very different results and such difference is easy to explain. In the weighted average the more trade is flowing under the duty, the more importance the duty is given in the calculation. At the same time, logically, the lower the duty the larger tends to be the volume of trade which flows under such duty. Thus the weighted average will tend to give more importance to low duties and, at the other extreme, will ignore duties which are so high as to be prohibitive. For these reasons, the weighted average has a downward bias. On the contrary the simple average gives the same importance to each duty whatever its level. It could thus assign excessive importance to residual tariff items or to duties facing products of little importance in world trade. Therefore the simple average should in principle give an upward correction of the weighted average bias.

¹See the Report of the Director-General on The Tokyo Round of Multi-lateral Trade Negotiations, Part I, Chapter VII B.1.

The extent of the reduction of the nine tariffs combined has been measured separately for agricultural products and for industrial products. In the overall assessment the tariff reduction on agricultural products has been measured on items which were negotiated and on which a concession was made. However, some agricultural products are subject to variable levies or variable components in the duty. As it is generally impossible to measure the level of protection on these items, products subject to such levies have been systematically excluded from the scope of the assessment.

In all calculations, petroleum products have been excluded since it is considered that under the present conditions petroleum trade is not affected by the level of duties.

The calculations of the tariff cuts on products of interest to developing countries refer to products already exported by developing countries to the nine industrial markets as well as goods included on the request lists tabled by developing countries in the course of the negotiations. Significant imprecisions could not be avoided in comparing the average rates and the trade flows affected by the changes in the m.f.n. and the GSP rates. These imprecisions occur in assessing GSP imports as well as assessing GSP tariff levels. GSP import statistics are generally not separately available in published sources. To benefit from preferential treatment under the GSP, products have to satisfy rules of origin. In some sensitive sectors, too, GSP treatment is limited by quotas, ceilings and other limitations. As all these limitations could not be taken into account in the absence of detailed statistics, the trade reported here as covered by the GSP has certainly been overstated. Some imprecision also underlies the GSP tariff levels and the GSP preferential margin which is implicitly measured here. Specific GSP duties were converted to ad valorem proportionately to the ad valorem equivalent of the m.f.n. rates. The incidence of specific GSP duties will tend to be understated by this procedure as in principle unit value of GSP imports is likely to be lower than the m.f.n. unit value. The implicit GSP preferential margin will tend to be overestimated due to the fact that what is measured here is the difference between the effectively applied GSP tariff

and the bound level of m.f.n. rates rather than the effectively applied m.f.n. rates.

B. THE OVERALL RESULTS

Concessions by industrial countries cover nearly 27,000 tariff lines representing about three quarters of all dutiable tariff headings and sub-headings in agriculture and industry. As a result, the level of all industrial duties taken together was reduced by one third if measured on the basis of customs collections and by about 39 per cent if based on simple average rates. The overall figure, however, conceals considerable variations in the level of concessions by individual participants, reflecting *inter alia* the overall level of initial duties as well as the type of rates and the base date considered in the negotiations.

Out of the total of \$210 billion of m.f.n. imports of industrial products into the European Communities and eight other developed countries, \$64 billion (about 30 per cent) were already duty free, \$127 billion (i.e. nearly 60 per cent) would be affected by tariff reductions, leaving only \$19 billion (9 per cent) of imports of industrial products on which no reduction would be granted. In agriculture, m.f.n. imports amounted to \$55 billion out of which \$14 billion (25 per cent) would benefit from tariff concessions. On agricultural products, an overall average has not been calculated since many commodities are affected by measures other than tariffs. Taking only those items on which tariff concessions were exchanged, the average reduction amounts to about 40 per cent.

Concessions by the developed countries not included in the detailed assessment would affect \$3.1 billion of 1976 or 1977 m.f.n. imports (about 12 per cent of their m.f.n. imports) of which agricultural products account for \$0.4 billion and industrial products \$2.7 billion. These concessions represent an average tariff reduction¹ of about 35 per cent.

¹Taking only those items on which tariff concessions were made.

The participation of developing countries was not subject to the reciprocity rule. Nevertheless 19 developing countries offered tariff reductions or bindings of prevailing tariff rates on \$3.9 billion of their 1976 or 1977 imports (5 per cent of their total m.f.n. imports). For developing countries the average rate of tariff reduction¹ amounts to about 30 per cent.

Taking also into account concessions made by centrally planned economies, the total value of trade affected by m.f.n. tariff reductions and bindings of prevailing tariff rates amounts to about \$155 billion.

C. INDUSTRIAL TARIFFS

Considering the nine industrial markets combined, the weighted average tariff on industrial products will be reduced from 7.0 to 4.7 per cent and the simple average will decline from 10.4 to 6.4 per cent. This represents a reduction of 34 and 39 per cent respectively. In addition to the overall cut, the harmonization effect of the formula used should also be considered as an important achievement. The standard deviation of the nine tariffs combined will diminish by one fifth and the difference in the national tariff levels, measured by standard deviation of national averages, will be reduced by one quarter.

The progressive rate of reduction according to the height of initial duty is illustrated in the table below:

TABLE 1 - TARIFF REDUCTION PROFILE
(9 industrial tariffs combined)

Value of imports (\$bn)	Initial level of duty					Total dutiable
	0.1-5	5.1-10	10.1-15	15.1-25	over 25	
	38.8	49.8	34.6	18.8	4.0	146.0
Subject to cut:	percentages					
up to 20%	33	8	17	18	51	19
20.1 - 40%	24	53	44	22	17	38
40.1 - 99.9%	11	23	30	41	19	24
100%	15	3	3	1	0	6
no reduction	17	13	6	18	13	13

¹Taking only those items on which tariff concessions were made.

The progression in the depth of cut can be followed up to the initial duties of 25 per cent. In the initial duty ranges up to 10 per cent ad valorem only one quarter of imports would be cut by more than 40 per cent while for trade at present subject to duties between 10.1 and 15 per cent and 15.1 and 25 per cent the proportion affected by higher than 40 per cent cuts becomes 33 per cent and 42 per cent respectively. Above the 25 per cent initial duty level a less than formula cut will be applied more frequently than in the lower categories. A relatively high proportion of exceptions appears both in the low and in the high duty ranges. In the duty range up to 5 per cent it illustrates the desire of countries with relatively low tariffs to preserve a minimum level of protection while for initial duties above 15 per cent the maintenance of prevailing duties reflects the resistance to further trade liberalization of certain specific industries in periods of slow economic growth. The high proportion of exceptions in the low duty range occurs in particular in the case of Switzerland and the European Communities while in the duties above 15 per cent, a higher than average proportion of exceptions occurs in the United States, Finnish and Norwegian tariffs.

As a result of the differentiated depth of cut, the average level of national tariffs will come closer to the overall average for industrial countries combined (see Table 2). For the United States, Japan and the European Communities, the weighted averages will become 4.4, 2.8 and 4.7 per cent respectively and the simple averages 6 per cent or only slightly above six. Only in the case of Switzerland the weighted and the simple averages will remain significantly below the level of the other eight tariffs. The Swedish and the Norwegian averages remain below the overall level while the Austrian, Canadian and Finnish tariffs will remain well above the overall average.

The tariff reductions vary according to the stage of processing of the products in question. The reduction on raw materials is not significant in this connexion since most primary products were already admitted duty-free or at very low tariffs. (The tariff cut on the relatively small amount of raw material imports which are dutiable amounts to about 60 per cent.) Comparing

processed goods, the MTN reductions are deeper on finished manufactures than on semi-manufactures. As a result, the tariff differential between the three processing stages will on average be reduced from 5 and 4 percentage points to about $3\frac{1}{2}$ and $2\frac{1}{2}$ points respectively.

The similarity between the three large markets becomes even more evident if tariffs on raw materials, semi-manufactures and finished manufactures are

TABLE 2 - DEPTH OF TARIFF REDUCTIONS AND POST-MTN TARIFF AVERAGES

		All industrial products		Raw materials		Semi-manufactures		Finished manufactures	
		Depth of cut	Tariff average	Depth of cut	Tariff average	Depth of cut	Tariff average	Depth of cut	Tariff average
9 tariffs combined	W	34	4.7	64	0.3	30	4.0	34	6.5
	S	39	6.4	37	1.6	36	6.2	40	7.1
USA	W	31	4.4	77	0.2	33	3.0	29	5.7
	S	44	6.3	45	1.8	39	6.1	46	7.0
Canada	W	38	7.9	69	0.5	30	8.3	39	8.3
	S	42	7.3	48	2.6	44	6.6	40	8.1
Japan	W	49	2.8	67	0.5	30	4.6	52	6.0
	S	42	6.0	45	1.4	36	6.3	45	6.4
EC	W	29	4.7	15	0.2	27	4.2	29	6.9
	S	30	6.4	16	1.6	30	6.2	29	7.0
Austria	W	13	7.8	9	0.8	19	4.7	13	16.1
	S	31	8.1	27	1.9	29	7.3	32	9.1
Finland	W	21	5.5	60	0.3	13	5.9	22	6.1
	S	14	11.4	40	0.5	10	11.7	16	12.0
Norway	W	25	3.2	39	0.0	21	1.4	25	4.2
	S	22	6.7	29	0.9	20	5.4	22	7.8
Sweden	W	28	4.1	21	0.0	38	3.3	26	4.9
	S	20	4.8	27	0.4	15	5.1	22	5.1
Switzerland	W	23	2.3	28	0.2	25	1.2	22	3.1
	S	24	2.9	15	1.5	23	2.8	25	3.0

W: weighted average.

S: simple average.

considered separately: the difference between the corresponding tariff averages of the United States, Japan and the European Communities does not exceed 0.6 and 1.6 percentage points on the basis of the simple and the weighted averages respectively. In general, the average duties on raw materials become inferior to 2 per cent. Their overall weighted average will be 0.3 and their simple average 1.6 per cent. Average duties on semi-manufactures become 4 and 6 per cent, the lowest weighted average becoming slightly over 1 per cent (Switzerland) and the highest 8.3 per cent (Canada), while the range of simple averages would still remain fairly wide, between 2.8 per cent (Switzerland) and 11.7 per cent (Finland). On finished products most of the averages will be within the range of 3 to 7 per cent with the exception of the simple and the weighted average for Canada (8.1, 8.3) and Austria (9.1 and 6.1) and the simple averages of Finland (12.0) and Norway (7.8).

The harmonization effect is particularly noticeable in the three large markets: the dispersion of duty rates around the national averages (as measured by the standard deviation) will be reduced by one half in the case of the United States, by one third in the case of Japan and by about one quarter in the European Communities. It will furthermore be reduced by 27 per cent in the case of Switzerland. As a result the standard deviation will not exceed six percentage points in the case of (in increasing order) Switzerland, the European Communities, Sweden, Japan, the United States and Canada. On the other hand, in Austria and Finland the duty rates will in general remain higher and more differentiated than in the other industrial countries.

As to industrial sectors, the deepest cuts have been concentrated in non-electrical machinery, minerals and manufactures thereof, wood products and chemicals while less than average reductions are being made in the textiles, leather and rubber sectors. The deeper than average cut on transport equipment reflects the complete dismantling of obstacles to trade in products falling under the civil aircraft agreement agreed by the major industrial countries.

As a result the average level of duties on engineering products will fall below 5 per cent (weighted average) whereas in textiles, clothing and finished leather and rubber goods (including footwear) it will still exceed 10 per cent. The changes in the average level of duties and the value of trade involved can be seen from Table 3.

TABLE 3 - SECTORIAL TARIFF REDUCTIONS AND POST-MTN AVERAGES

		Depth of cut		Post-MTN averages	
		Weighted	Simple	Weighted	Simple
Wood, pulp, paper and furniture	- Total	40	41	1.7	4.1
	- Raw materials	54	46	0.2	0.7
	- Semi-manufactures	38	41	1.9	3.7
	- Finished manufactures	41	41	4.2	5.1
Textiles and clothing	- Total	19	31	11.8	10.4
	- Raw materials	25	21	0.8	2.9
	- Semi-manufactures	22	30	11.5	9.6
	- Finished manufactures	19	33	16.7	11.8
Leather, rubber, footwear and travel good	- Total	14	30	6.3	7.2
	- Raw materials	80	50	0.0	1.0
	- Semi-manufactures	35	35	4.4	4.5
	- Finished manufactures	11	29	10.2	10.2
Base metals	- Total	31	38	2.7	5.0
	- Raw materials	82	61	0.0	0.2
	- Semi-manufactures	26	34	3.2	4.6
	- Finished manufactures	37	40	5.9	6.1
Chemicals (incl. photographic supplies)	- Total	38	40	5.3	6.2
	- Semi-manufactures	36	39	5.0	6.2
	- Finished manufactures	43	44	6.0	6.2
Transport equipment	- Total	36	35	5.0	6.5
Non-electric machinery	- Total	47	46	4.1	4.4
Electric machinery	- Total	34	42	6.1	5.0
Minerals, precious stones and metals	- Total	43	39	2.2	4.3
	- Raw materials	69	35	0.3	1.4
	- Semi-manufactures	21	39	1.1	3.6
	- Finished manufactures	40	40	6.9	6.5
Manufactured articles n.e.s.	- Total	42	45	5.5	6.0

The application of the progressive tariff-cutting formula will diminish considerably tariff escalation in sectors such as wood or minerals. The differential will also decline, although only slightly, in the category of textiles and clothing but, as a result of duty reductions affecting leather but not leather manufactures, it will increase on average in this particular sector.

D. TARIFFS FACING DEVELOPING COUNTRIES

In assessing the implications of m.f.n. concessions for developing countries, two major difficulties have to be faced. First, products of future export interest to developing countries cannot be ascertained for developing countries as a group. If only tariff cuts on products presently exported are taken into account, the importance of the results for developing countries would be severely understated. This bias can be only partly corrected by including in this more limited assessment, in addition to existing exports, the products included in the request lists submitted by developing countries in the course of the negotiations. The second difficulty consists in the fact that the existing statistics do not indicate the actual extent of GSP preferential margins. It was necessary to approximate these margins by measuring the difference between the base m.f.n. rates (which may be higher than actually applied m.f.n. rates) and the applied GSP rates.

Total imports into the nine markets of industrial products originating in developing countries amounted to \$53 billion, of which \$18 billion (35 per cent) were already admitted duty free on an m.f.n. basis and \$28 billion (52 per cent) would be affected by m.f.n. tariff reductions. In agriculture, imports amounted to \$31 billion out of which one third was already admitted duty free on an m.f.n. basis and again one third (\$12 billion) would be affected by m.f.n. tariff reductions.

As for tariffs facing exports of developing countries, the average m.f.n. reduction on industrial products was less deep than the overall cut, about one quarter compared with one third. This reflects the fact that the

products to which the tariff-cutting formula was not applied are relatively more important in exports from developing countries. However, based on the simple average the rate of cut appears to be of the same order as that for all industrial products combined. In the case of tropical products classified under Chapters 1-24, where tariff action has taken the form mainly of improvements in the GSP, the m.f.n. rates are being cut by about 13 per cent. This average conceals particularly significant reductions for coffee, tea and cocoa (34 per cent), spices (39 per cent) and miscellaneous animal products (33 per cent).

The depth of cut and the resulting post-MTN tariff averages on all industrial products and on products of interest to developing countries are compared in Table 4.

TABLE 4 - COMPARISON OF MFN TARIFF REDUCTION, ALL MFN ORIGINS AND GSP BENEFICIARIES

		Depth of cut		Post-MTN average	
		All MFN origins	GSP beneficiaries	All MFN origins	GSP beneficiaries
<u>Total 9 tariffs</u>					
All industrial products	W	34	27	4.7	5.7
	S	39	38	6.4	6.1
Semi-finished and finished manufactures	W	33	25	5.8	7.9
	S	38	39	6.8	6.5
<u>USA</u>					
All industrial products	W	31	25	4.4	7.9
	S	44	44	6.3	6.4
Semi-finished and finished manufactures	W	30	24	4.9	8.7
	S	43	44	6.6	6.7
<u>Japan</u>					
All industrial products	W	49	44	2.8	3.0
	S	42	39	6.0	6.2
Semi-finished and finished manufactures	W	46	32	5.4	6.8
	S	41	39	6.4	6.7
<u>EC</u>					
All industrial products	W	29	25	4.7	4.7
	S	30	32	6.4	5.5
Semi-finished and finished manufactures	W	28	25	6.0	6.7
	S	30	32	6.6	5.8

Putting aside raw materials imports, which accounted for \$15 billion and are generally admitted at low tariffs, the major industrial sectors of export interest to developing countries were textiles (\$10.4 billion), metals (\$6.4 billion), electric machinery (\$4.9 billion), footwear and travel goods (\$2.2 billion) and wood (\$2.2 billion). Taken together, those five sectors accounted for over two thirds of imports of processed goods from developing countries. Table 5 below shows for those sectors the pre- and post-MTN m.f.n. tariffs by stages of processing and the tariff escalation. While the post-MTN tariffs remain quite high for textiles, clothing, footwear and travel goods, the reduction is substantial for electric machinery, metals and wood products. On the other hand, for the three sectors where it can be measured, the reduction of the tariff escalation is significant.

TABLE 5 - MAJOR INDUSTRIAL SECTORS OF EXPORT INTEREST TO DEVELOPING COUNTRIES

(Billion dollars and percentages)

Sector	Imports	Simple average		Post- MTN		Weighted average	
		Pre- MTN Tariff average	Escalation % points	Tariff average	Escalation % points	Pre- MTN	Post- MTN
Textiles							
Yarns and fabrics	1.9	12.4	9.5	8.7	6.3	11.3	8.8
Clothing	8.5	16.0	3.6	9.9	1.2	20.4	16.8
Metals							
Semi-manufactures	5.6	6.6	6.1	4.7	4.5	2.1	1.7
Articles of metals	0.8	9.4	2.8	5.7	1.0	8.8	5.8
Electric machinery	4.9	8.2	..	4.8	..	8.2	5.6
Footwear & travel goods	2.2	14.8	..	13.6	..	13.3	13.2
Wood							
Semi-manufactures	1.9	5.5	4.7	3.6	3.2	5.7	3.5
Articles of wood	0.3	9.0	3.5	5.2	1.6	7.8	5.1

A large number of products of export interest to developing countries benefit from more favourable treatment under the GSP scheme.

In assessing the effect of the negotiations on the Generalized System of Preferences, the trade considered covers combined imports of GSP products into the nine markets, originating in countries entitled to the GSP. This trade covers in fact also imports benefiting from other preferential or free-trade-area agreements. On the other hand, an important part of the eligible trade included here did not actually benefit from the GSP.¹

Although, as already mentioned, the level of the GSP preference cannot be properly assessed, Table 6 below illustrates the parallel evolution of the m.f.n. and GSP tariff levels and the trade coverage of both m.f.n. and GSP concessions.

Imports into the nine markets of agricultural products originating in GSP beneficiaries amounted to \$31 billion. \$20.3 billion of imports were m.f.n. dutiable, out of which \$4.6 billion were covered by the GSP. M.f.n. rates on GSP items will only be reduced by 5 per cent on average while improvement of the GSP will result in an increase of the GSP preferential margin. The bulk of imports affected by m.f.n. concessions alone (\$10.4 billion) were not covered by the GSP. Only one third (\$7.0 billion) of m.f.n. dutiable imports of agricultural products will not be affected either by m.f.n. or GSP concessions.

Imports of industrial products from developing countries amounted to \$52.9 billion of which two thirds (\$34.6 billion) were dutiable on an m.f.n. basis. Nearly two thirds again (\$22.5 billion) of m.f.n. dutiable imports were covered by the GSP, of which \$2.9 billion would not be affected by m.f.n. reductions. Dutiable imports not eligible for GSP amounted to

¹As reported in UNCTAD document TD/232 the rate of utilization of the various national GSP schemes varied among the nine markets from 13 to 76 per cent of imports eligible in 1976.

TABLE 6 - IMPORTS FROM GSP BENEFICIARIES ACCORDING TO TARIFF TREATMENT AND THE CORRESPONDING PRE- AND POST- MTN TARIFF LEVELS (Billion dollars and percentages)

GSP Treatment (Pre-MTN)	Imports from GSP beneficiaries					Weighted tariff average			
	Pre-MTN Total	affected by				Pre- MTN	Post- MTN	Depth of cut	
		M.f.n. cuts ¹	M.f.n. + GSP cuts	GSP cuts	No tariff concession				
I. Agricultural products ²									
Total	31.0	11.4	0.2	1.9	17.5	m.f.n.	8.1	7.1	13
m.f.n. duty-free	10.7	0.2	0.0	0.0	10.5	m.f.n.	0.0	0.0	-
m.f.n. dutiable	20.3	11.2	0.2	1.9	7.0	m.f.n.	12.3	10.7	13
						GSP	10.4	8.4	19
Non-GSP items	15.7	10.4	0.1	1.1	4.1	m.f.n.	11.9	9.9	17
GSP items	4.6	0.8	0.1	0.8	2.9	m.f.n.	13.2	12.5	5
						GSP	6.7	4.8	29
Under limitations	0.8	0.1	0.0	0.0	0.7	m.f.n.	12.3	11.9	3
						GSP	5.9	4.5	23
Without limitations	3.8	0.7	0.1	0.8	2.2	m.f.n.	13.3	12.6	6
						GSP	6.9	4.8	30
GSP cttries share ³									
Over 60%	2.9	0.3	0.1	0.7	1.8	m.f.n.	14.7	14.0	5
						GSP	7.7	5.5	28
35-60%	0.6	0.3	0.0	0.1	0.2	m.f.n.	9.4	8.4	11
						GSP	4.4	2.6	41
10-35%	0.2	0.0	0.0	0.0	0.2	m.f.n.	6.9	6.3	9
						GSP	3.1	2.1	31
Under 10%	0.1	0.0	0.0	0.0	0.1	m.f.n.	9.4	8.5	10
						GSP	5.5	3.6	35
II. Industrial products									
Total	52.9	26.9	1.5	0.1	24.4	m.f.n.	7.8	5.7	27
m.f.n. duty-free	18.3	0.6	0.0	0.0	17.7	m.f.n.	0.0	0.0	-
m.f.n. dutiable	34.6	26.3	1.5	0.1	6.7	m.f.n.	11.9	8.7	27
						GSP	5.3	4.4	18
Non-GSP items	12.1	8.1	0.1	0.1	3.8	m.f.n.	14.1	11.8	16
GSP items	22.5	18.2	1.4	0.0	2.9	m.f.n.	10.8	7.1	34
						GSP	0.7	0.5	27
Under limitations	12.6	9.8	1.1	0.0	1.7	m.f.n.	12.1	9.0	26
						GSP	0.8	0.7	10
Without limitations	9.9	8.4	0.3	0.0	1.2	m.f.n.	9.2	4.8	48
						GSP	0.7	0.3	51
GSP cttries share ³									
Over 60%	2.5	2.0	0.1	0.0	0.4	m.f.n.	11.7	4.6	61
						GSP	0.6	0.2	65
35-60%	1.8	1.6	0.0	0.0	0.2	m.f.n.	8.3	4.8	42
						GSP	1.1	0.4	62
10-35%	3.4	2.9	0.1	0.0	0.4	m.f.n.	8.3	4.8	42
						GSP	0.4	0.2	34
Under 10%	2.2	1.9	0.1	0.0	0.2	m.f.n.	8.4	5.1	39
						GSP	0.8	0.5	38

¹Including offer to binding at pre- MTN tariff level. ²Excluding products under tariff items subject to variable levies. ³In total imports.

\$12.1 billion out of which \$2 billion were raw materials falling in principle outside the scope of the GSP and \$10.1 billion were processed goods consisting mainly of clothing (\$3.8 billion), electric machinery (\$2.2 billion), and leather manufactures and footwear (\$1.9 billion). It was therefore not unexpected that m.f.n. tariff reduction on imports under non-GSP items would be lower than average (16 per cent) as some products falling in those labour-intensive sectors of industry were either excluded from the scope of application of the tariff-cutting formula or put on the exception lists. For the same reason, the m.f.n. tariff reduction was higher on products entitled to GSP without limitations (48 per cent) than on products subject to limitations (26 per cent). However, the m.f.n. tariff reduction was the highest (61 per cent) on products where GSP beneficiaries were already important suppliers (over 60 per cent).

In conclusion, the exclusion of agricultural products from the scope of application of the tariff-cutting formula and the GSP concessions granted in the framework of the tropical products negotiations resulted in an improvement of the GSP preferences in agriculture. On the other hand the extensive product coverage of the GSP schemes in industry and the strong tariff harmonization effect of the tariff-cutting formula resulted in a slight decrease of GSP coverage in industrial products together with a narrowing of the margin between m.f.n. and GSP rates where GSP schemes provided for duty-free admission under the GSP.

ANNEX C

SAFEGUARDS

Decision of 28 November 1979

The CONTRACTING PARTIES stress the need for an agreement on an improved multilateral safeguard system.

The CONTRACTING PARTIES reaffirm their intention to continue to abide by the disciplines and obligations of Article XIX of the General Agreement.

A Committee is established to continue discussions and negotiations, taking into account the work already done, with the aim of elaborating supplementary rules and procedures regarding the application of Article XIX of the General Agreement, in order to provide greater uniformity and certainty in the implementation of its provisions.

The Committee will submit a report to the CONTRACTING PARTIES by 30 June 1980.

Membership of the Committee is open to all contracting parties and to all participants in the Multilateral Trade Negotiations.

ANNEX D

EXAMINATION OF PROTECTIVE MEASURES AFFECTING
IMPORTS FROM DEVELOPING COUNTRIES

Decision of 28 November 1979

The CONTRACTING PARTIES,

Recalling that at the Fifth UNCTAD unanimous agreement was reached to examine any case of future protective action by developed countries against imports from developing countries,

Decide that the Committee on Trade and Development establish a Sub-Committee to examine any case of future protective action by developed countries against imports from developing countries in the light of relevant provisions of the GATT, particularly Part IV thereof.

This examination shall be without prejudice to the rights of contracting parties under the GATT or the competence of other GATT bodies.

The membership of the Sub-Committee shall be open to all contracting parties. Developing countries not contracting parties to GATT may, upon notification to the Director-General of GATT, participate in the proceedings of the Sub-Committee in an observer capacity.

The Sub-Committee will report on such examination to the Committee on Trade and Development and through it to the Council.

These arrangements will be reviewed and revised as appropriate.

ANNEX E

MULTILATERAL TRADE NEGOTIATIONS

Report by the Director-General

1. You have asked me, Mr. Chairman, to present the results of the Multilateral Trade Negotiations to the CONTRACTING PARTIES.
2. These results are contained in a number of documents which have been circulated to all contracting parties, as well as those non-contracting parties who took part in the negotiations, many of whom I am pleased to see in the room today as observers of the Session.
3. I have also issued a report (the so-called Red Book) which contains a record of the developments in the negotiations, the issues that arose and an assessment of the results that have been achieved, insofar as this was possible at the time that the report came out. At its meeting of 22 November 1979, the Council conducted an examination of the relationship between agreements evolved in the Multilateral Trade Negotiations and the GATT.
4. It is therefore not necessary for me to take up your time with a long statement today: I will limit myself essentially to enumerating the results which are contained in the texts that have emerged in the negotiations although the inter-relationships between these texts should also be borne in mind.
5. The results of the negotiations in the tariff field are set out in a number of documents.
6. The following documents are already open for signature:
 - (a) Geneva (1979) Protocol to the General Agreement on Tariffs and Trade, to which are annexed schedules of (and here I use the order in which their schedules are annexed to the General Agreement), Canada, Czechoslovakia, New Zealand, Norway, South Africa, United States, Finland; Sweden, Austria, Japan, Spain¹, Yugoslavia, Switzerland, Iceland, Argentina, Jamaica, Romania, Hungary and the European Communities.

¹Spanish text

There is also a Declaration by Bulgaria to which is annexed a schedule of tariff concessions by that country.

- (b) Protocol Supplementary to the Geneva (1979) Protocol to the General Agreement on Tariffs and Trade, to which are annexed schedules of Australia, Brazil, Canada, Chile, India, Pakistan, Indonesia, Dominican Republic, Uruguay, Peru, Malaysia, Israel, Spain¹, Ivory Coast, Korea, Egypt, Zaire, European Communities², Singapore. The schedules of Australia, Canada and India are still subject to verification and finalization.

7. I should also mention three protocols of accession, those of Colombia, of Mexico, and of the Philippines, since the negotiation of these protocols has been closely related to the wider framework of the Multilateral Trade Negotiations. As the CONTRACTING PARTIES are aware, the Philippines have signed their Protocol. The other two protocols will be opened for signature after a decision on them is taken by the CONTRACTING PARTIES.

8. A number of Agreements or Arrangements relating to areas other than tariffs have also emerged from the negotiations and are already open for signature. These are:

- (a) Agreement on Technical Barriers to Trade (often referred to as the Standards Code).
- (b) Agreement on Government Procurement.
- (c) Agreement on Interpretation and Application of Articles VI, XVI, and XXIII of the General Agreement (dealing with subsidies and countervailing duties).
- (d) Arrangement on Bovine Meat.
- (e) International Dairy Arrangements.
- (f) Agreement on Implementation of Article VII of the General Agreement (relating to customs valuation) and the Protocol to this Agreement.

¹French text

²Additional concessions

- (g) Agreement on Import Licensing Procedures.
- (h) Agreement on Trade in Civil Aircraft.
- (i) Agreement on Implementation of Article VI of the General Agreement (which deals with anti-dumping) together with two addenda.

9. A number of texts on which consensus was reached in Group "Framework" are before you and will require action.

10. In the area of safeguards the negotiations did not produce the text of an agreement such as those to which I have just referred. This is an urgent point of great importance on the GATT Work Programme. The GATT Council has agreed that the matter should be referred to the CONTRACTING PARTIES for their consideration on the basis of the text contained in the addendum to its report.

11. The GATT Council has also, in the light of the recommendation in the Trade Negotiations Committee to the CONTRACTING PARTIES to further develop active co-operation in the agricultural sector, requested the Director-General to consult with interested delegations on this matter and to report to the next regular session of the CONTRACTING PARTIES. The agreement reached in the Council is reflected in its report and was dealt with at your meeting yesterday.

12. This is all I need say, Mr. Chairman, by way of presenting the results of the Multilateral Trade Negotiations to the CONTRACTING PARTIES, since as I said at the outset, governments have had an opportunity to familiarize themselves with these already. Before concluding I would like to draw your attention to the discussion on the relationship between agreements evolved in the Multilateral Trade Negotiations and the GATT which has taken place in the Council and which is dealt with in the addendum to the report of the Council and, in particular, in the annexes to that document which are before you for consideration and approval.

ANNEX F

ACTION BY THE CONTRACTING PARTIES ON THE
MULTILATERAL TRADE NEGOTIATIONS

Decision of 28 November 1979

1. The CONTRACTING PARTIES reaffirm their intention to ensure the unity and consistency of the GATT system, and to this end they shall oversee the operation of the system as a whole and take action as appropriate.
2. The CONTRACTING PARTIES note that as a result of the Multilateral Trade Negotiations, a number of Agreements covering certain non-tariff measures and trade in Bovine Meat and Dairy Products have been drawn up. They further note that these Agreements will go into effect as between the parties to these Agreements as from 1 January 1980 or 1 January 1981 as may be the case and for other parties as they accede to these Agreements.
3. The CONTRACTING PARTIES also note that existing rights and benefits under the GATT of contracting parties not being parties to these Agreements, including those derived from Article I, are not affected by these Agreements.
4. In the context of 1 and 3 above, the CONTRACTING PARTIES would receive adequate information on developments relating to the operation of each Agreement and to this end there will be regular reports from the concerned Committees or Councils to the CONTRACTING PARTIES. The CONTRACTING PARTIES may request additional reports on any aspect of the various Committees' or Councils' work.
5. Further, the CONTRACTING PARTIES understand that interested non-signatory contracting parties will be able to follow the proceedings of the Committees or Councils in an observer capacity, and that satisfactory procedures for such participation would be worked out by the Committees or Councils.

ANNEX G

GATT WORK PROGRAMME

Proposal by the Director-General

(Adopted by the Contracting Parties to GATT on 29 November 1979)

The conclusion of the Multilateral Trade Negotiations is an important event in the life of the GATT. The CONTRACTING PARTIES will need to take action on a number of points to ensure that results of the negotiations are effectively implemented and to further work on the improvement of the trading system. The main elements of the work programme for the post-MTN period are listed below, it being understood that this list is not exhaustive and may be reviewed.

1. Implementation of the results of the Multilateral Trade Negotiations

It is noted that the CONTRACTING PARTIES have taken action regarding the Agreements evolved in the Multilateral Trade Negotiations (see separate proposal). The GATT Work Programme should give immediate priority to the results of the MTN.

1.1 Tariff schedules

The tariff concessions negotiated in the MTN should be implemented as agreed. The relevant schedules should be brought up to date. This task would be greatly facilitated by the establishment of a Committee on Tariff Concessions with a mandate to:

1. supervise the task of keeping the GATT schedules up to date;
2. supervise the staging of tariff reductions; and
3. provide a forum for discussion of questions relating to tariffs.

1.2 "Framework" texts

The following action should be taken in order to ensure the effective implementation of these texts.

1. Without prejudice to action requested by the CONTRACTING PARTIES through the Council, primary responsibility for the supervision of the implementation of points 1 and 4 of the "Framework" texts should be given to the Committee on Trade and Development.

2. The agreement relating to the conduct of the regular and systematic review of developments in the trading system as agreed in the Group "Framework" and in the Trade Negotiations Committee, should be referred to the Council, with the request that appropriate procedures be taken up at an early meeting of the Council.

3. The Consultative Group of Eighteen should be requested to advise the Council on the forum and modalities for carrying out the future work in the area of export restrictions and charges as agreed in the Group "Framework" and the Trade Negotiations Committee.

1.3 Agriculture

Questions relating to trade in agricultural products will continue to be an important part of the work of the GATT and of its work programme. In this context, it should also be noted that the Council has agreed, in the light of the discussion and the recommendation in the Trade Negotiations Committee to the CONTRACTING PARTIES to further develop active co-operation in the agricultural sector, to request the Director-General to consult with interested delegations on this matter and to report to the next regular session of the CONTRACTING PARTIES.

2. Safeguards

Continued negotiations on safeguards constitute an essential element in the GATT Work Programme and should be carried out as a matter of urgency in accordance with the agreement reached in the Council on this matter (see separate proposal).

3. Continuation of the process of trade liberalization

The continuation of the process of trade liberalization should be referred to the Council with the request that appropriate procedures be elaborated, and in this context the secretariat should be requested to update the relevant information.

4. Structural adjustment and trade policy

The Consultative Group of Eighteen should be requested to examine this matter further and to advise the Council, and also, through it, the Committee on Trade

and Development, on the modalities for carrying out further work in this area, taking into account the continuing rôle of the Committee on Trade and Development.

5. GATT and developing countries

The CONTRACTING PARTIES should recognize the importance of this area and that it is a priority area of work. Each point of the Programme listed so far includes work in individual areas of particular interest to developing countries. These form part and parcel of an overall approach to the problems faced by developing countries. GATT should ensure that a coherent overall approach be maintained and to this end the Council and the Committee on Trade and Development should co-ordinate their activities on issues of common concern.

5.1 The rôle of the Committee on Trade and Development should be strengthened and should cover, inter alia,

1. work on trade policy and development policies including trade liberalization in areas of special interest to developing countries;
2. primary responsibility for supervision of the implementation of points 1 and 4 of the "Framework" texts (see paragraph 1.2 above);
3. examination of protective action by developed countries against imports from developing countries (see separate proposal);
4. work on structural adjustment and trade of developing countries (see paragraph 4 above); and
5. special attention to the special problems of least developed countries.

5.2 The importance of a new round of trade negotiations among developing countries has been acknowledged. The CONTRACTING PARTIES, through the Committee on Trade and Development, should continue to follow developments in this important area of activity.

5.3 The technical assistance activities of the GATT secretariat should be continued and readapted to meet the requirements of the developing countries in the context of the new Work Programme.

6. Other proposals for future work

The present programme of work does not exclude the future consideration of additional elements, and may be reviewed by the CONTRACTING PARTIES. It is to be noted that certain delegations have presented some proposals for additional items for future work of GATT in the Consultative Group of Eighteen, as reflected in document L/4869. The Consultative Group of Eighteen will continue to deal with these as well as any other proposals as may be presented to it in the future.

TOKYO ROUND REPORTS AND AGREEMENTS PUBLISHED BY THE GATT SECRETARIAT

Reports

The Tokyo Round of Multilateral Trade Negotiations: Report by the Director-General of GATT. (GATT/1979-3) April 1979. Price US\$10.00 or Sw F 17.00

The Tokyo Round of Multilateral Trade Negotiations, Vol. II Supplementary Report by the Director-General of GATT. (GATT/1980-1) January 1980. Price US\$5.00 or Sw F 8.00

GATT Activities in 1978, and results of the Tokyo Round Multilateral Trade Negotiations (GATT/1979-2) May 1979. Price US\$7.00 or Sw F 12.00

GATT Activities in 1979 (to be published in April 1980)

Agreements

Geneva (1979) Protocol to the General Agreement on Tariffs and Trade (Four volumes: Vol. I, Protocol plus Schedules of Canada, Czechoslovakia, New Zealand, Norway and South Africa. Vol. II, Schedules of United States, Finland and Sweden. Vol. III, Schedules of Austria, Japan, Spain, Yugoslavia and Switzerland. Vol. IV, Schedules of Iceland, Argentina, Jamaica, Romania, Hungary and European Communities) June 1979. Price US\$120.00 or Sw F 200.00 per set, or US\$30.00 or Sw F 50.00 per single volume.

Supplementary Protocol to the Geneva (1979) Protocol to the General Agreement on Tariffs and Trade (to be published shortly)

Agreement on Technical Barriers to Trade (Standards Code) 1979. Price US\$2.50 or Sw F 4.00

Agreement on Government Procurement. 1979. Price US\$2.50 or Sw F 4.00

Agreement on Interpretation and Application of Articles VI, XVI and XXIII of the GATT (Code on Subsidies and Countervailing Duties). 1979. Price US\$5.00 or Sw F 7.50

Agreement on Implementation of Article VII of the GATT (Code on Customs Valuation). 1979. Price US\$5.00 or Sw F 7.50

Agreement on Import Licensing Procedures. 1979. Price US\$2.00 or Sw F 3.00

Agreement on Implementation of Article VI of the GATT (Anti-Dumping Code). 1979. Price US\$2.50 or Sw F 4.00

Agreement on Trade in Civil Aircraft. 1979. Price US\$2.50 or Sw F 4.00

Arrangement on Bovine Meat. 1979. Price US\$2.00 or Sw F 3.00

Agreements on the Framework for the Conduct of International Trade. 1979.
Price US\$2.50 or Sw F 4.00

All the above are available in English, French and Spanish editions except the Geneva (1979) Protocol and the Supplementary Protocol, in which the Protocols are published in bilingual English and French editions, and the Schedules in their authentic language (English, French or Spanish), and the Agreement on Trade in Civil Aircraft, which is in English and French editions.

Publications may be ordered from the GATT secretariat, Centre William Rappard, rue de Lausanne 154, 1211 Geneva 21, Switzerland.

