

GENERAL AGREEMENT ON TARIFFS AND TRADE

COMMUNIQUE

16 July 1962

CONCLUSION OF THE TARIFF CONFERENCE

The 1960-61 GATT Tariff Conference was brought to a conclusion today, 16 July, with the signing in Geneva, by representatives of governments which participated in the tariff negotiations, of the Final Act Authenticating the Results of the 1960-61 Tariff Conference. The Protocol embodying the concessions granted during the course of the Conference was also opened for signature today and will be made public on 13 August.

Origins of the Tariff Conference

The GATT has held four major tariff conferences before the one which has just been concluded - at Geneva in 1947, at Annecy, France, in 1949, at Torquay, England, in 1950-51 and at Geneva in 1956.

The decision to hold the 1960-61 conference was taken in May 1959, following a proposal of the United States that such a conference should be held. This further attack on tariff barriers constituted one of the elements in the GATT Programme for Expansion of Trade which had been inaugurated in November 1958. The other two elements of the Programme were concerned with trade in agricultural products and the expansion of the exports of less-developed countries.

Survey of the Conference

There were three separate elements in the 1960-61 Conference, first, renegotiations with the EEC, secondly, the "Dillon", or general round of negotiations and, thirdly, negotiations in accordance with the relevant provisions of the General Agreement with countries wishing to accede to the GATT.

(i) Renegotiations with the EEC

The obligations on member States of the EEC under the Treaty of Rome gradually to align their national tariffs on the common tariff of the

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Community has involved changes in tariff rates which had been "bound" by individual member States in earlier GATT tariff conferences. The first phase of the Tariff Conference was, therefore, taken up with renegotiations between GATT Member countries and the EEC, under Article XXIV:6 of the GATT. These renegotiations had the object of securing appropriate compensation for the GATT Member countries concerned to offset any increases on "bound" tariff rates. This phase of the Conference, which began in September 1960, was virtually completed early in May 1961 and the way was then open for the "Dillon", or general round of negotiations to begin.

(ii) The "Dillon" round

The "Dillon" round of negotiations opened on 29 May 1961 and have reached their final conclusion with the signing of the Final Act today, 16 July.

The following, which include those whose negotiations were aimed at accession to the GATT, took part in the "Dillon" round:

Austria	Finland	Pakistan
Cambodia*	Haiti	Peru
Canada	India	Portugal*
Chile	Israel*	Spain*
Czechoslovakia	Japan	Sweden
Denmark	New Zealand	Switzerland
European Economic Community	Nigeria	United Kingdom
	Norway	United States

There were some negotiations, both in the "Dillon" round and under Article XXIV:6 which, while in a final stage, could not be completed in time for inclusion in the "general" Protocol. These include the negotiations of Austria with the EEC and with the member States of the Coal and Steel Community. The results of such negotiations will be embodied in a supplementary Protocol.

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\* These countries negotiated for accession to GATT.

The "item by item" technique was the one generally used during the Tariff Conference. However, a new approach was contained in the offer of the European Economic Community to reduce the common tariff by 20 per cent over a wide range of its imports if the Community's negotiating partners were prepared similarly to reduce their own tariffs. While this technique did not always prove suitable to the circumstances, it made an important contribution which allowed negotiations on the common tariff to be held on a wide front.

The total number of concessions negotiated in the Tariff Conference as a whole was, approximately, 4,400.

While it is difficult to estimate a precise figure for the value of trade covered by concessions negotiated in the "Dillon" round, it is estimated to be in the magnitude of \$4,900 million. This is about twice the estimated trade covered in the 1956 tariff conference. (It will be recollected that the results of the bilateral negotiations conducted by the United States and by the United Kingdom, including their negotiations with the EEC, have recently been made public).

It is evident that the results of the conference are of considerable importance and that they will make a significant contribution to the expansion of world trade. On the other hand it is true to say that, for various reasons, the results have possibly not been as substantial as some countries might have hoped for. In this connexion the need, in the present conditions of world trade, for possible new techniques for tariff negotiations and for securing access to markets for temperate zone agricultural and for tropical products, is widely recognized. As is mentioned below, the GATT is already giving close attention to this question.

(iii) Negotiations for accession to GATT

Four countries, Israel, Portugal, Cambodia and Spain participated in the tariff conference with a view to full accession to the GATT. Negotiations with the first three countries were successfully completed. Portugal acceded in May 1962 and Israel in July 1962. Cambodia's accession is

expected to follow before the end of the year. Negotiations with Spain are continuing.

#### Future plans for the reduction of tariffs

Serious attention is already being given by the GATT to the steps that are necessary to secure a further reduction in tariffs in the future. At a meeting of Ministers in November 1961 it was agreed that the reduction of tariff barriers on a most-favoured-nation basis in accordance with the GATT should be continued. It was recognized, however, that, while the traditional GATT techniques for tariff negotiations on an item-by-item basis had produced substantial results they were no longer adequate to meet the changing conditions of world trade. The Ministers agreed that consideration should be given to the adoption of new techniques, in particular some form of linear tariff reduction. Since the Ministers' meeting, a special Working Party has been set up to examine this question and will hold its first meeting in September.

The Ministers agreed that special account needs to be taken of the situation of the less-developed countries in regard to tariff negotiations. The Ministers agreed that, in view of the stage of economic development of these countries, a more flexible attitude should be taken with respect to the degree of reciprocity to be expected from them.

At the ministerial meeting Ministers of agricultural exporting countries stressed that there could not be meaningful participation by their countries in tariff negotiations in view of the fact that non-tariff devices were the main obstacles to exports of agricultural products. In order to deal with this situation special procedures were established at the ministerial meeting aimed at securing increased access to markets for agricultural products.

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