

European Community



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INFORMATION NOTE

WORLD TRADE TALKS: EC SEEKS BETTER TARIFF OFFERS

Commission Indicates Major Points of EC Stance

The EC Commission is negotiating on behalf of member states in the GATT multilateral trade negotiations in Geneva ("Tokyo Round"). To help its negotiator reach an ad referendum agreement with other trading partners, the EC Commission recently outlined to the EC Council of Ministers the major points which the Commission believes should be included in an overall agreement. This note summarizes the Commission's views. (Meeting in Luxembourg on 28 June, ministers agreed on the main lines of the EC negotiating position).

The Multilateral Trade Negotiations (GATT Tokyo Round in Geneva) have entered their final phase and, according to the timetable envisaged by the three principal partners, the European Community, the United States and Japan, an overall agreement must be reached soon.

This deadline is important in relation to the Western Economic Summit meeting, to be held in Bonn on 16-17 July. The achievement of an overall agreement will show the political determination of the chief economic powers to advance along the path of international cooperation and trade liberalization, thereby jointly combatting increasing protectionist pressures.

The main elements of an agreement should cover the following points:

Tariffs

The EC should insist that its main developed partners (e.g. Canada, the United States and Japan) make a real improvement in their offers, with a view to achieving a fair and balanced result in the degrees of binding and in the tariff profiles after reduction. The Commission recalls that the Council on 6 June decided on the principle of a complementary list of conditional [tariff concession] withdrawals in order to emphasize the need for an improvement in these offers and, if necessary, to support the EC's demands.

In the light of demands expressed by developing countries (both those in Africa, the Caribbean and the Pacific (ACP) linked to the EC by the Lomé Convention and non-ACP), the EC should adjust its tariff offers in order to ensure a differential and more favourable treatment for these countries. Some of the products concerned are:

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- certain leathers and skins;
- articles made of wood and metal (precious and non-precious);
- rubber products;
- certain measuring instruments and hand-tools;
- certain wood products;
- plywood;
- essential citrus oils.

To meet the wishes of the developing countries, especially the least-developed ones, the EC should accept in principle the improvement of its system of generalized preferences for 1979 as an integral part of its final offer.

The EC could decide that, when the second phase of the application of the Generalized System of Preferences (GSP) begins in early 1981, GSP rules should accord the least-advanced countries a differential and more favourable treatment; this could go as far as tariff exemption on all agricultural and industrial products presently covered by the GSP, without quantitative limits.

The Commission considers that it would be useful if the Council could support this approach, which would be worked out by the appropriate Council bodies.

Non-Tariff Measures

The following are the main topics:

- a safeguard clause and the possibility of applying it selectively;
- countervailing duties and subsidies;
- a code on customs valuation;
- a code on government procurement;
- and a code on technical standards and regulations.

Agriculture

The EC's aim in this sector of the negotiations is to ensure, through reinforced international cooperation, a more orderly expansion of world trade in the major guaranteed agricultural products. Such international cooperation would seek to ensure that decisions in the execution of national agricultural policies could be taken with a better knowledge of considerations relevant to international markets and trade. These same facts should also help ensure that food needs would be satisfied and should contribute to world food security.

To meet these goals, the current negotiations on international arrangements should attain these results in the following three main sectors:

- 1 - an international agreement on grains, comprising an international wheat agreement and an agreement on secondary grains,

2 - an agreement on dairy products, comprising a multilateral framework for the exchange of information and consultation (in the event of market difficulties) supplemented by a series of arrangements for price "disciplines" for the chief products (milk powder and butter), and bilateral agreements on specific products (cheeses),

3 - a beef agreement, also comprising a multilateral framework for the exchange of information and consultation, supplemented by bilateral agreements on "concerted disciplines".
